C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1224

ANNUAL REPORT 2015

Contents

Corporate Information

DIRECTORS

Executive directors
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Wong Chi Keung *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Independent non-executive directors
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey *(Chairman)*
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven *(Chairman)*
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Dr. Wong Lung Tak Patrick

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Chun Cheong

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

STOCK CODE

1224

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

BRANCH OFFICE

15th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Hong Kong
Cheung, Tong & Rosa

Bermuda
Conyers Dill & Pearman

SHARE REGISTRARS AND TRANSFER OFFICES

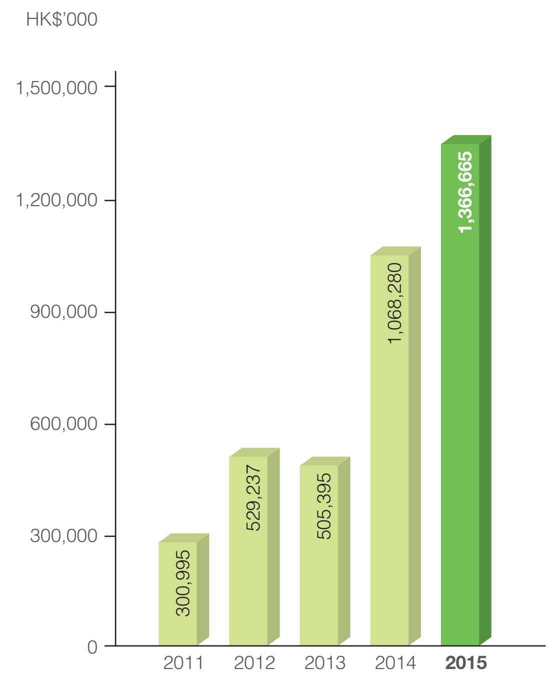
Principal share registrar and transfer office
MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

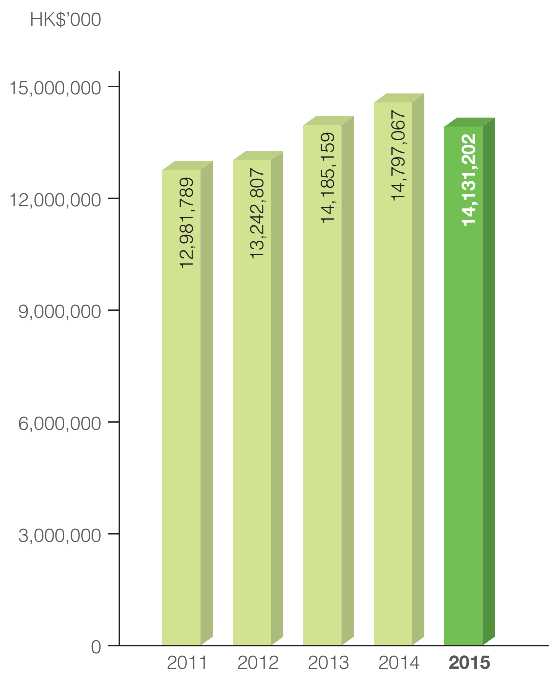
PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Wing Lung Bank Limited

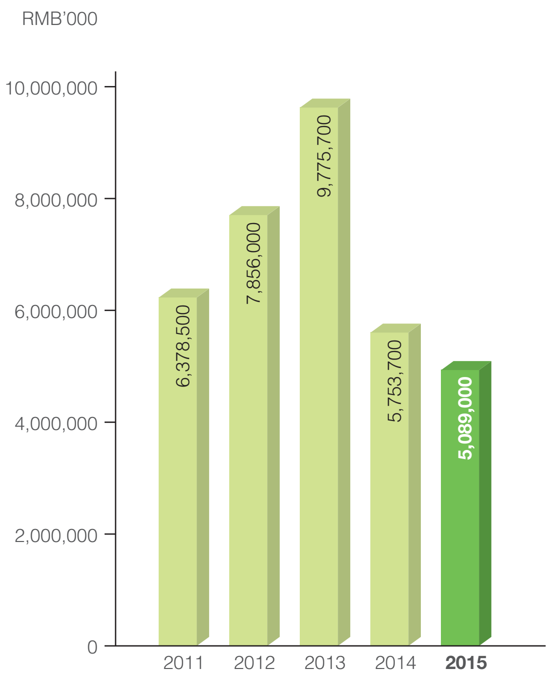
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
Year ended 31 December



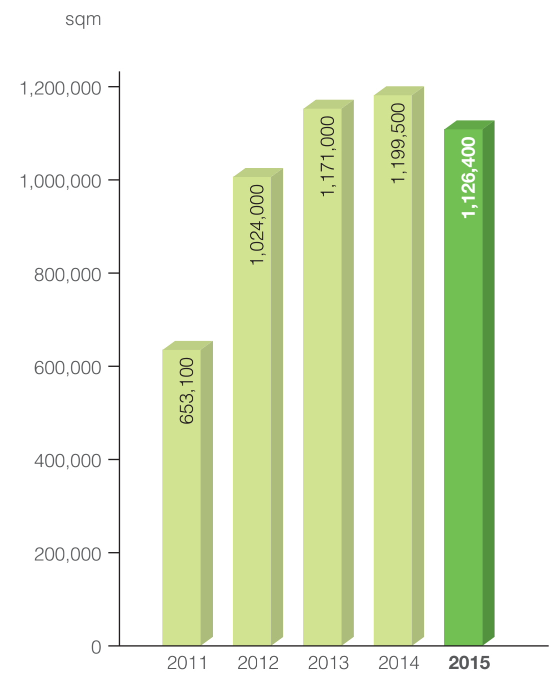
SHAREHOLDERS' EQUITY
As at 31 December



CONTRACT SALES
Year ended 31 December



COMPLETION AREA
Year ended 31 December



EXECUTIVE DIRECTORS

Mr. CHEUNG Chung Kiu, aged 51, was first appointed Executive Director of the Company on 22 June 2000 and became Chairman on 22 November 2006. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Cheung is mainly responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. Mr. Cheung has a wide range of experience in investment and business management, including over 20 years of property development and investment experience in the PRC. Mr. Cheung is the founder and Chairman of Yugang International Limited ("Yugang"), Chairman and Managing Director of Y.T. Realty Group Limited ("Y.T. Realty") and Chairman of The Cross-Harbour (Holdings) Limited ("Cross-Harbour"), the shares of all these companies are listed on the Stock Exchange. He is also a Director of Regulator Holdings Limited, Yugang International (B.V.I.) Limited, Chongqing Industrial Limited, Palin Holdings Limited and Thrivetrade Limited, which are companies disclosed under the section headed "Discloseable Interests and Short Positions of Shareholders under the SFO" on page 26.

Dr. LAM How Mun Peter, aged 68, was first appointed Executive Director of the Company on 3 June 1998 and became Managing Director and Deputy Chairman on 9 April 1999 and 22 November 2006 respectively. Dr. Lam was one of the founders of our Group in 1989. He also serves as a Director of several subsidiaries of the Company. As Managing Director, Dr. Lam is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions. Dr. Lam graduated from the University of Hong Kong with a bachelor's degree in Medicine and Surgery in 1972. He is a fellow of the Royal College of Surgeons of Edinburgh and the American College of Surgeons. In addition to his extensive experience in medical practice, Dr. Lam has over 20 years of extensive experience in corporate management, real estate and investment. Dr. Lam is the Chairman and a Non-executive Director of China Optoelectronics Holding Group Co., Limited, the shares of which are listed on the Stock Exchange.

Mr. TSANG Wai Choi, aged 67, was appointed Executive Director of the Company on 14 May 2007 and became Deputy Chairman on 1 June 2008. He also serves as a Director of certain subsidiaries of the Company. Graduated from the Sichuan Construction Material College（四川省建築材料學校）, Mr. Tsang has extensive experience in various segments of the construction industry in the PRC, including over 20 years of experience in property development as a professional project manager. As a front-runner in property development using private capital in the city of Chongqing, Mr. Tsang has been over-all in charge of a number of large-scale property projects in the city since 1991.

Mr. WONG Chi Keung, aged 60, was appointed Executive Director and Deputy Chairman of the Company on 1 March 2016. He holds a degree of Doctor of Philosophy in Business from Honolulu University and is a professional member of the Royal Institution of Chartered Surveyors, and a member of The Hong Kong Institute of Housing, the Chartered Institute of Housing and the Guangxi Committee of the Chinese People's Political Consultative Conference, Nanning City. He is a fellow member of Hong Kong Institute of Real Estate Administrators and The Hong Kong Institute of Directors and an honorary fellow of Guangxi Academy of Social Sciences. Mr. Wong has held senior executive positions with various leading property companies and property consultant firms in Hong Kong in the past 30 years. In addition, Mr. Wong is an executive director of Cross-Harbour and an independent non-executive director of Water Oasis Group Limited, and was an executive director and managing director of Y.T. Realty from 10 January 2000 to 29 February 2016, the shares of all these companies are listed on the Stock Exchange.

Mr. LEUNG Chun Cheong, aged 66, was appointed Executive Director of the Company on 3 June 1998. He also serves as a Director of several subsidiaries of the Company. Mr. Leung has joined the Group since 1995. He is responsible for overseeing the financial management of the Group. Prior to joining the Group, Mr. Leung had held senior positions in various companies and in the professional field in Hong Kong. He has over 35 years extensive experience in auditing and financial management. Mr. Leung is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants.

Mr. LEUNG Wai Fai, aged 54, was appointed Executive Director of the Company on 3 December 1999. He also serves as a Director of several subsidiaries of the Company. Mr. Leung is responsible for overseeing the corporate finance and management of our Group. Graduated from the University of Wisconsin-Madison, the United States of America with a bachelor's degree in Business Administration in 1985, Mr. Leung is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. He has over 20 years of extensive experience in accounting and financial reporting. In addition, Mr. Leung is an Executive Director of Cross-Harbour, and a Group Financial Controller of Yugang.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Fung Jeffrey, GBS, JP, aged 64, was appointed Independent Non-executive Director of the Company on 3 June 1998. Mr. Lam holds a Bachelor Degree in mechanical engineering from Tufts University in the United States. He has over 30 years of experience in the toy industry and is currently the Managing Director of Forward Winsome Industries Limited which is engaged in toy manufacturing. Mr. Lam was awarded a Gold Bauhinia Star by the Government of the HKSAR in 2011. He also holds a number of other public and community service positions including Member of the National Committee of the Chinese People's Political Consultative Conference, Member of the Legislative Council and Non-Official Member of the Executive Council in Hong Kong, Chairman of Mega Events Funds Assessment Committee and Independent Commission Against Corruption Complaints Committee, Board Member of the Airport Authority Hong Kong, General Committee Member of the Hong Kong General Chamber of Commerce and Members of the Fight Crime Committee. In addition, Mr. Lam is an Independent Non-executive Director of Wynn Macau, Limited, China Overseas Grand Oceans Group Ltd., Bracell Limited, Chow Tai Fook Jewellery Group Limited and HNA International Investment Holdings Limited, the shares of all these companies are listed on the Stock Exchange.

Mr. LEUNG Yu Ming Steven, aged 56, was appointed Independent Non-executive Director of the Company on 1 October 2007. Mr. Leung holds a Degree of Master in Accountancy from Charles Sturt University in Australia and a Degree of Bachelor of Social Sciences from the Chinese University of Hong Kong. He is an associate of the Institute of Chartered Accountants in England and Wales, a certified practicing accountant of CPA Australia and a fellow of the Association of Chartered Certified Accountants in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Leung is a practicing certified public accountant in Hong Kong. He previously worked in Nomura International (Hong Kong) Limited as Assistant Vice-President in the International Finance and Corporate Finance Department. He commenced public practice in auditing and taxation in 1990 and is currently the senior partner of a firm of certified public accountants. He has over 25 years of experience in assurance, accounting, taxation, financial management and corporate finance. Mr. Leung is an Independent Non-executive Director of Suga International Holdings Limited, Yugang, Y.T. Realty and Cross-Harbour, the shares of all these companies are listed on the Stock Exchange.

Dr. WONG Lung Tak Patrick, BBS, JP, aged 68, was appointed Independent Non-executive Director of the Company on 1 October 2007. Dr. Wong is a Certified Public Accountant (Practicing) and a Certified Tax Adviser in Hong Kong and also a Chartered Secretary in the United Kingdom and in Hong Kong. He is currently the Managing Practising Director of Patrick Wong CPA Limited. He has over 40 years experience in the accountancy profession. Dr. Wong holds a Doctor of Philosophy in Business degree, was awarded a Badge of Honour by the Queen of England in 1993 and was appointed a Justice of the Peace in 1998. He was also awarded a Bronze Bauhinia Star by the Government of the HKSAR in 2010. Dr. Wong is an Independent Non-executive director of Galaxy Entertainment Group Limited, China Precious Metal Resources Holdings Co., Ltd., Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Water Oasis Group Limited, Real Nutriceutical Group Limited, Sino Oil and Gas Holdings Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited and 北京汽車股份有限公司 (BAIC Motor Corporation Limited), the shares of all these companies are listed on the Stock Exchange.

To our shareholders,

I am pleased to present the annual results of the Group for the year ended 31 December 2015.

For the year ended 31 December 2015, the Group achieved a consolidated revenue of HK$6,620.2 million, representing a decrease of approximately 35.7% compared to HK$10,299.9 million in 2014. The Group's net profit increased by 50.6% year on year to a record high level of HK$1,641.6 million. The Group attained a profit attributable to shareholders of HK$1,366.7 million (2014: HK$1,068.3 million). The basic earnings per share for the year was HK52.80 cents (2014: HK41.27 cents) representing an increase of 27.9%.

BUSINESS REVIEW

The Group became a property developer in Western China in 2006. In the past decade, the Chinese property market has experienced ups and downs. China's housing market took a downturn in the previous year due to a slowdown in China's economy and ongoing home purchase restrictions, and poor sentiments. However, price declines began to stabilize in the fourth quarter of 2014 mostly as a result of measures adopted by the government to boost the economy. In 2015, we saw growth in home prices in top-tier cities where demand remained high but, in the second-tier cities, prices were flat or falling. The recovery in the housing market has slowed in recent months, and the stagnant residential sales during most of 2014 had built up a significant inventory of unsold property in the market. China's economy is not expected to regain its momentum in the foreseeable future. A slower economy and slowing retail sales would impact expansion, and consequently reduce the demands for residential and commercial spaces. At the same time, the Group also foresees increasing levels of new supply coming onto the market.

As a measure to eliminate market uncertainties, and to withstand any prolonged property market downturn, the Group engaged on a series of strategic disposal transactions in 2015. The successful completion of these strategic disposals have unlocked substantial value for the shareholders, improved the capital structure of the Group, and led to a super strong balance sheet. This significant improvement will facilitate future growth of the Group, and strengthen the Group's position for sustainable profitability in the future.

Due to the strategic disposal of several property projects as mentioned above, property sales revenue understandably declined by 37.8% to HK$6,370.8 million (RMB5,109.2 million) in 2015. The effect of such decrease in the property sales revenue was more than completely counterbalanced by the gains on disposal of some subsidiaries, which amounted to HK$2,305.3 million (2014: HK$497.5 million).

The Company can still look back on a successful year due to its fortified foundation from these disposals. The ratio of loans-to-total assets improved substantially from 24.3% in 31 December 2014 to 4.7% as at 31 December 2015 which led to the turnaround from net borrowings to a net cash position of HK$2,342.8 million, and reflects the solid financial structure of the Group.

OUTLOOK

China's economy is entering into a period of more moderate growth and consolidation. China's property market is undergoing a similar change, and this consolidation may continue for months which may force many developers to concentrate on fast asset turnover, instead of preserving margins to sustain their credit position. At the same time, oversupply in non-tier-one cities remains serious, which is expected to take a comparatively longer period to clear such inventory. Uncertainties in the market will remain in this transitional period until a more healthy economy and improved business environment emerge in the future.

With lower interest rates and less favourable market valuations expected for properties portfolio in the future period, there should be good buying opportunities for development and/or investment. After almost ten years in the property industry, the Group has accumulated substantial expertise in the property industry and is in a strong cash position to take up another challenge for new property opportunities not only in Western China, but also in more mature cities in other parts of China, Hong Kong and beyond. At the same time, the Group will dedicate its efforts to the development of its existing business, and will cherry pick quality property projects should the opportunities arise. The Group is confident that it can further enhance its growth and profitability and thus increase shareholders' value in the coming years.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Board, management and staff for their diligence, loyalty and dedication. I am grateful to our shareholders, strategic partners and bankers for their support and trust which have contributed towards the Group's success.

Cheung Chung Kiu
Chairman

Hong Kong, 23 March 2016

RESULTS

The Group achieved a consolidated revenue of HK$6,620.2 million, representing a decrease of approximately 35.7% compared to HK$10,299.9 million in 2014. The Group's net profit increased by 50.6% year on year to a record high level of HK$1,641.6 million. The Group attained a profit attributable to shareholders of HK$1,366.7 million (2014: HK$1,068.3 million). The basic earnings per share for the year was HK52.80 cents (2014: HK41.27 cents) representing an increase of 27.9%.

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK$0.055 (2014: HK$0.05) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 30 May 2016. Subject to approval at the AGM, dividend warrants will be sent to shareholders on or about 8 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 18 May 2016 to Friday, 20 May 2016, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Tuesday, 17 May 2016.

The Register of Members of the Company will also be closed from Thursday, 26 May 2016 to Monday, 30 May 2016, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of the above address for registration by 4:30 p.m. on Wednesday, 25 May 2016.

BUSINESS REVIEW

The property markets in many non-Tier 1 cities in the PRC during the year have remained generally weak despite the various measures adopted by the PRC government to support the industry. This uncertainty presents a particular challenge to the Group. To meet the challenges of a possible prolonged "winter" in the Western China property market, the Group sped up its efforts at inventory clearance in 2015. As a result, the following strategic disposals were completed in the year:

Zhongyu Metropol

1. In June 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$6.9 billion (RMB5.5 billion), of its entire 92% interest in Starthigh International Limited which, through Chongqing Zhong Yu Property Development Company Limited（重慶中渝物業發展有限公司）, held a property portfolio with a GFA of approximately 3.4 million sqm in the Yubei and other districts in Chongqing and Yunnan. The transaction was completed in July 2015, and provided a gain on disposal of approximately HK$741.5 million.
2. In July 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$2.6 billion (RMB2.1 billion), of all its entire interest in Joyview Group Limited which, through its 51% indirect beneficial interest in Chengdu Guojia Cheer Gain Property Company Limited（成都國嘉志得置業有限公司）, held most of the Group's Chengdu projects ("CDGJ Projects"). The CDGJ Projects comprised of 7 projects under different stages of development, with a GFA of approximately 1.9 million sqm for mixed uses. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$800.8 million.

3. In September 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$542 million (RMB450 million), of all its entire interest in Win Peak Group Limited which, through its 51% indirect beneficial interest in Chongqing Verakin Real Estate Company Limited（重慶同景置業有限公司）, held most of the Group's projects in Nan'an District, Bishan County and Shapingba District of Chongqing ("Verakin Projects"). The Verakin Projects, with a GFA of approximately 2.3 million sqm, were under different stages of development consisting of residential, commercial, office and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$252.9 million.

4. In October 2015, the Group entered into an agreement to dispose, at a total consideration of HK$1.75 billion, of all its entire interest in Merry Full Investments Limited which, through its 25% indirect beneficial interest in Chongqing Sino Land Company Limited（重慶尖置房地產有限公司）, held the joint venture project of The Coronation in Chongqing. The Coronation has a total planned construction area of approximately 1.3 million sqm consisting of residential, office, commercial and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$205.3 million.

5. In November 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$1.3 billion (RMB1.1 billion), of all its entire interest in Full Jolly Investments Limited which, through its 85% indirect beneficial interest in Guiyang Zhongyu Real Estate Development Company Limited（貴陽中渝置地房地產開發有限公司）, held all the Group's projects in Guiyang ("Guiyang Projects"). The Guiyang Projects have a total completed and planned GFA of approximately 3.0 million sqm consisting of residential, commercial, office and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$126.7 million.

6. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$708 million (RMB600 million), of all its entire interest in Harbour Crest Holdings Limited which, through Chongqing Juxin Property Development (Group) Company Limited（重慶聚信房地產開發（集團）有限公司）, held the project, Phoenix County, in Chongqing. Phoenix County has a total completed and planned GFA of approximately 96,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$177.5 million.

7. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$622 million (RMB530 million), of all its entire interest in Wealthy New Limited which, through Chongqing Lucky Boom Realty Company（重慶瑞昌房地產有限公司）, held the completed project, Riverside One, Wanzhou, Chongqing. Riverside One has a total GFA of approximately 28,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$0.6 million.

