GUORUI PROPERTIES LIMITED
國瑞置業有限公司

(於開曼群島以「Glory Land Company Limited(国瑞置业有限公司)」的名稱註冊成立的有限公司,並以「Guorui Properties Limited」的名稱在香港經營業務)

(Incorporated in the Cayman Islands with limited liability under the name of "Glory Land Company Limited (国瑞置业有限公司)" and carrying on business in Hong Kong as Guorui Properties Limited)

股份代號 Stock Code : 2329

2015 ANNUAL REPORT
年度報告

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FINANCIAL & OPERATION HIGHLIGHTS

Financial Highlights (RMB million)	2015	2014	change(%)
Contracted Sales	6,569	6,206	6%
Revenue	6,514	5,279	23%
Gross profit	2,679	2,405	11%
Profit for the year	1,583	1,206	31%
Profit attributable to owners of the Company	1,261	951	33%
Core profit	996	917	9%
Total assets	35,227	29,013	21%
Equity attributable to owners of the Company	8,119	7,016	16%
Cash resources[1]	2,076	1,730	20%
Financial Information per share			
Earnings per share (RMB cents)			
– Basic	28.62	23.42	22%
– Diluted	28.28	23.34	21%
Dividend per share (HKD cents)	5.55	6.05	-8%
Financial Ratios			
Gross profit margin (%)	41%	46%	-5%
Net profit margin (%)	24%	23%	1%
Net gearing ratio (%)[2]	133%	107%	26%
Dividend payout ratio (%)	16%	20%	-4%
Current ratio (times)	1.7	1.3	31%
Operational Highlights (thousand sq.m.)			
Landbank	7,659	7,694	0%
Saleable GFA sold	666	477	40%
Saleable GFA delivered	594	437	36%

1 Including the restricted bank deposits

2 Total interest bearing debt minus cash resources divided by total equity

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of Guorui Properties Limited (the "**Group**" or "**Guorui**") for the year ended December 31, 2015 (the "**Reporting Period**").

RESULTS AND REVIEW FOR 2015

In 2015, the growth of the global economy slowed down. Against the backdrop of a decline in the growth of the PRC economy, the PRC central government set the tone on stabilizing housing consumption. Stimulated by lenient policies, the real estate market in general picked up. In view of the disintegration of the real estate industry intensified, industry leaders decided to diversify so as to embrace a new development landscape.

Under such circumstance, the Group continued to focus on its principal business in real estate development and achieved growth in both scale and earnings by virtue of highly efficient operational management and flexible marketing strategies. During the Reporting Period, the Group achieved contracted sales of RMB6,569.0 million, representing an increase of 5.8% as compared to last year. Total contracted GFA was 665,661 sq.m., representing an increase of 39.6% as compared to last year. The Group realized a revenue of RMB6,514.3 million, of which the revenue derived from property development was RMB6,028.9 million, from primary land construction and development services was RMB143.4 million and from property investment was RMB280.6 million and property management and related services was RMB61.4 million. The Board has proposed to declare a dividend of HK5.55 cents per share.

2015 was a year for the Group to forge ahead and was also a year of innovation and perseverance.

Maintaining competitive advantages, being ready to move forward

With an operating history of more than 20 years, the Group commenced its business in Guangdong, grew its operations in Beijing and extended its presence nationwide. In particular, the Company is widely known for its well-established presence in the heart of the Second Ring Region in Beijing. After listing of the Company, the Group has achieved major milestones signifying leapfrog developments, including successful progress in standardizing procedures in corporate management and provisions of products and services, acquisitions of quality land parcels and diversified business expansion. Benefiting from the outstanding management capabilities, the Group managed to maintain a steady increase in key profit indicators which were higher than the industry average levels. From 2012 to 2015, the core net profit of the Group maintained a CAGR of 27%.

Reinforcing its establishment in existing regions to expand the market share

The Group always adheres to its strategies of continuous expansion in coverage of selected cities and focus on development in major areas with rapid economic growth, such as the "Beijing, Tianjin and Hebei" region and the Pearl River Delta region. At presence, Guorui has established its strategic coverage in 10 cities, including Beijing, Shenzhen, Haikou, Zhengzhou and Shenyang. At the same time, the Group aims to continue to strengthen its presence in cities where it has already established coverage and further expands its market share in the "Beijing, Tianjin and Hebei" region and Pearl River Delta region, which are centered around Beijing and Shenzhen respectively.

With a furtherance of the integration of "Beijing, Tianjin and Hebei" region, the major ecological township project of Yongqing Glory City (永清國瑞城), which is a key development project of Guorui in Langfang, should become a first choice for home buyers in the southern area of Beijing. In 2015, contracted sales of Yongqing Glory City amounted to RMB1,217.1 million, contributing 18.5% to the Group's total contracted sales. In addition, Beijing Hademen Centre (北京哈德門中心) (previously known as Beijing Glory Centre), a high-end complex project, has completed capping and is expected to launch in 2017, which should further establish the dominant position of Guorui in the heart of the Second Ring Region in Beijing.

Keeping a close watch on the land markets in first-tier cities

Benefiting from the favourable policies for the real estate market, the land markets in first-tier cities continued to boom; especially, the market performance in Beijing, Shanghai and Shenzhen was particularly prominent. With regard to the land reserves, the Group seized key opportunities in acquiring prime land parcels with strategic significance. In June 2015, the Group expanded into Shenzhen and acquired a land parcel in Nanshan, Shenzhen, which marked the addition of another location of strategic importance to its national footprint. In November 2015, the Group acquired two parcels of land in Beiqijia (北七家), of Changping District in Beijing, measuring a total of 94,199 square meters and 73,294 square meters, respectively. The Group aims to gradually develop new projects and increase its market shares in first- and second-tier cities while continuing its sustainable and healthy expansion.

Broadening financing channels and continuously optimizing the debt structure

In 2015, the PRC bond market gradually relaxed its restrictions to provide more diversified choices to enterprises. The Group has always informed of the trend in the capital markets with an aim to seize excellent financing opportunities. In October 2015, the Group was granted the rating of AA with a positive outlook by United Ratings Co., Ltd, an authoritative rating agency. During the Reporting Period, the Group successfully issued domestic corporate bonds with a total size of RMB3 billion to further broaden its financing channels, optimize its debt structure and enhance the financial strength of the Group so as to provide strong support for sustainable growth.

In the future, Guorui will constantly expand its investment and financing channels, enhance capabilities of mergers and acquisitions and cooperation, expand operating channel of projects and explore multi-channel financing platforms.

OUTLOOK FOR 2016

2016 marks the start of the "13th Five-year Plan". Premier Li Keqiang proposed "further promoting new urbanization" and "reducing the stock by implementing policies based on cities" in the government work report to promote steady and healthy development of the real estate market in the PRC. Real estate as a pillar industry of the national economy will not be shaken. The policy environment will continue to be lenient. New urbanization will open up new growth space for the development of the industry.

With the narrowing of profit margin of property enterprises and industry concentration increasing year by year, mergers and acquisitions and survival of the fittest will continue to accelerate and future competition will intensify. The key focus of the Group will be assessing situations and seizing opportunities to achieve leapfrog development.

In 2016, the Group aims to implement a diversified strategic layout driven by new businesses such as cultural tourism, healthcare and intelligent technology

The government report has proposed driving the reform and innovation of traditional industries. The Group is of the view that traditional industries in the global economic sector will all be subject to change and emerging industries will gradually replace traditional industries. In the future, emerging industries such as high-end manufacturing, new energy, biomedicine, intelligent technology, cultural tourism and healthcare will usher in leap forward development.

Solidify foundation for principal operations and diversify strategic layout

Based on the current real estate market situation and the judgement of future development, the Group has made it clear that real estate will continue as its principal operations and will gain market shares with quality products and services. While expanding in scale, the Group will take into account the profit margin in maintaining its competitive advantages. Meanwhile, it will also seek industry development opportunities during the development of traditional businesses, diversify exploration and layout, foster new business growth and enhance the overall value of the Group.

With the strategic deployment of diversified development, the Group will conscientiously advance the research and development and implementation of projects in various new business sectors such as healthcare, theme parks, sightseeing agricultural ecological parks, travel and tourism. Through constantly exploring new product lines, we will ultimately form a business model that can be successfully replicated, which will become a new engine driving the rapid development of the Group.

Establishing the new business of healthcare as an initial success achieved with diversified layout

The healthcare industry is one of the nation's key projects under the "13th Five-year Plan". The government encourages social capital to invest in the healthcare industry, bringing opportunities for Guorui to enter into the healthcare industry. On January 8, 2016, the Group successfully acquired Shantou Guorui Hospital Co. Ltd.* (汕頭市國瑞醫院有限公司) ("**Guorui Hospital**") at a consideration of RMB306 million, which opened a new chapter for the Group's asset allocation optimization strategy. Guorui Hospital will be principally engaged in hospital operation. The acquisition of Guorui Hospital will help to improve the overall quality of the Group's assets, create new space for development and strengthen long-term development of the Group. In the future, the Group will leverage on its accumulated resources and experience and further extend its presence into the healthcare industry.

Winning market segments by differentiation and being confident of the future of products with styles and themes

The Group believes that with the advancement of urbanization development and new urbanization, themed real estate driven by culture, tourism, health preservation, senior living and intelligent technology will become the dominant directions of innovative real estate business. Currently, the Group is attempting the research and development and implementation of themed real estate projects such as new urban complexes, theme parks and sightseeing agricultural ecological parks to achieve value realization in market segments by differentiation.

Building a harmonious relationship and promoting the sustainable development of the Group

With regard to investor relations, Guorui has always been taking an open attitude, abides by the disclosure standards and guidelines of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and is committed to achieve efficient communication with stakeholders. In addition, the Group also strives to become a strategic management platform for maximizing the value of the Company with the objective of enhancing investors' recognition of the strategies of the Company and facilitating the enhancement of internal management standards.

As for shareholders, the Group will as usual attentively communicate with them and pay attention to their needs. In May 2015, the Group convened the annual general meeting in Beijing during which management representatives and shareholders on site conducted frank communication and exchanges. In the future, the Group will continue to reinforce investors' recognition of and trust in the Company to safeguard the interests of shareholders.

The Group is committed to promote the sustainable development of the environment and the community and will continue to make every effort in reducing energy consumption through environmental-friendly architectural designs and operate measures to improve the environmental performance in respect of the development and management of its properties so as to conscientiously fulfill its commitment to the environment and the society.

Going forward, Guorui will strive to continue to uphold the mission of being a "responsible property developer" and join hands with the shareholders to achieve the next stage of leap-forward growth. The Group will embark on a new journey at a new starting point!

ACKNOWLEDGEMENT

Finally, on behalf of the Board, I would like to express our gratitude to all our employees for their diligence and endeavors, and our sincere appreciation to investors, customers and business partners for their strong support and confidence in the Group.

Zhang Zhangsun
Chairman

Beijing, the PRC
March 23, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Reporting Period, the Group's total contracted sales were approximately RMB6,569.0million, representing an increase of 5.8% as compared to the year ended December 31, 2014. The Group's revenue was RMB6,514.3 million, representing an increase of 23.4% as compared to the year ended December 31, 2014. This increase was primarily due to the increased revenue from property development. Revenue from property development was RMB6,028.9 million, representing an increase of 25.9% as compared to the year ended December 31, 2014. For the Reporting Period, the Group's gross profit was RMB2,678.8 million, net profit was RMB1,583.5 million, of which RMB1,260.6 million was attributable to the equity holders of the Company.

Contracted Sales

For the Reporting Period, the contracted sales of the Group amounted to approximately RMB6,569.0 million, representing an increase of 5.8% from RMB6,206.3 million for the year ended December 31, 2014. Total GFA sold was approximately 665,661 sq.m., representing an increase of 39.6% from 476,764 sq.m. for the year ended December 31, 2014. Contracted sales of the Group, by geographical location, from Beijing, Haikou, Wanning, Langfang, Zhengzhou, Shenyang, Foshan and Shantou amounted to approximately RMB1,006.2 million, RMB1,487.2 million, RMB302.2 million, RMB1,217.1 million, RMB1,120.6 million, RMB770.9 million, RMB663.2 million and RMB1.6 million, respectively, representing 15.3%, 22.6%, 4.6%, 18.5%, 17.1%, 11.7%, 10.1% and 0.1% of the Group's total contracted sales, respectively.

The following table sets out the geographic breakdown of the Group's contracted sales for the years ended December 31, 2015 and 2014:

	2015 Contracted Sales (RMB million)	2014 Contracted Sales (RMB million)	2015 GFA Sold (sq.m.)	2014 GFA Sold (sq.m.)	2015 Contracted ASP (RMB/sq.m.)	2014 Contracted ASP (RMB/sq.m.)
Beijing						
Beijing Glory City (Phases I and II)	996.9	1,826.4	16,819	27,297	59,272.3	66,907.1
Beijing Fugui Garden	—	38.6	—	1,285	—	30,072.6
Eudemonia Palace	9.3	40.6	220	872	42,272.7	46,621.0
Haikou						
Haikuotiankong Glory City (Phases I to V)	1,473.5	1,283.2	105,484	78,962	13,968.9	16,250.9
Glory Riverview Garden	9.9	—	567	—	17,460.3	—
Haidian Island Glory Garden	3.8	77.5	526	4,808	7,224.3	16,118.1
Wanning						
Wanning Glory City (Phase I)	302.2	212.0	43,258	33,383	6,986.0	6,349.8
Langfang						
Yongqing Glory City (Phases III to V)	1,217.1	710.6	144,730	63,687	8,409.5	11,157.8
Zhengzhou						
Zhengzhou Glory City (Phases I to VII)	1,120.6	1,049.1	158,294	129,383	7,079.2	8,108.7
Shenyang						
Shenyang Glory City (Phases II to IV)	770.9	963.1	113,961	136,455	6,764.6	7,058.0
Foshan						
Foshan Guohua New Capital (Phase I)	663.2	3.0	81,619	372	8,125.6	8,017.6
Shantou						
Glory Garden	1.6	0.5	183	64	8,743.2	7,599.8
Yashi Garden	—	1.7	—	196	—	8,388.2
Total	6,569.0	6,206.3	665,661	476,764	9,868.4	13,017.5

Note:

Contracted sales shown in the table include sales of car parking spaces and GFA sold includes contracted GFA of car parking spaces.

Property Projects

According to the stage of development, the Group classifies its property projects into three categories: completed properties, properties under development and properties held for future development. As some of its projects comprise multiple-phase development on a rolling basis, a single project may include different phases at various stages of completion, under development or held for future development.

As at December 31, 2015, the Group had completed a total GFA of 3,934,303 sq.m. and had land reserves with a total GFA of 7,659,123 sq.m., comprising (a) a total GFA of 760,722 sq.m. completed but remaining unsold, (b) a total GFA of 1,984,703 sq.m. under development, and (c) a total planned GFA of 4,913,698 sq.m. held for future development.

The Group selectively retains the ownership of a substantial amount of self-developed commercial properties with strategic value to generate stable and recurring income. As at December 31, 2015, the Group had investment properties with a total GFA of 810,507 sq.m. in Beijing Fugui Garden, Beijing Glory City, Shenyang Glory City, Shantou Glory City, Eudemonia Palace, Beijing Hademen Centre, Shenzhen • Nanshan and Foshan • South Levee Bay.

Properties Under Development and Properties Held for Future Development

The following table sets out a summary of information on the Group's projects and project phases under development and properties held for future development as at December 31, 2015:

			UNDER DEVELOPMENT			HELD FOR FUTURE DEVELOPMENT		
Project	Project Type	Site Area (sq.m.)	GFA Under Development (sq.m.)	Saleable/ Rentable GFA (sq.m.)	GFA Pre-sold (sq.m.)	Planned GFA (sq.m.)	GFA of Land Use Rights Certificates Not Yet Obtained (sq.m.)	Ownership Interest (%)
Beijing								
1. Beijing Hademen Centre	Mixed-use	12,738	140,021	140,021	—	—	—	80.0
2. Beiqijia East	Residential	94,199	—	—	—	284,118	—	80.0
3. Beiqijia West	Residential	73,294	—	—	—	208,041	—	80.0
Haikou								
1. Haikuotiankong Glory City (Phases V)	Mixed-use	16,598	161,318	161,318	4,531	—	—	80.0
2. Glory Riverview Garden	Residential	36,634	21,582	20,498	567	—	—	80.0
3. Haikou West Coast Glory	Residential	34,121	22,739	21,433	—	—	—	80.0
4. Hainan Yunlong	Mixed-use	1,084,162	—	—	—	1,084,162	—	40.8
Wanning								
1. Wanning Glory City (Phases II to III)	Residential	143,560	—	—	—	204,057	—	80.0
Langfang								
1. Yongqing Glory City (Phases I (partial) to II, Phase IV to V)	Residential	1,083,859	617,979	616,393	132,938	1,256,209	—	80.0/100.0
Zhengzhou								
1. Zhengzhou Glory City (Phase III (partial), Phase VI (partial), Phases VII to VIII)	Mixed-use	89,380	145,186	145,186	55,626	57,142	—	80.0

Project	Project Type	Site Area (sq.m.)	UNDER DEVELOPMENT GFA Under Development (sq.m.)	Saleable/ Rentable GFA (sq.m.)	GFA Pre-sold (sq.m.)	HELD FOR FUTURE DEVELOPMENT Planned GFA (sq.m.)	GFA of Land Use Rights Certificates Not Yet Obtained (sq.m.)	Ownership Interest (%)
Shenyang								
1. Shenyang Glory City (Phase III (partial), Phases V to VII)	Mixed-use	352,440	143,663	140,951	1,443	852,598	348,625	80.0
Foshan								
1. Foshan Guohua New Capital (Phases I to II)	Residential	120,814	515,965	510,299	81,990	—	—	44.0
2. Foshan • South Levee Bay	Mixed-use	90,231	—	—	—	358,714	358,714	80.0
Xi'an								
1. Guorui • Xi'an Financial Center	Mixed-use	19,162	—	—	—	289,978	—	72.0
Shantou								
1. Shantou Glory City (Phases I to II)	Mixed-use	54,431	173,487	167,928	—	186,442	—	100.0
Shenzhen								
1. Shenzhen • Nanshan	Commercial	20,163	42,763	42,763	—	132,237	—	75.0
Total		3,325,786	1,984,703	1,966,790	277,095	4,913,698	707,339	
Total Attributable GFA			1,496,834	1,483,132	207,641	3,676,023	565,871	

The following table sets out a summary of information of the Group's investment properties as at December 31, 2015:

Project	Types of Properties	Total GFA Held for Investment	Leasable GFA	Effective Leased GFA	Total Rental Income	
		(sq.m.)	(sq.m.)	(sq.m.)	2015 (RMB'000)	2014 (RMB'000)
Beijing Glory City	Shopping mall	84,904	46,366	35,731	224,005	210,231
	Offices	8,520	8,520	6,857		
	Car parking spaces	26,324	26,324	18,426		
	Retail outlets	34,759	31,273	27,660		
	Siheyuan	7,219	7,219	730		
Eudemonia Palace	Car parking spaces	3,950	3,950	2,907		
Beijing Fugui Garden	Shopping mall	26,146	26,146	22,464	35,184	32,734
	Retail outlets	3,170	3,170	3,170		
Shenyang Glory City	Specialized markets	50,841	50,841	—	—	—
	Retail outlets	58,972	58,972	—	—	—
Shantou Glory City	Specialized markets	62,398	62,398	53,585	21,400	24,657
Beijing Hademen Centre*	Offices Shopping Mall Car parking spaces	140,021				
Foshan • South Levee Bay*	Retail outlets Car parking spaces	260,520				
Shenzhen • Nanshan*	Offices	42,763				
Total		810,507	325,179	171,530	280,589	267,622

* Projects currently under construction

Completed Properties

The following table sets out a summary of information on the Group's completed projects and project phases as at December 31, 2015:

Project	Project Type	Site Area (sq.m.)	Completed GFA (sq.m.)	GFA Available for Sale or use by us (sq.m.)	GFA Available for Sale (sq.m.)	GFA Held for Investment (sq.m.)	GFA Sold (sq.m.)	Other GFA (sq.m.)	Ownership Interest (%)
Beijing									
1. Beijing Fugui Garden	Mixed-use	87,075	507,857	48,109	3,531	29,316	421,478	8,954	91.0
2. Beijing Glory City (Phases I and II)	Mixed-use	117,473	881,590	79,654	18,582	161,725	622,032	18,179	80.0
3. Eudemonia Palace	Residential	14,464	33,102	2,912	—	3,950	24,931	1,309	80.0
Haikou									
1. Haikuotiankong Glory City (Phases I to IV, Phase V (partial))	Mixed-use	124,777	638,759	241,917	129,937	—	370,215	26,627	80.0
2. Haidian Island Glory Garden	Residential	65,643	71,863	15,783	930	—	56,080	—	80.0
Wanning									
1. Wanning Glory City (Phase I, Phase II (partial))	Residential	100,780	161,999	79,328	71,965	—	79,098	3,573	80.0
Langfang									
1. Yongqing Glory City (Phase I (partial), Phases III)	Residential	229,507	103,462	17,778	15,633	—	85,684	—	80.0
Zhengzhou									
1. Zhengzhou Glory City (Phases I to V, Phase VI (partial))	Mixed-use	394,847	637,127	126,715	49,255	—	496,735	13,677	80.0
Shenyang									
1. Shenyang Glory City (Phases I and II, Phase III (partial), Phase IV)	Mixed-use	275,145	716,398	211,225	101,315	109,813	391,438	3,922	80.0
Shantou									
1. Shantou Glory City (Phase I)	Mixed-use	50,999	62,398	—	—	62,398	—	—	90.0
2. Glory Garden	Mixed-use	14,161	33,795	2,278	2,278	—	31,517	—	100.0
3. Yu Garden	Residential	8,292	25,767	—	—	—	25,767	—	100.0
4. Star Lake Residence	Residential	3,589	12,132	—	—	—	12,132	—	100.0
5. Yashi Garden	Residential	9,472	48,054	94	94	—	47,185	775	100.0
Total		1,496,224	3,934,303	825,793	393,520	367,202	2,664,292	77,016	
Total Attributable GFA		1,218,760	3,233,496	666,400	315,679	303,226	2,201,117	62,753	

Land Reserves

The following table sets out a summary of the Group's land reserves by geographic location as at December 31, 2015:

	Completed	Under Development	Future Development	Total Land Reserves	% of Total Land Reserves	Average land cost
	Saleable/ Rentable GFA Remaining Unsold (sq.m.)	**GFA Under Development (sq.m.)**	**Planned GFA(1) (sq.m.)**	**Total GFA (sq.m.)**	**(%)**	**(RMB/sq.m.)**
Beijing	217,106	140,021	492,159	849,286	11.1	9,334.0
Haikou	130,866	205,639	1,084,162	1,420,667	18.5	1,501.2
Wanning	71,965	—	204,057	276,022	3.6	351.2
Langfang	15,633	617,979	1,256,209	1,889,821	24.7	351.3
Zhengzhou	49,255	145,186	57,142	251,583	3.3	403.0
Shenyang	211,128	143,663	852,598	1,207,389	15.8	925.2
Foshan	—	515,965	358,714	874,679	11.4	2,410.7
Xi'an	—	—	289,978	289,978	3.8	1,551.8
Shantou	64,769	173,487	186,442	424,698	5.5	1,633.2
Shenzhen	—	42,763	132,237	175,000	2.3	4,000.0
Total	**760,722**	**1,984,703**	**4,913,698**	**7,659,123**	**100.0**	**2,087.9**

Note:

(1) Includes 216,523 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land grant contract.

The following table sets out a summary of the Group's land reserves by type of properties as at December 31, 2015:

	Completed	Under Development	Future Development	Total Land Reserves	% of Total Land Reserves
	Saleable/ Rentable GFA Remaining Unsold (sq.m.)	GFA Under Development (sq.m.)	Planned GFA[1] (sq.m.)	Total GFA (sq.m.)	(%)
Residential	311,292	1,208,775	2,623,418	4,143,485	54.1
Commercial for sale	59,337	318,093	1,143,144	1,520,574	19.9
Commercial held or intended to be held for investment	367,202	182,784	260,519	810,505	10.6
Hotel	—	—	190,355	190,355	2.5
Car parking spaces	22,719	257,139	495,405	775,263	10.1
Ancillary	—	13,937	149,143	163,080	2.1
Others	172	3,975	51,714	55,861	0.7
Total	**760,722**	**1,984,703**	**4,913,698**	**7,659,123**	**100.0**

Note:

(1) Includes 216,523 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land grant contract.

Primary Land Development and Projects Developed under the "Urban Redevelopment" Policy

Apart from engaging in property development projects, the Group also actively undertakes primary land development projects as a strategic business in order to access potentially available land reserves. During 2015, the Group undertook primary land development and under the "Urban Redevelopment" policy projects in Beijing, Shantou and Chaozhou.

Beijing

Since September 2007, the Group has undertaken a primary land development project in Beijing, namely, the West Qinian Street Project, with a planned GFA of approximately 474,304 sq.m., comprising five land parcels. The site of West Qinian Street project is located on the west side of Qinian Street and is less than one kilometer from Tiananmen Square. As at December 31, 2015, the Group incurred development costs of approximately RMB1,167.3 million and completed the primary land development of one of the five land parcels. The West Qinian Street Project is still currently under development.

Shantou

Pursuant to cooperation agreements with local self-governing organizations and enterprises under the "Urban Redevelopment" policy, the Group undertook the development of land parcels in Shantou, comprising four development projects with a total planned GFA of approximately 4.3 million sq.m during the first half of 2014. The local self-governing organizations and enterprises have agreed to cooperate in development and construction of the relevant land parcels with the Group after the completion of the requisite government procedures under the relevant local regulation. As at December 31, 2015, the Group has completed a detailed regulatory plan for two of the development projects (the "**Plan**"). The Plan is currently undergoing government's review for approval. The demolition work has been completed successfully and approval has been obtained from the relevant governmental authorities on transformation and distribution solutions. The related preliminary work is advancing in an orderly way. As at December 31, 2015, the Group incurred aggregate development costs of approximately RMB153.8 million and planned to develop residential properties on these land parcels.

Chaozhou

During the first half of 2014, the Group undertook a primary land development project in Chaozhou, Guangdong Province, with a planned GFA of 2.9 million sq.m., namely, the Meilin Lake project. The Group has obtained the approval from the local government on preliminary land-use planning, completed preliminary work such as project establishment, project environment assessment, collection of evidence on land ownership and structures thereon (including buildings), and completed the pre-proclamation of approximately 4,419 mu of land. As at December 31, 2015, the Group incurred preliminary development costs of RMB9.1 million for this project to cover preliminary planning, design and surveying expenses. The Meilin Lake Project is still currently under development.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the Group's revenue was RMB6,514.3 million, representing an increase of 23.4% from RMB5,278.5 million for the year ended December 31, 2014. This increase was primarily due to the increased revenue from property development.

Revenue from property development for the Reporting Period was RMB6,028.9 million, representing an increase of 25.9% as compared to the year ended December 31, 2014. This increase was primarily due to the increased revenue from property development in conncection with the Group's Beijing Glory City (北京國瑞城), Haikuotiankong Glory City (海闊天空國瑞城) and Shenyang Glory City (瀋陽國瑞城) projects.

Revenue from primary land construction and development services was RMB143.4 million for the Reporting Period, as compared to RMB176.0 million for the year ended December 31, 2014.

Cost of Sales and Services

The Group's cost of sales and services increased by 33.5% from RMB2,873.4 million in 2014 to RMB3,835.5 million in 2015. This increase was primarily due to the increased cost of property development.

The Group's cost of sales of properties increased by 36.7% from RMB2,628.2 million in 2014 to RMB3,591.7 million in 2015. This increase was primarily due to the increased delivered GFA in Beijing Glory City (北京國瑞城), Haikuotiankong Glory City (海濶天空國瑞城) and Shenyang Glory City (瀋陽國瑞城).

The Group's cost of services of primary land development decreased by 18.4% from RMB174.6 million in 2014 to RMB142.5 million in 2015. The cost of services of primary land development is connected with demolition schedule.

Gross Profit

For the Reporting Period, the Group's gross profit was RMB2,678.8 million, representing an increase of 11.4% from RMB2,405.2 million for the year ended December 31, 2014. The gross profit margin was 41.1% for the Reporting Period, as compared to 45.6% for the year ended December 31, 2014.

Gross profit of property development was RMB2,437.3 million for the Reporting Period, representing an increase of 12.7% from RMB2,162.1 million for the year ended December 31, 2014. The increase in the Group's gross profit of property development was primarily due to the increased gross profit in conncection with the Group's Beijing Glory City (北京國瑞城) and Haikuotiankong Glory City (海闊天空國瑞城) projects. The gross profit margin of property development decreased from 45.1% for the year ended December 31, 2014 to 40.4% for the Reporting Period.

Gross profit of primary land construction and development services was RMB0.9 million for the Reporting Period, as compared to RMB1.4 million for the year ended December 31, 2014. The gross profit margin of primary land construction and development services was 0.6% for the Reporting Period, as compared to 0.8% for the year ended December 31, 2014.

Net Profit Attributable to Equity Holders of the Company

For the Reporting Period, the net profit attributable to equity holders of the Company was RMB1,260.6 million, representing an increase of 32.6% from RMB950.7 million for the year ended December 31, 2014.

Changes in Fair Value of Investment Properties

Changes in fair value of investment properties increased by 103.0% from RMB386.0 million in 2014 to RMB783.6 million in 2015, primarily due to the Group's increase in holding of investment properties in Beijing.

Other Gains and Losses

Other losses were RMB7.0 million for the Reporting Period, while other losses were RMB4.9 million for the year ended December 31, 2014.

Other Income

Other income increased by 6.5% from RMB12.4 million for the year ended December 31, 2014 to RMB13.2 million for the Reporting Period.

Selling and Distribution Expenses

Selling and distribution expenses increased by 35.0% from RMB182.4 million for the year ended December 31, 2014 to RMB246.2 million for the Reporting Period, primarily due to an increase in marketing efforts as a result of increased GFA under sales for Wanning Glory City (萬寧國瑞城), Zhengzhou Glory City (鄭州國瑞城) and Shenyang Glory City (瀋陽國瑞城).

Administrative Expenses

Administrative expenses increased by 31.7% from RMB272.3 million for the year ended December 31, 2014 to RMB358.7 million for the Reporting Period, primarily due to the expansion of the Group and the increase in the Group's staff headcount and the increase in relevant staff costs incurred by the grant of equity incentives to the staff.

Finance Costs

Finance costs decreased by 40.9% from RMB238.9 million for the year ended December 31, 2014 to RMB141.1 million for the Reporting Period, primarily due to part of borrowings were settled.

Income Tax Expenses

Income tax expenses increased by 30.9% from RMB852.7 million for the year ended December 31, 2014 to RMB1,116.1 million for the Reporting Period, primarily due to the increase of profit before taxation. The PRC enterprise income tax and land appreciation tax of the Group for the Reporting Period were RMB585.6 million and RMB530.5 million, respectively.

Profit and Total Comprehensive Income

As a result of the foregoing, the Group's profit and total comprehensive income increased from RMB1,206.3 million for the year ended December 31, 2014 to RMB1,583.5 million for the Reporting Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at December 31, 2015, the Group's cash, restricted bank deposits and bank balances were approximately RMB2,075.8 million, representing an increase of 20.0%, as compared to RMB1,730.3 million as at December 31, 2014.

Negative Net Operating Cash Flow

The Group recorded negative net operating cash flow in the amount of RMB1,879.2 million for the Reporting Period, as compared to a negative operating cash flow of RMB630.2 million for the year ended December 31, 2014. The Group's negative net cash flow from operating activities was primarily attributable to its acquisition for land parcels in Beijing Beiqijia in November 2015.

Net Gearing Ratio

The Group's net gearing ratio or net debt to equity ratio (being total interest bearing debt less bank balances, cash and restricted cash divided by total equity and multiplied by 100%) was 133% as at December 31, 2015, as compared to 107% as at December 31, 2014.

Borrowings

As at December 31, 2015, the Group had outstanding borrowings of RMB12,298.1 million, consisting of bank borrowings of RMB10,188.6 million and other borrowings which are trust financing arrangements of RMB2,109.5 million.

As at December 31, 2015, the outstanding amount of the Group's borrowings from trust financing arrangements accounted for 17.2% of the balance of the Group's total bank and other borrowings, compared to 22.6% as at December 31, 2014.

Charge over Assets

Some of the Group's borrowings are secured by properties under development, properties held for sale, investment properties and prepaid lease payments as well as property, plant and equipment and restricted bank deposits, or combinations of the above. As at December 31, 2015, the assets pledged to secure certain borrowing granted to the Group amounted to RMB19,019.4 million.

Financial Guarantees and Contingent Liabilities

In line with market practice, the Group has entered into arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct independent credit checks on the purchasers, but rely on credit checks conducted by relevant banks. As with other property developers in the PRC, the banks usually require the Group to guarantee its customers' obligation to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at December 31, 2015, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to RMB3,997.2 million.

Save as disclosed in this annual report, the Group had no other material contingent liabilities as at December 31, 2015.

Material Acquisition and Disposals and Significant Investments

On June 7, 2015, the Group entered into an equity interest transfer and cooperation agreement with an independent third party to acquire 87.5% equity interest in Shenzhen Wanji Pharmaceutical Co., Ltd* (深圳萬基藥業有限公司) ("**Shenzhen Wanji**") for a cash consideration of RMB500,000,000 and an assignment of debts of RMB200,000,000. Shenzhen Wanji held two properties on a piece of land in Shenzhen. As at December 31, 2015, legal title of 75% equity interest in Shenzhen Wanji was transferred to the Group, the transfer of the legal title of the remaining 12.5% equity interest will be completed upon full settlement of the outstanding consideration payable of RMB100,000,000.

On November 19, 2015, two of the Company's indirect subsidiaries, Glory Xinye (Beijing) Investment Co., Ltd* (國瑞興業 (北京) 投資有限公司) and Beijing Wenhua Shengda Real Estate Development Co., Ltd* (北京文華盛達房地產開發有限公司), each acquired a parcel of land in Beiqijia town (北七家鎮) of Changping District (昌平區) in Beijing measuring a total of 94,199 square meters and 73,294 square meters, respectively for a total consideration of RMB4.496 billion. The Company has obtained the land use right certificates and construction land permits (建設用地規劃許可證) to such parcels of land in February and March, 2016, respectively.

The Company plans to develop residential housing on such parcels of land and is currently in the process of obtaining the construction project permits (建設工程規劃許可證). The Company plans to complete construction by the end of 2017.