Details of the above-mentioned transactions were already disclosed in the relevant announcements and circulars issued by the Company in 2015. These transactions will generate a total cash inflow equivalent to approximately HK$14.4 billion in aggregate for the Group. As at the report date, the Group has outstanding consideration receivables of approximately HK$2.9 billion in aggregate.

Radiant Bay

Recognized Revenue

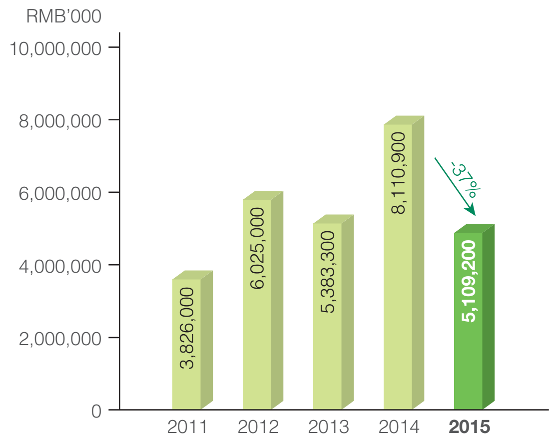
The property sales revenue was HK$6,370.8 million (RMB5,109.2 million) (2014: HK$10,244.1 million (RMB8,110.9 million)) against a total booked GFA sales of 683,500 sqm (2014: 1,135,500 sqm). The revenue from property sales and booked GFA represented a decrease of 37.8% and 39.8% respectively from those of last year due to the disposals mentioned above. The ASP of recognized sales in 2015 slightly increased by 4.8% from RMB7,140 per sqm in 2014 to RMB7,480 per sqm. The booked gross profit margin for 2015 was 25.8% (2014: 29.1%). The booked gross profit margin in 2015 would be 25.3% (2014: 26.0%) after the provision for impairment of HK$28.4 million made in respect of certain development properties.

In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

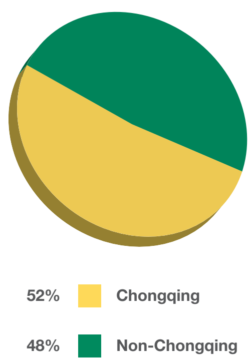
	Recognized Revenue		Booked Area	
	2015	2014	**2015**	2014
Chongqing	**52%**	65%	**61%**	71%
Chengdu	**33%**	24%	**19%**	19%
Guiyang	**10%**	9%	**13%**	8%
Other districts	**5%**	2%	**7%**	2%
Total	**100%**	100%	**100%**	100%

In terms of usage, about 75% (2014: 79%) is for residential and the balance for non-residential purposes.

Property Sales Revenue



Analyzed by City



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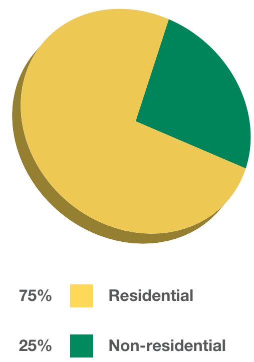
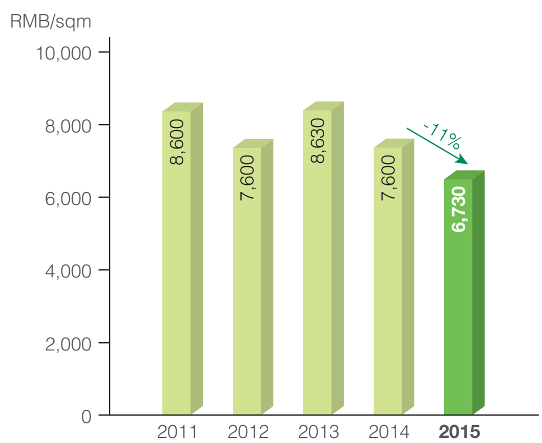


As at 31 December 2015, the unrecognized revenue was approximately RMB681 million, against a pre-sold area of 142,000 sqm. All of them are from projects which are completed or expected to be completed in 2016. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the finished products delivered to the purchasers.

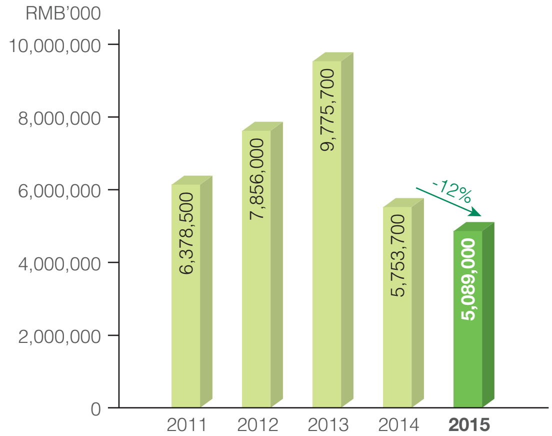
Contract Sales

The Group's contract sales was RMB5,089.0 million in the year (2014: RMB5,753.7 million). The accumulated GFA pre-sold was 756,400 sqm, and the corresponding ASP was RMB6,730 per sqm, representing a decrease of 11.4% compared to RMB7,600 per sqm in 2014. The decrease in contract sales was due to the disposal of projects during the year which substantially reduced the number of projects available for sale.

Contract ASP



Contract Sales



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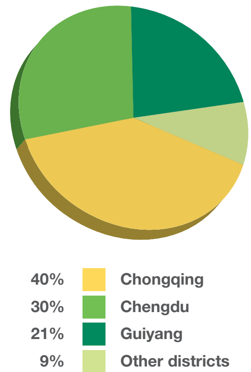

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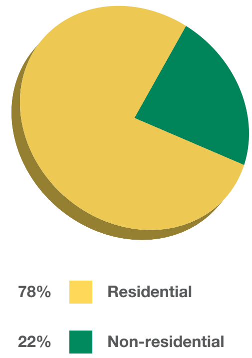
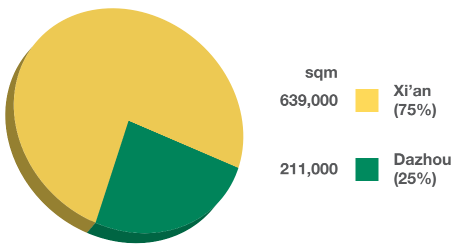


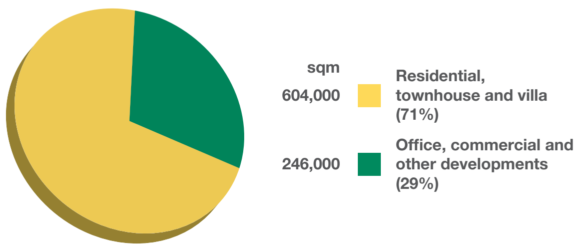
Land Bank

As at the report date, the Group's land bank stood at 850,000 sqm GFA which are located in two cities, Xi'an and Dazhou in Western China. The average accommodation value was RMB700 per sqm.

By Location



By Usage



Treasury Investment Business

The treasury investment segment recorded a profit of HK$369.3 million (2014: HK$172.9 million). The dividends and interests earned from investments totalled HK$16.8 million (2014: HK$22.9 million). The realized and unrealized gains on listed securities amounted to HK$217.7 million and HK$168.6 million respectively (2014: realized losses and unrealized gains on listed securities of HK$4.5 million and HK$60.5 million respectively).

Financial Position

As at 31 December 2015, the Group held cash and bank balances and time deposits amounting to HK$3,142.8 million (2014: HK$9,519.0 million). The Group has a net cash balance of HK$2,342.8 million as at 31 December 2015 (31 December 2014: net borrowings of HK$2,563.0 million, and a gearing ratio of 17.3%). The average borrowing interest rate for the year was 6.81% (2014: 6.58%). As a result of the optimization of the capital structure following the disposal of the properties portfolios in the year, the Group's financing costs in 2016 will be substantially decreased from HK$158.5 million in 2015.

The cash collection ratio for the property business was 103% during the year.

CORPORATE STRATEGY AND OUTLOOK

Looking ahead, China's economy is expected to be steady in 2016. It is expected the government will expand supportive measures if real estate investment remained low despite an improvement in sales. Stable individual income growth and urbanization could provide some support for sales and home prices. In the long term, the Group believes the PRC real estate market will continue to remain stable.


Radiant Bay

Cash and bank balances and time deposits amounted to HK$3,142.8 million on the balance sheet date (31 December 2014: HK$9,519.0 million). With the proceeds from the disposal transactions noted under the section headed "Business Review" received up to the date of this report, the cash balance as at the report date increased to a total of approximately HK$7.3 billion. This cash rich position enables the Group to look at potential investment opportunities with a keener eye, and to cherry pick the right ones, which may take the form of equity partnership, joint ventures or otherwise. Such investments will not be limited to second tier cities in Western China, as the Group has been making since 2006, and nor to China for that matter. The Group believes that greener pastures lie in mature projects in first tier cities, or other well developed countries globally.

There is no fixed timetable or urgency for acquisitions. Meanwhile the Group will continue to operate the property development business in the ordinary course of its business. The Group expects its two remaining projects, in Xi'an (Zhongyu Metropol Phases I and II) and Dazhou (Radiant Bay Phase II) respectively to be completed in 2016 with a total completion area of 256,000 sqm, out of which 68% of the residential areas have been pre-sold as at 29 February 2016. After the abovementioned strategic project disposals, the projects to be completed and available for sale in 2016 will be substantially reduced which will adversely affect the recognized revenue and contract sales in 2016 unless new projects are acquired.

FINANCIAL REVIEW

Investments

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Group has identified certain investment opportunities and invested its surplus cash in a diversified portfolio of listed equity securities, perpetual security and unlisted investment funds.

At 31 December 2015, the Group held a diversified portfolio of investments comprising listed equity securities (HK$2,327.6 million), perpetual security (HK$1,305.0 million) and unlisted investment funds (HK$613.0 million) with an aggregate carrying value of HK$4,245.6 million (31 December 2014: HK$1,577.3 million). The increase in the Group's portfolio of investments was mainly attributed to the subscription of perpetual security in the principal amount of US$170 million in December 2015, which was issued by Evergrande Real Estate Group Limited, a leading PRC property developer listed on the main board of the Stock Exchange. The perpetual security has no fixed redemption date and carries an annual interest of 9%, providing not only a steady investment return to the Group but also the flexibility of realizing the perpetual security in cash from disposing of or transferring it to other investors at any time with the prior written consent of the issuer. In terms of performance, the Group recognized from its portfolio of investments during the year fair value gains of HK$168.6 million (2014: HK$60.5 million) in the consolidated statement of profit or loss and HK$390.4 million (2014: HK$133.2 million) in the consolidated statement of other comprehensive income. The realized gains on listed equity securities for the year was HK$217.7 million (2014: realized losses on listed equity securities of HK$4.5 million), whereas the amount of dividends and interest income from investments for the year was HK$16.8 million (2014: HK$37.2 million). In terms of the future prospects of the Group's investments, performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the corresponding performance of the relevant financial markets which may be relatively volatile given the current market conditions. As to the perpetual security held, the Group will continue to enjoy a steady annual investment return until the disposal or transfer of it. The Group will continuously adopt a prudent and cautious investment strategy and will from time to time assess the performance of its portfolio of investments and make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favourable returns for its shareholders.

Liquidity and Financial Resources

Finance and fund utilization activities are subject to effective centralized management and supervision. The Group will continue to maintain the current relationship with major bankers, and will explore other funding channels when needed.

As of 31 December 2015, the Group's financial position is healthy. Cash and bank balances and time deposits amounted to HK$3,142.8 million on the balance sheet date compared to the value of HK$9,519.0 million as at 31 December 2014. The decrease in value was mainly the result of receiving only part of the consideration as per the agreement terms on realizing the properties portfolio in the year, and after the result of early repayment of bank borrowings. An amount of HK$303.5 million (31 December 2014: HK$1,880.8 million) deposit was pledged to banks.

An analysis by currency denomination of the cash and bank balances is as follows:

	2015		2014	
	HK$'M	**Percentage**	HK$'M	Percentage
Renminbi	**947.2**	**30.1**	8,506.2	89.3
Hong Kong Dollars	**2,111.2**	**67.2**	1,010.0	10.6
United States Dollars	**84.4**	**2.7**	2.8	0.1
Total	**3,142.8**	**100.0**	9,519.0	100.0

The Group's current ratio (current assets over current liabilities) was 4.4 times (31 December 2014: 1.6 times). There was no unutilized banking facility of the Group as at 31 December 2015 (31 December 2014: HK$1,982 million).

Total borrowings amounted to HK$800.0 million (31 December 2014: HK$12,082.0 million). The average borrowing interest rate for the year ended 31 December 2015 was 6.81% (31 December 2014: 6.58%) per annum. Total borrowings as at 31 December 2015 are all secured (31 December 2014: 71%).

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2015 were as follows:

Currency of Bank Loans	**RMB** HK$'M	**HK$** HK$'M	**US$** HK$'M	**Total** HK$'M	**Percentage**
Bank borrowings repayable:					
– Within 1 year or on demand	–	450.0	–	450.0	56.3
– In the second year	–	350.0	–	350.0	43.7
Total bank borrowings	–	800.0	–	800.0	100.0
Less: Cash and bank balances and time deposits	(947.2)	(2,111.2)	(84.4)	(3,142.8)	
Net cash position	(947.2)	(1,311.2)	(84.4)	(2,342.8)	

The owners' equity was HK$14.1 billion (31 December 2014: HK$14.8 billion) and the net assets value per share was HK$5.46 (31 December 2014: HK$5.72).

Contingent Liabilities/Financial Guarantees

At 31 December 2015, the Group had contingent liabilities/financial guarantee in respect of guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$695.0 million (31 December 2014: HK$7,072.7 million).

Pledge of Assets

At 31 December 2015, cash and bank balances and time deposits in the aggregate amount of HK$303.5 million has been pledged as security for general banking facilities granted to the Group.

Exchange Risks

As the Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Group. In view of the recent fluctuations of RMB exchange rates which may result in certain exchange risk to the Group's outstanding consideration receivables from the disposal of subsidiaries in 2015, the Group entered into a RMB hedging transaction in February 2016 at a favourable price to hedge for the RMB consideration received in March 2016. The directors will continue to closely monitor and manage the Group's exposure to fluctuations in the RMB exchange rates.

EMPLOYEES

As of 31 December 2015, the Group employed approximately a total of 256 employees in China and Hong Kong (31 December 2014: 2,206 employees) and incurred employee costs in the amount of approximately HK$318 million (31 December 2014: HK$377 million). The Group remunerates its staff based on their merits, qualifications, competence and the prevailing market wage level. In order to attract, retain and motivate employees, the Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. For the years ended 31 December 2015 and 31 December 2014, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other benefits include contributions to mandatory provident funds and medical insurance.

The Group adopts a proactive approach on investor relations and strives to provide investors with updates and accurate information on the Group's latest development. The Group has an open-minded attitude and believes effective communication is two-ways and therefore also encourages investors to give feedback to the Group. To enable easy access to information on the Company's latest major development, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website, www.ccland.com.hk, under the column of "Investor Relations".

INVESTOR RELATIONS ACTIVITIES

To facilitate on-going and timely dialogues with the investment community, the Group held analyst briefings after each results announcement. Global roadshows were conducted during the year to enable overseas investors to better understand the Group's performance and the outlook of the Group. The management of the Group also actively participated in investment forums organized by leading international investment banks. Site visits were arranged to give institutional investors a better understanding of the Group's property projects.

Besides the company's business development, the Company also updates the investors about the latest national and local government policy on the China property market.

The Group has maintained a long-term and close relationship with the investment community, keeping an updated distribution list of investors to provide them with corporate news and announcements through e-mails. The Group believes continuous communication with investors is extremely important.

ACHIEVEMENT AND AWARD

While striving for quality in his investor relations work, the Managing Director of the Company, Dr. Peter Lam, was given the "Best IR by Chairman/CEO (small cap)" 2015 Award – the first IR award organized by the Hong Kong Investor Relations Association.

Looking ahead, the Company will continue to maintain a strong relationship with investors in order to enhance the Company's strength and corporate governance quality, promoting the long-term development of the Company.

2014 Annual Results Announcement

The Company is committed to maintaining a high standard of corporate governance. The Board considers that sound corporate management and governance practices are essential to the Company's healthy growth under all business environments.

CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

With effect from 1 March 2016, Mr. Wong Yat Fai has resigned as a non-executive director and Mr. Wong Chi Keung has been appointed as an executive director and a deputy chairman of the Company. Currently, the Board is chaired by Mr. Cheung Chung Kiu. It consists of six executive directors and three independent non-executive directors. Names and other biographical details of the existing members of the Board are set out under the heading of "Directors' Profile" on pages 4 to 5. The Board determines and keeps under review the objectives of the Group. It makes decisions on overall strategies and actions necessary for achieving these objectives, monitors and controls financial and operating performance, formulates appropriate policies, and identifies and ensures best practices of corporate governance. The current structure and composition of the Board have provided it with an appropriate mix of skills, knowledge, experience and diversity. The Board reviews its structure and composition from time to time to ensure that appropriate expertise and independence are maintained.

The Company has received confirmation from each director that he has given sufficient time and attention to the affairs of the Company during the year. Directors have also disclosed to the Company the changes, if any, in the number and nature of offices they hold in public companies or organizations and other significant commitment, including the identity of the public companies or organizations and an indication of the time involved.

Set out below are details of directors' attendance of meetings of the board and committees and general meetings in 2015:

	Attendance/Number of meetings held					
Name of directors	**Regular Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**	**Special General Meeting**
Executive Directors						
Cheung Chung Kiu *(Chairman)*	3/4	–	1/1	1/1	1/1	1/1
Lam How Mun Peter *(Deputy Chairman & Managing Director)*	4/4	–	1/1	1/1	1/1	0/1
Tsang Wai Choi *(Deputy Chairman)*	4/4	–	–	–	1/1	0/1
Leung Chun Cheong	4/4	–	–	–	1/1	1/1
Leung Wai Fai	4/4	–	–	–	1/1	1/1
Independent Non-executive Directors						
Lam Kin Fung Jeffrey	4/4	3/3	1/1	1/1	1/1	1/1
Leung Yu Ming Steven	4/4	3/3	1/1	1/1	1/1	1/1
Wong Lung Tak Patrick	4/4	3/3	1/1	1/1	1/1	1/1
Non-executive Director						
Wong Yat Fai *(resigned with effect from 1 March 2016)*	4/4	–	–	–	1/1	0/1

In addition to regular board meetings, three board meetings had been held during 2015. Mr. Tsang Wai Choi and Mr. Lam Kin Fung Jeffrey had been absent from one of those three board meetings.

During 2015, the non-executive directors (including the independent non-executive directors) have met once with the Chairman without the presence of the executive directors, to consider and discuss various matters in respect of the management and corporate governance of the Company.

The Chairman takes the primary responsibility for ensuring that good corporate governance practices and procedures are established. He sets the agenda for the Board and takes the lead in the formulation of objectives, strategies and actions at the directorate level. He ensures that members of the Board receive accurate, timely and clear information, and that matters to be taken into consideration are given their due weight, so that sound decisions can be made. With the assistance of the Company Secretary, the Chairman ensures that the Board properly exercises its powers, holds its meetings and implements procedures in compliance with all rules and requirements, and full and proper records are maintained. Procedures are also put in place for each director to have access to supporting papers and relevant information for each scheduled meeting. All directors also have access to the services of the Company Secretary and her team, and may take independent professional advice upon request, at the Company's expense.

The day-to-day management of the Group is delegated by the Board to the Managing Director who is supported by the various committees of the Board and management of the Company for recommending strategies to the Board, and determining and implementing operational decisions. The Managing Director assumes full accountability for the day-to-day management of the Group. All committees of the Board have specific terms of reference clearly defining their respective powers and responsibilities. All committees are required by their terms of reference to report to the Board in relation to their decisions or recommendations. Through participating in the Company's board meetings and committees meetings, attending general meetings, and participating in continuous professional development, all directors are able to make contribution required from them to the Board and to the development of the Company.

The Company provides directors with regular updates on changes to and developments of the Group's business, and on the latest developments in the laws, rules and regulations relating to directors' duties and responsibilities to help them make informed decisions and discharge their duties and responsibilities as directors of the Company.

During 2015, all directors have participated in continuous professional development to develop and refresh their knowledge and skills as listed company directors. They have provided the Company with their records of the training they received for the year. A summary of the records is as follows:

Name of Directors	**Training Received**
Cheung Chung Kiu	Attending seminar regarding updates on rules and regulations relating to listed companies; reading materials regarding updates on rules and regulations relating to listed companies, corporate governance and operation and management of listed companies
Lam How Mun Peter	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance and finance
Tsang Wai Choi	Attending seminars regarding corporate governance and finance; e-learning regarding ethics and code of conduct and operation and management of listed companies and reading materials regarding relevant industry
Leung Chun Cheong	Attending seminars and e-learning regarding updates on rules and regulations relating to listed companies, corporate governance and finance
Leung Wai Fai	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and and code of conduct, operation and management of listed companies and finance, e-learning of corporate governance, operation and management of listed companies and finance
Lam Kin Fung Jeffrey	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and finance
Leung Yu Ming Steven	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, finance and relevant industry
Wong Lung Tak Patrick	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, operation and management of listed companies and finance
Wong Yat Fai *(resigned with effect from 1 March 2016)*	Attending seminars regarding updates on rules and regulations relating to listed companies and corporate governance

CHAIRMAN AND MANAGING DIRECTOR

The roles of Chairman and Managing Director are separate. The main responsibility of Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of the committees of the Board, Managing Director is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions.

NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent. All non-executive directors are appointed for a specific term of not more than three years and are subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Bye-laws.

BOARD COMMITTEES

The Board has set up the Executive Committee which comprises all executive directors on the Board. Under its terms of reference, the Executive Committee is responsible for overseeing the management and daily operations of the Group and any other matters delegated by the Board. In addition to the Executive Committee, the Board has set up the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board does not have a Corporate Governance Committee and its functions would be carried out by the Board as a whole.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Lam Kin Fung Jeffrey. The major roles and functions of the Audit Committee are set out in its terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Audit Committee has reviewed together with the management and independent auditors the accounting policies and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including reviewing the Group's consolidated results for the year ended 31 December 2015. When reviewing the Company's interim and annual reports, the Audit Committee has focused not only on the impact of the changes in accounting policies and practices, but also on the compliance with applicable accounting standards, the Listing Rules and relevant legal requirements. It has also reviewed the financial statements before submission to the Board.

The Audit Committee has reviewed with the management, among other matters, the system of internal control covering all material controls, including financial, operational and compliance controls and risk management functions and the arrangements for employees to raise concerns in confidence about possible improprieties in financial reporting, internal control and other matters. It has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Audit Committee has reviewed the engagement of independent auditors and the effectiveness of the audit process.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Leung Yu Ming Steven. The major roles and functions of the Remuneration Committee are set out in its terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Remuneration Policy for executive directors of the Company is determined with reference to the Group's operating results, duties and level of responsibility of the executive directors and the prevailing market conditions which are reviewed annually in order to provide remuneration and compensation packages competitive to attract, retain and motivate high quality executives to serve the Group. The fee for non-executive directors is determined with reference to each of their duties and level of responsibility with the Company and is reviewed on an annual basis. Details of the directors' remuneration for 2015 are set out in note 9 to the financial statements on pages 55 to 56.

During 2015, the Remuneration Committee has assessed the performance of the executive directors, reviewed and discussed, among other matters, the remuneration packages (including the annual performance bonus policy) of the executive directors, the remuneration of the non-executive directors, the existing share option scheme, the retirement benefit scheme, and the long-term incentive arrangement. It has also reviewed the Remuneration Policy and its implementation. Being given the delegated responsibility, the Remuneration Committee has determined the remuneration packages of the executive directors of the Company.

NOMINATION COMMITTEE

The Nomination Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Cheung Chung Kiu. The major roles and functions of the Nomination Committee are set out in its terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Nomination Policy for directors is formulated with reference to the skills and experience of the Board appropriate for the requirements of the Group's business. The Nomination Committee will review the Board's structure, size and composition (including the skills, knowledge and experience) and diversity. It will assess the independence of independent non-executive directors. It will also make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, and make recommendations on the appointment or re-appointment of directors and succession planning for directors, including the Chairman as appropriate. It is responsible for identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

The Company has adopted a Board Diversity Policy setting out the approach to achieve a diverse Board. Taking into account factors including the size of the Board, its composition of executive and non-executive directors, and the Company's principal activities and needs, election of candidates shall be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During 2015, the Nomination Committee has reviewed and discussed, among other matters, the structure, size and composition including the skills, knowledge, experience and diversity of the Board and also assessed the independence of independent non-executive directors of the Board. It has also reviewed the Nomination Policy and the Board Diversity Policy and their implementation.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Corporate Governance Policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its Corporate Governance Policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

During 2015, members of the Board have reviewed and discussed, among other things, the Company's policies and practices on corporate governance at regular board meetings. They have also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board has reviewed the code of conduct applicable to employees and directors setting out the standards of behaviour that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

INDEPENDENT AUDITORS' REMUNERATION

During 2015, the remuneration paid/payable to the Company's independent auditors, Messrs Ernst & Young amounted to a total of HK$8,122,000, of which HK$5,080,000 was for audit services and HK$3,042,000 for non-audit services including agreed-upon procedures on the interim financial report, review and report on the financial information on circulars to shareholders and tax services.

COMPANY SECRETARY

The Company Secretary has undertaken not less than 15 hours of relevant professional training during 2015.

SHAREHOLDERS' RIGHTS

The following is a brief summary of certain rights of shareholders, which are subject to applicable laws and regulations, including without limitation, the Companies Act, the Listing Rules and the Bye-laws.

1. Convening special general meeting

Members of the Company may, by a written requisition, require the Directors to convene an SGM for the transaction of any business specified in such requisition. A valid requisition may be made by a member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which at that date carries voting rights at general meetings of the Company. The requisition must state the purpose(s) of the requisitioned SGM, and must be signed by the requisitionist(s). The requisition may consist of several documents in like form each signed by one or more requisitionists, which must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary.

If the Directors fail to proceed to convene an SGM within 21 days from the date of deposit of the requisition, the requisitionist(s) (or any of them representing more than one-half of their total voting rights) may himself/themselves convene an SGM, which must be held within 3 months of the date of deposit of the requisition. The SGM must be convened by the requisitionist(s) in the same manner as nearly as possible as that in which SGM is to be convened by the Directors. The requisitionist(s) is/are entitled to be repaid any reasonable expenses he/they incur(s) as a result of the failure of Directors duly to convene an SGM. These expenses will be payable by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration to such defaulting Directors in respect of their services.

2. Putting forward proposals at shareholders' meetings

Members of the Company may by a written requisition and at their expense (unless the Company otherwise resolves) require the Company to:

(a) give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting of the Company; and/or
(b) circulate to members of the Company entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that general meeting.

A valid requisition may be made by either:

(a) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition the right to vote at the meeting to which the requisition relates; or
(b) not less than 100 members of the Company.

The requisition signed by the requisitionists (or two or more copies which between them bear the signatures of all the requisitionists) must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary and,

(a) in the case of a requisition requiring notice of a resolution to be moved at an annual general meeting, not less than six weeks before the annual general meeting; and
(b) in the case of any other requisition, not less than one week before the general meeting.

The requisitionists must deposit or tender with the requisition a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the requisition.

3. Proposing a person for election as director

Shareholders may propose a person for election as director, the procedures for which are available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

4. Sending enquiries to the Board

Shareholders may send any enquiries to the Board by mail, email or telephone to the Company's Head of Investor Relations, whose contact details are as follows:

Address:	Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Email:	ccland@ccland.com.hk
Telephone:	+852 2820 7315

INVESTOR RELATIONS

The Company has adopted a Shareholders Communication Policy. The use and effectiveness of such policy are monitored and reviewed regularly by the Board. The Company recognises the importance of shareholders' privacy and therefore will not disclose shareholders' information without their consent, unless required by law to do so. To achieve equal access to information on the Company's latest major developments, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website under the column of "Investor Relations". In addition to financial reports, all announcements and circulars of the Company including results announcements, notices of general meetings and associated explanatory documents released by the Company to the Stock Exchange are posted on the Company's website. Other information such as presentation materials and press releases to be issued to shareholders and potential investors of the Company will also be made available on the Company's website. Shareholders should direct their questions about their shareholdings to the Company's share registrars. For enquiry about the information of the Company, shareholders may contact our Head of Investor Relations, whose contact details are set out under the heading of "Sending enquiries to the Board" above. Shareholders are encouraged to participate in the Company's general meetings where members of the Board will be available to answer their questions.

The Company has also adopted a Disclosure of Inside Information Policy. It sets out a framework for the release and control of inside information to ensure that the Company is able to meet its legal and regulatory obligations and requirements as a listed corporation. The Board is generally responsible for ensuring that the Group complies with its disclosure obligations regarding inside information and has established a disclosure group comprising certain directors and management to assist it in determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. Inside information should be disclosed by way of an announcement in accordance with the requirements of the SFO and the Listing Rules. Before relevant information is fully disclosed to the public, the disclosure group will help the Board to ensure that such information is kept strictly confidential.

The Company's constitutional documents are made available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website. During the year, there was no significant change in them.

INTERNAL CONTROLS

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. The Company has maintained an internal audit function which forms part of the permanent establishment of the Group and is internally resourced and staffed by qualified accounting personnel with suitable experience.

The internal audit function monitors the adequacy and effectiveness of the internal control system established within the Company and its subsidiaries for safeguarding assets against unauthorized use, for maintaining proper accounting records, and for ensuring the reliability of financial information. Functional reporting and financial reporting procedures appropriate to the business of the Company's subsidiaries are established for application within the Group. These procedures are designed to enable timely and reliable functional and financial reporting by subsidiaries of the Group and to provide reasonable assurance against material misstatement, errors, losses or fraud. The work of the internal audit function is generally focused on identifying, monitoring and reporting on major risks faced by the Group, including those related to business operations, compliance with laws and regulations and financial reporting. The Board is responsible for ensuring that recommendations made by the internal audit function are properly implemented.

The Board recognizes that the Group's internal control system plays a key role in both the management of risks and the assurance of continued compliance with laws and regulations by the Group. The Audit Committee has kept under review the Group's internal control system. The Board has also conducted an annual review of the effectiveness of the Group's internal control system. Based on its review, the Audit Committee will advise the Board on the adequacy of the Group's internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

During the year under review, the Board considers that the Group has complied with the provisions on internal controls as stipulated in the CG Code. The Board is satisfied that the Group's internal control system including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and that no significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company, Messrs Ernst & Young, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on page 29.

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities of its subsidiaries focus on property development and investment, as well as treasury investments, details of which are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2015 and the Group's financial position at that date are set out in the financial statements on pages 30 to 91.

The directors recommend the payment of a final dividend of HK$0.055 per ordinary share in respect of the year to the shareholders on the Company's register of members at the close of business on 30 May 2016.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 92. The summary does not form part of the audited financial statements.

BUSINESS REVIEW

A fair review of the business of the Group during the year and a description of possible risks and uncertainties facing the Group are set out in the Chairman's Statement on page 6 and Management Discussion and Analysis on pages 7 to 13. No significant events affecting the Group have occurred subsequent to the reporting period. An indication of the likely future development in the Group's business is set out in the Chairman's Statement on page 6 and Management Discussion and Analysis on pages 7 to 13 respectively. An analysis of the Group's performance during the year using financial key performance indicators is set out in the Financial Highlights on page 3 and the Five-Year Financial Summary on page 92. Discussions on the Group's compliance with the relevant laws and regulations that have a significant impact on the Group are set out in Corporate Governance Report on pages 15 to 21. An account of the Group's environmental policies and performance, the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends are under the paragraphs "Sustainable Development", "Major customers and suppliers" and "Remuneration Policy and Relationships with Employees" of this report respectively. These discussions form part of this Directors' Report.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 30 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no pre-emptive rights provision in the Companies Act or in the Bye-laws.

PERMITTED INDEMNITY

The Bye-laws provides that Directors and other officers shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such provision was in force during the year. In addition, the Company has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 44 to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act, amounted to HK$501,273,000, of which HK$142,352,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account in the amount of HK$9,524,823,000 may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group had made charitable contributions amounting to HK$478,000.

SUSTAINABLE DEVELOPMENT

The Group is committed to promoting the sustainable development of both the environment and the society. The Group understands the inevitable impact of property development and operations on climate and local environment, and the Group opts for environmentally friendly architectural designs and operational measures to improve the environmental performance of its property development and investment.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30% of the Group's revenues and less than 30% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers, respectively.

During the year, none of the Directors, their close associates or shareholders, who to the knowledge of the Directors own more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest customers and suppliers.

The Group understands that customers and suppliers are important to the sustainable and stable development of its business. The Group seeks to work with its suppliers in pursuit of continuous improvement in social and environmental performance. The Group is also committed to ensuring that environmental considerations are an integral part of its project development through cooperation with its suppliers and contractors to provide high-quality properties and services to its customers. The Group conducts assessment process from time to time to evaluate the performance of its contractors and implement third-party certification to ensure the performance of its suppliers.

DIRECTORS

The Directors during the year and for the period from 1 January 2016 to the date of this report were as follows:

Executive directors:
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter *(Deputy Chairman and Managing Director)*
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Wong Chi Keung *(Deputy Chairman) (appointed with effect from 1 March 2016)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Independent non-executive directors:
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

Non-executive director:
Mr. Wong Yat Fai *(resigned with effect from 1 March 2016)*

In accordance with Bye-law 87 of the Bye-laws, Messrs Cheung Chung Kiu, Tsang Wai Choi and Leung Yu Ming Steven will retire and, being eligible, will offer themselves for re-election at the AGM. In accordance with Bye-law 86(2) of the Bye-laws, Mr. Wong Chi Keung will retire and, being eligible, will offer himself for re-election at the AGM. All other Directors will continue to be in office.

The Company has received from each of the independent non-executive directors, Messrs Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Wong Lung Tak Patrick, an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent.

DIRECTORS' BIOGRAPHIES

The Company has received the following notifications from directors relating to the change in their information:

Dr. Wong Lung Tak Patrick ceased to be an Independent Non-executive Director of Excel Development (Holdings) Limited from 10 August 2015.

Mr. Lam Kin Fung Jeffrey was appointed on 1 January 2016 as chairman of the Independent Commission Against Corruption Complaints Committee for a term of two years from 1 January 2016 to 31 December 2017.

Mr. Cheung Chung Kiu was appointed on 29 February 2016 as the Managing Director of Y.T. Realty Group Limited ("Y.T. Realty").

Mr. Wong Yat Fai *(resigned with effect from 1 March 2016)* ceased to be an Independent Non-executive Director of Skyway Securities Group Limited, an Executive Director of China Soft Power Technology Holdings Limited and a Non-executive Director of Y.T. Realty from 30 July 2015, 1 August 2015 and 29 February 2016 respectively. Mr. Wong was appointed on 28 January 2016 as an Executive Director of Imagi International Holdings Limited, the shares of which are listed on the Stock Exchange.

Updated biographical details of the Directors existing as at the date of this report are set out on pages 4 to 5.

DIRECTORS' SERVICE CONTRACTS

No Director offering for re-election at the AGM has a service contract with any company in the Group which is not terminable by such company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 40(d) to the financial statements, no transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested in, either directly or indirectly, was subsisting during the year or at the end of the year.

MANAGEMENT CONTRACTS

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

REMUNERATION DETAILS

Details of the Directors' remuneration and the five highest-paid individuals in the Group are set out in notes 9 and 10 to the financial statements respectively.

REMUNERATION POLICY AND RELATIONSHIPS WITH EMPLOYEES

The remuneration policy for employees of the Group is formulated based on the merit, qualifications, performance and competence of individual employee which are reviewed regularly in order to provide competitive compensation packages at market rates sufficient to reward satisfactory performance and attract, retain and motivate employees. The Company has adopted share option scheme as a long-term incentive to eligible employees and directors to recognize and reward their contribution to the Group, details of which are set out in note 35 to the financial statements. Remuneration policy for Directors is set out in Corporate Governance Report on pages 15 to 21.

The Group believes that its employees are vital to its continual business success. The Group is dedicated to attract, retain and deploy high-calibre talent to support its growth. Employees are encouraged to strengthen their skills and strengths through enrollment in functional curricula programs that meet the needs of the Group's business. To strengthen the bonding among its employees and promote their sense of belonging, various recreational activities including annual dinner and birthday parties are organized.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2015, details of the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in shares of the Company (long positions)

	Interests in shares		Interests in underlying shares pursuant to share options granted by the Company [3]		
Name of directors	Personal interests	Corporate interests		Aggregate interests	Approximate percentage [4]
Cheung Chung Kiu	–	1,331,205,790 [1&2]	–	1,331,205,790	51.43
Lam How Mun Peter	324,502	–	43,039,000	43,363,502	1.68
Tsang Wai Choi	3,394,242	–	–	3,394,242	0.13
Leung Chun Cheong	666,948	–	1,500,000	2,166,948	0.08
Leung Wai Fai	–	–	3,000,000	3,000,000	0.12

Notes:

1. 1,070,810,231 of such shares were held through Thrivetrade Limited ("Thrivetrade"), a company wholly-owned by Mr. Cheung Chung Kiu ("Mr. Cheung"). Accordingly, Mr. Cheung was deemed to be interested in the same number of shares held through Thrivetrade.

2. 260,395,559 of such shares were held through Regulator Holdings Limited ("Regulator"), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited ("Yugang-BVI"), which is in turn a direct wholly-owned subsidiary of Yugang International Limited ("Yugang"). Yugang was owned by Chongqing Industrial Limited ("CIL"), Timmex Investment Limited ("Timmex") and Mr. Cheung as to approximately 44.06% in aggregate. CIL was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited ("Peking Palace"), Miraculous Services Limited ("Miraculous Services") and Prize Winner Limited ("Prize Winner") respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited ("Palin") as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of shares held through Regulator.

3. Details of the Directors' interests in the underlying shares of the Company pursuant to share options granted by the Company are set out in the section headed "Share Options" below.

4. Approximate percentage refers to the aggregate interests of the director in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2015.

Save as disclosed above, as at 31 December 2015, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions" above and "Share Options" below, and in the share option scheme disclosures set out in note 35 to the financial statements, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their associates, had any rights to subscribe for shares of the Company, or had exercised any such rights during the year.

SHARE OPTIONS

The Company adopted a share option scheme on 29 April 2005 ("2005 Scheme"), which expired on 29 April 2015. Details of the 2005 Scheme were disclosed in the Company's circular dated 13 April 2005 and are set out in note 35 to the financial statements. Movements of the 2005 Scheme during the year were set out below:

Name or category of participants	Number of share options: At 1 January 2015	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At 31December 2015	Date of grant [1] (dd-mm-yyyy)	Exercise period (dd-mm-yyyy)	Exercise price [2] HK$ per share	Closing price immediately before date of grant HK$ per share
Directors										
Lam How Mun Peter	17,500,000	–	–	–	–	17,500,000	07-05-2009	07-05-2009 to 06-05-2019	3.27	3.47
	21,539,000	–	–	–	–	21,539,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	4,000,000	–	–	–	–	4,000,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	43,039,000	–	–	–	–	43,039,000				
Leung Chun Cheong	1,500,000	–	–	–	–	1,500,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Leung Wai Fai	3,000,000	–	–	–	–	3,000,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	47,539,000	–	–	–	–	47,539,000				
Employees										
	10,100,000	–	–	–	–	10,100,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	800,000	–	–	–	–	800,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
In aggregate	10,900,000	–	–	–	–	10,900,000				
Others										
In aggregate	4,800,000	–	–	–	–	4,800,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Total	63,239,000	–	–	–	–	63,239,000				

Notes:

1. Certain share options granted are subject to a vesting period beginning from the date of grant until the commencement of the exercise period.

2. The exercise price of the share options is subject to adjustment in case of any rights issues or bonus issues, or any other changes in the Company's share capital.

On 21 May 2015, the Company adopted a share option scheme ("2015 Scheme"), details of which were disclosed in the Company's circular dated 16 April 2015 and are set out in note 35 to the financial statements. No share options have been granted under 2015 Scheme since its adoption and up to 31 December 2015.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2015, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held	Approximate percentage [3]
Thrivetrade	Beneficial owner	1,070,810,231 [1]	41.37
Regulator	Beneficial owner	260,395,559 [2]	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559 [2]	10.06
Yugang	Interest of controlled corporation	260,395,559 [2]	10.06
CIL	Interest of controlled corporation	260,395,559 [2]	10.06
Palin	Interest of controlled corporation	260,395,559 [2]	10.06

Notes:

1. These shares were included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

2. The interests held by Regulator, Yugang-BVI, Yugang, CIL and Palin respectively as shown above refer to interests in the same block of shares. The said shares were also included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

3. Approximate percentage refers to the aggregate interests which the shareholder held or had short positions in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2015.

4. All of the interests disclosed above represent long positions.

Save as disclosed above, as at 31 December 2015, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, the following director held interests in business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

Mr. Tsang Wai Choi is a shareholder of Starthigh International Limited ("Starthigh", formerly a subsidiary of the Company) which, through its subsidiaries, indirectly engages in property development and investment business in Chongqing. As each of the Directors (including Mr. Tsang) owes fiduciary duties to the Company that he/she must, in the performance of his/her duties as a director, avoid actual and potential conflicts of interest and duty, and not to profit himself/herself to the detriment of the Company, and there are provisions in the Bye-laws prohibiting a Director from voting (or being counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he/she or any of his/her associates is materially interested in except for certain permitted matters, the Directors are of the view that, the Company is capable of carrying on its business independently of, and at arm's length from, the business of Starthigh.