Save as disclosed in this annual report, the Group did not have any other material acquisitions and disposals and significant investments during the Reporting Period.

Future Plans for Material Investments or Capital Assets

The Group will continue to invest in its property development projects and acquire suitable land parcels in selected cities, if it thinks fit. It is expected that internal resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed in this annual report and in the prospectus of the Company dated June 23, 2014 (the "**Prospectus**") the Group did not have any future plans for material investments or capital assets as at the date of this annual report.

Employees and Remuneration Policies

As at December 31, 2015, the Group had approximately 1,618 employees. For the year ended December 31, 2015, the Group incurred employee costs of approximately RMB333.3 million. Remuneration for the employees generally includes salary and performance-based quarterly bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from listing on the Stock Exchange (after deducting underwriting fees and related expenses) amounted to approximately HK$1,561.0 million. Since the date of listing and up to December 31, 2015, the Company had used approximately HK$150.0 million for the Company's general corporate and working capital purpose. The remaining of the net proceeds are applied in the manner consistent with that set out in the Prospectus.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

On January 8, 2016, Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) ("**Garden Group**"), an indirect wholly-owned subsidiary of the Company, and Shantou Jinming Wujin Co., Ltd.* (汕頭市金明五金材料有限公司) ("**Shantou Wujin**"), entered into agreements for (i) the acquisition of 100% equity interest in Shantou Guorui Hospital Co., Ltd.* (汕頭市國瑞醫院有限公司) ("**Guorui Hospital**") and (ii) the transfer of the shareholder's loan owed by Guorui Hospital to Shantou Wujin to Garden Group (the "**Transaction**").

Shantou Wujin is a company controlled by Chairman Zhang and Ms. Zhang Youxi ("**Ms. Zhang**"), Chairman Zhang's sister. Chairman Zhang is the chairman, executive Director and one of the Controlling Shareholders of the Company and is therefore a connected person of the Company. Ms. Zhang is a connected person of the Company by virtue of Ms. Zhang being an associate of Chairman Zhang. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Further details of the connected transaction were disclosed in the announcement of the Company dated January 8, 2016.

FINAL DIVIDEND

The Board proposed the payment of a final dividend of HK5.55 cents per share, totalling HK$245,882,000 (equivalent to RMB206,000,000), for the Reporting Period to shareholders whose names appear on the register of members of the Company on June 3, 2016. The proposed final dividend will be paid on or about June 14, 2016 after approval by Shareholders at annual general meeting of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

EXECUTIVE DIRECTORS

Mr. Zhang Zhangsun (張章笋) or Chairman Zhang, aged 59, is the founder of the Group and one of the Controlling Shareholders. Chairman Zhang also serves as executive Director, president and the chairman of the Nomination Committee of the Company and as chairman of Beijing Glory Xingye Real Estate Holding Limited* (北京國瑞興業房地產控股有限公司) ("**New Beijing Glory**"). Chairman Zhang has over 20 years of experience in real estate development, management and operation. He established our Group in April 1994 and has since led the Group in its development of real estate projects. Before he established our Group, Chairman Zhang used to work in the Shantou Commodities Bureau from 1980 to 1987. Chairman Zhang is also a member of the Chinese People's Political Consultative Committee of Beijing Municipality, a member of the standing committee of the Chinese People's Political Consultative Committee of Dongcheng District of Beijing, a representative of the National People's Congress of Shantou Municipality, an executive committee member and the vice chairman of Real Estate Chamber of Commerce of the All-China Federation of Industry and Commence and the chairman of Chaoshan Chamber of Commerce in Beijing. He graduated from high school in Shantou in July 1969.

Mr. Ge Weiguang (葛偉光), aged 51, serves as executive Director and vice president of the Company and as the director of New Beijing Glory. Mr. Ge joined the Group in September 2008 and has since served as vice president of Beijing Glory Xingye Real Estate Co., Ltd* (北京國瑞興業地產股份有限公司) ("**Original Beijing Glory**"). Before joining us, he successively served as the deputy section chief of Daxilin Iron Mine of Xilin Steel Group Co., Ltd.* (西林鋼鐵公司大西林鐵礦), a steel manufacturing company, from August 1984 to June 1990, primarily responsible for the financial management; the deputy section chief of Heilongjiang Aluminum Foil Factory* (黑龍江鋁箔廠), an aluminum processing company, from June 1990 to June 1992, primarily responsible for the financial management; the assistant to president and deputy chief accountant of Orient Holding Co., Ltd., a listed company on the Shanghai Stock Exchange (stock code: 600811) engaged in various businesses including, among others, banking and financing businesses and precious mineral resources exploration and extraction businesses, from June 1992 to September 1995, responsible for general management of the company's accounting and financing affairs; the vice president and chief financial officer of Jinzhou Port Co., Ltd., a listed company on the Shanghai Stock Exchange (A share stock code: 600190, B share stock code: 900952) mainly engaged in port and transportation businesses, from September 1995 to April 2001, primarily responsible for accounting, investment and financing and listing affairs; the vice president and chief financial officer of Jitong Network Communications Limited* (吉通通信網絡股份有限公司), a telecommunication company, from April 2001 to December 2002, primarily responsible for accounting, investment and financing and listing affairs; and the executive vice president of Oriental Garden Properties Limited* (東方家園置業有限公司), a building materials trading company, from December 2002 to April 2007, primarily responsible for assisting the president in the company's daily operation and management. Mr. Ge was awarded the qualification of accountant by the Metallurgical Industry Department of Heilongjiang Province in November 1991. He obtained a Bachelor's degree in industrial finance and accounting in August 1984 and a Master's degree in management science and engineering in July 1999 from Harbin Institute of Technology.

* For identification purpose only

Ms. Ruan Wenjuan (阮文娟), aged 37, the spouse of Chairman Zhang, serves as executive Director, vice president, a member of the Remuneration Committee, a member of the Internal Control Committee of the Company and as director of New Beijing Glory. Ms. Ruan joined the Group in January 2000 and was responsible for financial management related work in Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) ("**Garden Group**"). She successively served as the financial manager and chief financial officer in Original Beijing Glory since 2004. In August 2006, Ms. Ruan was appointed as a director and vice president in Original Beijing Glory and was primarily responsible for the cost management and financial management affairs of our Group. Ms. Ruan completed the real estate EMBA program from Tsinghua University in September 2004.

Ms. Zhang Jin (張瑾), aged 32, the daughter of Chairman Zhang, serves as executive Director and vice president of the Company and as director of New Beijing Glory. Ms. Zhang joined the Group in August 2006 and served as the assistant to the chairman of Original Beijing Glory. Since August 2008, Ms. Zhang served as the vice president of Original Beijing Glory, primarily responsible for the management and operation of our commercial properties. She is also the executive director of Beijing Glory Industrial Commercial Management Limited* (北京國瑞興業商業管理有限公司) ("**Glory Commercial Management**") and chairman of Beijing Yinhe Glory Commercial Investment Co., Ltd.* (北京銀和國瑞商業投資有限公司). Ms. Zhang graduated from Holmes Institute in Australia majoring in business administration in August 2007. She also participated in the international real estate advanced leadership program in Harvard University in May 2007, the globalized city and real estate operator course in The University of Hong Kong in January 2008 and the entrepreneur development program in globalization in University of Cambridge in April 2008. Ms. Zhang was awarded "China Real Estate Top Hundred Person" (中國房地產百傑) by CIHAF China Real Estate Mainstream Media Alliance (CIHAF中國房地產主流媒體聯盟) in 2008, "China Shopping Mall Centre Top Professional of Year 2010" (中國購物中心2010年度職業精英) by PURCHASING Union Mall Development Committee (中購聯購物中心發展委員會) in 2010 and "China Commercial Properties Influential Person" (中國商業地產影響力人物) by China Commercial Real Estate Industry Development Forum (中國商業地產行業發展論壇) in 2013. Ms. Zhang is also a vice chairman of Chamber of Commerce of Dongcheng District of Beijing, council of China Commercial Real Estate Association, vice chairman of China International SME Union and member of the Chinese People's Political Consultative Committee of Dongcheng District of Beijing.

* For identification purpose only

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luo Zhenbang (羅振邦), aged 49, serves as independent non-executive Director, chairman of the Audit Committee, a member of the Remuneration Committee, a member of the Nomination Committee and a member of the Internal Control Committee of the Company. Mr. Luo was appointed as an independent non-executive Director of the Company on July 5, 2013. Mr. Luo is the director and senior partner of BDO China Shu Lun Pan CPAs. He has been an independent non-executive director of China Aerospace International Holding Limited (a company listed on the Stock Exchange, stock code: 31) since December 2004, and an independent director of China City Railway Transportation Technology Holdings Company Limited (a company listed on the Stock Exchange, stock code: 1522) since November 2012, Xinjiang Goldwind Science & Technology Co., Ltd. (a company listed on the Stock Exchange (stock code: 2208) and Shenzhen Stock Exchange (stock code: 002202)) since June 2013 and Digital China Information Service Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000555) since January 2014, respectively. Mr. Luo is also a member of internal audit team of Northeast Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000686). Mr. Luo used to worked successively in several accounting firms, namely Ningxia CPAs* (寧夏會計師事務所), Zhongzhou CPAs* (中洲會計師事務所), Zhong Tian Xin CPAs* (中天信會計師事務所) and Tianhua CPAs* (天華會計師事務所) before he joined BDO China Shu Lun Pan CPAs in May 2008. He also used to serve as a supervisor in China Cinda Asset Management Co., Ltd. from January 2001 to December 2002 and China Greatwall Asset Management Co., Ltd. from January 2003 to December 2004. He was also an independent director of Ningxia Zhongyin Cashmere Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 982) between 2001 to 2004, Long March Launch Vehicle Technology Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600879) between 2002 to 2008, Ningxia Orient Tantalum Industry Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 962) between 2002 to 2005, Wuzhong Instrument Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 862) between 2004 to 2005 and AVIC Heavy Machinery Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600765) between 2010 to 2011, respectively. Mr. Luo was awarded professional qualifications as a certified public accountant by the MOF in January 1995 and a certified accountant in securities and futures industry by the MOF and CSRC in July 1997. He graduated from the School of Business of Lanzhou in June 1991 majoring in Enterprise Management and obtained the Master's degree in enterprise management and innovation from the Australia National University in July 2007.

Mr. Lai Siming (賴思明), aged 58, serves as independent non-executive Director, chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company. Mr. Lai was appointed as independent non-executive Director of the Company on July 5, 2013. Mr. Lai has been the member of the Royal Institution of Chartered Surveyors since June 1983 and the member of the Hong Kong Institute of Surveyors since August 1984. In April 1999, Mr. Lai became the fellow member of the Hong Kong Institute of Surveyors. Mr. Lai is a professional surveyor and has considerable experience in the property field. Between September 1980 to February 1994 and August 1997 to June 2002, Mr. Lai was working in Knight Frank (known as F.Y. Kan & Partners in 1980), an international property consultant firm, offering property consulting services. Mr. Lai is an independent non-executive director of Asia Commercial Holdings Limited (a company listed on the Stock Exchange, stock code: 104) since August 1998. Mr. Lai was also an independent non-executive director of The Sun's Group Limited (a company listed on the Stock Exchange, stock code: 988) from May 2002 to March 2003. Mr. Lai served as the Vice Chairman, General Practice Division of the Hong Kong Institute of Surveyors for two years (GPD Council 2001-2003). Mr. Lai obtained a Master's degree in business administration from The Chinese University of Hong Kong in November 2001.

* For identification purpose only

Ms. Chen Jingru (陳靜茹), aged 51, serves as independent non-executive Director, chairman of the Internal Control Committee and a member of the Audit Committee of the Company. Ms. Chen was appointed as independent non-executive Director of the Company on June 5, 2014. Ms. Chen is the global partner of DeHeng Law Offices. Ms. Chen has been working in DeHeng Law Offices since 1993 and has extensive experience in the corporate and securities aspects. Ms. Chen was awarded her professional qualification as a lawyer conferred by the Lawyer Qualification Committee of the PRC Ministry of Justice in March 1993. She obtained a Bachelor's degree majoring in law in July 1985 and a Master's degree majoring in law in December 1990 from Nankai University.

SENIOR MANAGEMENT

Mr. Dai Jie (戴傑), aged 47, serves as the vice president of the Company. Mr. Dai joined the Group in November 2011 and has successively served as the regional manager of Hainan Region and the director of the group operation and construction management center. Mr. Dai has more than 13 years of experience in development, operation and construction management. Before joining the Group, Mr. Dai successively served as the director of construction department of New World China Land (Beijing) Limited* (香港新世界中國地產有限公司北京公司) from December 2001 to June 2010, responsible for the project development; and deputy general manager of Beijing Xinjingrun Property Co., Ltd.* (北京新京潤房地產有限公司) from July 2010 to November 2011, responsible for project development. Mr. Dai was awarded the professional qualification as an engineer by China Railway Group Limited in June 2008. He obtained a Bachelor's degree in industrial and civil construction from Beijing University of Technology in July 1993.

Mr. Hao Zhenhe (郝振河), aged 61, serves as the vice president of the Company and as general manager of Langfang Glory Investment Co., Ltd.* (廊坊國瑞投資有限公司) ("**Langfang Glory**"). Mr. Hao joined the Group in July 2001 and has successively served as the head of the general office and head of the planning and development department of Original Beijing Glory, the general manager of Beijing Glory Property Services Co., Ltd*. (北京國瑞物業服務有限公司) ("**Glory Services**") and vice president of Original Beijing Glory. Before joining the Group, Mr. Hao worked at the International Liaison department of the Chinese Communist Party Central Committee from April 1971 to April 2001. Mr. Hao obtained a college degree in journalism from the college of journalism of All-China Journalists Association* (中國記協新聞學院) in July 1992.

Mr. Lin Yaoquan (林耀泉), aged 49, Chairman Zhang's brother-in-law, serves as the vice president of the Company and as the general manager of Garden Group, Shantou Glory Real Estate Development Co., Ltd.* (汕頭市國瑞房地產開發有限公司) ("**Shantou Glory**"), Shantou Guohua Properties Real Estate Development Co., Ltd.* (汕頭市國華置業地產開發有限公司) ("**Shantou Guohua**"), Shantou Glory Zhoucuowen Real Estate Development Co., Ltd.* (汕頭市國瑞周厝塭房地產開發有限公司) ("**Shantou Zhoucuowen**") and Shantou Glory Construction Materials & Home Furnishing Exhibition Center Co., Ltd* (汕頭國瑞建材家居博覽中心有限公司) ("**Shantou Construction Materials**"). Mr. Lin joined the Group in August 2004 and has served as the vice president and regional manager of Shantou Region of Original Beijing Glory since 2009. He has also been the general manager of Shantou Industrial Materials Exchange Center* (汕頭工業材料交易中心) since 2004 and the general manager of Shantou Guohong Construction Limited (汕頭市國宏建築有限公司) since 2010. Before joining the Group, Mr. Lin served as a clerk of the import and export department of Shantou Jinming Wujin Material Co., Ltd. (汕頭金明五金材料有限公司) ("**Jinming Wujin**") from April 1989 to May 1993, responsible for daily operation of the import and export department; the manager of the import and export department of Shantou Jinming Development Company* (汕頭金明發展公司) from June 1993 to February 1998, responsible for daily operation of the import and export department; general manager of Chaozhou Caitang Yaolong Stainless Steel Products Co., Ltd.* (潮州彩塘耀隆不銹鋼製品有限公司) from July 1998 to March 2004, responsible for overall management of this company. Mr. Lin graduated from high school in Shantou.

* For identification purpose only

Mr. Lin Jianfei (林建飛), aged 49, serves as the vice president of the Company. Mr. Lin joined the Group in April 2005 and served as the assistant to the chairman and deputy general manager in Original Beijing Glory from April 2005 to April 2007. From April 2007 to December 2012, Mr. Lin resigned from the Group and served in the construction, development and management center of Eastern City of Shantou Economic Zone. In December 2012, Mr. Lin rejoined the Group and served as the vice president of Original Beijing Glory. Before joining the Group, he used to work in the urban planning department of Shantou, Guangdong Province from July 1998 to May 2005. Mr. Lin obtained a Bachelor's degree in city planning from Sun Yatsen University in July 1988.

Mr. Li Bin (李斌), aged 44, serves as the vice president of the Company and as the chairman of Beijing Glory. Mr. Li joined the Group in July 1997 and successively served as the procurement manager, sales manager and public relationship manager of Garden Group and the deputy general manager of Hainan Glory Real Estate Development Co., Ltd.* (海南國瑞房地產開發有限公司) ("**Hainan Glory**"). He has worked in Original Beijing Glory since 2002 and successively served as the secretary to the chairman and the assistant to the chairman. Mr. Li is also the vice chairman of Qianmen Branch of Dongcheng District of Beijing Federation of Industry & Commence, the member of the Youth Federation of Dongcheng District of Beijing, a director and deputy secretary-general of Chaoshan Chamber of Commerce in Beijing. Mr. Li completed business administration programme from International Business University of Beijing in July 2006.

Mr. Sun Xiaodong (孫曉東), aged 46, serves as the vice president of the Company. Mr. Sun is responsible for bidding and procurement as well as cost management. Mr. Sun has over 10 years of experience in project management and real estate operation. Before joining the Group, Mr. Sun served in renowned property companies such as Tsinghua Tongfang Nuclear Technology Limited* (清華同方核技術股份有限公司), Longfor Properties Co., Ltd (龍湖地產有限公司) and HKI China Land (香江國際中國地產有限公司). Mr. Sun obtained a Bachelor's degree in business administration from Renmin University of China and held qualifications as a senior engineer, a PRC certified budgeting specialist and a real estate valuer.