RELATED PARTY TRANSACTIONS

During the year, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting principles. Details of these transactions are set out in note 40 to financial statements.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

1. On 24 August 2010, an associated company (the entire interest of which was disposed of by the Company on 19 October 2015) held as to 25% by the Company entered into a facility agreement (the "JV Facility Agreement") as borrower with, among others, various financial institutions as lenders for a 3-year term loan facility in an aggregate principal amount of HK$1,000,000,000. On 22 December 2010, a supplement to the JV Facility Agreement was executed whereby the facility was enlarged to HK$1,400,000,000 by an additional term loan facility in the aggregate principal amount of HK$400,000,000 for a term of 36 months from the date of the JV Facility Agreement. On 31 October 2012, a second supplement to the JV Facility Agreement was executed whereby the enlarged facility was further enlarged to HK$1,830,000,000 by an additional term loan facility in the aggregate principal amount of up to HK$430,000,000 with a final maturity date falling 36 months from the date of the JV Facility Agreement. On 23 August 2013, a third supplement to the JV Facility Agreement was executed whereby the final maturity date under the JV Facility Agreement was extended to 24 August 2016. On 17 December 2013, a fourth supplement to the JV Facility Agreement was executed whereby the facility was further enlarged by an amount of HK$300,000,000 to an aggregate amount up to HK$2,130,000,000 with the same final maturity date on 24 August 2016. Under the JV Facility Agreement, it is (among other matters) an event of default if Mr. Cheung Chung Kiu ("Mr. Cheung") ceases to (i) save for certain exceptions, own beneficially (directly or indirectly, through any other entity or entities wholly and beneficially owned by him or by virtue of his entitlement as beneficiary under any family trust arrangement(s)) at least 35% of the issued share capital of the Company; or (ii) exercise management control over the Company. On and at any time after the occurrence of an event of default which is continuing, commitments of the lenders under the JV Facility Agreement may immediately be cancelled, and/or all or any part of the loans together with accrued interest and all other amounts accrued or outstanding under certain finance documents defined in the JV Facility Agreement may become immediately due and payable or payable on demand, and/or certain security documents defined in the JV Facility Agreement or any of them may become immediately enforceable. During the year, the outstanding loan amount under the JV Facility Agreement was repaid in full.

2. On 25 January 2013, the Company was granted a 3-year term loan facility for an aggregate amount of HK$3,400,000,000 under a facility agreement, pursuant to which it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. During the year, the outstanding loan amount under the facility agreement was repaid in full.
3. On 27 June 2013, the Company accepted the offer in a facility letter dated 25 June 2013, pursuant to which a 3-year term loan facility for an amount of HK$500,000,000 or its equivalent is made available for drawdown by the Company. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung, save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company. Upon occurrence of an event of default during the committed period from the date of acceptance of the facility letter to the date falling 2 years after the date of such acceptance (whether or not it is continuing), the lender may at any time by notice to the Company declare that the lender's obligation to make the facility available be terminated, whereupon the amount available under the facility shall be reduced to zero forthwith; and/or that if any advance is outstanding, each advance and all interest accrued and all other sums payable under the facility letter be immediately due and payable whereupon the same shall become so due and payable. On or at any time after the making of the aforesaid declaration, the lender shall be entitled, to the exclusion of the Company, to select the duration of interest period(s) until the facility is repaid in full.
4. On 13 August 2013, the Company accepted the offer in a facility letter dated 23 July 2013, pursuant to which a 3-year term loan facility for an amount of HK$500,000,000 or its equivalent in USD is made available for drawdown within 6 months from the acceptance date of the facility letter. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; and (iii) does not or ceases to have management control of the Company. After the occurrence of an event of default which is continuing, the lender may on and at any time by notice in writing to the Company declare that the facility has become immediately due and payable, whereupon the facility shall become immediately due and payable and any undrawn balance of the facility shall automatically be cancelled and no longer be available to the Company.
5. On 15 December 2014, the Company was granted a 36-month term loan facility for an aggregate amount of HK$600,000,000 under a facility agreement, pursuant to which (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control over the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the Facility Agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the Facility may become immediately due and payable, and/or all or any part of the loan under the Facility may become payable on demand. During the year, the outstanding loan amount under the facility agreement was repaid in full.

EVENTS AFTER THE REPORTING PERIOD

No significant events affecting the Group have occurred subsequent to the reporting period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as independent auditors of the Company will be proposed at the AGM.

On behalf of the Board

Cheung Chung Kiu
Chairman

Hong Kong, 23 March 2016

To the shareholders of C C Land Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of C C Land Holdings Limited (the "Company") and its subsidiaries set out on pages 30 to 91, 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, in accordance with section 90 of the Bermuda Companies Act 1981, 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.

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

23 March 2016

Consolidated Statement of Profit or Loss

Year ended 31 December 2015

	Notes	**2015 HK$'000**	2014 HK$'000
REVENUE	5	**6,620,237**	10,299,888
Cost of sales		**(4,758,076)**	(7,587,444)
Gross profit		**1,862,161**	2,712,444
Other income and gains	5	**2,679,940**	844,041
Selling and distribution expenses		**(280,076)**	(397,620)
Administrative expenses		**(414,235)**	(463,806)
Other expenses	6	**(344,206)**	(18,640)
Finance costs	7	**(158,452)**	(159,763)
Share of profits and losses of:			
Joint ventures		**(35,312)**	(24,173)
Associates		**14,100**	(13,448)
PROFIT BEFORE TAX	8	**3,323,920**	2,479,035
Income tax expense	11	**(1,682,307)**	(1,388,923)
PROFIT FOR THE YEAR		**1,641,613**	1,090,112
Attributable to:			
Owners of the parent		**1,366,665**	1,068,280
Non-controlling interests		**274,948**	21,832
		1,641,613	1,090,112
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic and diluted		**HK52.80 cents**	HK41.27 cents

	2015 HK$'000	2014 HK$'000
PROFIT FOR THE YEAR	**1,641,613**	1,090,112
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**390,372**	133,193
Deferred tax	**(16,689)**	(23,863)
Reclassification adjustment for a loss/(gain) on disposal included in the consolidated statement of profit or loss	**3,834**	(97,806)
Release upon disposal of subsidiaries (note 34)	**(177,720)**	–
	199,797	11,524
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries (note 34)	**(1,774,953)**	(81,132)
Exchange differences on translation of foreign operations	**(333,528)**	(47,025)
	(2,108,481)	(128,157)
Share of other comprehensive income of joint ventures	**(198)**	4,807
Share of other comprehensive income of associates	**(65,067)**	(5,866)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(1,973,949)**	(117,692)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(1,973,949)**	(117,692)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(332,336)**	972,420
Attributable to:		
Owners of the parent	**(536,454)**	957,226
Non-controlling interests	**204,118**	15,194
	(332,336)	972,420

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property and equipment	14	**21,977**	184,099
Investment properties	15	**–**	421,666
Prepaid land lease payments	16	**–**	121,068
Golf club membership		**10,540**	10,540
Investments in joint ventures	17	**125,992**	439,947
Investments in associates	18	**283,550**	1,503,311
Available-for-sale investments	19	**3,489,172**	690,448
Properties under development	20.1	**671,340**	7,324,735
Interests in land use rights for property development	20.2	**–**	961,336
Consideration receivables on disposal of subsidiaries	21	**1,140,382**	290,922
Deferred tax assets	29	**12,440**	147,076
Total non-current assets		**5,755,393**	12,095,148
CURRENT ASSETS			
Properties under development	20.1	**997,117**	18,993,862
Completed properties held for sale	20.3	**300,935**	6,084,612
Prepaid land lease payments	16	**–**	2,565
Prepayments, deposits and other receivables	21	**6,113,444**	1,965,948
Equity investments at fair value through profit or loss	22	**756,456**	848,057
Available-for-sale investments	19	**–**	38,789
Prepaid income tax and land appreciation tax		**15,927**	115,525
Deposits with brokerage companies	23	**3,916**	58,030
Pledged deposits	24	**303,522**	1,880,790
Restricted bank balances	24	**65,009**	1,357,267
Cash and cash equivalents	24	**2,774,285**	6,280,933
Total current assets		**11,330,611**	37,626,378
CURRENT LIABILITIES			
Trade and bills payables	25	**269,441**	4,510,638
Other payables and accruals	26	**830,527**	11,930,179
Loans from non-controlling shareholders of subsidiaries	27	**–**	559,821
Interest-bearing bank borrowings	28	**450,000**	4,152,564
Tax payable		**1,033,887**	2,939,012
Consideration payable on acquisition of subsidiaries		**–**	18,847
Total current liabilities		**2,583,855**	24,111,061

	Notes	2015 HK$'000	2014 HK$'000
NET CURRENT ASSETS		**8,746,756**	13,515,317
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,502,149**	25,610,465
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	28	**350,000**	7,929,438
Deferred tax liabilities	29	**20,947**	1,136,902
Total non-current liabilities		**370,947**	9,066,340
Net assets		**14,131,202**	16,544,125
EQUITY			
Equity attributable to owners of the parent			
Issued capital	30	**258,822**	258,822
Reserves	31	**13,872,380**	14,538,245
		14,131,202	14,797,067
Non-controlling interests		**–**	1,747,058
Total equity		**14,131,202**	16,544,125

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

		Attributable to owners of the parent									
	Notes	Issued capital HK$'000	Share premium account HK$'000	Exchange fluctuation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Capital reserve** HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2014		258,822	9,524,823	2,346,424	152,051	–	1,728,452	174,587	14,185,159	1,665,251	15,850,410
Profit for the year		–	–	–	–	–	1,068,280	–	1,068,280	21,832	1,090,112
Other comprehensive income for the year:											
Changes in fair value of available-for-sale investments, net of tax		–	–	–	109,330	–	–	–	109,330	–	109,330
Share of other comprehensive income of joint ventures		–	–	4,807	–	–	–	–	4,807	–	4,807
Share of other comprehensive income of associates		–	–	(5,866)	–	–	–	–	(5,866)	–	(5,866)
Reclassification adjustment for a gain on disposal of available-for-sale investments included in the consolidated statement of profit or loss		–	–	–	(97,806)	–	–	–	(97,806)	–	(97,806)
Release of exchange fluctuation reserve upon disposal of subsidiaries	34	–	–	(81,132)	–	–	–	–	(81,132)	–	(81,132)
Exchange differences on translation of foreign operations		–	–	(40,387)	–	–	–	–	(40,387)	(6,638)	(47,025)
Total comprehensive income for the year		–	–	(122,578)	11,524	–	1,068,280	–	957,226	15,194	972,420
Disposal of subsidiaries	34	–	–	–	–	–	–	–	–	(40,556)	(40,556)
Partial disposal of equity interest in subsidiaries	40(d)	–	–	(116,338)	(11,100)	–	(101,410)	–	(228,848)	322,448	93,600
Dividends paid to non-controlling shareholders		–	–	–	–	–	–	–	–	(215,279)	(215,279)
Forfeiture of share options	44	–	–	–	–	–	9,315	(9,315)	–	–	–
Final 2013 dividend approved		–	–	–	–	–	(116,470)	–	(116,470)	–	(116,470)
At 31 December 2014 and 1 January 2015		**258,822**	**9,524,823***	**2,107,508***	**152,475***	**–**	**2,588,167***	**165,272***	**14,797,067**	**1,747,058**	**16,544,125**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**1,366,665**	**–**	**1,366,665**	**274,948**	**1,641,613**
Other comprehensive income for the year:											
Changes in fair value of available-for-sale investments, net of tax		**–**	**–**	**–**	**373,683**	**–**	**–**	**–**	**373,683**	**–**	**373,683**
Share of other comprehensive income of joint ventures		**–**	**–**	**(198)**	**–**	**–**	**–**	**–**	**(198)**	**–**	**(198)**
Share of other comprehensive income of associates		**–**	**–**	**(67,233)**	**–**	**2,166**	**–**	**–**	**(65,067)**	**–**	**(65,067)**
Reclassification adjustment for a loss on disposal of available-for-sale investments included in the consolidated statement of profit or loss		**–**	**–**	**–**	**3,834**	**–**	**–**	**–**	**3,834**	**–**	**3,834**
Release of reserves upon disposal of subsidiaries	34	**–**	**–**	**(1,774,953)**	**(177,720)**	**–**	**–**	**–**	**(1,952,673)**	**–**	**(1,952,673)**
Exchange differences on translation of foreign operations		**–**	**–**	**(262,698)**	**–**	**–**	**–**	**–**	**(262,698)**	**(70,830)**	**(333,528)**
Total comprehensive income for the year		**–**	**–**	**(2,105,082)**	**199,797**	**2,166**	**1,366,665**	**–**	**(536,454)**	**204,118**	**(332,336)**
Dividends paid to non-controlling shareholders		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(194,912)**	**(194,912)**
Disposal of subsidiaries	34	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,756,264)**	**(1,756,264)**
Final 2014 dividend approved	12	**–**	**–**	**–**	**–**	**–**	**(129,411)**	**–**	**(129,411)**	**–**	**(129,411)**
At 31 December 2015		**258,822**	**9,524,823***	**2,426***	**352,272***	**2,166***	**3,825,421***	**165,272***	**14,131,202**	**–**	**14,131,202**

* These reserve accounts comprise the consolidated reserves of HK$13,872,380,000 (2014: HK$14,538,245,000) in the consolidated statement of financial position.

** The capital reserve represents the Group's share of capital reserve of its associate arising from its capital injection during the year.

	Notes	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**3,323,920**	2,479,035
Adjustments for:			
Write-down of completed properties held for sale to net realisable value	8	**8,269**	91,661
Write-down of properties under development to net realisable value	8	**20,146**	233,277
Depreciation	8	**18,676**	24,002
Amortisation of prepaid land lease payments	8	**1,280**	2,554
Impairment of an other receivable	6	**–**	12,676
Finance costs	7	**158,452**	159,763
Share of profits and losses of joint ventures	4	**35,312**	24,173
Share of profits and losses of associates	4	**(14,100)**	13,448
Bank interest income	5	**(84,699)**	(83,474)
Interest income from unlisted debt investments	5	**(48)**	(5,008)
Other interest income	5	**(84,633)**	(89,321)
Fair value gains on equity investments at fair value through profit or loss, net	5	**(168,558)**	(60,517)
Fair value losses/(gains) on investment properties	5,6	**2,777**	(5,950)
Loss/(gain) on disposal of available-for-sale investments, net	5,6	**2,981**	(97,806)
Dividend income from listed equity investments	5	**(16,703)**	(27,994)
Dividend income from unlisted equity investments	5	**–**	(4,174)
Loss on deemed partial disposal of investment in an associate	6	**3,421**	–
Loss/(gain) on disposal of items of property and equipment	5,6	**27**	(133)
Gain on disposal of investment properties	5	**(5,525)**	–
Gain on disposal of subsidiaries, net	5	**(2,305,272)**	(497,523)
		895,723	2,168,689
Increase in properties under development		**(5,481,721)**	(7,237,290)
Decrease in completed properties held for sale	20.3	**4,727,713**	7,258,456
Increase in prepayments, deposits and other receivables		**(633,524)**	(186,628)
Decrease/(increase) in equity investments at fair value through profit or loss		**260,159**	(474,676)
Decrease/(increase) in deposits with brokerage companies		**54,114**	(56,378)
Decrease/(increase) in restricted bank balances		**(332,680)**	1,711,544
Increase/(decrease) in trade, bills and other payables and accruals		**2,122,115**	(666,971)
Cash generated from operations		**1,611,899**	2,516,746
Tax paid, net		**(689,792)**	(901,874)
Interest paid		**(518,941)**	(703,765)
Net cash flows from operating activities		**403,166**	911,107

	Notes	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries that are not a business	33	**(17,747)**	(300,183)
Loans to a joint venture		**(49,955)**	(170,903)
Investment in an associate		**–**	(230,561)
Decrease/(increase) in balances with associates		**(454,654)**	41,699
Decrease/(increase) in pledged time deposits		**1,274,053**	(1,102,158)
Decrease in non-pledged time deposits with original maturity of more than three months when acquired		**–**	68,843
Increase in loans to non-controlling shareholders		**(102,100)**	(13,188)
Payment of land premium and related transaction costs		**(599,953)**	(701,498)
Purchases of items of property and equipment	14	**(10,480)**	(44,090)
Purchases of unlisted equity investments		**(200,000)**	(158,875)
Purchases of listed equity investments		**(1,277,176)**	–
Subscription of perpetual security	19	**(1,305,049)**	–
Purchases of investment properties		**–**	(5,676)
Interest received from bank deposits		**84,699**	83,474
Interest received from unlisted debt investments		**48**	5,008
Other interest received		**31,886**	89,321
Dividend income from listed equity investments		**16,703**	27,994
Dividend income from unlisted equity investments		**–**	4,174
Proceeds from disposal of items of property and equipment		**2,848**	3,102
Proceeds from disposal of subsidiaries	34	**5,039,472**	1,771,625
Proceeds from disposal of investment properties		**44,011**	–
Proceeds from disposal of unlisted equity investments		**39,642**	155,987
Proceeds from partial disposal of an interest in a subsidiary		**–**	93,600
Net cash flows from/(used in) investing activities		**2,516,248**	(382,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(129,411)**	(116,470)
Dividend paid to non-controlling shareholders		**(194,912)**	(215,279)
Increase/(decrease) in loans from non-controlling shareholders		**108,004**	(574,762)
Increase/(decrease) in bank borrowings, net		**(5,952,445)**	966,609
Net cash flows from/(used in) financing activities		**(6,168,764)**	60,098
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(3,249,350)**	588,900
Cash and cash equivalents at beginning of year		**6,280,933**	5,706,852
Effect of foreign exchange rate changes, net		**(257,298)**	(14,819)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,774,285**	6,280,933
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,634,285**	5,569,155
Non-pledged time deposits with original maturity of less than three months when acquired		**1,140,000**	711,778
Cash and cash equivalents as stated in the consolidated statement of cash flows		**2,774,285**	6,280,933

1. CORPORATE AND GROUP INFORMATION

C C Land Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The address of the principal place of business of the Company is Rooms 3308-10, 33/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

(i) property development and investment; and

(ii) treasury investment.

Information about subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2015 are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Allywing Investments Limited#	British Virgin Islands ("BVI")	Ordinary US$1	100	Investment holding
Billion Sino Investments Limited#	BVI	Ordinary US$1	100	Investment holding
C C Land Management Limited	Hong Kong	Ordinary HK$1	100	Corporate management
C C Land Portfolio Inc.#	BVI	Ordinary US$1	100	Treasury investment
Ever Channel Investments Limited#	BVI	Ordinary US$1	100	Investment holding
Excel Sky (Hong Kong) Limited#	Hong Kong	Ordinary HK$1	100	Investment holding
Global Palace Investments Limited	BVI/Hong Kong	Ordinary US$1,000	100	Property holding
Good Wave International Limited#	BVI	Ordinary US$1	100	Investment holding
Join Wise Enterprises Limited	Hong Kong	Ordinary HK$1	100	Treasury management
Jubilee Summer Limited#	BVI	Ordinary US$1	100	Investment holding
Marvel Leader Investments Limited#	BVI	Ordinary US$50,000	100	Investment holding
Massive Vast Group Limited#	BVI	Ordinary US$1	100	Investment holding
Mega Star International Investment Limited#	Hong Kong	Ordinary HK$1	100	Investment holding
Mighty Gain Enterprises Limited#	BVI	Ordinary US$1	100	Investment holding
Profit Vast Investment Limited	Hong Kong	Ordinary HK$1	100	Treasury investment
Super Honorable Limited#	BVI	Ordinary US$1	100	Treasury investment
Worthwell Investments Limited	BVI/Hong Kong	Ordinary US$50,000	100	Treasury investment
Sichuan Senxin Real Estate Company Limited*/## (四川森信置業有限公司)	People's Republic of China ("PRC")/ Mainland China	Registered US$29,800,000	100	Property development and investment

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Sichuan Zhong Yu Real Estate Company Limited*/## (四川中渝置地有限公司)	PRC/Mainland China	Registered US$15,000,000	100	Property development and investment
Sichuan Yongqiao Land Company Limited* (四川雍橋置業有限公司)	PRC/Mainland China	Registered RMB100,000,000	100	Property development and investment
Xian Yuansheng Enterprises Limited* (西安遠聲實業有限公司)	PRC/Mainland China	Registered RMB120,000,000	100	Property development and investment

These are investment holding companies which have no specific principal place of operations.

These companies are registered as wholly-owned foreign enterprises under PRC law.

* The English names of these companies are not official. They are direct translation from the Chinese names which are for identification purposes only.