Ms. Dong Xueer (董雪兒), aged 38, serves as the chief financial officer of the Company. Ms. Dong joined the Group in October 1997 and successively served as the general accountant in Shantou Glory Management Limited (汕頭國瑞企業管理有限公司) ("**Glory Management**") from October 1997 to January 2003, account officer in Original Beijing Glory from February 2003 to July 2008 and chief financial officer in Shenyang Dadongfang Property Development Co., Ltd.* (瀋陽大東方置業有限公司) ("**Shenyang Dadongfang**") from August 2008 to February 2010. Since March 2010, Ms. Dong has served as the chief financial officer in Original Beijing Glory, responsible for its overall financial management, including but not limited to fund management, loan management, asset management and accounting computations. Ms. Dong obtained a college degree in accounting from the University of International Business and Economics in July 2006.

Ms. Tian Yanchun (田燕春), aged 44, serves as the assistant to the Chairman of the Company. Ms. Tian joined the Group in April 2005 and successively served as the financial manager, chief financial controller, director of the auditing center, head of the bidding and procurement center of Original Beijing Glory, responsible for the bidding and procurement affairs. Before joining the Group, she served as the cost engineer in Beijing Vanke Co., Ltd.* (北京萬科企業有限公司), a real estate development company, from September 1998 to September 2004, responsible for cost management. Ms. Tian was awarded the qualification as a certified cost engineer by Beijing Municipal Bureau of Personnel in October 2005. She obtained a Bachelor's degree in civil defense engineering construction from Institute of Engineering Corps, PLA University of Science* (中國人民解放軍理工大學工程兵工程學院) in July 1994.

Mr. Yan Shuang (閆雙), aged 34, serves as the assistant to the Chairman of the Company. Mr. Yan joined the Group in March 2004 and has since successively served as various positions in our Group, namely the security head of Glory Xingye (Beijing) Industrial Co., Ltd.* (國瑞興業(北京)實業股份有限公司) ("**Glory Industrial**") from March 2004 to February 2005; the deputy general manager of Glory Services from February 2005 to September 2009; the deputy general manager of Beijing Glory Industrial Commercial Management Limited from September 2009 to March 2012; and the assistant to the chairman and the director of the president office of Original Beijing Glory since March 2012. Mr. Yan was awarded a certificate in property management in June 2011 by Beijing Municipal Commission of Housing and Urban-Rural Development. He is pursing a college degree in business administration at the School of Network and Continuing Education of Xidian University.

Ms. Zheng Jin (鄭瑾), aged 33, serves as the board secretary and joint company secretary of the Company. Ms. Zheng joined the Group in January 2010 and has served as the vice president of the capital and financial management center and the operation and construction management center of Original Beijing Glory since October 2010 and February 2013, respectively. Before joining the Group, she served as the assistant manager in KPMG Huazhen (special general partnership) from July 2007 to January 2010, responsible for auditing. Ms. Zheng was awarded the qualification as a certified public accountant by the Chinese Institute of Certified Public Accountants in August 2009. She obtained a Bachelor's degree in engineering management in July 2004 and a Master's degree in finance in June 2007 from Central University of Finance and Economics.

JOINT COMPANY SECRETARIES

Ms. Zheng Jin (鄭瑾), aged 33, serves as the Company's joint company secretary. Please refer to the section headed "Directors' and Senior Management's Profiles".

Ms. Kwong Yin Ping Yvonne (鄺燕萍), serves as our joint company secretary of the Company. Ms. Kwong is a vice president of SW Corporate Services Group Limited, a specialty corporate services provider focusing on the provision of listing company secretarial and compliance services. She holds a Degree in Accountancy from the Hong Kong Polytechnic University and is a fellow of The Hong Kong Institute of Chartered Secretaries and a fellow of The Institute of Chartered Secretaries and Administrators. Ms. Kwong has extensive experience in providing company secretarial and compliance services to numerous private and listed companies.

REPORT OF THE DIRECTORS

The Board is pleased to present its annual report and the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are property development, primary land construction and development services, property investment and management in China. An analysis of the Group's revenue for the Reporting Period by principal activities is set out in note 7 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business and a discussion and analysis of the Group's performance for the Reporting Period and the material factors underlying its financial performance and financial position can be found in the "Management Discussion and Analysis" section on pages 177 to 191 in this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out on page 172 of this annual report. The above sections form part of this report. The financial risk management objectives and policies of the Group are set out in note 6 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognizes its responsibility to protect the environment from its business activities. Being a real estate operator and developer in the PRC, the Group is subject to environmental laws and regulations set by the PRC national, provincial and municipal governments, including but not limited to laws and regulations on air and noise pollution and discharge of waste and water into the environment.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognizes the importance of compliance with regulatory requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. For the Reporting Period, to the best knowledge of the Directors', the Group has complied with all of the relevant laws and regulations in the PRC and Hong Kong which have significant impact on the operations of the Group, including but not limited to the Company Law of the PRC, the Hong Kong Securities and Futures Ordinance (Cap. 571) and the Listing Rules.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk relating to the real estate industry in the PRC

The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC real estate market through industry policies and other economic measures at the national, provincial, municipal and/or local level. The Group mainly operates in the PRC and such measures may affect the Group's financial condition or results of operations.

Risk relating to foreign exchange

Substantially all of the Group's revenues and expenditures are dominated in Renminbi, while any dividends the Group pays on its Shares will be in Hong Kong dollar. The value of Renminbi against the U.S. dollar or the Hong Kong dollar may fluctuate and is affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. The Group did not have any significant foreign currency transactions which would expose the Group to foreign exchange risk during the year. The Group has not taken any measures to hedge the foreign currency exposure but will review and monitor its foreign exchange exposure from time to time.

RELATIONSHIPS WITH STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise our Directors, senior management, employees, customers, suppliers, regulators and shareholders.

Directors, senior management and employees

Our success is attributable to the ongoing service, performance, expertise and experience of our Directors and senior management. Moreover, our qualified and skilled employees have further contributed to our continual success. Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resources management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group's principal customers are individual purchasers for residential properties and various types of corporations and other business entities for commercial properties. The Group is committed to provide quality services and products to customers while maintaining long-term profitability, business and earnings growth. Various means have been established to strengthen the communications between customers and the Group in the provision of excellent customer service.

Suppliers

Sound relationships with key suppliers of the Group are important in supply chain, premises or land parcels management, properties construction and meeting business challenges and regulatory requirements. The key suppliers of the Group comprise construction material and equipment suppliers, construction contractors and design firms.

Regulators

The Group operates in the real estate sector in the PRC which is regulated by the Ministry of Land and Resources, the Ministry of Housing and Urban-Rural Development, Beijing Municipal Commission of Urban Planning and other relevant regulators. It is the Group's desire to keep up to date and ensure compliance with new rules and regulations.

Shareholders

One of the corporate goals of the Group is to enhance corporate value to shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account capital adequacy levels, liquidity positions and business expansion needs of the Group.

FUTURE BUSINESS DEVELOPMENTS

The future business developments are set out in the Chairman's Statement on pages 173 to 176 of this annual report. The Chairman's Statement forms part of this report.

SEGMENT INFORMATION

An analysis of the performance of the Group for the Reporting Period by principal activities is set out in note 7 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 230.

The Board proposed the payment of a final dividend of HK5.55 cents per share, totalling HK$245,882,000 (equivalent to RMB206,000,000), for the Reporting Period to shareholders whose names appear on the register of members of the Company on June 3, 2016. The proposed final dividend will be paid on or about June 14, 2016 after approval by Shareholders at annual general meeting of the Company.

No interim dividend was paid during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

(a) For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on May 27, 2016 ("**AGM**"), the register of members of the Company will be closed on May 25, 2016 to May 27, 2016, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, May 24, 2016.

(b) For the purpose of determining shareholders who qualify for the final dividend, the register of members of the Company will be closed on June 2, 2016 to June 3, 2016, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, June 1, 2016.

FINANCIAL SUMMARY

A summary of the financial results and of the assets, liabilities and equity of the Group for the last five financial years is set out on page 341 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of change during the Reporting Period in the share capital and share options of the Company are set out in note 38 and note 40, respectively, to the consolidated financial statements.

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 18 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group for the Reporting Period are set out in note 17 to the consolidated financial statements.

RESERVES

Details of movement in the reserves of the Group for the Reporting Period are set out in the consolidated statement of changes in equity on page 233 to 234 of this annual report.

DISTRIBUTABLE RESERVES

As of December 31, 2015, the Group's distributable reserves was RMB4,241.2 million.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2015 are set out in note 36 to the consolidated financial statements.

PROFILES OF DIRECTORS AND JOINT COMPANY SECRETARIES

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

Executive directors:
Mr. Zhang Zhangsun (Chairman)
Mr. Ge Weiguang
Ms. Ruan Wenjuan
Ms. Zhang Jin

Independent non-executive directors:
Mr. Luo Zhenbang
Mr. Lai Siming
Ms. Chen Jingru

The executive directors and independent non-executive Directors are appointed for a period of three years.

Profiles of the Directors and the Joint Company Secretaries of the Company are set out on pages 192 to 197 of this annual report. At the AGM, Mr. Zhang Zhangsun, Ms. Ruan Wenjuan and Mr. Luo Zhenbang shall retire and being eligible, shall offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities sustained by him/her as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favor, or in which he/she is acquitted.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors of the Group. For the year ended December 31, 2015, no claim had been made against the Directors, auditors or officers of the Company.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company considers all the independent non-executive Directors meet the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules for the Reporting Period.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the date of Listing and may be terminated in accordance with the respective terms of the service contract.

Each of the independent non-executive Directors is appointed for initial term of three years commencing from the date of Listing and may be terminated in accordance with the respective terms of the appointment letter.

None of the Directors has a service contract with the Company which is not terminable by the Group within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as at December 31, 2015, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the Reporting Period.

EQUITY-LINKED AGREEMENTS

Saved as disclosed in the sections headed "Pre-IPO Share Option Scheme" and "Post-IPO Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed for the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, purchases from the Group's largest supplier accounted for approximately 8.4% of the Group's total purchases and the five largest suppliers of the Group accounted for less than 30% of the Group's total purchase in the year.

For the Reporting Period, sales to the Group's largest customer accounted for approximately 2.2% of the Group's total revenue and the five largest customers of the Group accounted for less than 30% of the Group's total revenue in the year.

None of the Directors of the Company or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2015, the interests and short positions of the Directors and the chief executive in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which were required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") were as follows:

(a) Interest in Shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of interest in the Company
Chairman Zhang[1]	Interest of a controlled corporation	3,716,382,300	83.819%
Ruan Wenjuan	Interest of a controlled corporation	3,716,382,300	83.819%

Note [1]: Alltogether Land Company Limited ("**Alltogether**") is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the Shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director of the Company, is the spouse of Chairman Zhang. Ms. Ruan Wenjuan is also deemed to be interested in the Shares held by Alltogether under the SFO.

(b) Interest in the underlying Shares of the Company

(i)

Name of Director	Nature of interest	Number of Shares in the Company subject to options granted under the Pre-IPO Share Option Scheme	Approximate percentage of interest in the Company
Ge Weiguang	Beneficial owner	3,500,000	0.079%
Ruan Wenjuan*	Beneficial owner	3,500,000	0.079%
Zhang Jin	Beneficial owner	3,500,000	0.079%

(ii)

Name of Director	Nature of interest	Number of Shares in the Company subject to options granted under the Post-IPO Share Option Scheme(1)	Approximate percentage of interest in the Company
Ge Weiguang	Beneficial owner	1,800,000	0.041%
Ruan Wenjuan*	Beneficial owner	2,000,000	0.045%
Zhang Jin	Beneficial owner	2,000,000	0.045%

* As Chairman Zhang is the spouse of Ms. Ruan Wenjuan, Chairman Zhang is deemed to be interested in the above underlying Shares held by Ms. Ruan Wenjuan.

Note(1): 50% of the number of shares granted had lapsed as of December 31, 2015. For details with respect to granting of the remaining 50% of the number of shares, please refer to the section headed "Post-IPO Share Option Scheme" on page 212 of this annual report.

(c) Interest in shares of associated corporation

Name of Director	Nature of interest	Name of associated corporation	Approximate percentage of shareholding
Chairman Zhang	Beneficial owner	Alltogether	100%

All interests in the shares and underlying shares of the Company and its associated corporation are long positions.

Save as disclosed above, as at December 31, 2015, none of the Directors, chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS INTERESTS AND SHORT POSITION SHARES

As at December 31, 2015, the following persons had an interest or short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% or more of the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(a) Interest in Shares of the Company

Name of substantial shareholder	Nature of interest	Number of Shares	Approximate percentage of interest in the Company
Chairman Zhang(1)	Interest of a controlled corporation	3,716,382,300	83.819%
Alltogether	Beneficial owner	3,716,382,300	83.819%

Note 1: Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the Shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director of the Company, is the spouse of Chairman Zhang. Ms. Ruan Wenjuan is also deemed to be interested in the Shares held by Alltogether under the SFO.

(b) Substantial shareholders of other members of the Group

No.	Name of shareholder	Name of member of the Group	Capacity	Approximate percentage of ownership held by the substantial shareholders
1	Shantou Longhu Huamu Market Co., Ltd.* (汕頭市龍湖花木市場有限公司)	New Beijing Glory	Beneficial Owner	20%
2	Shantou Longhu Huamu Market Co., Ltd.* (汕頭市龍湖花木市場有限公司)	Original Beijing Glory	Beneficial Owner	20%
3	Lin Yaoquan (林耀泉)	Shantou Construction Materials	Beneficial Owner	10%
4	Chaoan County Baoshan Investment & Development Co., Ltd.* (潮安縣寶山投資開發有限公司)	Chaoan County Meilin Lake Development & Construction Co., Ltd.* (潮州市潮安區梅林湖開發建設有限公司) ("Chaoan Meilin")	Beneficial Owner	40%
5	Xie Maolin (謝茂林)	Shantou Guohua	Beneficial Owner	25%
6	Ji Yongcai (紀永財)	Shantou Zhoucuowen	Beneficial Owner	15%
7	Shantou Liyi Real Estate Investment Co., Ltd.* (汕頭市利溢房地產投資有限公司)	Foshan Guohua Properties Co., Ltd.* (佛山市國華置業有限公司) ("Foshan Guohua")	Beneficial Owner	45%
8	Shaanxi Like Investment Group Ltd.* (陝西利科投資集團有限公司)	Shaanxi Huawei	Beneficial Owner	10%
9	Dongguan Junhao Real Estate Development Co., Ltd. (東莞駿豪房地產開發有限公司)	Hainan Junhe	Beneficial Owner	48.2%

* For identification purpose only

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the transaction as disclosed in the section "Connected Transactions" below and the material related party transactions as disclosed in note 46 to the consolidated financial statements of this annual report, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's holding company or any of its subsidiaries was a party, and in which a Director or its connected entities or any of the controlling shareholders of the Company had a material interest (whether directly or indirectly) subsisting at the end of the year or at any time for the Reporting Period.

CONNECTED TRANSACTIONS

On January 8, 2016, Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) ("**Garden Group**"), an indirect wholly-owned subsidiary of the Company, and Shantou Jinming Wujin Co,, Ltd.* (汕頭市金明五金材料有限公司) ("**Shantou Wujin**"), entered into agreements for (i) the acquisition of 100% equity interest in Shantou Guorui Hospital Co., Ltd.* (汕頭市國瑞醫院有限公司) ("**Guorui Hospital**") and (ii) the transfer of the shareholder's loan owed by Guorui Hospital to Shantou Wujin to Garden Group (the "**Transaction**").

Shantou Wujin is a company controlled Chairman Zhang and Ms. Zhang Youxi ("**Ms. Zhang**"), Chairman Zhang's sister. Chairman Zhang is the chairman, executive Director and one of the Controlling Shareholders of the Company and is therefore a connected person of the Company. Ms. Zhang is a connected person of the Company by virtue of Ms. Zhang being an associate of Chairman Zhang. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Further details of the connected transaction were disclosed in the announcement of the Company dated January 8, 2016.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Commercial Management Services Agreements with Beijing Glory Industrial Commerical Management Limited* (北京國瑞興業商業管理有限公司) ("Glory Commercial Management")

Glory Commercial Management, a limited liability company incorporated in the PRC, is owned as to 0.07% by Ms. Zhang Jin, the daughter of Chairman Zhang and 99.93% by Beijing Yinhe Glory Commercial Investment Co., Ltd.* (北京銀和國瑞商業投資有限公司), both of which are connected persons of our Company. Glory Commerical Management is principally engaged in the provision of commercial property management services and educational and social welfare business such as kindergarten. Prior to June 1, 2013, Glory Commercial Management has been providing commercial property management services to certain properties previously owned by Original Beijing Glory before its split in November 2013 and Glory Industrial, an indirect subsidiary of our Company, at nil consideration.