Except for Marvel Leader Investments Limited and Mighty Gain Enterprises Limited, the equity interests of all principal subsidiaries are indirectly held by the Company.

During the years ended 31 December 2014 and 2015, the Group disposed of certain subsidiaries to independent third parties. Further details of these disposals are included in note 34 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, except for investment properties and certain equity and debt investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

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.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

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.

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 above. 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.

(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 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.

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

(c) *(continued)*

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 Group did not acquire any investment properties during the year.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") 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*[4]
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
4 No mandatory effective date is determined but is available for early adoption

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 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.

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.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill *(continued)*

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.

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

The Group measures its investment properties, available-for-sale investments and equity investments at fair value at the end of each reporting period. 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.

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 properties under development, completed properties held for sale, financial assets and investment properties), 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 a 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);
- (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 and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property 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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment and depreciation *(continued)*

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

Land and buildings	2% to 5% or over the unexpired terms of the leases if less than 50 years
Leasehold improvements	20% or over the unexpired terms of the leases if less than 5 years
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	20% to 25%

Where parts of an item of property 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 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.

Golf club membership

Golf club membership acquired is measured on initial recognition at cost and its useful life is assessed to be indefinite.

Golf club membership is tested for impairment annually and not amortised. Its useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

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 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.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction 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.

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

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, 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.

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as revenue in the statement of profit or loss. These net fair value changes do not include any dividends on these financial assets, which are recognised in accordance with the policy set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as revenue in accordance with the policies set out for “Revenue recognition” below.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Available-for-sale financial investments *(continued)*

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

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.

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)*

Impairment of financial assets *(continued)*

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of revenue. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

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 bills payables, other payables and accruals, financial guarantee contracts, loans from non-controlling shareholders of subsidiaries, consideration payable on acquisition of subsidiaries and interest-bearing bank 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.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 and settle the liabilities simultaneously.

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.

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

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 properties, when the significant risks and rewards of the properties are transferred to the purchasers, which is when the construction of the relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement, and the collectibility of related receivables is reasonably assured;

(b) rental income from properties, in the period in which the properties are let and on a straight-line basis over the lease terms;

(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;

(d) dividend income, when the shareholders' right to receive payment has been established; and

(e) income from the sale of listed securities, on the trade date.

Share-based payments

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 35 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or services conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other 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 those 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, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

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. Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 5.99% (2014: 5.62%) has been applied to the expenditure on the individual assets.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Bye-laws 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 Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective 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).

The functional currencies of certain subsidiaries, joint ventures and associates in Mainland China are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of an operation in Mainland China, the component of other comprehensive income relating to that particular operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries in Mainland China are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of subsidiaries in Mainland China which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

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 properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after its completion, whereas, the properties are accounted for as investment properties under construction included in investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at cost, while the properties held to earn rental and/or for capital appreciation are transferred to completed investment properties. Investment properties, both under construction or completed, are subject to revaluation at the end of each reporting period.

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.

Valuation of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost to completion (if any), which are estimated based on the best available information.

Impairment loss on other receivables

In determining whether an impairment loss on other receivables is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the Group's responsible personnel discusses with the relevant counterparties and reports to management on the recoverability. An impairment loss is only made for receivables that are unlikely to be collected.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment of all non-financial assets at 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.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss.

Land appreciation taxes

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

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

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

Estimation uncertainty *(continued)*

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in note 29 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Property development and investment segment	–	Development and investment of properties
Treasury investment segment	–	Investments in securities and notes receivable, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2015

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	6,385,760	234,477	6,620,237
Segment results	3,138,776	393,132	3,531,908
Corporate and unallocated income			319
Corporate and unallocated expenses			(49,855)
Finance costs			(158,452)
Profit before tax			3,323,920
Other segment information:			
Share of profits and losses of:			
Joint ventures	(35,312)	–	(35,312)
Associates	14,100	–	14,100
Capital expenditure in respect of items of property and equipment	10,480	–	10,480
Depreciation	20,289	–	20,289
Amortisation of prepaid land lease payments	1,280	–	1,280
Fair value losses on investment properties	2,777	–	2,777
Fair value gains on equity investments at fair value through profit or loss, net	–	168,558	168,558
Write-down of completed properties held for sale to net realisable value	8,269	–	8,269
Write-down of properties under development to net realisable value	20,146	–	20,146
Investments in joint ventures	125,992	–	125,992
Investments in associates	283,550	–	283,550

4. OPERATING SEGMENT INFORMATION *(continued)*

Reportable segment information *(continued)*

Year ended 31 December 2014

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	10,281,514	18,374	10,299,888
Segment results	2,500,698	173,025	2,673,723
Corporate and unallocated income			5,500
Corporate and unallocated expenses			(40,425)
Finance costs			(159,763)
Profit before tax			2,479,035
Other segment information:			
Share of profits and losses of:			
Joint ventures	(24,173)	–	(24,173)
Associates	(13,448)	–	(13,448)
Capital expenditure in respect of items of property and equipment	44,090	–	44,090
Depreciation	26,388	10	26,398
Amortisation of prepaid land lease payments	2,554	–	2,554
Fair value gains on investment properties	5,950	–	5,950
Fair value gains on equity investments at fair value through profit or loss, net	–	60,517	60,517
Write-down of completed properties held for sale to net realisable value	91,661	–	91,661
Write-down of properties under development to net realisable value	233,277	–	233,277
Impairment of an other receivable	12,676	–	12,676
Investments in joint ventures	439,947	–	439,947
Investments in associates	1,503,311	–	1,503,311

Geographical information

(a) Revenue from external customers

Over 90% of the Group's revenue is derived from external customers of the Group's operations in Mainland China.

(b) Non-current assets

	2015 HK$'000	2014 HK$'000
Mainland China	**959,853**	10,791,846
Hong Kong	**153,546**	174,857
	1,113,399	10,966,703

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the years ended 31 December 2014 and 2015, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents gross proceeds from sales of properties, net of business tax and other sales related taxes from the sale of properties; gains/losses on disposal of equity investments at fair value through profit or loss, net; gross rental income received and receivable from leased properties; and dividend and interest income from listed and unlisted investments during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2015 HK$'000	2014 HK$'000
Revenue		
Sale of properties	**6,370,817**	10,244,128
Gross rental income	**14,943**	23,080
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	**217,726**	(4,496)
Dividend income from listed equity investments	**16,703**	27,994
Dividend income from unlisted equity investments	**–**	4,174
Interest income from unlisted debt investments	**48**	5,008
	6,620,237	10,299,888
Other income and gains		
Bank interest income	**84,699**	83,474
Other interest income	**84,633**	89,321
Compensation for the termination of a joint venture project	**22,797**	–
Gain on disposal of subsidiaries, net (note 34)	**2,305,272**	497,523
Gain on disposal of available-for-sale investments	**–**	97,806
Gain on disposal of investment properties	**5,525**	–
Fair value gains on investment properties (note 15)	**–**	5,950
Fair value gains on equity investments at fair value through profit or loss, net	**168,558**	60,517
Gain on disposal of items of property and equipment	**–**	133
Others	**8,456**	9,317
	2,679,940	844,041

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	2015 HK$'000	2014 HK$'000
Fair value losses on investment properties (note 15)	**2,777**	–
Loss on deemed partial disposal of investment in an associate	**3,421**	–
Loss on disposal of available-for-sale investments	**2,981**	–
Loss on disposal of items of property and equipment	**27**	–
Impairment of an other receivable	**–**	12,676
Exchange losses, net	**335,000**	5,964
	344,206	18,640

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2015 HK$'000	2014 HK$'000
Interest on bank loans and other loans	**598,362**	796,161
Less: Interest capitalised	**(439,910)**	(636,398)
	158,452	159,763

8. PROFIT BEFORE TAX

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

	Notes	2015 HK$'000	2014 HK$'000
Cost of properties sold	20.3	**4,727,713**	7,258,456
Write-down of completed properties held for sale to net realisable value*	20.3	**8,269**	91,661
Write-down of properties under development to net realisable value*	20.1	**20,146**	233,277
Depreciation	14	**20,289**	26,398
Less: Amount capitalised		**(1,613)**	(2,396)
		18,676	24,002
Amortisation of prepaid land lease payments	16	**1,280**	2,554
Minimum lease payments under operating leases		**9,856**	14,290
Auditors' remuneration		**5,080**	6,890
Impairment of an other receivable		**–**	12,676
Employee benefit expense (including directors' remuneration (note 9)):			
Wages and salaries		**306,748**	362,141
Pension scheme contributions		**11,304**	15,223
Less: Amount capitalised		**(83,564)**	(124,918)
		234,488	252,446
Foreign exchange differences, net		**335,000**	5,964
Gross rental income, net of business tax		**(14,943)**	(23,080)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		**1,948**	4,050
Net rental income		**(12,995)**	(19,030)

* These amounts are included in "Cost of sales" in the consolidated statement of profit or loss.

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, Section 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 HK$'000	2014 HK$'000
Fees	**2,320**	2,190
Other emoluments:		
Salaries, allowances and benefits in kind	**19,060**	17,175
Performance related bonuses*	**22,150**	17,870
Pension scheme contributions	**852**	765
	42,062	35,810
	44,382	38,000

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Company's operating results, individual performance of the directors and comparable market statistics during the year.

During the year, the Group provided a leasehold property in Hong Kong as staff quarters for one of the executive directors of the Company. The estimated monetary value of such accommodation, included in the amount disclosed above, using the rateable value as an approximation, was HK$600,000 (2014: HK$600,000).

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

9. DIRECTORS' REMUNERATION *(continued)*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2015 HK$'000	2014 HK$'000
Mr. Lam Kin Fung Jeffrey	**670**	630
Mr. Leung Yu Ming Steven	**550**	520
Dr. Wong Lung Tak Patrick	**550**	520
	1,770	1,670

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

(b) Executive directors and a non-executive director

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2015					
Executive directors:					
Mr. Cheung Chung Kiu	**–**	**–**	**–**	**–**	**–**
Dr. Lam How Mun Peter	**–**	**9,050**	**11,000**	**390**	**20,440**
Mr. Tsang Wai Choi	**–**	**5,200**	**6,000**	**240**	**11,440**
Mr. Leung Chun Cheong	**–**	**2,470**	**1,850**	**114**	**4,434**
Mr. Leung Wai Fai	**–**	**2,340**	**3,300**	**108**	**5,748**
	–	**19,060**	**22,150**	**852**	**42,062**
Non-executive director:					
Mr. Wong Yat Fai	**550**	**–**	**–**	**–**	**550**
	550	**19,060**	**22,150**	**852**	**42,612**
2014					
Executive directors:					
Mr. Cheung Chung Kiu	–	–	–	–	–
Dr. Lam How Mun Peter	–	8,400	9,350	360	18,110
Mr. Tsang Wai Choi	–	4,940	5,000	228	10,168
Mr. Leung Chun Cheong	–	1,625	1,320	75	3,020
Mr. Leung Wai Fai	–	2,210	2,200	102	4,512
	–	17,175	17,870	765	35,810
Non-executive director:					
Mr. Wong Yat Fai	520	–	–	–	520
	520	17,175	17,870	765	36,330

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2014: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2014: two) non-director, highest paid employees are as follows:

	2015 HK$'000	2014 HK$'000
Salaries, allowances, and benefits in kind	**5,070**	4,550
Performance related bonuses	**12,500**	9,000
Pension scheme contributions	**234**	210
	17,804	13,760

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

	No. of individuals 2015	2014
HK$5,500,001 to HK$6,000,000	**–**	1
HK$7,000,001 to HK$7,500,000	**1**	–
HK$8,000,001 to HK$8,500,000	**–**	1
HK$10,000,001 to HK$10,500,000	**1**	–
	2	2

11. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	2015 HK$'000	2014 HK$'000
Current charge for the year		
Hong Kong	**15,891**	103
Mainland China	**1,263,880**	844,443
	1,279,771	844,546
Underprovision in prior years		
Mainland China	**299**	546
Land appreciation tax charge for the year	**305,097**	806,610
Deferred tax (note 29)	**97,140**	(262,779)
Total tax charge for the year	**1,682,307**	1,388,923

11. INCOME TAX *(continued)*

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 is as follows:

	2015 HK$'000	2014 HK$'000
Profit before tax	**3,323,920**	2,479,035
Tax at the statutory tax rates of different jurisdictions	**658,101**	590,590
Adjustments in respect of current tax of previous periods	**299**	546
Profits and losses attributable to joint ventures	**5,597**	3,989
Profits and losses attributable to associates	**(3,210)**	3,362
Income not subject to tax	**(435,713)**	(104,430)
Expenses not deductible for tax	**208,689**	174,920
Effect of withholding tax at 10% on the distributable profit of the Group's PRC subsidiaries	**132,217**	–
Effect of withholding tax at 10% on the disposal of the Group's PRC subsidiary	**888,334**	26,122
Tax losses utilised from previous periods	**(6,483)**	(11,409)
Tax losses not recognised	**5,653**	100,276
Land appreciation tax	**305,097**	806,610
Tax effect of land appreciation tax	**(76,274)**	(201,653)
Tax expense at the Group's effective rate	**1,682,307**	1,388,923

There was no share of tax expense attributable to joint ventures during the year ended 31 December 2015 (2014: Nil).

The share of tax expense attributable to associates amounting to HK$9,878,000 (2014: HK$4,843,000) is included in "Share of profits and losses of associates" on the face of the consolidated statement of profit or loss.

12. DIVIDENDS

	2015 HK$'000	2014 HK$'000
Proposed final – HK$0.055 (2014: HK$0.05) per ordinary share	**142,352**	129,411

The final dividend for the year ended 31 December 2015 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

No interim dividend was declared in respect of the years ended 31 December 2014 and 2015.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2014 and 2015 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	2015 HK$'000	2014 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**1,366,665**	1,068,280

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**2,588,223,112**	2,588,223,112

14. PROPERTY AND EQUIPMENT

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2015					
At 1 January 2015:					
Cost	**172,618**	**1,935**	**66,046**	**72,631**	**313,230**
Accumulated depreciation	**(44,406)**	**(1,765)**	**(39,043)**	**(43,917)**	**(129,131)**
Net carrying amount	**128,212**	**170**	**27,003**	**28,714**	**184,099**
At 1 January 2015, net of accumulated depreciation	**128,212**	**170**	**27,003**	**28,714**	**184,099**
Additions	**2,824**	**–**	**5,785**	**1,871**	**10,480**
Disposals	**(2,235)**	**–**	**(381)**	**(259)**	**(2,875)**
Depreciation provided during the year	**(3,274)**	**(65)**	**(5,952)**	**(10,998)**	**(20,289)**
Disposal of subsidiaries (note 34)	**(111,816)**	**–**	**(22,283)**	**(13,416)**	**(147,515)**
Exchange realignment	**(170)**	**–**	**(891)**	**(862)**	**(1,923)**
At 31 December 2015, net of accumulated depreciation	**13,541**	**105**	**3,281**	**5,050**	**21,977**
At 31 December 2015:					
Cost	**18,550**	**1,935**	**9,264**	**18,818**	**48,567**
Accumulated depreciation	**(5,009)**	**(1,830)**	**(5,983)**	**(13,768)**	**(26,590)**
Net carrying amount	**13,541**	**105**	**3,281**	**5,050**	**21,977**

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2014					
At 1 January 2014:					
Cost	158,038	1,918	50,729	64,592	275,277
Accumulated depreciation	(36,522)	(1,700)	(30,246)	(36,925)	(105,393)
Net carrying amount	121,516	218	20,483	27,667	169,884
At 1 January 2014, net of accumulated depreciation	121,516	218	20,483	27,667	169,884
Additions	17,980	17	15,807	10,286	44,090
Disposals	(2,493)	–	(348)	(128)	(2,969)
Depreciation provided during the year	(8,432)	(65)	(8,872)	(9,029)	(26,398)
Exchange realignment	(359)	–	(67)	(82)	(508)
At 31 December 2014, net of accumulated depreciation	128,212	170	27,003	28,714	184,099
At 31 December 2014:					
Cost	172,618	1,935	66,046	72,631	313,230
Accumulated depreciation	(44,406)	(1,765)	(39,043)	(43,917)	(129,131)
Net carrying amount	128,212	170	27,003	28,714	184,099

As at 31 December 2014, certain of the Group's leasehold land and buildings with an aggregate carrying value of HK$84,346,000 were pledged to banks to secure banking facilities granted to the Group (note 28(a)).

15. INVESTMENT PROPERTIES

	2015 HK$'000	2014 HK$'000
Carrying amount at 1 January	**421,666**	411,330
Addition during the year	**–**	5,676
Disposals	**(38,486)**	–
Net gain/(loss) from a fair value adjustment (notes 5 and 6)	**(2,777)**	5,950
Disposal of subsidiaries (note 34)	**(380,542)**	–
Exchange realignment	**139**	(1,290)
Carrying amount at 31 December	**–**	421,666

As at 31 December 2014, certain of the Group's investment properties with an aggregate carrying value of HK$193,605,000 were pledged to banks to secure banking facilities granted to the Group (note 28(a)).

The Group's investment properties were leased to third parties under operating leases, further summary details of which were included in note 36(a) to the financial statements.

The Group's investment properties were revalued as at 31 December 2014 by Greater China Appraisal Limited, independent professionally qualified valuers. The valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties. In the opinion of the directors, for all investment properties that were measured at fair value, the current use of the properties was their highest and best use.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Residential properties HK$'000	**Non-residential properties** HK$'000	**Car parking spaces** HK$'000	**Total** HK$'000
At 1 January 2014	12,071	231,878	167,381	411,330
Additions	–	5,676	–	5,676
Net gain/(loss) from fair value adjustments	(469)	7,573	(1,154)	5,950
Exchange realignment	(41)	(689)	(560)	(1,290)
At 31 December 2014	11,561	244,438	165,667	421,666

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

	Valuation technique	**Significant unobservable inputs**	**Range** 2015	2014
Residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	**N/A**	14.5 to 17
		Capitalisation rate		4%
Non-residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	**N/A**	9 to 130
		Capitalisation rate		5.5% to 6.5%
Car parking spaces	Income capitalisation method	Estimated monthly rental value per unit (RMB)	**N/A**	360 to 420
		Capitalisation rate		4%

Significant increase/(decrease) in the estimated rental value per square meter or per unit in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increase/(decrease) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

16. PREPAID LAND LEASE PAYMENTS

	2015 HK$'000	2014 HK$'000
Carrying amount at 1 January	**123,633**	126,622
Amortised during the year (note 8)	**(1,280)**	(2,554)
Disposal of subsidiaries (note 34)	**(122,391)**	–
Exchange realignment	**38**	(435)
Carrying amount at 31 December	**–**	123,633
Current portion	**–**	(2,565)
Non-current portion	**–**	121,068

17. INVESTMENTS IN JOINT VENTURES

	2015 HK$'000	2014 HK$'000
Share of net assets	**108,039**	46,354
Loans to joint ventures	**17,953**	393,593
	125,992	439,947

The loans to joint ventures are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, these loans are considered as part of the Group's net investments in the joint ventures.

Particulars of the Group's material joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing
Sun Vessel Global Limited ("Sun Vessel")	Ordinary shares of US$1 each	BVI	50	50	50
Chongqing Zhong Yu Property Development Company Limited New World Platinum Five Star Hotel Branch Company ("CQZY Hotel JV") 重慶中渝物業發展有限公司新世界白金五星酒店分公司*	N/A	PRC/Mainland China	2015: Nil (2014: 50)	2015: Nil (2014: 50)	2015: Nil (2014: 50)

* The English name of CQZY Hotel JV is not official. It is a direct translation from the Chinese name which is for identification purposes only. CQZY Hotel JV is principally engaged in the development and operation of a hotel in Mainland China and had been disposed of in the disposal of subsidiaries during the year ended 31 December 2015 (note 34).

Sun Vessel is a vessel holding company and was established on 6 January 2014. It is unlisted and indirectly held by the Company.

Sun Vessel and CQZY Hotel JV are considered as material joint ventures of the Group and are accounted for using the equity method. CQZY Hotel JV has been accounted for as a joint venture for the period from 16 October 2014 to 17 July 2015 (date of disposal).