Major terms

In order to regulate the above mentioned provision of services, each of Original Beijing Glory and Glory Industrial has entered into a commercial management services agreement (collectively the "**Original Commercial Management Services Agreements**" and each an "**Original Commercial Management Services Agreement**") with Glory Commercial Management, respectively, on May 30, 2013. The principal terms of the two Original Commercial Management Services Agreements are substantially the same which are summarized below:

- *Properties to be covered by Original Commercial Management Services Agreements*

  Glory Commercial Management will provide commercial management services (i) to Original Beijing Glory for the shopping center, offices, apartments, siheyuan (四合院) and street-level retail outlets of Beijing Glory City, and the commercial properties of Beijing Glory Center upon completion; and (ii) to Glory Industrial for the shopping centre and street-level retail outlets of Beijing Fugui Garden (collectively the "**Relevant Properties**");

- *Services to be provided by Glory Commercial Management*

  The scope of commercial management services includes, among others, the preparation and implementation of business proposals; the preparation of lease proposals; the design of the business positioning and the overall outline; coordination between the property owners and the lessees, such as representing the property owners to negotiate the lease agreements with the lessees, supervising and managing the decoration of the properties by the lessees and collecting the overdue rental payment from the lessees.

- *Management services fees to be charged*

  Original Beijing Glory and Glory Industrial shall pay Glory Commercial Management on a monthly basis the management services fees, which are equivalent to 12% of the actual rental payment received by them from the lessees of the Relevant Properties. The amount of management services fees was determined based on prevailing market price.

- *Term of the Original Commercial Management Services Agreements*

  The term of the Original Commercial Management Services Agreements is from June 1, 2013 and shall expire on May 31, 2016, subject to an automatic renewal, provided that such renewal shall be in compliance with the relevant laws, regulations and the Listing Rules.

Upon completion of the split, Beijing Glory inherited all the properties previously owned by Original Beijing Glory. Accordingly, Beijing Glory assumed the obligations and enjoyed the rights of Original Beijing Glory under the Original Commercial Management Services Agreement.

Considering the long-term cooperation relationship between the Group and Glory Commercial Management and to support the business development of the Group, on March 26, 2014, each of Beijing Glory and Glory Industrial entered into a supplemental agreement with Glory Commercial Management (the "**Supplemental Agreement(s)**", together with Original Commercial Management Services Agreement(s), the "**Commercial Management Services Agreement(s)**") to amend the pricing provision under the Original Commercial Management Services Agreements. Pursuant to the Supplemental Agreements, the rate of the management services fees payable to Glory Commercial Management was reduced from 12% to 6% of the actual rental payment received by the Group from the leases of the Relevant Properties, with effect from January 1, 2014. All other major terms of the Original Commercial Management Services Agreements remained unchanged.

The Company obtained approval from the Stock Exchange in respect of the annual caps of such non-exempt continuing connected transactions, and was granted a waiver from strict compliance with the independent shareholders' approval requirement.

The aggregate sum of the management services fee charged by Glory Commercial Management for the year ended December 31, 2015 was RMB16,831,473, which did not exceeded the the annual caps for this transaction.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDITORS' CONFIRMATIONS

The independent non-executive Directors have reviewed such non-exempt continuing connected transactions and they have confirmed that the transactions are conducted (i) in the Company's ordinary and usual course of business (ii) on normal commercial terms (or terms no less favourable to the Company than terms available to or from independent third parties) and (iii) the terms are fair and reasonable and in the interest of the shareholders as a whole.

The Board confirmed that save as disclosed above, none of the related party transactions set out in note 46 to the consolidated financial statements constituted non-exempt connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. Save as disclosed above, for the year ended December 31, 2015, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this annual report pursuant to the Listing Rules or not in compliance with Chapter 14A of the Listing Rules.

To comply with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing its conclusion of the matters set out in Rule 14A.56 of the Listing Rules in respect of the continuing connected transactions disclosed above and confirmed that nothing come to their attention that causes them to believe the continuing connected transactions disclosed above:

(i) have not been approved by the Board;

(ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(iii) have exceeded the annual cap.

NON-COMPETITION UNDERTAKING

Each of Mr. Zhang Zhangsun and Alltogether (the "**Controlling Shareholders**") has executed a deed of non-competition through which they have irrevocably and unconditionally warranted and undertaken to the Company not to, whether directly or indirectly or as principal or agent, and whether on his/its own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any subsidiary of the Company) engage in businesses that are in competition with the Group.

The Controlling Shareholders have confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this annual report for the Reporting Period.

The independent non-executive Directors have also reviewed the compliance by each of the Controlling Shareholders with the undertakings in the deed of non-competition for the Reporting Period. The independent non-executive Directors have confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the undertakings in the deed of non-competition given by them.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and contributions, time commitment and responsibilities of the Directors and senior management and salaries paid by comparable companies.

The Company has adopted a pre-ipo share option scheme (the "**Pre-IPO Share Option Scheme**") and a post-ipo share option scheme (the "**Post-IPO Share Option Scheme**") as incentive to eligible employees, details of the schemes are set out in the section headed "Pre-IPO Share Option Scheme" and "Post-IPO Share Option Scheme" below, respectively.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on June 5, 2014 to enable the Company to encourage certain key employees to contribute to the Group for the long-term benefits of the Company and its Shareholders as a whole and provide the Group with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to its key employees.

As at December 31, 2015, options to subscribe for an aggregate of 67,076,800 Shares (representing approximately 1.51% of the issued share capital of the Company) were granted to 54 grantees under the Pre-IPO Share Option Scheme. A summary of the principal terms and conditions of the Pre-IPO Share Option Scheme and the particular of the outstanding options granted are set out in Appendix VIII to the Prospectus. Further details of the Pre-IPO Share Option Scheme are set out in note 40(ii) to the consolidated financial statements.

POST-IPO SHARE OPTION SCHEME

The Company adopted the Post-IPO Share Option Scheme on June 5, 2014 to enable the Company to grant options to any Director (including the independent non-executive Directors), full-time employee and consultant of the Group or any other eligible person who, in the Board's sole discretion, has contributed or will contribute to the Group (the "**Eligible Participants**") and provide the Group with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants. The purpose of the Post-IPO Share Option Scheme is to encourage the Eligible Participants to contribute to the Group for the long-term benefits of the Company and its Shareholders as a whole.

A summary of the principal terms and conditions of the Post-IPO Share Option Scheme is set out in Appendix VIII to the Prospectus. On October 27, 2015, an aggregate of 98,000,000 Shares (representing approximately 2.210% of the issued share capital of the Company) under the Post-IPO Share Option Scheme has been granted by the Company to certain Eligible Participants to subscribe at the exercise price of HK$3.75 per Share. Such share options granted are subject to the grantees' acceptance and the terms and performance conditions as stated in the grant notification to the grantees ("**Grant Notification**"). Among the 49,000,000 Shares granted in the first tranche (being 50% of the total 98,000,000 Shares) (the "**First Tranche**"), a total of 2,900,000 Shares were granted to the Directors and a total of 46,100,000 Shares were granted to certain employees of the Company and its subsidiaries. As of December 31, 2015, in respect of the First Tranche, certain performance conditions in the Grant Notification were not met and the First Tranche lapsed; the remaining 50% of the relevant share options granted were still subject to the satisfaction of certain performance conditions that would be set in 2016 according to the Grant Notification and therefore accounted for as not being granted yet. Please refer to note 40 in the consolidated financial statements in this annual report for further details.

The total number of shares available for issue under the Share Option Scheme are 438,814,703, representing 9.90% of the total number of shares in issue of the Company as at the date of this annual report.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on June 5, 2014 to recognize the contribution of certain of the Company's employees and officers, especially those whom the Company considered to have contributed to the early development and growth of the Group and to provide financial incentives to them to remain with the Group and strive for the future development and expansion of the Company. A summary of the principal terms and conditions of the Share Award Scheme is set out in Appendix VIII to the Prospectus. Further details of the Share Award Scheme are set out in note 40(i) to the consolidated financial statements.

Pursuant to the Share Award Scheme, a total of four Selected Persons (as defined below) were awarded Shares representing approximately 0.762% of the total issued share capital of the Company upon completion of its Listing (assuming the Over-allotment Option is not exercised and without taking into account any options granted under the Pre-IPO Share Option Scheme or may be granted under the Post-IPO Share Option Scheme). On June 10, 2014, Alltogether transferred a total of 33,617,700 Shares to TMF (Cayman) Ltd., a special purpose vehicle incorporated in the Cayman Islands, for the benefit of the Seleted Persons.

As at December 31, 2015, a total of 33,617,700 Shares were granted to Mr. Lin Yaoquan (林耀泉), Mr. Wu Yilong (吳義隆), Ms. Zhang Miaoxiang (張妙香) and Ms. Zhang Chanjuan (張嬋娟) (collectively, the "**Selected Persons**"). No further Shares have been awarded under the Share Award Scheme for the year ended December 31, 2015.

Apart from Ms. Zhang Chanjuan, the other Selected Persons disclosed above are connected persons of the Group as defined in the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As at December 31, 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a prorate basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. The Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules for the year ended December 31, 2015 with deviation from code provision A.2.1 which has already been stated in the Corporate Governance Report in this annual report. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 215 to 226 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange granted to the Company, at the time of its Listing in 2014, a waiver from strict compliance with Rule 8.08(1) of the Listing Rules (the "**Public Float Waiver**"). Pursuant to the Public Float Waiver, the Company's prescribed minimum percentage of shares which must be in the hands of the public must not be less than 15% of the total issued share capital of the Company. Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Public Float Waiver as at the date of this annual report.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

On January 8, 2016, Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) ("**Garden Group**"), an indirect wholly-owned subsidiary of the Company, and Shantou Jinming Wujin Co., Ltd.* (汕頭市金明五金材料有限公司) ("**Shantou Wujin**"), entered into agreements for (i) the acquisition of 100% equity interest in Shantou Guorui Hospital Co., Ltd.* (汕頭市國瑞醫院有限公司) ("**Guorui Hospital**") and (ii) the transfer of the shareholder's loan owed by Guorui Hospital to Shantou Wujin to Garden Group (the "**Transaction**").

Shantou Wujin is a company controlled by Chairman Zhang and Ms. Zhang Youxi ("**Ms. Zhang**"), Chairman Zhang's sister. Chairman Zhang is the chairman, executive Director and one of the Controlling Shareholders of the Company and is therefore a connected person of the Company. Ms. Zhang is a connected person of the Company by virtue of Ms. Zhang being an associate of Chairman Zhang. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Further details of the connected transaction were disclosed in the announcement of the Company dated January 8, 2016.

CHARITABLE DONATIONS

For the Reporting Period, the Group made charitable and other donations in a total amount of RMB12.1 million.

AUDITOR

Deloitte Touche Tohmatsu has acted as auditor of the Company for the Reporting Period. Deloitte Touche Tohmatsu shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming AGM.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an independent expert.

On behalf of the Board
Zhang Zhangsun
Chairman

Beijing, the PRC, March 23, 2016

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Group is committed to maintaining high standards of corporate governance with a view to assure the conduct of management of the Company as well as protecting the interests of the Shareholders. The Company has always recognized the importance of the Shareholders' transparency and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Under the current organization structure of the Company, Mr. Zhang Zhangsun ("**Chairman Zhang**") is the chairman of the Board and the president of the Company. The roles of both chairman and president being performed by the same person deviates from the CG Code. Chairman Zhang has been overseeing the Group's strategic planning, development, operation and management since the Group was founded. The Company believes that the vesting of the roles of chairman and president in Chairman Zhang is beneficial to the business operations of the Group and will not have a negative impact on the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises four executive Directors and three independent non-executive Directors, and therefore has fairly strong independence in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. The independent non-executive Directors possess respectively professional qualifications and related management experience in the areas of financial accounting, law and real estate and have contributed to the Board with their professional opinions.

The Board is also responsible for maintaining and reviewing the effectiveness of the internal control system of the Group. It has carried out reviews of the existing implemented system and procedures, including internal control measures of financial and operational compliance and risk management functions of the Group.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify the Group's Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Board Composition

The Board currently comprises four executive Directors, namely Mr. Zhang Zhangsun, Mr. Ge Weiguang, Ms. Ruan Wenjuan and Ms. Zhang Jin, and three independent non-executive Directors, namely Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru. The biographies of the Directors are set out under the section headed "Directors' and Senior Management's Profiles" of this annual report.

For the Reporting Period, the Board at all times met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Under Rule 3.10A of the Listing Rules, listed issuers are required to appoint independent non-executive Directors representing at least one-third of the Board. The Company has three independent non-executive Directors currently representing one-third of the Board and therefore the Company has complied with Rule 3.10A of the Listing Rules.

Under code provision A.5.6 of the CG Code, listed issuers are required to adopt a board diversity policy. The Company has adopted a board diversity policy and therefore complied with this code provision. A summary of the board diversity policy is set out under "Board Committees — Nomination Committee" below.

The Company has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

Ms. Ruan Wenjuan and Ms. Zhang Jin are, respectively, the spouse and daughter of Mr. Zhang Zhangsun, the Chairman and one of the Controlling Shareholders of the Company. Save as disclosed in this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control Committee.

With regards to the CG Code provision requiring directors to disclose to the issuer the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and an indication of the time involved, all the Directors have agreed to disclose their commitments and any change to the Company in a timely manner.

Directors' Training and Continuous Professional Development

All directors should keep abreast of the responsibilities as a director, and of the conduct and business activities of the Company. The Company is responsible for arranging and funding suitable induction programme and on-going training and professional development programme for the Directors. Accordingly, the Company will arrange an induction programme for any newly-appointed director before his/her formal appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and all relevant legal and regulatory requirements.

The Company also arranges regular seminars to provide all Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. The Joint Company Secretaries from time to time update and provide written training materials relating to the roles, functions and duties of a Director and all the Directors are encouraged to study such materials.

For the Reporting Period, each of the Directors, namely Mr. Zhang Zhangsun, Mr. Ge Weiguang, Ms. Ruan Wenjuan, Ms. Zhang Jin, Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru has attended a formal and comprehensive training. The Company has received confirmation from all Directors of their respective training records for the Reporting Period.

Chairman and President

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organization structure of the Company, Mr. Zhang Zhangsun is our Chairman of the Board and president. With extensive experience in the property industry, the Board considers that vesting the roles of chairman and president in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises four executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service agreement with the Company on June 5, 2014 for a term of three years commencing from the date of Listing and may be terminated in accordance with the respective terms of the service agreements.

Each of the independent non-executive Directors has signed a letter of appointment with the Company on June 5, 2014, for an initial term of three years commencing from the date of Listing.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Company's articles of association (the "**Articles**"), one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company and all Directors are subject to retirement by rotation at least once every three years. The Board shall have power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. Any director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election of that meeting. Subject to the Articles and the Companies Law of the Cayman Islands, the Company may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing Directors. Any director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

At the AGM, Mr. Zhang Zhangsun, Ms. Ruan Wenjuan and Mr. Luo Zhenbang, shall retire and being eligible, shall offer themselves for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's articles of association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Board Meetings

The Company adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board Committees meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the Joint Company Secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient detail the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committees meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting was held. The minutes of the Board meetings and Board Committees meetings are open for inspection by Directors.

For the Reporting Period, five Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Zhang Zhangsun	5/5
Mr. Ge Weiguang	5/5
Ms. Ruan Wenjuan	5/5
Ms. Zhang Jin	5/5
Mr. Luo Zhenbang	5/5
Mr. Lai Siming	5/5
Ms. Chen Jingru	5/5

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the Reporting Period.

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and delegated the corporate governance duties to the Audit Committee which include:

(i) to formulate and review the Company's policy and practices on corporate governance and make recommendations to the Board;

(ii) to review and monitor the training and continuous professional development of directors and senior management;

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

(iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

General Meetings

For the Reporting Period, one general meeting was held on May 29, 2015 and the attendance of the individual Directors at the meeting is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Zhang Zhangsun	1/1
Mr. Ge Weiguang	1/1
Ms. Ruan Wenjuan	1/1
Ms. Zhang Jin	1/1
Mr. Luo Zhenbang	1/1
Mr. Lai Siming	1/1
Ms. Chen Jingru	1/1

BOARD COMMITTEES

Nomination Committee

The Nomination Committee comprises three members, being one executive Director, namely Mr. Zhang Zhangsun (chairman), and two independent non-executive Directors, namely Mr. Luo Zhenbang and Mr. Lai Siming. Accordingly, the majority of them are independent non-executive Directors.

The main duties of the Nomination Committee include:

– to review the structure, size and composition of the Board and make recommendations regarding any proposed changes;

– to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

– to make recommendations to the Board on appointment or re-appointment of and succession planning for Directors; and

– to assess the independence of independent non-executive Directors.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

With a view to enhancing Board effectiveness and corporate governance, the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

The Company adopted the Board Diversity Policy with measurable objectives. The Nomination Committee evaluates the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates is based on a range of diversity perspectives, including but not limited to age, cultural and educational background, professional and industry experience, skills, knowledge, ethnicity and other qualities essential to the Company's business, and merit and contribution that the selected candidates will bring to the Board. The Board will review such measurable objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

For the Reporting Period, one meeting of the Nomination Committee was held and the attendance record of the Nomination Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Zhang Zhangsun	1/1
Mr. Luo Zhenbang	1/1
Mr. Lai Siming	1/1

The Nomination Committee assessed the independence of the independent non-executive Directors and made recommendations to the Board on the appointment and re-appointment of Directors.

Remuneration Committee

The Remuneration Committee comprises three members, being two independent non-executive Directors, namely Mr. Lai Siming (chairman), and Mr. Luo Zhenbang, and being one executive Director, Ms. Ruan Wenjuan. Accordingly, the majority of them are independent non-executive Directors.