17. INVESTMENTS IN JOINT VENTURES *(continued)*

The following table illustrate the summarised financial information in respect of Sun Vessel and CQZY Hotel JV and reconciled to the carrying amount in the consolidated financial statements:

Sun Vessel

	2015 HK$'000	2014 HK$'000
Current assets	**249**	390
Non-current assets	**229,691**	257,458
Financial liabilities, excluding trade and other payables	**(892)**	(274,294)
Current liabilities	**(892)**	(274,294)
Net assets/(liabilities)	**229,048**	(16,446)
Reconciliation to the Group's interests		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets/(liabilities)	**114,524**	(8,223)
Shareholder's loans	**–**	136,913
Due from Sun Vessel	**220**	–
Carrying amount of the investment	**114,744**	128,690
Depreciation	**(27,295)**	(15,926)
Loss for the year	**(27,868)**	(16,406)
Other comprehensive income for the year	**(464)**	(40)
Total comprehensive income for the year	**(28,332)**	(16,446)

CQZY Hotel JV*

	2015 HK$'000	2014 HK$'000
Non-current assets	–	622,368
Financial liabilities, excluding trade and other payables	–	(371,705)
Other current liabilities	–	(50,687)
Current liabilities	–	(422,392)
Net assets	–	199,976
Reconciliation to the Group's interests		
Proportion of the Group's ownership	–	50%
Group's share of net liabilities	–	99,988
Shareholder's loans	–	194,235
Carrying amount of the investment	–	294,223
Loss for the year	**(1,108)**	–
Total comprehensive income for the year	**(1,108)**	–

* CQZY Hotel JV was disposed of in the disposal of the Starthigh International Limited ("Starthigh", and together with its subsidiaries, the "Starthigh Group") (note 34(A)(a)) and its summarised financial information for the current year is only presented for the period up to the date of disposal on 17 July 2015.

17. INVESTMENTS IN JOINT VENTURES *(continued)*

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2015 **HK$'000**	2014 HK$'000
Share of the joint ventures' loss for the year	**(20,824)**	(15,970)
Share of the joint ventures' other comprehensive income	**34**	4,827
Share of the joint ventures' total comprehensive income	**(20,790)**	(11,143)
Aggregate carrying amount of the Group's investments in joint ventures	**11,248**	17,034

18. INVESTMENTS IN ASSOCIATES

	2015 **HK$'000**	2014 HK$'000
Share of net assets	**326,430**	568,210
Loans to an associate	**–**	997,897
Due from an associate	**16,381**	–
Due to associates	**(59,261)**	(62,796)
	283,550	1,503,311

The loans to an associate and the amounts due from and due to associates are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the loans to an associate are considered as part of the Group's net investment in the associate.

Particulars of the material associates are as follows:

Name	**Place of incorporation/ registration and business**	**Particulars of shares held**	**Percentage of ownership interest attributable to the Group**		**Principal activities**
			2015	2014	
Benefit East Investments Limited ("Benefit East")**	BVI	Ordinary shares of US$1 each	–	25	Investment holding
Chongqing Verakin Wenhao Real Estate Company Limited ("Verakin Wenhao")*/** (重慶同景文浩置業有限公司)	PRC/Mainland China	Registered RMB100,000,000	–	24.99	Property development and investment
Chongqing Verakin Wenhong Real Estate Company Limited ("Verakin Wenhong")*/** (重慶同景文宏置地有限公司)	PRC/Mainland China	Registered RMB20,000,000	–	24.99	Property development and investment
China Technology Financial Leasing Company Limited ("China Technology Financial Leasing") (華科融資租賃有限公司)	PRC/Mainland China	Registered RMB400,000,000	**18.75**	39	Finance leasing business
PRECP Development Venture I Limited ("PRECP")	Cayman Islands	Ordinary shares of US$1 each	**31.75**	31.75	Investment holding

* The English names of these companies are not official. They are direct translations from the Chinese names which are for identification purposes only.

** These associates had been disposed of in the disposal of subsidiaries during the year ended 31 December 2015 (note 34).

The Group's shareholdings in these associates comprise equity shares held through subsidiaries of the Company.

The Group's voting power held in relation to China Technology Financial Leasing is 16.67% (2014: 14.29%).

18. INVESTMENTS IN ASSOCIATES *(continued)*

Benefit East, Verakin Wenhao and its wholly-owned subsidiary, Verakin Wenhong (collectively the "Verakin Wenhao Group"), China Technology Financial Leasing and PRECP, are considered as material associates of the Group and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Benefit East* and reconciled to the carrying amount in the consolidated financial statements:

	2015 HK$'000	2014 HK$'000
Current assets	–	7,391,259
Non-current assets	–	2,065
Current liabilities	–	(4,734,118)
Non-current liabilities	–	(2,094,260)
Net assets	–	564,946
Reconciliation to the Group's interest in Benefit East:		
Proportion of the Group's ownership	–	25%
Group's share of net assets of Benefit East	–	141,237
Loans to Benefit East	–	997,897
Carrying amount of the investment in Benefit East	–	1,139,134
Loss for the year	**(35,923)**	(53,105)
Other comprehensive income for the year	**(241,869)**	(22,153)
Total comprehensive income for the year	**(277,792)**	(75,258)

The following table illustrates the summarised financial information in respect of Verakin Wenhao Group* and reconciled to the carrying amount in the consolidated financial statements:

	2015 HK$'000	2014 HK$'000
Current assets	–	809,195
Non-current assets	–	504
Current liabilities	–	(763,914)
Net assets	–	45,785
Reconciliation to the Group's interest in Verakin Wenhao Group:		
Proportion of the Group's ownership held through a 51%-owned subsidiary	–	49%
Group's share of net assets of Verakin Wenhao Group	–	22,434
Due to Verakin Wenhao Group	–	(60,335)
Carrying amount of the investment in Verakin Wenhao Group	–	(37,901)
Profit/(loss) for the year	**31,867**	(47,864)
Total comprehensive income for the year	**31,867**	(47,864)

* Benefit East and the Verakin Wenhao Group were disposed of during the year in the disposal of Merry Full Investments Limited ("Merry Full", and together with its associate, the "Merry Full Group") (note 34(A)(d)) and Win Peak Group Limited ("Win Peak", and together with its subsidiaries, the "Win Peak Group") (note 34(A)(c)), respectively, and therefore, their summarised financial information for the current year is presented for the period up to their respective dates of disposal.

18. INVESTMENTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised financial information in respect of China Technology Financial Leasing and reconciled to the carrying amount in the consolidated financial statements:

	2015 **HK$'000**	2014 HK$'000
Current assets	**1,221,419**	1,014,174
Non-current assets	**2,033,702**	1,617,121
Current liabilities	**(1,140,438)**	(1,220,714)
Non-current liabilities	**(1,585,308)**	(939,772)
Net assets	**529,375**	470,809
Reconciliation to the Group's interest in China Technology Financial Leasing:		
Proportion of the Group's ownership	**18.75%**	39%
Group's share of net assets of China Technology Financial Leasing	**99,258**	183,616
Fair value loss recognised for acquisition of 14% equity interest during the year	**–**	(8,893)
Due from China Technology Financial Leasing	**16,381**	–
Carrying amount of the investment in China Technology Financial Leasing	**115,639**	174,723
Revenue	**156,953**	114,623
Profit for the year	**26,608**	80,983
Other comprehensive income for the year	**(23,690)**	(1,311)
Total comprehensive income for the year	**2,918**	79,672

The following table illustrates the summarised financial information in respect of PRECP and reconciled to the carrying amount in the consolidated financial statements:

	2015 **HK$'000**	2014 HK$'000
Current assets	**189,553**	11,223
Non-current assets	**532,409**	712,615
Current liabilities	**(6,458)**	(8)
Net assets	**715,504**	723,830
Reconciliation to the Group's interest in PRECP:		
Proportion of the Group's ownership	**31.75%**	31.75%
Group's share of net assets of PRECP	**227,172**	229,816
Due to PRECP	**(59,261)**	(2,461)
Carrying amount of the investment in PRECP	**167,911**	227,355
Loss for the year	**(8,327)**	(2,345)
Total comprehensive income for the year	**(8,327)**	(2,345)

19. AVAILABLE-FOR-SALE INVESTMENTS

	Notes	2015 HK$'000	2014 HK$'000
Listed equity investments, at fair value		**1,571,107**	–
Loaned listed equity investment, at fair value	(a)	**–**	240,577
Unlisted equity investments, at fair value		**613,016**	449,871
Unlisted debt investments, at fair value		**–**	38,789
Perpetual Security, at fair value	(b)	**1,305,049**	–
Carrying amount at 31 December		**3,489,172**	729,237
Current portion		**–**	(38,789)
Non-current portion		**3,489,172**	690,448

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$390,372,000 (2014: HK$133,193,000). The realised loss arising from the disposal of the Group's available-for-sale investments of HK$3,834,000 (2014: gain of HK$97,806,000) and the realised gain on disposal of subsidiaries of HK$177,720,000 (2014: Nil) were reclassified from other comprehensive income to the consolidated statement of profit or loss for the year.

The above investments consist of investments in equity and debt securities which were designated as available-for-sale financial assets with no fixed maturity date or coupon rate.

Notes:

(a) On 29 July 2014, the Group loaned a listed equity investment to an independent securities company established in the PRC with a fixed interest rate at 3% per annum. The loan arrangement was renewable each year and up to a period of three years and the Group was entitled to any dividends receivable from the loaned listed equity investment and the Group earned a return of 3% per annum on the loaned balance during the period of the arrangement. Such loaned listed equity investment had been disposed of in the disposal of the Starthigh Group during the year ended 31 December 2015 (note 34(A)(a)).

(b) In December 2015, the Group subscribed for a perpetual security at a net consideration of US$168,300,000 (equivalent to HK$1,305,049,000) (the "Perpetual Security") issued by a company listed on the Stock Exchange (the "Issuer"). The Perpetual Security is unsecured and confers a right to receive distribution at 9% per annum semi-annually in arrear. There is no maturity of the Perpetual Security and the payment of distribution can be deferred at the discretion of the Issuer provided that the Issuer does not declare any dividend to its equity shareholders within the 12 month period ending on the day before the date of distribution.

20.1 PROPERTIES UNDER DEVELOPMENT

	2015 HK$'000	2014 HK$'000
At beginning of year	**26,318,597**	25,826,188
Additions (including development costs and capitalised interest and expenses)	**5,923,244**	7,876,085
Transfer from interests in land use rights for property development (note 20.2)	**1,223,600**	2,046,125
Transfer to completed properties held for sale (note 20.3)	**(11,280,591)**	(8,027,099)
Disposal of subsidiaries (note 34)	**(19,759,289)**	(1,083,988)
Write-down to net realisable value (note 8)	**(20,146)**	(233,277)
Exchange realignment	**(736,958)**	(85,437)
At end of year	**1,668,457**	26,318,597

20.1 PROPERTIES UNDER DEVELOPMENT *(continued)*

Properties under development expected to be completed:

	2015 HK$'000	2014 HK$'000
Beyond normal operating cycle included under non-current assets	**671,340**	7,324,735
Within normal operating cycle included under current assets	**997,117**	18,993,862
	1,668,457	26,318,597

Properties under development expected to be completed within normal operating cycle and recovered:

	2015 HK$'000	2014 HK$'000
Within one year	**997,117**	11,267,401
After one year	**–**	7,726,461
	997,117	18,993,862

As at 31 December 2014, certain of the Group's properties under development with an aggregate carrying amount of HK$16,019,055,000 were pledged to banks to secure banking facilities granted to the Group (note 28(a)).

20.2 INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

	2015 HK$'000	2014 HK$'000
At beginning of year	**961,336**	2,169,803
Additions	**599,953**	701,498
Acquisition of subsidiaries that are not a business (note 33)	**–**	143,422
Transfer to properties under development (note 20.1)	**(1,223,600)**	(2,046,125)
Disposal of subsidiaries (note 34)	**(305,763)**	–
Exchange realignment	**(31,926)**	(7,262)
At end of year	**–**	961,336

At the end of the reporting period, the Group was in the process of obtaining the relevant certificates of the above land use rights.

20.3 COMPLETED PROPERTIES HELD FOR SALE

	2015 HK$'000	2014 HK$'000
At beginning of year	**6,084,612**	5,450,528
Transfer from properties under development (note 20.1)	**11,280,591**	8,027,099
Properties sold (note 8)	**(4,727,713)**	(7,258,456)
Write-down to net realisable value (note 8)	**(8,269)**	(91,661)
Disposal of subsidiaries (note 34)	**(12,307,365)**	–
Exchange realignment	**(20,921)**	(42,898)
At end of year	**300,935**	6,084,612

As at 31 December 2014, certain of the Group's completed properties held for sale with an aggregate carrying amount of HK$481,152,000 were pledged to banks to secure banking facilities granted to the Group (note 28(a)).

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2015 HK$'000	2014 HK$'000
Non-current			
Consideration receivables on disposal of subsidiaries (note 34)	(a)	**1,140,382**	290,922
Current			
Prepayments	(b)	**42,546**	717,932
Deposits and other receivables		**17,364**	646,269
Consideration receivables on disposal of subsidiaries (note 34)	(a)	**6,053,534**	–
Amounts due from non-controlling shareholders of subsidiaries	(c)	**–**	601,747
		6,113,444	1,965,948

Notes:

(a) As at 31 December 2014, the consideration receivable on disposal of a subsidiary was interest-bearing at 15% per annum, secured by 100% equity interest in Chongqing Rui Fan Enterprises Limited* ("Chongqing Rui Fan", 重慶瑞繁實業有限公司) and repayable on or before 1 December 2016. Such consideration receivable was disposed of in the disposal of subsidiaries during the year ended 31 December 2015 (note 34(B)(c)).

As at 31 December 2015, the consideration receivables on disposal of subsidiaries are non-interest-bearing of which HK$1,887,988,000 were secured by the pledge of equity interests in Win Peak, Full Jolly Investments Limited ("Full Jolly"), Harbour Crest Holdings Limited ("Harbour Crest") and Wealthy New Limited ("Wealthy New").

(b) As at 31 December 2015, business tax and other tax surcharges on deposits received from pre-sale of properties levied by the relevant PRC tax authorities amounted to HK$38,837,000 (2014: HK$521,609,000). Such tax and surcharges are classified as and included in "Prepayments" above.

(c) As at 31 December 2014, except for an amount of HK$388,836,000 which bore interest at 12% per annum, the amounts due from non-controlling shareholders of subsidiaries were unsecured, interest-free and had no fixed terms of repayment.

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.

* The English name of this company is not official. It is a direct translation from the Chinese name which is for identification purposes only.

22. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK$'000	2014 HK$'000
Listed equity investments, at market value	**756,456**	848,057

The above investments at 31 December 2014 and 2015 were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

Assuming the portfolio of the Group's listed equity investments remained unchanged, the market value of the Group's equity investments at fair value through profit or loss at the date of approval of these financial statements was HK$725,577,000.

23. DEPOSITS WITH BROKERAGE COMPANIES

Deposits with brokerage companies are carried at an average interest rate of 0.025% per annum (2014: 0.002% per annum).

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Notes	2015 HK$'000	2014 HK$'000
Cash and bank balances		**1,699,294**	7,282,956
Time deposits		**1,443,522**	2,236,034
		3,142,816	9,518,990
Less: Pledged bank balances and time deposits	(a)	**(303,522)**	(1,880,790)
Restricted bank balances	(b)	**(65,009)**	(1,357,267)
Cash and cash equivalents		**2,774,285**	6,280,933

Notes:

(a) The bank balances and time deposits were pledged to banks to secure general banking facilities granted to the Group (note 28(a)).

(b) The restricted bank balances represented deposits placed with certain PRC banks and the usages of which are restricted to PRC property development activities.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$947,233,000 (2014: HK$8,506,246,000). 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. Short term time deposits are made for varying periods of between seven days and six months depending on the immediate cash requirements of the Group, and earn 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.

25. TRADE AND BILLS PAYABLES

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

	2015 HK$'000	2014 HK$'000
Within 1 year	**269,441**	4,510,638

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

26. OTHER PAYABLES AND ACCRUALS

	2015 HK$'000	2014 HK$'000
Deposits received	**741,966**	11,402,368
Other payables	**31,374**	448,864
Accruals	**57,187**	78,947
	830,527	11,930,179

Other payables are non-interest-bearing and are normally settled within one year.

27. LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

As at 31 December 2014, except for an amount of HK$336,372,000 which bore interest at 12% per annum, the amounts were unsecured, interest-free and had no fixed terms of repayment.

28. INTEREST-BEARING BANK BORROWINGS

	2015			2014		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans – secured	**HIBOR + 3.15% to HIBOR + 3.5%**	**2016**	**450,000**	RMB base lending rate × (1 + 5% to 1 + 62%)/ HIBOR + 0.73% to HIBOR + 3.5%/ fixed rate of 7.39%	2015	3,295,056
Bank loans – unsecured	**N/A**	**N/A**	**–**	HIBOR + 4% to HIBOR + 4.25%	2015	685,110
Entrustment loan – secured	**N/A**	**N/A**	**–**	fixed rate of 9.68%	2015	172,398
			450,000			4,152,564
Non-current						
Bank loans – secured	**HIBOR + 3.15%**	**2017**	**350,000**	RMB base lending rate × (1 + 10% to 1 + 62%)/ HIBOR + 3.15% to HIBOR + 3.5%/ fixed rate of 7.38% to 7.5%	2016 – 2022	4,443,502
Bank loans – unsecured	**N/A**	**N/A**	**–**	HIBOR + 4 % to HIBOR + 4.25%	2016 – 2017	2,770,989
Entrustment loan – secured	**N/A**	**N/A**	**–**	fixed rate of 9.68%	2016	714,947
			350,000			7,929,438
			800,000			12,082,002
Analysed into:						
Bank borrowings repayable:						
Within one year or on demand			**450,000**			4,152,564
In the second year			**350,000**			6,471,974
In the third to fifth years, inclusive			**–**			1,390,280
Beyond five years			**–**			67,184
			800,000			12,082,002

28. INTEREST-BEARING BANK BORROWINGS *(continued)*

(a) Certain of the Group's bank borrowings are secured by certain of the Group's assets with aggregate carrying amounts as listed below:

	Notes	**2015 HK$'000**	2014 HK$'000
Property and equipment	14	–	84,346
Investment properties	15	–	193,605
Properties under development	20.1	–	16,019,055
Completed properties held for sale	20.3	–	481,152
Pledged bank balances and time deposits	24(a)	**303,522**	1,880,790

(b) For the year ended 31 December 2014, the Group and an independent third party entered into an entrustment loan arrangement (the "Entrustment Loan Arrangement") with a bank in the PRC to borrow an entrusted loan for a term of 2 years commencing from 11 July 2014 with early repayment in accordance with the relevant project's per-sale status. Pursuant to the Entrustment Loan Arrangement, the entrustment loan of HK$887,345,000 was secured by the Group's properties under development of HK$1,656,952,000 and the pledge of the 100% equity holding of a subsidiary of the Group with a corresponding net asset value of HK$230,872,000 as at 31 December 2014. Moreover, a non-controlling shareholder and a director of a subsidiary of the Group each agreed to provide a guarantee of an amount up to the entrustment loan amount. The entrustment loan had been disposed of in the disposal of the subsidiaries for the year ended 31 December 2015 (note 34).

(c) As at 31 December 2014, apart from the entrustment loan, a non-controlling shareholder and a director of the Group's subsidiary had each guaranteed a Group's bank loan up to HK$253,527,000.

(d) As at 31 December 2015, all bank borrowings bear interest at floating interest rates. As at 31 December 2014, except for bank borrowings with an aggregate amount of HK$2,154,981,000 which bore at fixed interest rates, all bank loans bore interest at floating interest rates.

(e) The carrying amounts of the Group's bank borrowings which are denominated in the following currencies are as follows:

	2015 HK$'000	2014 HK$'000
HK$	**800,000**	5,406,099
RMB	–	6,675,903
	800,000	12,082,002

29. DEFERRED TAX

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

Deferred tax liabilities

	Revaluation of properties HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Development cost HK$'000	Revaluation of available-for-sale investments HK$'000	Withholding tax on dividend HK$'000	Unrealised gain HK$'000	Total HK$'000
At 1 January 2014	1,600,435	332	23,231	32,951	–	–	1,656,949
Deferred tax charged to other comprehensive income during the year	–	–	–	23,863	–	–	23,863
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	(117,754)	–	6,717	–	–	–	(111,037)
Exchange realignment	(5,912)	–	(46)	(110)	–	–	(6,068)
At 31 December 2014 and 1 January 2015	**1,476,769**	**332**	**29,902**	**56,704**	**–**	**–**	**1,563,707**
Deferred tax charged to other comprehensive income during the year	**–**	**–**	**–**	**16,689**	**–**	**–**	**16,689**
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	**(11,240)**	**(42)**	**24,807**	**–**	**132,217**	**7,920**	**153,662**
Disposal of subsidiaries (note 34)	**(1,461,904)**	**–**	**(51,823)**	**(73,412)**	**(119,480)**	**–**	**(1,706,619)**
Exchange realignment	**(3,625)**	**–**	**(2,886)**	**19**	**–**	**–**	**(6,492)**
At 31 December 2015	**–**	**290**	**–**	**–**	**12,737**	**7,920**	**20,947**

Deferred tax assets

	Provision for land appreciation tax HK$'000	Losses available for offsetting taxable profits HK$'000	Total HK$'000
At 1 January 2014	394,468	28,367	422,835
Deferred tax credited to the statement of profit or loss during the year (note 11)	125,765	25,977	151,742
Exchange realignment	(725)	29	(696)
At 31 December 2014 and 1 January 2015	**519,508**	**54,373**	**573,881**
Deferred tax credited to the statement of profit or loss during the year (note 11)	**15,367**	**41,155**	**56,522**
Disposal of subsidiaries (note 34)	**(528,061)**	**(80,235)**	**(608,296)**
Exchange realignment	**(5,527)**	**(4,140)**	**(9,667)**
At 31 December 2015	**1,287**	**11,153**	**12,440**

29. DEFERRED TAX *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2015 HK$'000	2014 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**12,440**	147,076
Deferred tax liabilities recognised in the consolidated statement of financial position	**(20,947)**	(1,136,902)
	(8,507)	(989,826)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and associates established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2015, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of certain of the Group's subsidiaries, associates and joint venture established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, associates and joint venture will distribute such earnings in the foreseeable future. The aggregate amount of temporary difference associated with investments in these subsidiaries, associates and joint venture in Mainland China for which deferred tax liabilities have not been recognised totally approximately HK$78,034,000 as at 31 December 2015 (2014: HK$4,576,072,000).