The main duties of the Remuneration Committee include:

(i) to make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;

(ii) to make recommendations to the Board on the remuneration of individual executive Directors and senior management, including benefits in kind, pension rights and compensations (including any compensation payable for loss or termination of office or appointment);

(iii) to make recommendations to the Board on the remuneration of non-executive Directors;

(iv) to ensure that no Director or any of his/her associates is involved in determining his/her own remuneration; and

(v) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment terms for other positions of the Group.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the Reporting Period, one meeting of the Remuneration Committee was held and the attendance record of the Remuneration Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Lai Siming	1/1
Ms. Ruan Wenjuan	1/1
Mr. Luo Zhenbang	1/1

The Remuneration Committee discussed and reviewed the remuneration policy for all Directors and senior management of the Company, and made recommendations to the Board on the remuneration packages of individual executive and non-executive Directors and senior management.

Details of the remuneration by band of the ten members of the senior management of the Company, whose biographies are set out on pages 192 to 197 of this annual report, for the Reporting Period are set out below:

Remuneration band (RMB'000)	**Number of individual**
below 700	1
700 to 1,000	4
above 1,000	5

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Luo Zhenbang (chairman), Mr. Lai Siming and Ms. Chen Jingru. The main duties of the Audit Committee include:

– to monitor and review the financial statements, annual reports and accounts, half-year reports and quarterly reports (if any), and to review significant financial reporting judgments contained in them and to consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;

– to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and

– to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

For the Reporting Period, two meetings of the Audit Committee were held and the attendance record of the Audit Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Luo Zhenbang	2/2
Mr. Lai Siming	2/2
Ms. Chen Jingru	2/2

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions), risk management systems and processes and the re-appointment of the external auditor. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

They also reviewed interim and final results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the external auditor relating to accounting issues and major findings in the course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Internal Control Committee

The Internal Control Committee comprises three members, being two independent non-executive Directors, namely Ms. Chen Jingru (chairman), Mr. Luo Zhenbang and being one executive Director, Ms. Ruan Wenjuan. Accordingly, the majority of them are independent non-executive Directors. The main duties of the Internal Control Committee include:

(i) to formulate and implement internal control handbook, policies and guidelines in relation to project management, cash flow management, capital management and internal audit procedures and make recommendations to the Board;

(ii) to monitor the Company's internal control status, including but not limited to project development, lease registration and non-compliant inter-company loans;

(iii) to develop and monitor the implementation of internal control communication channels between different departments within the Company to ensure their effectiveness; and

(iv) to review and discuss the solutions to regulatory, compliance and internal control related matters and report to the Board on a quarterly basis.

For the Reporting Period, two meetings of the Internal Control Committee were held and the attendance record of the Internal Control Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Ms. Chen Jingru	2/2
Mr. Luo Zhenbang	2/2
Ms. Ruan Wenjuan	2/2

The Internal Control Committee reviewed the Company's internal control status, internal audit policy and procedures, human resources policy and risk management system.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of Directors and five highest paid employees have been set out in note 13 to the consolidated financial statements.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Reporting Period in accordance with statutory requirements and applicable accounting standards, which give a true and fair view of the affairs of the Group and of its results and cash flows. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 228 and 229 of this annual report.

INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate internal control system to safeguard Shareholder investments and Company assets and reviewing the effectiveness of such system on an annual basis.

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial conditions and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

The Board has conducted a review of the effectiveness of the internal control system of the Company and considered the internal control system to be effective and adequate.

AUDITORS' REMUNERATION

For the Reporting Period, the fees payable to the external auditor, Deloitte Touche Tohmatsu, was RMB2.4 million for audit services and RMB1.4 million for other services including review of interim results, work on continuing connected transactions and preliminary announcement.

JOINT COMPANY SECRETARIES

Ms. Zheng Jin, the Joint Company Secretary, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Kwong Yin Ping, Yvonne, vice president of SW Corporate Services Group Limited (a company secretarial services provider), as its Joint Company Secretary to assist Ms. Zheng Jin to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Zheng Jin, the Board Secretary and Joint Company Secretary.

For the Reporting Period, Ms. Zheng Jin and Ms. Kwong Yin Ping, Yvonne have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make informed investment decisions.

The AGM of the Company provides opportunity for Shareholders to communicate directly with the Directors. The Chairman of the Company, and the chairmen of the Board Committees of the Company will attend the AGMs to answer Shareholders' questions. The external auditor of the Company will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.glorypty.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at Shareholder meetings, including the election of individual Directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company in a timely manner after each Shareholder meeting.

Convening of extraordinary general meeting and putting forward proposals

Pursuant to article 12.3 of the Articles, general meetings shall be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company. As regards proposing a person for election as a Director, the procedures are available on the Company's website.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the principal place of business of the Company in Hong Kong at Suite 5103A, 51/F, Central Plaza, 18 Harbour Road, Hong Kong (email address: ir@gloypty.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

There is no significant change in constitutional documents of the Company during the Reporting Period.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Zhang Zhangsun *(Chairman)*
Mr. Ge Weiguang
Ms. Ruan Wenjuan
Ms. Zhang Jin

Independent Non-Executive Directors

Mr. Luo Zhenbang
Mr. Lai Siming
Ms. Chen Jingru

JOINT COMPANY SECRETARIES

Ms. Zheng Jin (CPA)
Ms. Kwong Yin Ping, Yvonne (FCIS, FCS)

AUTHORIZED REPRESENTATIVES

Mr. Ge Weiguang
Ms. Zheng Jin

AUDIT COMMITTEE

Mr. Luo Zhenbang *(Committee Chairman)*
Mr. Lai Siming
Ms. Chen Jingru

REMUNERATION COMMITTEE

Mr. Lai Siming *(Committee Chairman)*
Ms. Ruan Wenjuan
Mr. Luo Zhenbang

NOMINATION COMMITTEE

Mr. Zhang Zhangsun *(Committee Chairman)*
Mr. Lai Siming
Mr. Luo Zhenbang

INTERNAL CONTROL COMMITTEE

Ms. Chen Jingru *(Committee Chairman)*
Mr. Luo Zhenbang
Ms. Ruan Wenjuan

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

COMPLIANCE ADVISOR

Messis Capital Limited
Room 1606, 16/F
Tower 2, Admiralty Centre
18 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
Bank of China Limited
China Construction Bank Corporation
Bank of Beijing Co., Ltd.

LEGAL ADVISORS

As to Hong Kong Law
Shearman & Sterling
12/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

REGISTERED OFFICE

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

CORPORATE HEAD OFFICE IN HONG KONG

Suite 5103A, 51/F, Central Plaza
18 Harbour Road
Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

No.15 Zhushikou East Street
Dongcheng District
Beijing
PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

LISTING INFORMATION

Share Listing
The Company's ordinary shares
The Stock Exchange of Hong Kong Limited
Stock Code: 02329

WEBSITE

http://www.glorypty.com/

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE SHAREHOLDERS OF GUORUI PROPERTIES LIMITED (INCORPORATED UNDER THE NAME OF "GLORY LAND COMPANY LIMITED (國瑞置業有限公司)" IN THE CAYMAN ISLANDS AND CARRYING ON BUSINESS IN HONG KONG AS "GUORUI PROPERTIES LIMITED")

We have audited the consolidated financial statements of Guorui Properties Limited (incorporated under the name of "Glory Land Company Limited (國瑞置業有限公司)" in the Cayman Islands and carrying on business in Hong Kong as "Guorui Properties Limited") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 230 to 340, which comprise the consolidated statement of financial position as at December 31, 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 23, 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015

	NOTES	Year ended December 31, 2015 RMB'000	2014 RMB'000
Revenue	7	**6,514,304**	5,278,546
Cost of sales and services		**(3,835,485)**	(2,873,368)
Gross profit		**2,678,819**	2,405,178
Other gains and losses	8	**(6,956)**	(4,896)
Other income	9	**13,170**	12,387
Gain on fair value change of investment properties	17	**783,601**	385,956
Selling expenses		**(246,156)**	(182,446)
Administrative expenses		**(358,709)**	(272,319)
Other expenses	10	**(26,388)**	(39,027)
Finance costs	11	**(141,095)**	(238,900)
Share of result of associates	20	**3,312**	(6,924)
Profit before tax	12	**2,699,598**	2,059,009
Income tax expenses	14	**(1,116,109)**	(852,720)
Profit and total comprehensive income for the year		**1,583,489**	1,206,289
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**1,260,550**	950,654
Non-controlling interests		**322,939**	255,635
		1,583,489	1,206,289
Earnings per share, in Renminbi cents:	15		
Basic		**28.62**	23.42
Diluted		**28.28**	23.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2015

	NOTES	At December 31, 2015 RMB'000	2014 RMB'000
Non-current assets			
Investment properties	17	15,065,850	12,822,450
Property, plant and equipment	18	130,248	142,891
Intangible assets	19	3,490	3,164
Interests in associates	20	32,196	189,076
Available-for-sale investments	21	165,192	5,000
Prepaid lease payments	22	3,013	3,120
Deposit paid for acquisition of a subsidiary	46	70,000	—
Deferred tax assets	23	160,336	100,172
Restricted bank deposits	31	38,686	7,590
		15,669,011	13,273,463
Current assets			
Inventories		73	78
Prepayment/deposits paid for land acquisition	24	2,929,848	35,000
Properties under development	25	9,667,914	10,092,920
Properties held for sale	27	2,719,459	2,243,952
Trade and other receivables, deposits and prepayments	28	870,875	553,756
Amounts due from customers for contract work	29	1,222,245	1,072,586
Prepaid taxes		39,270	18,777
Amount due from a related party	46	1,063	—
Financial assets at fair value through profit or loss	30	70,097	97
Restricted bank deposits	31	80,898	1,180,187
Cash and bank balances	32	1,956,263	542,557
		19,558,005	15,739,910
Current liabilities			
Trade and other payables	33	4,910,116	5,044,261
Deposits received from sale of properties	34	1,611,699	1,688,750
Amounts due to related parties	46	55,057	18,954
Taxation payable	35	1,477,701	1,121,261
Bank and other borrowings - due within one year	36	3,718,997	4,221,260
		11,773,570	12,094,486
Net current assets		7,784,435	3,645,424
Total assets less current liabilities		23,453,446	16,918,887

At December 31, 2015

	NOTES	At December 31, 2015 RMB'000	2014 RMB'000
Non-current liabilities			
Other payables	33	65,970	64,826
Bank and other borrowings - due after one year	36	8,579,128	6,597,350
Corporate bonds	37	2,977,127	—
Deferred tax liabilities	23	1,903,251	1,720,267
		13,525,476	8,382,443
Net assets		9,927,970	8,536,444
Capital and reserves			
Share capital	38	3,511	3,509
Reserves		8,115,985	7,012,813
Equity attributable to owners of the Company		8,119,496	7,016,322
Non-controlling interests		1,808,474	1,520,122
Total equity		9,927,970	8,536,444

The consolidated financial statements on pages 230 to 340 were approved and authorised for issue by the Board of Directors on March 23, 2016 and are signed on its behalf by:

DIRECTOR	*DIRECTOR*
Ge Weiguang	**Ruan Wenjuan**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

	Attributable to owners of the Company										
	Share capital RMB'000	Share Premium RMB'000	Capital reserve RMB'000 (note i)	Other reserve RMB'000 (note ii)	Equity-settled share-based payment reserve RMB'000 (note 40)	Treasury shares reserve RMB'000	Statutory surplus reserve RMB'000 (note iii)	Retained earnings RMB'000	Total RMB'000	Attributable to non-controlling interests RMB'000	Total RMB'000
At January 1, 2014	2,967	—	77,137	(48,950)	—	—	380,860	4,376,400	4,788,414	1,307,565	6,095,979
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	950,654	950,654	255,635	1,206,289
Appropriate to reserve	—	—	—	—	—	—	109,009	(109,009)	—	—	—
Issue of shares (note 38)	542	1,290,032	—	—	—	—	—	—	1,290,574	—	1,290,574
Issue cost (note 38)	—	(50,788)	—	—	—	—	—	—	(50,788)	—	(50,788)
Deemed contribution from ultimate shareholder (note i)	—	—	56,242	—	—	(56,242)	—	—	—	—	—
Acquisition of non-controlling interests (note ii)	—	—	—	12,105	—	—	—	1,057	13,162	(43,078)	(29,916)
Recognition of equity-settled share-based payments (note 40)	—	—	—	—	24,306	—	—	—	24,306	—	24,306
At December 31, 2014	3,509	1,239,244	133,379	(36,845)	24,306	(56,242)	489,869	5,219,102	7,016,322	1,520,122	8,536,444
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	1,260,550	1,260,550	322,939	1,583,489
Appropriate to reserve	—	—	—	—	—	—	183,451	(183,451)	—	—	—
Dividend declared to the shareholders of the Company	—	(209,914)	—	—	—	—	—	—	(209,914)	—	(209,914)
Dividend declared to the non-controlling interests	—	—	—	—	—	—	—	—	—	(140,000)	(140,000)
Acquisition of a subsidiary (note 41)	—	—	—	—	—	—	—	—	—	100,000	100,000
Deemed acquisition of additional equity interests in subsidiary (note ii)	—	—	—	(5,413)	—	—	—	—	(5,413)	5,413	—
Recognition of equity-settled share-based payments (note 40)	—	—	—	—	55,379	—	—	—	55,379	—	55,379
Exercise of share options (note 40)	2	4,140	—	—	(1,570)	—	—	—	2,572	—	2,572
Shares vested under share award scheme (note 40)	—	—	—	—	(18,747)	18,747	—	—	—	—	—
At December 31, 2015	3,511	1,033,470	133,379	(42,258)	59,368	(37,495)	673,320	6,296,201	8,119,496	1,808,474	9,927,970

(i) Capital reserve amounting to RMB77,137,000 mainly represented deemed contribution from or deemed distribution to the equity holders pursuant to a group reorganisation completed in June 2013.

On June 16, 2014, Alltogether Land Company Limited, the parent and ultimate holding company of the Company, transferred a total of 33,617,700 shares ("Awarded Shares") of the Company to TMF (Cayman) Ltd ("TMF"), a trust company holding the shares on behalf of the Group, for the purpose of granting Awarded Shares to four employees with certain vesting conditions. The Company has the beneficial interest on the shares held by TMF and the shares are included in treasury shares reserve prior to vesting, the fair value of Awarded Shares on grant date amounting to RMB56,242,000 was treated as deemed contribution from the ultimate holding company. The details of the Awarded Shares are set out in note 40.

(ii) Other reserve represents the differences between the amount by which non-controlling interests are adjusted and the fair value of consideration paid or received when the Group acquired or disposed of partial interests in existing subsidiaries.

In April 2014, Hainan Glory Real Estate Development Co., Ltd 海南國瑞房地產開發有限公司 ("Hainan Glory") acquired the remaining 45% interest in Haikou Hangrui Industrial Development Co., Ltd 海口航瑞實業發展有限公司 ("Haikou Hangrui") for a consideration of RMB29,916,000 from the non-controlling equity holder. Difference between consideration paid and adjustment to non-controlling interest amounting to RMB13,162,000 is recognised in other reserve and retained earnings. The consideration was paid in the year ended December 31, 2014.

Beijing Glory Real Estate (Holding) Co., Ltd. 北京國瑞興業房地產控股有限公司 ("New Beijing Glory") is a 80% owned subsidiary of the Company. During the year, New Beijing Glory disposed of the entire 100% equity interest in Langfang Guoxing Real Estate Development Co., Ltd 廊坊國興房地產開發有限公司 ("Langfang Guoxing") and Shantou Glory Real Estate Development Co., Ltd. 汕頭市國瑞房地產開發有限公司 ("Shantou Glory") to Glory Real Estate (HK) Investment Limited ("Glory Real Estate (HK)") and Well Ample Holdings (HK) Limited ("Well Ample (HK)") respectively. After the disposal, Langfang Guoxing and Shantou Glory became 100% owned subsidiaries of the Company. The 20% non-controlling interest of New Beijing Glory gain from the disposal of subsidiaries by sharing an increased net assets value after the transaction, resulting a credit of amounting to RMB5,413,000. The restructuring was recognised as a deemed acquisition of additional equity interests in subsidiaries.