The Group has tax losses arising in Hong Kong of HK$74,656,000 (2014: HK$74,436,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK$78,034,000 (2014: HK$464,965,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. SHARE CAPITAL

Shares

	2015 HK$'000	2014 HK$'000
Authorised: 5,000,000,000 (2014: 5,000,000,000) ordinary shares of HK$0.10 (2014: HK$0.10) each	**500,000**	500,000
Issued and fully paid: 2,588,223,112 (2014: 2,588,223,112) ordinary shares of HK$0.10 (2014: HK$0.10) each	**258,822**	258,822

There was no movement in share capital during the year.

Share options

Details of the Company's share option schemes are set out in note 35 to the financial statements.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 34.

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Name of subsidiary	Percentage of equity interests held by non-controlling interests		Profit/(loss) for the year allocated to non-controlling interests		Dividends paid to non-controlling interests		Accumulated balances of non-controlling interests at the reporting dates	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	%	%	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Chongqing Verakin Real Estate Company Limited* ("Chongqing Verakin")	**–**	49	**100,407**	(29,787)	**183,500**	192,668	**–**	329,026
Chengdu Guojia Cheer Gain Property Company Limited* ("Chengdu Guojia")	**–**	49	**185,435**	163,044	**–**	–	**–**	766,222
Chongqing Verakin Gonghao Real Estate Company Limited* ("Chongqing Gonghao")	**–**	49	**(8,093)**	(162,461)	**–**	–	**–**	2,971
Win Harbour Investments Limited* ("Win Harbour")	**–**	15	**(2,203)**	16,270	**–**	–	**–**	196,505
Starthigh*	**–**	8	**2,482**	–	**–**	–	**–**	322,448

* All these subsidiaries were disposed of during the year ended 31 December 2015 (note 34(A)) and therefore, details of their summarised financial information set out below only include their results up to their respective dates of disposal.

The following tables illustrate the summarised financial information of each of the above subsidiaries. The amounts disclosed are before any inter-company elimination:

Chongqing Verakin

	2015	2014
	HK$'000	HK$'000
Revenue	**1,908,121**	1,847,053
Total expenses	**(1,832,928)**	(2,141,213)
Profit/(loss) for the year	**158,162**	(254,047)
Total comprehensive income for the year	**158,162**	(254,047)
Current assets	**–**	6,479,366
Non-current assets	**–**	2,716,780
Current liabilities	**–**	(7,071,400)
Non-current liabilities	**–**	(1,413,302)
Net cash flows from/(used in) operating activities	**139,354**	(170,375)
Net cash flows from/(used in) investing activities	**340,966**	(497,208)
Net cash flows from/(used in) financing activities	**(798,364)**	788,311
Net increase/(decrease) in cash and cash equivalents	**(318,044)**	120,728

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

Chengdu Guojia

	2015 **HK$'000**	2014 HK$'000
Revenue	**2,088,807**	2,444,832
Total expenses	**(1,719,613)**	(2,129,932)
Profit for the year	**378,438**	332,743
Total comprehensive income for the year	**279,534**	326,687
Current assets	**–**	10,158,373
Non-current assets	**–**	651,690
Current liabilities	**–**	(6,829,392)
Non-current liabilities	**–**	(1,517,360)
Net cash flows from operating activities	**173,480**	708,296
Net cash flows from/(used in) investing activities	**8,768**	(943,035)
Net cash flows used in financing activities	**(596,564)**	(755,656)
Net decrease in cash and cash equivalents	**(414,316)**	(990,395)

Chongqing Gonghao

	2015 **HK$'000**	2014 HK$'000
Revenue	**587,511**	699,072
Total expenses	**(610,584)**	(1,031,923)
Loss for the year	**(16,517)**	(331,553)
Total comprehensive income for the year	**(16,517)**	(331,553)
Current assets	**–**	1,671,745
Non-current assets	**–**	1,061,293
Current liabilities	**–**	(2,170,990)
Non-current liabilities	**–**	(555,985)
Net cash flows from/(used in) operating activities	**(347,095)**	264,012
Net cash flows from/(used in) investing activities	**271,397**	(415,280)
Net cash flows from financing activities	**49,497**	177,144
Net increase/(decrease) in cash and cash equivalents	**(26,201)**	25,876

Win Harbour

	2015 **HK$'000**	2014 HK$'000
Revenue	**616,371**	916,034
Total expenses	**(652,566)**	(808,188)
Profit/(loss) for the year	**(34,678)**	108,468
Total comprehensive income for the year	**(83,793)**	104,589
Current assets	**–**	2,553,183
Non-current assets	**–**	1,370,259
Current liabilities	**–**	(2,124,103)
Non-current liabilities	**–**	(489,307)
Net cash flows from operating activities	**482,095**	83,563
Net cash flows used in investing activities	**(599,162)**	(33,319)
Net cash flows from/(used in) financing activities	**237,858**	(43,892)
Net increase in cash and cash equivalents	**120,791**	6,352

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

Starthigh

	2015 HK$'000	2014 HK$'000
Revenue	**351,386**	2,766,416
Total expenses	**(402,769)**	(2,590,805)
Profit/(loss) for the year	**(30,640)**	215,439
Total comprehensive income for the year	**17,967**	191,277
Current assets	**–**	10,530,439
Non-current assets	**–**	4,095,590
Current liabilities	**–**	(5,459,893)
Non-current liabilities	**–**	(1,810,114)
Net cash flows used in operating activities	**(546,621)**	(34,400)
Net cash flows from investing activities	**355,695**	348,757
Net cash flows from/(used in) financing activities	**68,035**	(680,387)
Net decrease in cash and cash equivalents	**(122,891)**	(366,030)

33. ACQUISITION OF SUBSIDIARIES THAT ARE NOT A BUSINESS

Year ended 31 December 2014

On 7 November 2012, the Group entered into an acquisition agreement with certain independent third parties to acquire the 100% equity interest in Chengdu Hejia Real Estate Company Limited ("Chengdu Hejia") at an aggregate cash consideration of RMB100,000,000 (equivalent to HK$126,763,000). The acquisition of Chengdu Hejia was completed on 4 December 2014.

Chengdu Hejia is a property development company in Mainland China. On the date of the acquisition, Chengdu Hejia had not carried out any significant business transactions except for holding two parcels of land in Chengdu. The above acquisition had been accounted for by the Group as an acquisition of assets as the entity acquired by the Group did not constitute a business.

The net assets acquired by the Group in the above acquisition were as follows:

	Note	2014 HK$'000
Net assets acquired:		
Interests in land use rights for property development	20.2	143,422
Cash and bank balances		1,355
Other payables		(18,014)
		126,763
Satisfied by:		
Cash		126,763

An analysis of the cash flows for the year in respect of the acquisition of Chengdu Hejia is as follows:

	2014 HK$'000
Cash consideration	(126,763)
Deposit paid in prior years	109,016
Consideration payable	17,747
Cash and bank balances acquired	1,355
Net inflow of cash and cash equivalents included in cash flows from investing activities	1,355

34. DISPOSAL OF SUBSIDIARIES

(A) Year ended 31 December 2015

Details of the net assets of the subsidiaries disposed of and their financial impacts are summarised below:

	Notes	The Starthigh Group HK$'000 (note a)	The Joyview Group HK$'000 (note b)	The Win Peak Group HK$'000 (note c)	The Merry Full Group HK$'000 (note d)	The Full Jolly Group HK$'000 (note e)	The Harbour Crest Group HK$'000 (note f)	The Wealthy New Group HK$'000 (note g)	Total HK$'000
Net assets disposed of:									
Property and equipment	14	123,205	2,924	16,342	–	4,528	180	336	147,515
Investment properties	15	380,542	–	–	–	–	–	–	380,542
Prepaid land lease payments	16	122,391	–	–	–	–	–	–	122,391
Investments in joint ventures		328,400	–	–	–	–	–	–	328,400
Investments in associates		51,721	–	(46,314)	1,604,110	–	–	–	1,609,517
Available-for-sale investments		373,974	–	–	–	–	–	–	373,974
Properties under development	20.1	7,361,209	3,377,127	4,972,693	–	3,734,762	313,498	–	19,759,289
Interests in land use rights for property development	20.2	222,398	–	83,365	–	–	–	–	305,763
Consideration receivable on disposal of a subsidiary		–	–	–	–	–	–	269,994	269,994
Deferred tax assets	29	–	91,359	16,987	–	16,989	–	–	125,335
Completed properties held for sale	20.3	4,673,524	5,642,239	931,876	–	650,620	337,178	71,928	12,307,365
Prepayments, deposits and other receivables		424,050	1,574,556	1,064,335	–	264,747	434,040	605,796	4,367,524
Prepaid income tax and land appreciation tax		–	52,652	43,919	–	19,415	–	–	115,986
Pledged deposits		19,462	–	244,839	–	–	–	–	264,301
Restricted bank balances		509,510	424,817	297,147	–	247,909	101,106	2,647	1,583,136
Cash and cash equivalents		526,938	188,198	487,489	–	139,342	421,739	32,045	1,795,751
Trade and bills payables		(1,400,941)	(1,405,320)	(1,481,394)	–	(658,157)	(343,058)	(56,080)	(5,344,950)
Other payables and accruals		(2,778,934)	(4,942,285)	(2,661,882)	–	(1,940,430)	(399,587)	(227,039)	(12,950,157)
Loans from non-controlling shareholders of subsidiaries		(11,470)	(30,270)	(631,238)	–	–	–	–	(672,978)
Interest-bearing bank borrowings		(337,936)	(1,596,504)	(2,192,764)	–	(1,034,437)	–	–	(5,161,641)
Tax payable		(1,482,152)	(647,812)	(394,455)	–	(61,897)	(155,225)	(75,348)	(2,816,889)
Deferred tax liabilities	29	(1,073,364)	–	(77,389)	–	–	(41,634)	(31,271)	(1,223,658)
Non-controlling interests		(400,467)	(903,194)	(267,945)	–	(184,658)	–	–	(1,756,264)
		7,632,060	1,828,487	405,611	1,604,110	1,198,733	668,237	593,008	13,930,246
Exchange fluctuation reserve released upon disposal		(1,336,417)	(66,049)	(116,186)	(123,251)	917	(138,180)	4,213	(1,774,953)
Available-for-sale investment revaluation reserve released upon disposal		(177,720)	–	–	–	–	–	–	(177,720)
Gain on disposal of subsidiaries	5	741,530	800,756	252,907	205,322	126,666	177,490	601	2,305,272
Effect of discounting		–	–	–	63,819	–	–	23,732	87,551
Satisfied by cash		6,859,453	2,563,194	542,332	1,750,000	1,326,316	707,547	621,554	14,370,396

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

	The Starthigh Group HK$'000 (note a)	The Joyview Group HK$'000 (note b)	The Win Peak Group HK$'000 (note c)	The Merry Full Group HK$'000 (note d)	The Full Jolly Group HK$'000 (note e)	The Harbour Crest Group HK$'000 (note f)	The Wealthy New Group HK$'000 (note g)	Total HK$'000
Cash consideration	6,859,453	2,563,194	542,332	1,750,000	1,326,316	707,547	621,554	14,370,396
Consideration receivables	(4,115,446)	–	(272,203)	(1,423,681)	(601,303)	(589,623)	(445,366)	(7,447,622)
Effect of discounting	–	–	–	(63,819)	–	–	(23,732)	(87,551)
Cash and cash equivalents disposed of	(526,938)	(188,198)	(487,489)	–	(139,342)	(421,739)	(32,045)	(1,795,751)
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	2,217,069	2,374,996	(217,360)	262,500	585,671	(303,815)	120,411	5,039,472

34. DISPOSAL OF SUBSIDIARIES *(continued)*

(A) Year ended 31 December 2015 *(continued)*

(a) On 2 June 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 92% equity interest in Starthigh and a shareholder's loan owed by the Starthigh Group to the Group for a total consideration of RMB5,500,000,000 (equivalent to HK$6,859,453,000). The disposal of the Starthigh Group was completed on 17 July 2015.

(b) On 24 July 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Joyview Group Limited ("Joyview", and together with its subsidiaries, the "Joyview Group") and a shareholder's loan owed by the Joyview Group to the Group for a total consideration of RMB2,103,053,000 (equivalent to HK$2,563,194,000). The disposal of the Joyview Group was completed on 26 October 2015.

(c) On 4 September 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Win Peak and a shareholder's loan owed by the Win Peak Group to the Group for a total consideration of RMB450,000,000 (equivalent to HK$542,332,000). The disposal of the Win Peak Group was completed on 27 October 2015.

(d) On 19 October 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Merry Full and a shareholder's loan owed by the Merry Full Group to the Group for a total consideration of HK$1,750,000,000. The disposal of the Merry Full Group was completed on 27 October 2015.

(e) On 17 November 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Full Jolly (and together with its subsidiaries, the "Full Jolly Group") and a shareholder's loan owed by the Full Jolly Group to the Group for a total consideration of RMB1,100,000,000 (equivalent to HK$1,326,316,000). The disposal of the Full Jolly Group was completed on 1 December 2015.

(f) On 4 December 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Harbour Crest (and together with its subsidiaries, the "Harbour Crest Group") and a shareholder's loan owed by the Harbour Crest Group to the Group for a total consideration of RMB600,000,000 (equivalent to HK$707,547,000). The disposal of the Harbour Crest Group was completed on 7 December 2015.

(g) On 14 December 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Wealthy New (and together with its subsidiaries, the "Wealthy New Group") and a shareholder's loan owed by the Wealthy New Group to the Group for a total consideration of RMB530,000,000 (equivalent to HK$621,554,000). The disposal of the Wealthy New Group was completed on 21 December 2015.

(B) Year ended 31 December 2014

Details of the net assets of the subsidiaries disposed of and their financial impacts are summarised as follows:

	Notes	The Ho Yeung Group HK$'000 (note a)	The Victory Joy Group HK$'000 (note b)	Chongqing Rui Fan HK$'000 (note c)	CQZY Hotel JV HK$'000 (note d)	Total HK$'000
Net assets disposed of:						
Investment in a joint venture		–	24,794	–	–	24,794
Properties under development	20.1	–	–	490,146	593,842	1,083,988
Interests in land use rights for property development		1,452,133	–	–	–	1,452,133
Prepayments, deposits and other receivables		–	–	1,696	–	1,696
Trade payable		–	–	–	(33,755)	(33,755)
Shareholder's loan		–	–	–	(360,112)	(360,112)
Non-controlling interest		–	–	–	(40,556)	(40,556)
		1,452,133	24,794	491,842	159,419	2,128,188
Exchange fluctuation reserve released upon disposal		(81,747)	615	–	–	(81,132)
Gain/(loss) on disposal of subsidiaries	5	457,361	9,591	90,002	(59,431)	497,523
Fair value of retained investment in a joint venture		–	–	–	(99,988)	(99,988)
Satisfied by cash		1,827,747	35,000	581,844	–	2,444,591

34. DISPOSAL OF SUBSIDIARIES *(continued)*

(B) Year ended 31 December 2014 *(continued)*

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

	The Ho Yeung Group HK$'000 (note a)	The Victory Joy Group HK$'000 (note b)	Chongqing Rui Fan HK$'000 (note c)	CQZY Hotel JV HK$'000 (note d)	Total HK$'000
Cash consideration	1,827,747	35,000	581,844	–	2,444,591
Deposits received in prior years	(382,044)	–	–	–	(382,044)
Consideration receivable	–	–	(290,922)	–	(290,922)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	1,445,703	35,000	290,922	–	1,771,625

(a) On 13 November 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Ho Yeung Group Limited ("Ho Yeung", and together with its subsidiary, the "Ho Yeung Group") and a shareholder's loan owed by the Ho Yeung Group to the Group for a total consideration of RMB1,425,480,000 (equivalent to HK$1,827,747,000). The disposal of the Ho Yeung Group was completed on 15 January 2014.

(b) On 27 June 2014, the Group transferred its entire 100% equity interest in the Victory Joy Investments Limited ("Victory Joy", and together with its joint venture, the "Victory Joy Group") to an independent third party for a total consideration of HK$35,000,000. The disposal was completed on the same date.

(c) On 24 November 2014, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Chongqing Rui Fan and the shareholder's loan owned by Chongqing Rui Fan to the Group for a total consideration of RMB459,000,000 (equivalent to HK$581,844,000). The disposal of Chongqing Rui Fan was completed on 2 December 2014.

(d) On 16 October 2014, the Group entered into a supplemental joint development agreement with the non-controlling shareholder of CQZY Hotel JV (the "Joint Shareholder") to adjust the Group's and the Joint Shareholder's ratio of their respective interest in CQZY Hotel JV from 80% and 20% to 50% and 50%. The transaction was completed on the same date.

Upon the completion of the transaction, the Group's interest in CQZY Hotel JV decreased from 80% to 50% and the Group ceased to have control over CQZY Hotel JV and shared joint control with the Joint Shareholder over CQZY Hotel JV. The Group has accounted for the transaction as a disposal of a subsidiary and the investment retained in CQZY Hotel JV as a joint venture which was stated at its fair value at the date the control was lost and accounted for using the equity method.

35. SHARE OPTION SCHEMES

(A) 2005 Scheme

The Company adopted a share option scheme on 29 April 2005 (the "2005 Scheme") which was expired on 29 April 2015. Summary of the 2005 Scheme is set out below:

For the purpose of section (A) 2005 Scheme, reference to the "Eligible Group" means (i) the Company and each of its substantial shareholders; (ii) each associate or substantial shareholder or direct or indirect associated company or joint venture of the Company or any substantial shareholder referred to in (i) above; (iii) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (ii) above; (iv) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iii) above; and (v) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iv) above; and reference to "Employee" means any full-time or part-time employee (including any executive and non-executive director, proposed executive and non-executive director) of any member of the Eligible Group.

Purpose

The purposes of the 2005 Scheme are to recognise the contribution of and to motivate Employees and other person(s) who may make a contribution to the Group, to provide incentives and to help the Group retain its existing Employees and recruit additional Employees and to provide them with a direct economic interest in attaining the long-time business objectives of the Group.

35. SHARE OPTION SCHEMES *(continued)*

(A) 2005 Scheme *(continued)*

Participants

The participants include any director, officer and Employee of any member of the Eligible Group; and any executive, officer or employee of any business, consultant, professional and other advisers to any member of the Eligible Group or any person proposed to be appointed to any of the aforesaid positions who, in the sole opinion of the Board, has contributed or is expected to contribute to the Group.

Maximum number of shares available for subscription

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2005 Scheme and any other schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

Maximum entitlement of each participant

Unless approved by the shareholders of the Company at a general meeting, the total number of shares issued and to be issued upon the exercise of options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company.

Maximum period for exercising an option

An option may be exercised in accordance with the terms of the 2005 Scheme at any time during a period to be notified by the Board to each grantee. Such period of time shall not exceed 10 years from the date of grant of the option.

Basis of determining the exercise price

The exercise price per share shall be determined by the Board and shall be at least the higher of:

(i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date on which the option is offered, which must be a trading day;

(ii) the average closing price of shares as stated in daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date as mentioned in (i) above; and

(iii) the nominal value of the shares.

A consideration of HK$1 is payable on acceptance of the offer of grant of an option.

Life of the 2005 Scheme

The 2005 Scheme shall remain in force for a period of 10 years from 29 April 2005 to 28 April 2015.

(B) 2015 Scheme

On 21 May 2015, the Company adopted a share option scheme (the “2015 Scheme”). Summary of the 2015 Scheme is set out below:

For the purpose of section (B) 2015 Scheme, reference to the “Eligible Group” means (i) the Company and each of its substantial shareholders; and (ii) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the Company or of a substantial shareholder referred to in (i) above; and (iii) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (ii) above; and (iv) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (iii) above; and (v) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (iv) above.