(iii) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China ("PRC"), those subsidiaries are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	NOTES	Year ended December 31, 2015 RMB'000	2014 RMB'000
OPERATING ACTIVITIES			
Profit before tax		2,699,598	2,059,009
Adjustments for:			
Finance costs		141,095	238,900
Interest income		(6,338)	(4,013)
Depreciation of property, plant and equipment		26,404	20,939
Amortization of intangible assets		837	721
Release of prepaid lease payments		107	107
Changes in fair value of investment properties		(783,601)	(385,956)
Changes in fair value of financial assets at fair value through profit or loss		—	(17)
Loss (gain) on disposal of property, plant and equipment		95	(51)
Loss on disposal of land use right		—	5,894
Reversal of allowance on doubtful receivables, net		(459)	—
Share of result of associates		(3,312)	6,924
Share-based payment expense		42,464	17,917
Operating cash flows before movements in working capital		2,116,890	1,960,374
Decrease (increase) in properties under development and properties held for sale		202,125	(3,018,396)
(Increase) decrease in prepayment/deposits paid for land acquisition		(2,869,523)	279,160
Decrease in inventories		5	15
Increase in trade and other receivables		(317,586)	(145,487)
Increase in amounts due to related parties		9,323	1,208
(Decrease) increase in trade and other payables		(194,471)	657,120
(Decrease) increase in deposits received from sale of properties		(77,051)	40,509
Increase in amounts due from customers for contract work		(44,853)	(60,717)
(Increase) decrease in restricted bank deposits		(46,725)	25,751
Cash used in operations		(1,221,866)	(260,463)
Income tax and land appreciation tax paid		(657,342)	(369,715)
Net cash used in operating activities		(1,879,208)	(630,178)

For the year ended December 31, 2015

	NOTES	Year ended December 31, 2015 RMB'000	2014 RMB'000
INVESTING ACTIVITIES			
Interest received		6,338	4,013
Proceeds on disposal of property, plant and equipment		18	233
Proceeds on disposal of land use right		—	27,984
Proceeds on disposal of investment properties		58,573	—
Purchase of property, plant and equipment, intangible assets		(15,036)	(22,756)
Payments for investment properties		(382,475)	(679,106)
Payment for investment in associates		—	(196,000)
Settlement of debts assigned in an acquisition of a subsidiary	41	(200,000)	—
Net cash outflow on acquisition of a subsidiary	41	(400,000)	(646,640)
Payment of consideration payable for acquisition of subsidiaries in prior year		(60,000)	(349,511)
Deposit paid for acquisition of a subsidiary		(70,000)	—
Purchase of financial products		(70,000)	—
Advance to related parties		—	(1,423)
Repayment from related parties		—	5,688
Withdrawal of restricted bank deposits		1,153,266	543,193
Placement of restricted bank deposits		(38,348)	(1,695,766)
Net cash used in investing activities		(17,664)	(3,010,091)

For the year ended December 31, 2015

	NOTES	Year ended December 31, 2015 RMB'000	2014 RMB'000
FINANCING ACTIVITIES			
New bank loans raised		5,953,860	4,497,690
New other loans raised		945,000	1,270,700
Repayment of bank loans		(4,141,360)	(1,274,840)
Repayment of other loans		(1,277,985)	(1,011,500)
Advance from related parties		180	4,000
Repayment to related parties		(1,170)	(143,742)
Proceeds on issue of corporate bonds		3,000,000	—
Transaction cost paid for corporate bonds		(23,600)	—
Interest paid		(824,775)	(1,073,954)
Acquisition of additional interests in subsidiaries		—	(29,916)
Exercise of share options		2,572	—
Issue of shares		—	1,290,574
Issuance costs paid		—	(50,788)
Dividends paid to shareholders of the company		(182,144)	(140,252)
Dividends paid to non-controlling interests in the subsidiaries		(140,000)	—
Net cash generated from financing activities		3,310,578	3,337,972
Net increase (decrease) in cash and cash equivalents		1,413,706	(302,297)
Cash and cash equivalents at beginning of the year		542,557	844,854
Cash and cash equivalents at end of the year, represented by bank balances and cash		1,956,263	542,557

1. GENERAL

The Company was incorporated in the Cayman Islands under the name of "Glory Land Company Limited (國瑞置業有限公司)" as an exempted company with limited liability under the Company Laws (2012 Revision) of the Cayman Islands on July 16, 2012 which carries on business in Hong Kong as "Guorui Properties Limited". Its parent and ultimate holding company is Alltogether Land Company Limited (通和置業有限公司), a company incorporated in the British Virgin Islands. Mr. Zhang Zhangsun, who hold 100% equity interests of Alltogether Land Company Limited, is the ultimate shareholder of the Company. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at No. 15, East Zhushikou Street, Dongcheng District, Beijing, the PRC.

On July 7, 2014, the Company completed the global offering and its shares were listed on the mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries (collectively the "Group") are principally engaged in property development, primary land construction and development services, property investment and property management and related services.

The consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the group entities operate (the functional currency of the group entities).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied, the following amendments to IFRSs:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

At the date of this report, the following new and revised IFRSs have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to IAS 1	Disclosure Initiative[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[5]

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

2 Effective for annual periods beginning on or after 1 January 2019

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

4 Effective for annual periods beginning on or after a date to be determined

5 Effective for annual periods beginning on or after 1 January 2017

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

The directors of the Company (the "Directors") anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

One of the key requirements of IFRS 9 that are applicable to the Group includes the impairment of financial assets, of which IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39 Financial Instruments: Recognition and Measurement. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Directors are of the view that the expected credit loss model may result in early provision of credit losses which are not yet incurred for the Group's financial assets measured at amortised costs. However, it is not practicable to provide a reasonable estimate of the effect from using an expected credit loss model until a detailed review has been completed.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 16 Leases (continued)

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors will assess the impact of the application of IFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of IFRS 16 until the Group performs a detailed review.

Except for the above impact, the Directors do not anticipate that the application of other new and revised IFRSs will have significant impact in the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the"Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended December 31, 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with IFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended December 31, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended December 31, 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

Basis of preparation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

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.

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

Except for common control subsidiaries in which merger accounting applies, consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the each reporting period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Acquisition of assets and liabilities through acquisition of subsidiaries

Where an acquisition of an asset or a group of assets and liabilities that does not constitute a business, the Group will identify and recognise the individual identifiable assets acquired and liabilities assumed by allocating purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates

An associate is an entity over which the Group has 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.

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

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Sales of properties

Revenue from the sale of properties in the ordinary course of business is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the properties, which is when the construction of relevant properties has been completed, upon delivery, and collectability of related receivables is reasonably assured;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Revenue from construction contract

Revenue from construction contract is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described in "Leasing" section below.

Service income

Service income is recognised when the services are provided.

Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contract

When the outcome of a construction contract can be estimated reliably, revenue from fixed price contracts and cost plus contracts is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

Leasing

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as liabilities and as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land for own use

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

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than that entity's functional currency (foreign currencies) are recorded in the respective functional currency at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term and other long-term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of fair value of equity-settled share-based transactions are set out in note 40 to the Group's consolidation financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled share-based payment reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in equity-settled share-based payment reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in equity-settled share-based payment reserve will be transferred to retained earnings.

When the awarded shares are vested, the amount previously recognised in equity-settled share-based payment reserve and the amount of the relevant treasury shares is reversed and the differences arising from the reversal is adjusted to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are properties held to earn rentals or/and for capital appreciation.

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

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

A property is transferred to investment properties when, and only when, there is a change in use, as evidenced by the change of use has occurred, such as commencement of an operating lease. Except for transfer from owner occupied property, any difference between the carrying amount of the property transferred and the fair value at the date of transfer is recognised in the profit or loss.

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

Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortization and any accumulated impairment losses.

Amortization for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method.

Properties under development

Properties under development for sale which are intended to be sold in the ordinary course of business upon completion of development are classified as current assets, and are carried at the lower of cost and net realizable value. Cost comprises the related land cost, development expenditure incurred and, where appropriate, borrowing costs capitalised. Net realizable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Properties under development for sale are transferred to completed properties for sale upon completion of development.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realizable value. Cost comprises the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets

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

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

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

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

Financial instruments

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

A financial asset is classified as held-for-trading if:

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

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value arising from re-measurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "other gains and losses" line item in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Effective interest method

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

Interest income is recognised on an effective interest basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment loss at the end of the reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets

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

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest and principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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

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

Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to related parties, bank and other borrowings and corporate bonds are subsequently measured at amortised cost, using effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Treasury shares contributed by the ultimate holding company for share award scheme are initially recognised at the fair value and recorded in treasury share reserve prior to vesting.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, where appropriate, cumulative amortization recognised in accordance with the revenue recognition policies.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when the Group has transferred the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the Group's obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured using the tax rate applicable for recovery through use.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

Construction costs estimation for revenue recognition

Certain projects of the Group are divided into several phases according to the development and delivery plans. The Group recognises sales upon delivery of properties and collectability of related receivables is reasonably assured. Cost of sales including construction cost specific to the phases and common costs allocated to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered. When the actual common costs incurred are significantly more or less than expected, or changes in circumstances which result in revision of management's estimates, the effect of such change is recognised prospectively in the profit or loss in the period of the change.

Primary land construction and development contracts

The Group carried out primary land construction and development projects for the Beijing Municipal People's Government. The Group recognised contract revenue on the primary land construction and development projects by reference to the recoverable costs incurred plus the expected fee earned in accordance with relevant rules and regulations issued by the Beijing Municipal People's Government and other relevant agreements. Construction and development costs mainly comprise resettlement compensation, sub-contracting charges and costs of construction materials and are estimated by the management by reference to quotations provided by contractors and vendors and the past experience of the management. Estimation of the contract revenue and recoverable costs is subject to final approval from the Beijing Municipal People's Government. The Directors estimate contract revenue and recoverable costs based on latest available budgets of each primary land construction and development projects and current market conditions. The final amounts approved by the Beijing Municipal People's Government may not be the same as the amounts estimated by the Group. These differences will affect contract revenue and contract profit in the period in which the approval has been obtained from the Beijing Municipal People's Government.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Investment properties

Investment properties amounted to RMB15,065,850,000 (2014: RMB12,822,450,000) as at December 31, 2015 were stated at fair values based on the valuation performed by independent professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the Directors have exercised their judgment and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of fair value gains or losses reported in profit or loss.

Income tax expense

Deferred tax assets of RMB 160,336,000(2014: RMB100,172,000) have been recognised as at December 31, 2015, after offsetting certain deferred tax liabilities as set out in Note 23. The realizability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The Directors determine the deferred tax assets based on the enacted or substantially enacted tax rates and profit forecasts of the Group for coming years during which the deferred taxation assets are expected to be utilised. The Directors reviewed the assumptions and profit forecasts at the end of each reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a recognition or reversal takes place.

Land appreciation tax

The Group has provided land appreciation tax ("LAT") in the PRC amounting to RMB 614,153,000 (2014: RMB264,292,000) as at December 31, 2015. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain property development projects of the Group have not yet finalised their land appreciation tax calculations and payments with local tax authorities in the PRC. Accordingly, significant estimation is required in determining the amount of land appreciation tax and its related enterprise income tax. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the period in which such tax is finalised with local tax authorities.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgment in applying accounting policies

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

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model under IAS 40 amounting to RMB 15,065,850,000 (2014: RMB12,822,450,000), as at December 31, 2015 the Directors concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time.

Therefore, in determining the Group's deferred tax on investment properties, the Directors have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted and the Group estimated the deferred tax on the basis of recovering through use.

Revenue recognition of property sales

As part of the Group's marketing strategy, some properties were delivered to buyers before the full consideration was received. In assessing whether such contract meets the revenue recognition criteria in accordance with the Group's accounting policies, the management of the Group considered various factors such as the level of purchase consideration received, the collectability of the remaining outstanding consideration and the potential decrease in fair value of the underlying property relative to the relevant selling price. In the cases where the Directors considered the contract does not meet the Group's revenue recognition criteria, the consideration received is accounted for as "deposit received from sale of properties" in current liabilities.

5. SUBSIDIARIES

Details of the Company's subsidiaries at the end of the reporting period are set out below.

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31,		Principal activities
			2015	2014	
Well Ample Holdings Limited ("Well Ample")	British Virgin Islands ("BVI")	Issued and fully paid USD1	100%	100%	Intermediate holding
Well Ample Holdings (HK) Limited ("Well Ample (HK)")	Hong Kong	Issued and fully paid HKD100,000	100%	100%	Investment holding
State Wealth Holdings Limited ("State Wealth")	BVI	Issued and fully paid USD1	100%	100%	Intermediate holding
State Wealth Holdings (HK) Limited ("State Wealth (HK)")	Hong Kong	Issued and fully paid HKD100,000	100%	100%	Investment holding
All Affluent Holdings Limited ("All Affluent")	BVI	Issued and fully paid USD1	100%	100%	Intermediate holding
All Affluent Holdings (HK) Limited ("All Affluent (HK)")	Hong Kong	Issued and fully paid HKD100,000	100%	100%	Investment holding
Glory Real Estate (HK) Investment Limited ("Glory Real Estate (HK)")	Hong Kong	Issued and fully paid HKD10,000	100%	100%	Investment holding
Shantou Glory Management Limited *^ 汕頭國瑞企業管理有限公司	PRC	Paid up capital RMB40,000,000	100%	100%	Investment holding and hotel operation
Shantou Glory Trading Co., Ltd.*^ 汕頭國瑞貿易有限公司	PRC	Paid up capital —	100%	100%	Not yet commence business

5. SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31, 2015	2014	Principal activities
Shantou Garden Group Co., Ltd.*^ ("Garden Group ") 汕頭花園集團有限公司	PRC	Paid up capital RMB48,000,000	100%	100%	Investment holding
Glory Xingye (Beijing) Industrial Co., Ltd.* ("Glory Industrial") 國瑞興業(北京)實業股份有限公司	PRC	Paid up capital RMB458,224,110	91%	91%	Property development
Shantou Glory Construction Materials and Household Exhibition Center Co., Ltd.* ("Shantou Construction Materials") 汕頭國瑞建材家居博覽中心有限公司	PRC	Paid up capital RMB200,000,000	90%	90%	Property development
Glory Xingye (Beijing) Real Estate Co., Ltd.* ("Original Beijing Glory") 北京國瑞興業地產股份有限公司	PRC	Paid up capital RMB1,166,000,000	80%	80%	Property development and investment holding
Beijing Glory Real Estate (Holding) Co., Ltd.* ("New Beijing Glory") 北京國瑞興業房地產控股有限公司	PRC	Paid up capital RMB52,000,000	80%	80%	Investment holding
Beijing Glory Property Services Co., Ltd.* 北京國瑞物業服務有限公司	PRC	Paid up capital RMB5,000,000	80%	80%	Property management and services
Glory Xingye (Beijing) Investment Co., Ltd.* ("Glory Investment") 國瑞興業(北京)投資有限公司	PRC	Paid up capital RMB10,000,000	80%	80%	Investment holding

5. SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31, 2015	2014	Principal activities
Hainan Glory Property Services Co., Ltd.* ("Hainan Glory ") 海南國瑞房地產開發有限公司	PRC	Paid up capital RMB100,000,000	80%	80%	Property development
Wanning Glory Real Estate Development Co., Ltd.* 萬甯國瑞房地產開發有限公司	PRC	Paid up capital RMB30,000,000	80%	80%	Property development
Hainan Tongcheng Industrial Co., Ltd.* 海南同城實業有限公司	PRC	Paid up capital RMB74,270,000	80%	80%	Property development
Hainan Nandujiang Industrial Development Co., Ltd.* 海南南渡江實業發展有限公司	PRC	Paid up capital RMB20,030,000	80%	80%	Property development
Haikou Hangrui Development Industrial Co., Ltd.^* ("Haikou Hangrui") 海口航瑞實業發展有限公司	PRC	Paid up capital RMB110,104,100	80%	80%	Property development
Hainan HNA Glory Investment & Development Co., Ltd.* ("Hainan HNA") 海南海航國瑞投資開發有限公司	PRC	Paid up capital RMB466,869,243	80%	80%	Property development
Xinzheng Glory Real Estate Development Co.,Ltd.^* 新鄭市國瑞房地產開發有限公司	PRC	Paid up capital RMB100,000,000	80%	80%	Property development
Foshan Glory Xingye Real Estate Co., Ltd.* ("Foshan Glory") 佛山市國瑞興業地產有限公司	PRC	Paid up capital RMB10,000,000	80%	80%	Property development

5. SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31, 2015	2014	Principal activities
Foshan Guohua Properties Co., Ltd.* ("Foshan Guohua") (note(c)) 佛山市國華置業有限公司	PRC	Paid up capital RMB100,000,000	44%	44%	Property development
Langfang Glory Investment Co., Ltd.* 廊坊國瑞投資有限公司	PRC	Paid up capital RMB100,000,000	80%	80%	Investment holding
Langfang Guosheng Real Estate Development Co., Ltd.* 廊坊國盛房地產開發有限公司	PRC	Paid up capital RMB30,000,000	80%	80%	Property development
Langfang Glory Real Estate Development Co., Ltd.* 廊坊國瑞房地產開發有限公司	PRC	Paid up capital RMB150,000,000	80%	80%	Property development
Langfang Guoxing Real Estate Development Co., Ltd.*^ ("Langfang Guoxing") 廊坊國興房地產開發有限公司	PRC	Paid up capital RMB110,000,000	100%	80%	Property development
Yongqing County Orchard Sport Services Co., Ltd.* 永清縣果園體育服務有限公司	PRC	Paid up capital RMB1,000,000	80%	80%	Not yet commence business
Shantou Glory Real Estate Development Co., Ltd.*^ ("Shantou Glory ") 汕頭市國瑞房地產開發有限公司	PRC	Paid up capital RMB920,100,000	100%	80%	Property development
Shenzhen Glory Real Estate Co., Ltd.* 深圳國瑞興業房地產有限公司	PRC	Paid in capital RMB100,000,000	100%	100%	Not yet commence business

5. SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31, 2015	2014	Principal activities
Shantou Guohua Properties Real Estate Development Co., Ltd.* 汕頭市國華置業地產發有限公司	PRC	Paid up capital RMB20,000,000	60%	60%	Property development
Shantou Glory Zhoucuowen Real Estate Development Co.,Ltd. * 汕頭市國瑞周厝塭房地產開發有限公司	PRC	Paid up capital RMB20,000,000	68%	68%	Property development
Shenyang Dadongfang Properties Co., Ltd.* 瀋陽大東方置業有限公司	PRC	Paid up capital RMB186,362,194	80%	80%	Property development
Shenyang Glory Industrial Commerce Co., Ltd.* 瀋陽國瑞興業商務有限公司	PRC	Paid up capital RMB1,000,000	80%	80%	Properties management services
Chaoan County Meilin Lake Development & Construction Co., Ltd.* ("Chaoan Meilin") (note(c)) 潮州市潮安區梅林湖開發建設有限公司	PRC	Paid up capital RMB10,000,000	48%	48%	Property development
Shaanxi Huawei Shida Industrial Co., Ltd.* ("Shaanxi Huawei") 陝西華威世達實業有限公司	PRC	Paid up capital RMB200,000,000	80%	80%	Property development
Hainan Junhe Industrial Co., Ltd.* ("Hainan Junhe") 海南駿和實業有限公司	PRC	Paid up capital RMB50,000,000	80%	80% (note(d))	Property development
Beijing Wenhuashengda Real Estate Development Co., Ltd.* ("Beijing Wenhuashengda") 北京文華盛達房地產開發有限公司	PRC	Paid up capital RMB50,000,000	100%	100%	Property development

5. SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest of the Group At December 31, 2015	2014	Principal activities
Foshan Glory Southern Real Estate Development Co., Ltd.* ("Foshan Glory Southern") 佛山市國瑞南方地產開發有限公司	PRC	Paid up capital RMB33,330,000	80%	80%	Property development
Langfang Guohua Real Estate Development Co., Ltd.* 廊坊市國華房地產開發有限公司	PRC	Paid up capital RMB100,000,000	80% (note(b))	—	Property development
Shenzhen Wanji Pharmaceutical Co., Ltd.* ("Shenzhen Wanji") 深圳萬基藥業有限公司	PRC	Paid up capital RMB130,000,000	87.5% (note(d))	—	Not yet commence business
Shenzhen Glory Jingang Estate Development Co., Ltd.* 深圳國瑞金港地產開發有限公司	PRC	Paid up capital —	100% (note(b))	—	Not yet commence business
Shenzhen Glory Sichuang Estate Development Co., Ltd.* 深圳國瑞思創地產開發有限公司	PRC	Paid up capital —	100% (note(b))	—	Not yet commence business
Beijing Jiale Jiale e-Commerce Co., Ltd.* 北京家槳家槳電子商務有限公司	PRC	Paid up capital —	100% (note(b))	—	Not yet commence business
Shenyang Guoyi Business Management Co., Ltd.* 瀋陽國益商業管理有限公司	PRC	Paid up capital RMB20,000,000	100% (note(b))	—	Property development
Shenyang Guorui Business Management Co., Ltd.* 瀋陽國瑞商業管理有限公司	PRC	Paid up capital RMB50,000,000	100% (note(b))	—	Property development
Shenyang Guosheng Business Management Co., Ltd.* 瀋陽國盛商業管理有限公司	PRC	Paid up capital RMB30,000,000	100% (note(b))	—	Property development

* The English name of the companies which were established in the PRC are for reference only and have not been registered.

^ These companies are wholly foreign owned enterprises established in the PRC. All other entites established in the PRC are limited liability companies.

5. SUBSIDIARIES (continued)

Notes:

(a) Except Garden Group, none of other subsidiaries had issued any debt securities at the end of each reporting period or at any time during the reporting period.

(b) These subsidiaries were newly established during the year ended December 31, 2015.

(c) Garden Group held 80% equity interest in Original Beijing Glory, which held 55% and 60% equity interest in Foshan Guohua and Chaoan Meilin respectively. Therefore, the Group indirectly held 44% and 48% equity interest in Foshan Guohua, Chaoan Meilin respectively, which are still considered to be subsidiaries of the Group.

(d) These subsidiaries were acquired during the year ended December 31, 2015 and 2014. Details are set out in note 41.

(e) Other than Glory Real Estate (HK), Well Ample, Well Ample (HK), State Wealth, State Wealth (HK), All Affluent and All Affluent (HK) which are investment holding companies in Hong Kong, all subsidiaries operate in the PRC.

(f) Glory Real Estate (HK), Well Ample, State Wealth and All Affluent are directly held by the Company. Other subsidiaries are indirectly held by the Company.

Majority of these subsidiaries operate in the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities	**Principal place of business**	**Number of subsidiaries**	
		31/12/2015	31/12//2014
Property development	PRC	**29**	24
Primary land construction and development services	PRC	**1**	1
Rental business	PRC	**4**	4
Property management and related service	PRC	**2**	2
		36	31

5. SUBSIDIARIES (continued)

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

Name of subsidiaries	Place of establishment and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests RMB'000	Accumulated non-controlling interests RMB'000
At December 31, 2015				
Glory Industrial	PRC	**9%**	**6,598**	**153,507**
Original Beijing Glory (note a)	PRC	**20%**	**154,970**	**1,101,422**
New Beijing Glory (note b)	PRC	**20%**	**167,901**	**348,595**
Total			**329,469**	**1,603,524**
At December 31, 2014				
Glory Industrial	PRC	9%	1,456	146,909
Original Beijing Glory (note a)	PRC	20%	89,281	970,598
New Beijing Glory (note b)	PRC	20%	169,462	285,280
Total			260,199	1,402,787

Notes:

(a) The summarised financial information disclosed below comprised of the financial information of Original Beijing Glory and its wholly owned subsidiaries (the "Original Beijing Glory Sub-Group").

(b) The summarised financial information disclosed below comprised of the financial information of New Beijing Glory, its wholly owned subsidiaries and non-wholly subsidiaries (the "New Beijing Glory Sub-Group"). In the opinion of the Directors, the non-controlling interest of each of those non-wholly owned subsidiaries is not material.

Summarised financial information in respect of Glory Industrial, Original Beijing Glory Sub-Group and New Beijing Glory Sub-Group is set out below. The summarised financial information below represents amounts before intragroup eliminations.

5. SUBSIDIARIES (continued)

Glory Industrial

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Current assets	**1,972,719**	3,416,469
Non-current assets	**1,118,710**	1,012,284
Current liabilities	**(944,567)**	(2,352,845)
Non-current liabilities	**(441,229)**	(443,582)
Total equity	**1,705,633**	1,632,326

	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Revenue	**37,957**	61,106
Gain on fair value change of investment properties	**89,445**	11,600
Cost of sales and service and expense	**(54,095)**	(56,524)
Profit and total comprehensive income for the year	**73,307**	16,182
Net cash inflow from operating activities	**25,265**	194,733
Net cash outflow from investing activities	**(944)**	(197,434)
Net cash (outflow) inflow from financing activities	**(10,421)**	45,032
Net cash inflow from the above activities	**13,900**	42,331

5. SUBSIDIARIES (continued)

Original Beijing Glory Sub-Group

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Current assets	**8,392,830**	8,089,124
Non-current assets	**11,145,992**	10,056,570
Current liabilities	**(6,384,168)**	(7,265,850)
Non-current liabilities	**(7,647,543)**	(6,026,806)
Total equity	**5,507,111**	4,853,038

	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Revenue	**1,595,805**	1,634,065
Gain on fair value change of investment properties	**539,643**	207,881
Cost of sales and expense	**(1,360,600)**	(1,395,540)
Profit and total comprehensive income for the year	**774,848**	446,406
Dividend paid to non-controlling interests	**30,000**	—
Net cash outflow from operating activities	**(1,933,842)**	(739,934)
Net cash outflow from investing activities	**(296,585)**	(278,428)
Net cash inflow from financing activities	**2,989,963**	1,139,205
Net cash inflow from the above activities	**759,536**	120,843

5. SUBSIDIARIES (continued)

New Beijing Glory Sub-Group

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Current assets	14,614,172	18,616,451
Non-current assets	1,892,355	1,616,540
Current liabilities	(13,461,531)	(16,624,236)
Non-current liabilities	(1,260,891)	(2,130,640)
Equity attributable to owners of the Company	1,742,976	1,426,402
Non-controlling interests	41,129	51,713

	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Revenue	4,842,642	3,538,827
Gain on fair value change of investment properties	129,934	145,691
Cost of sales and expense	(4,143,653)	(2,843,619)
Profit and total comprehensive income for the year	828,923	840,899
Profit and total comprehensive income attributable to owners of the Company	839,507	847,312
Profit and total comprehensive income attributable to non-controlling interests	(10,584)	(6,413)
Dividend paid to non-controlling interests	110,000	—
Net cash inflow from operating activities	143,492	677,294
Net cash inflow (outflow) from investing activities	82,702	(1,258,969)
Net cash inflow from financing activities	389,475	553,632
Net cash inflow (outflow) from the above activities	615,669	(28,043)

6. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Group consists of net debts, which includes the bank and other borrowings as disclosed in note 36, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, retained earnings and other reserves.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through issuance of new shares, the payment of dividends, as well as raising of bank and other loans and redemption of bank and other loans.

Categories of financial instruments

	At December 31,	
	2015 **RMB'000**	2014 RMB'000
Financial assets		
Loans and receivables (including cash and bank balances)	**2,706,666**	2,110,815
Available-for-sale investments	**165,192**	5,000
Financial assets at fair value through profit or loss	**70,097**	97
	2,941,955	2,115,912
Financial liabilities		
Liabilities measured at amortised cost	**19,643,372**	15,675,016

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Group's financial instruments include financial assets at fair value through profit or loss, available-for-sale investments, trade and other receivables, amount due from a related party, restricted bank deposits, bank balances and cash, trade and other payables, amounts due to related parties, bank and other borrowings and corporate bonds. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates and other prices.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over each of the reporting period.

(1) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances, restricted bank deposits and bank and other borrowings which carry at prevailing deposit interest rates or variable rate based on the interest rates quoted by the People's Bank of China.

The Group's fair value interest rate risk relates primarily to its fixed rate bank and other borrowings, corporate bonds and amount due to a related party. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

(1) Interest rate risk (continued)

Interest rate sensitivity

The sensitivity analysis below has been prepared based on the exposure to interest rates on bank balances, restricted bank deposits and variable rate bank and other borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 50 basis points (2014: 50 basis points) increase or decrease for variable rate bank and other borrowings and a 27 basis points (2014: 27 basis points) increase or decrease for bank balances and restricted bank deposits are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rate in respect of bank and other borrowings, bank balances and restricted bank deposits, respectively.

If interest rates had been increased/decreased by 50 basis points (2014: 50 basis points) in respect of variable rate bank and other borrowings and all other variables were held constant, the Group's post-tax profit for the year ended December 31, 2015 (net of interest capitalization effect) would decrease/increase by approximately RMB4,594,000 (2014: RMB8,466,000).

If interest rates had been increased/decreased by 27 basis points (2014: 27 basis points) in respect of bank balances and restricted bank deposits and all other variables were held constant, the Group's post-tax profit for the year ended December 31, 2015 would increase/decrease by approximately RMB4,193,000 (2014: RMB3,499,000) respectively.

(2) Other price risk

The Group is exposed to other price risk through its investment in unlisted equity investments and investment in financial products. As at December 31, 2015, the Directors consider that the Group's exposure to fluctuation in equity price is minimal and the fluctuation in fair value changes on investment in financial products is insignificant, taking into account the short-term duration of such financial products. Accordingly, no sensitivity analysis is presented.

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

(3) Foreign currency risk

The Group collects all of its revenue in RMB and incurs most of its expenditures in RMB.

The Group has certain bank deposits in foreign currencies; hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group has bank balances denominated in foreign currencies as follows, which expose the Group to foreign currency risk.

	At December 31,	
	2015 RMB'000	2014 RMB'000
HKD	**6,443**	3,817
USD	**404**	5,063
	6,847	8,880

The sensitivity analysis below has been determined based on a 5% (2014: 5%) possible appreciation or depreciation in other currencies against Renminbi. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust its translation at the end of the reporting period for a 5% change in the foreign currency rates. The sensitivity rate used is the rate when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates.

If the foreign currencies appreciates 5% against RMB and all other variables were held constant, the Group's post-tax profit for the year ended December 31, 2015 would increase by RMB342,000 (2014: RMB444,000). There would be an equal and opposite impact on post-tax profit for the year if the foreign currencies depreciates 5% against Renminbi.

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk

At the end of each of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities disclosed in Note 44. In order to minimize the credit risk, monitoring procedures are carried out to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables at the end of each of the reporting period. The amounts presented in the consolidated statements of financial position are net of allowances for bad and doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

For properties that are presold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and resell the reprocessed properties. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee provided by the Group. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market price of the properties is higher than the guaranteed amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

For properties that are sold in which consideration not fully received, the management considers the credit risk is limited because the Group is entitled to retain the legal title and take over possession of the underlying properties for re-sale.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk with exposure spread over a number of counterparties and customers.

The credit risk on liquid funds is limited because the counterparties are mainly State-owned banks and with high credit ratings in the PRC.

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings. The Directors closely monitor the liquidity position and ensure it has adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are variable rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The amounts included below for variable rate financial liabilities is subject to change if change in interest rates differ to those estimates of interest rates determined at the end of the reporting period.

		Undiscounted cash flows						
	Weighted average interest rate	On demand RMB'000	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2015								
Non-interest bearing	—	556,417	3,611,703	—	—	—	4,168,120	4,168,120
Amount due to a connected person								
– with imputed interest (note 33)	6.00%	200,000	—	—	—	—	200,000	200,000
Band and other borrowings								
– Fixed interest rate borrowings	2.09%-12.2%	—	2,234,788	814,558	2,566,040	—	5,615,386	4,935,899
– Variable interest rate borrowings	5.23%-8.52%	882,105	1,295,613	1,491,791	4,011,138	744,848	8,425,495	7,362,226
Corporate bonds	7.61%-7.64%	—	219,700	219,700	3,219,700	—	3,659,100	2,977,127
		1,638,522	7,361,804	2,526,049	9,796,878	744,848	22,068,101	19,643,372
Financial guarantee contracts	—	3,997,153	—	—	—	—	3,997,153	—
Non-interest bearing (rental deposits received)	—	—	23,002	13,958	52,012	—	88,972	88,972
		5,635,675	7,384,806	2,540,007	9,848,890	744,848	26,154,226	19,732,344

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

	Weighted average interest rate	Undiscounted cash flows On demand RMB'000	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2014								
Non-interest bearing	—	479,314	4,181,042	—	—	—	4,660,356	4,660,356
Amount due to a connected person								
– with imputed interest (note 33)	6.00%	200,000	—	—	—	—	200,000	196,050
Bank and other borrowings								
– Fixed interest rate borrowings	2.09%-12.2%	—	3,311,332	1,246,559	—	—	4,557,891	4,214,060
– Variable interest rate borrowings	6.22%-8.52%	—	1,584,634	1,387,191	3,978,905	893,028	7,843,758	6,604,550
		679,314	9,077,008	2,633,750	3,978,905	893,028	17,262,005	15,675,016
Financial guarantee contracts	—	2,665,273	—	—	—	—	2,665,273	—
Non-interest bearing								
(rental deposits received)	—	—	13,840	22,463	42,363	—	78,666	78,666
		3,344,587	9,090,848	2,656,213	4,021,268	893,028	20,005,944	15,753,682

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

6. FINANCIAL INSTRUMENTS (continued)

Fair value

The Group's investment in funds of RMB97,000 (2014: RMB97,000) and investment in financial products of RMB70,000,000 (2014: Nil) as at December 31, 2015 is measured subsequent to initial recognition at fair value, are grouped into Level 2 and determined by reference to a discounted cash flows model based on expected interest rates.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

7. REVENUE AND SEGMENT INFORMATION

The Group is organised into business units based on their types of activities. These business units are the basis of information that is prepared and reported to the Group's chief operating decision maker (i.e. the Executive Directors of the Company) for the purposes of resource allocation and assessment of performance. The Group's operating segments under IFRS 8 Operating Segments are identified as the following four business units:

Property development: This segment develops and sells commercial and residential properties. All of the Group's activities are carried out in the PRC.

Primary land construction and development services: This segment derives revenue from primary land development, including services for resettlement, construction of land infrastructure and ancillary public facilities on land owned by the local governments. All of the Group's activities are carried out in the PRC.

Property investment: This segment derives rental income from investment properties developed by the Group. Currently the Group's investment property portfolio mainly comprises commercial properties located in the PRC.

Property management and related services: This segment derives income from property management. Currently the Group's activities are carried out in the PRC.

The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of unallocated other gains and losses, other income, other expenses, share of result of associates, gain on fair value change of investment properties, finance costs, certain depreciation, auditor's remuneration, directors' remuneration. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter-segment sales are priced with reference to prices charged to external parties for similar products and services.

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purpose of resource allocation and performance assessment.

7. REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment revenue and results

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

	Property development RMB'000	Primary land construction and development services RMB'000	Property investment RMB'000	Property management and related services RMB'000	Total RMB'000
Year ended December 31, 2015					
Revenue from external customers	6,028,920	143,391	280,589	61,404	6,514,304
Inter-segment revenue	—	—	—	14,429	14,429
Segment revenue	6,028,920	143,391	280,589	75,833	6,528,733
Segment profit	1,868,149	858	214,540	10,738	2,904,285
Year ended December 31, 2014					
Revenue from external customers	4,790,244	175,970	267,622	44,710	5,278,546
Inter-segment revenue	—	—	—	18,091	18,091
Segment revenue	4,790,244	175,970	267,622	62,801	5,296,637
Segment profit	1,728,808	1,375	228,021	10,188	1,968,392

7. REVENUE AND SEGMENT INFORMATION (continued)

(b) Reconciliations of segment revenues, profit or loss

	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Revenue		
Segment revenue	6,528,733	5,296,637
Elimination of inter-segment revenue	(14,429)	(18,091)
Consolidated revenue	6,514,304