Purpose

To provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits, to the participants and to serve such other purposes as the Board may approve from time to time

Participants

Any director (or any persons proposed to be appointed as such, whether executive or non-executive), officer or employee (whether full-time or part-time) of each member of the Eligible Group; any business consultant, professional or other advisers (in the areas of legal, technical, financial or corporate managerial) (including any executive, officer or employee of such business consultant, professional and other advisers) to each member of the Eligible Group (or persons proposed to be appointed as such) who has rendered service or will render service to the Group, as absolutely determined by the Board

35. SHARE OPTION SCHEMES *(continued)*

(B) 2015 Scheme *(continued)*

Total number of securities available for issue and the percentage of the issued shares that it represents as at the date of this report

258,822,311 Shares, representing 10% of the issued Shares as at 23 March 2016

Maximum entitlement of each participant

Subject to the terms of the 2015 Scheme, not exceeding 1% of the total number of issued Shares in any 12-month period

Period within which the shares must be taken up under an option

Such period as determined by the Board pursuant to the 2015 Scheme, which shall expire not later than 10 years from the date of grant of the option

Minimum period for which an option must be held before exercise

Such period as may be determined by the Board pursuant to the terms of the 2015 Scheme

The amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

HK$1.00, if demanded by the Company, within 7 days of the date of the demand

Basis of determining the exercise price

Subject to the terms of the 2015 Scheme, the exercise price shall be a price solely determined by the Board and shall not less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option which must be a business day;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and

(iii) the nominal value of a Share on the date of grant of the option

Life of the 2015 Scheme

Subject to the terms of the 2015 Scheme, 10 years commencing on 21 May 2015

No share options were granted under the 2015 scheme since its adoption and up to 31 December 2015. The movement of share options under the 2005 Scheme during the year is as follows:

	2015		2014	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 January	**3.30**	**63,239**	3.30	65,914
Forfeited during the year	**N/A**	**–**	3.31	(2,675)
At 31 December	**3.30**	**63,239**	3.30	63,239

There were no share options exercised under the 2005 Scheme during the years ended 31 December 2014 and 2015.

35. SHARE OPTION SCHEMES *(continued)*

The exercise prices and exercise periods of the share options outstanding under the 2005 Scheme as at the end of the reporting period are as follows:

2015

Number of options '000	Exercise price* HK$ per share	Exercise period
17,500	**3.27**	07-05-2009 to 06-05-2019
40,939	**3.31**	03-09-2010 to 02-09-2020
4,800	**3.31**	01-01-2011 to 02-09-2020
63,239		

2014

Number of options '000	Exercise price* HK$ per share	Exercise period
17,500	3.27	07-05-2009 to 06-05-2019
40,939	3.31	03-09-2010 to 02-09-2020
4,800	3.31	01-01-2011 to 02-09-2020
63,239		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

No share option expense was recognised by the Group during the year (2014: Nil).

At the end of the reporting period, the Company had 63,239,000 (2014: 63,239,000) share options outstanding under the 2005 Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 63,239,000 (2014: 63,239,000) additional ordinary shares of the Company and additional share capital of HK$6,324,000 (2014: HK$6,324,000) and share premium of HK$202,297,000 (2014: HK$202,297,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 63,239,000 share options outstanding under the 2005 Scheme, which represented approximately 2.4% of the Company's shares in issue as at that date.

36. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15) and some other properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty 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:

	2015 HK$'000	2014 HK$'000
Within one year	–	48,631
In the second to fifth years, inclusive	–	625,751
After five years	–	5,637,821
	–	6,312,203

During the year, no contingent rental receivable was recognised by the Group (2014: Nil).

36. OPERATING LEASE ARRANGEMENTS *(continued)*

(b) As lessee

The Group leases certain of its office properties and staff quarters under operating lease arrangements. The leases for the office properties and staff quarters are negotiated for terms of one to three years.

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

	2015 **HK$'000**	2014 HK$'000
Within one year	**6,093**	12,689
In the second to fifth years, inclusive	**3,060**	7,741
	9,153	20,430

37. COMMITMENTS

In addition to the operating lease commitments detailed in note 36(b) above, the Group had the following commitments in respect of property development expenditures at the end of the reporting period:

	2015 **HK$'000**	2014 HK$'000
Contracted, but not provided for	**452,545**	7,857,548

The Group had the following share of a joint venture's own commitments in respect of property development expenditures, which are not included in the above, at the end of the reporting period:

	2015 **HK$'000**	2014 HK$'000
Contracted, but not provided for	**–**	87,891

38. CONTINGENT LIABILITIES

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

	2015 **HK$'000**	2014 HK$'000
Guarantees given to banks in connection with facilities granted to an associate	**–**	526,092

As at 31 December 2014, the banking facilities guaranteed by the Group to an associate were utilised to the extent of approximately HK$526,092,000.

39. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees:

	2015 **HK$'000**	2014 HK$'000
Guarantees in respect of mortgage facilities provided for certain customers	**694,957**	7,072,739

The Group have arranged bank financing for certain purchasers of their property units and provided guarantees to secure the obligations of these purchasers for repayments. The guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificates which will generally be available within one year upon the completion of guarantee registration; and (ii) the satisfaction of mortgaged loans by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks and the banks are entitled to take over the legal titles and possession of the related properties. The guarantee period starts from the dates of grant of the mortgages. The directors of the Company consider that the fair value of the guarantees is not significant and in the case of default on payments, the net realisable value of the related properties will exceed the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore, no provision has been made in the financial statements for the guarantees.

40. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in the financial statements, the Group paid rental expense of HK$717,000 to a company which was under common control of a controlling shareholder of the Company, for the year ended 31 December 2014. The rental was charged at a rate mutually agreed between the Group and the related company. This company was no longer related to the Group since 29 September 2014.

(b) Details of the Group's loans to its joint ventures and associate and balances with associates as at the end of the reporting period are set out in notes 17 and 18 to the financial statements.

(c) During the year, certain of the Group's buildings and prepaid land lease payments with an aggregate carrying amount of HK$11,361,000 (2014: HK$11,934,000) were provided to a family member of a director for the operation of a school free of charge. Those buildings and prepaid land lease payments had been disposed of in the disposal of Starthigh during the year. Further details of the disposal of Starthigh are disclosed in note 34(A)(a) to the financial statements.

(d) Disposal of partial interest of Starthigh to Mr. Tsang Wai Choi ("Mr. Tsang")

As set out in the Company's announcement dated 7 April 2014, the Group and Mr. Tsang entered into an investment agreement (the "Investment Agreement"), pursuant to which, Mr. Tsang would invest in Starthigh (a then wholly-owned subsidiary of the Company) by acquiring 240 shares in Starthigh (the "Starthigh Share Acquisition") at a consideration of HK$93,600,000 and subscribing for 1,600 shares in Starthigh (the "Starthigh Share Subscription") at a subscription price of HK$624,000,000. On 17 December 2014, the Starthigh Share Acquisition was completed and the Group's equity interest in Starthigh was reduced from 100% to 92%. As for the Starthigh Share Subscription, on 17 July 2015, a novation agreement was entered into between the Group, Mr. Tsang and the purchaser of Starthigh and pursuant to which the obligations and liabilities of the Group under the Investment Agreement were assumed by the purchaser of Starthigh.

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

	2015 **HK$'000**	2014 HK$'000
Short term employee benefits paid to key management personnel	**44,382**	38,000

Further details of directors' emoluments are included in note 9 to the financial statements.

The related party transactions in respect of items (a) and (d) above also constitutes connected transactions as defined in Chapter 14A of the Listing Rules.

41. FINANCIAL INSTRUMENTS BY CATEGORY

Except for available-for-sale investments and equity investments at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Group as at 31 December 2014 and 2015 are loans and receivables and financial liabilities at amortised cost.

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, time deposits with original maturity over three months, deposits with brokerage companies, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loans from non-controlling shareholders of subsidiaries, amounts due from/to joint ventures and associates, and the current portion of interest-bearing bank borrowings and the consideration payable on acquisition of subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the director and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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 methods and assumptions were used to estimate the fair values are summarised below.

The fair values of the non-current portion of interest-bearing bank borrowings and the consideration payable on acquisition of subsidiaries 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 Group's own non-performance risk for interest-bearing bank borrowings and the consideration payable on acquisition of subsidiaries as at 31 December 2015 was assessed to be insignificant. Management has assessed that the fair values of the non-current portion of interest-bearing bank borrowings and the consideration payable on acquisition of subsidiaries approximate to their carrying amounts.

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The fair values of listed available-for-sale equity investments and unlisted available-for-sale debt investments are based on quoted market prices. The fair value of the Group's loaned listed available-for-sale equity investment has been estimated based on its quoted market price with a marketability discount. The fair value of one of the Group's unlisted available-for-sale equity investments has been estimated based on its H-shares traded in Hong Kong with a marketability discount. For the rest of the unlisted equity available-for-sale investments measured at fair value, their fair values are derived from the net asset value per share of the investments. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2015 and 2014:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted available-for-sale equity investments	Discounted market value	Discount for lack of marketability	2015: N/A (2014: 25%)	5% increase/(decrease) in marketability discount would result in decrease/(increase) in fair value by HK$4,436,000 as at 31 December 2014
Loaned listed available-for-sale equity investment	Discounted market value	Discount for lack of marketability	2015: N/A (2014: 10%)	5% increase/(decrease) in marketability discount would result in decrease/(increase) in fair value by HK$13,365,000 as at 31 December 2014

The discount for lack of marketability represented the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
As at 31 December 2015				
Available-for-sale investments:				
Equity investments	**2,184,123**	**–**	**–**	**2,184,123**
Debt investments	**–**	**1,305,049**	**–**	**1,305,049**
Equity investments at fair value through profit or loss	**756,456**	**–**	**–**	**756,456**
	2,940,579	**1,305,049**	**–**	**4,245,628**
As at 31 December 2014				
Available-for-sale investments:				
Equity investments	383,331	–	307,117	690,448
Debt investments	38,789	–	–	38,789
Equity investments at fair value through profit or loss	848,057	–	–	848,057
	1,270,177	–	307,117	1,577,294

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Available-for-sale investments HK$'000
At 1 January 2014	60,915
Transfer into level 3	240,577
Total gains recognised in other comprehensive income	5,625
At 31 December 2014 and 1 January 2015	307,117
Total gains recognised in other comprehensive income	66,756
Disposal of subsidiaries	(373,974)
Exchange realignment	101
At 31 December 2015	–

The Group did not have any financial liabilities measured at fair value as at 31 December 2014 and 2015.

The Group transferred an available-for-sale investment from level 1 to level 3 amounted to HK$240,577,000 during the year ended 31 December 2014. This was because the Group loaned the listed available-for-sale equity investment in Mainland China to an independent securities company established in the PRC during the year and the available-for-sale investment cannot be sold by the Group during the loaned period. The fair value of the available-for-sale investment had been estimated based on its quoted market price with a marketability discount, which was not based on observable inputs. Significant increase/(decrease) in the marketability discount would result in a significantly lower/(higher) fair value of the available-for-sale investment.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments at fair value through profit or loss, available-for-sale investments, consideration receivables on disposal of subsidiaries, deposits and other receivables, trade and other payables, loans from non-controlling shareholders of subsidiaries, a consideration payable on acquisition of subsidiaries, interest-bearing bank borrowings, and cash and bank balances. Details of the major financial instruments and the Group's relevant accounting policies are disclosed in note 2.4 to the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The directors review and agree 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 cash and bank balances and bank borrowings with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax HK$'000**
2015		
HK$	**100**	**13,112**
RMB	**150**	**14,208**
HK$	**(100)**	**(13,112)**
RMB	**(150)**	**(14,208)**
2014		
HK$	100	(33,961)
RMB	150	44,780
HK$	(100)	33,961
RMB	(150)	(44,780)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group's property development and investment business are mainly operated in Mainland China and sales transactions and all major cost items are denominated in RMB. RMB is not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and in certain cases the remittance of currency out of Mainland China.

The Group currently does not have any foreign currency hedging policy. However, management of the Group monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of currencies other than the functional currencies of the relevant operating units, 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). There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in rates	**Increase/ (decrease) in profit before tax HK$'000**
2015		
If HK$ weakens against RMB	**3%**	**201,978**
If HK$ strengthens against RMB	**(3%)**	**(201,978)**
2014		
If HK$ weakens against RMB	3%	23,687
If HK$ strengthens against RMB	(3%)	(23,687)

Credit risk

No credit terms are granted to the customers of the Group's property development and investment business.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure the obligations of such purchasers for repayments. Details of these guarantees are disclosed in note 39 to the financial statements.

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments classified as available-for-sale investments (note 19) and equity investments at fair value through profit or loss (note 22) as at 31 December 2015. The Group's listed investments are listed on the Hong Kong and/or Shanghai stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year are as follows:

	31 December 2015	**High/low 2015**	31 December 2014	High/low 2014
Hong Kong – Hang Seng Index	**21,914**	**28,589/20,368**	23,605	25,363/21,138
Shanghai – A Share Index	**3,539**	**5,178/2,851**	3,235	3,239/1,974

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

The following table demonstrates the sensitivity to every 10% decrease (2014: 10% decrease) in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, the impact on the available-for-sale investments is on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact on the consolidated statement of profit or loss.

	Carrying amount of equity investments HK$'000	**Decrease in profit before tax** HK$'000	**Decrease in other components of equity** HK$'000
2015			
Equity investments listed in Hong Kong:			
Equity investments at fair value through profit or loss	**756,456**	**(75,646)**	**–**
Available-for-sale investments	**1,571,107**	**–**	**(157,111)**
	2,327,563	**(75,646)**	**(157,111)**
2014			
Equity investments at fair value through profit or loss listed in Hong Kong	848,057	(84,806)	–
An available-for-sale investment listed in Shanghai	240,577	–	(24,058)
Total	1,088,634	(84,806)	(24,058)

The Group's management manages the above exposure by maintaining a well-diversified investment portfolio.

Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities to meet its construction commitments and other business operations.

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

	2015				
	On demand or less than 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank borrowings	**471,823**	**357,933**	**–**	**–**	**829,756**
Trade and bills payables	**269,441**	**–**	**–**	**–**	**269,441**
Financial liabilities included in other payables and accruals	**31,374**	**–**	**–**	**–**	**31,374**
	772,638	**357,933**	**–**	**–**	**1,130,571**
Financial guarantees issued: Maximum amount guaranteed	**694,957**	**–**	**–**	**–**	**694,957**

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

	2014				
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	4,786,499	6,711,279	1,437,584	74,588	13,009,950
Loans from non-controlling shareholders	559,821	–	–	–	559,821
Trade and bills payables	4,510,638	–	–	–	4,510,638
Financial liabilities included in other payables and accruals	448,864	–	–	–	448,864
Consideration payable on acquisition of subsidiaries	18,847	–	–	–	18,847
	10,324,669	6,711,279	1,437,584	74,588	18,548,120
Financial guarantees issued: Maximum amount guaranteed	7,598,831	–	–	–	7,598,831

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and 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. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2015.

The Group monitors capital using net gearing ratio, which is net debts divided by equity attributable to owners of the parent. Net debts include interest-bearing bank borrowings less cash and bank balances and time deposits. The net gearing ratios as at the end of the reporting periods were as follows:

	2015 HK$'000	2014 HK$'000
Interest-bearing bank borrowings (note 28)	**800,000**	12,082,002
Less: Cash and bank balances and time deposits (note 24)	**(3,142,816)**	(9,518,990)
Net debts/(cash)	**(2,342,816)**	2,563,012
Equity attributable to owners of the parent	**14,131,202**	14,797,067
Net gearing ratio	**N/A**	17.3%

44. 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:

	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS		
Property and equipment	**157**	170
Golf club membership	**10,540**	10,540
Investments in subsidiaries	**1,000,390**	1,000,390
Total non-current assets	**1,011,087**	1,011,100
CURRENT ASSETS		
Prepayments, deposits and other receivables	**691**	906
Due from subsidiaries	**10,262,263**	13,638,239
Cash and cash equivalents	**177**	405,277
Total current assets	**10,263,131**	14,044,422
CURRENT LIABILITIES		
Other payables and accruals	**24,028**	22,378
Due to a subsidiary	**–**	1,550
Interest-bearing bank borrowings	**450,000**	835,110
Total current liabilities	**474,028**	859,038
NET CURRENT ASSETS	**9,789,103**	13,185,384
TOTAL ASSETS LESS CURRENT LIABILITIES	**10,800,190**	14,196,484
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**350,000**	3,570,989
Total non-current liabilities	**350,000**	3,570,989
Net assets	**10,450,190**	10,625,495
EQUITY		
Issued capital	**258,822**	258,822
Reserves (Note)	**10,191,368**	10,366,673
Total equity	**10,450,190**	10,625,495

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

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

	Note	Share premium account HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2014		9,524,823	174,587	156,489	9,855,899
Total comprehensive income for the year		–	–	627,244	627,244
Forfeiture of share options		–	(9,315)	9,315	–
Final 2013 dividend approved	12	–	–	(116,470)	(116,470)
At 31 December 2014 and 1 January 2015		9,524,823	165,272	676,578	10,366,673
Total comprehensive income for the year		–	–	(45,894)	(45,894)
Final 2014 dividend approved	12	–	–	(129,411)	(129,411)
At 31 December 2015		9,524,823	165,272	501,273	10,191,368

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited after the vesting period.

45. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 23 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 years as extracted from the published audited financial statements is set out below.

RESULTS

	Year ended 31 December				
	2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000
CONTINUING OPERATIONS					
REVENUE	**6,620,237**	10,299,888	6,844,850	7,432,699	4,702,212
PROFIT BEFORE TAX	**3,323,920**	2,479,035	1,618,367	1,955,939	1,032,252
Income tax expense	**(1,682,307)**	(1,388,923)	(955,449)	(1,295,913)	(649,698)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**1,641,613**	1,090,112	662,918	660,026	382,554
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	**–**	–	–	12,220	34,241
PROFIT FOR THE YEAR	**1,641,613**	1,090,112	662,918	672,246	416,795
Attributable to:					
Owners of the parent	**1,366,665**	1,068,280	505,395	529,237	300,995
Non-controlling interests	**274,948**	21,832	157,523	143,009	115,800
	1,641,613	1,090,112	662,918	672,246	416,795

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	At 31 December				
	2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000
Property and equipment	**21,977**	184,099	169,884	170,685	155,907
Investment properties	**–**	421,666	411,330	379,946	372,949
Prepaid land lease payments	**–**	121,068	124,048	1,136,304	784,860
Golf club membership	**10,540**	10,540	10,540	–	–
Investments in joint ventures	**125,992**	439,947	30,576	34,971	41,467
Investments in associates	**283,550**	1,503,311	1,280,688	1,244,445	1,087,782
Held-to-maturity investments	**–**	–	–	–	115,391
Available-for-sale investments	**3,489,172**	690,448	593,865	514,207	696,920
Properties under development	**671,340**	7,324,735	8,817,886	7,736,592	7,350,068
Interests in land use rights for property development	**–**	961,336	2,169,803	2,737,739	3,150,527
Consideration receivable on disposal of subsidiaries	**1,140,382**	290,922	–	–	–
Deferred tax assets	**12,440**	147,076	63,724	16,557	–
Non-current assets	**5,755,393**	12,095,148	13,672,344	13,971,446	13,755,871
Current assets	**11,330,611**	37,626,378	36,023,444	27,603,438	21,887,385
Current liabilities	**(2,583,855)**	(24,111,061)	(24,916,397)	(22,134,450)	(14,167,566)
Net current assets	**8,746,756**	13,515,317	11,107,047	5,468,988	7,719,819
Non-current liabilities	**(370,947)**	(9,066,340)	(8,928,981)	(4,488,900)	(6,870,030)
Non-controlling interests	**–**	(1,747,058)	(1,665,251)	(1,708,727)	(1,623,871)
Equity attributable to owners of the parent	**14,131,202**	14,797,067	14,185,159	13,242,807	12,981,789

PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site located in Chaoyang Road Central, Tongchuan District, Dazhou, Sichuan, PRC	Residential, Commercial and Car Park	38,000	211,000	2016 or after	100%
A site located in the junction of Shangji Road and Shanghong Road, Xi'an Economic Development District, Xi'an, Shaanxi Province, PRC	Residential, Commercial, Office and Car Park	154,100	639,000	2016 or after	100%

Definitions

"AGM"	the annual general meeting of the Company to be held on 20 May 2016
"ASP"	average selling price
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Companies Act"	Companies Act 1981 of Bermuda as amended from time to time
"Company"	C C Land Holdings Limited
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HIBOR"	Hong Kong Inter-bank Offered Rate
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules
"PRC" or "China" or "Mainland China"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM'	the special general meeting of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"sqm"	square meters
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent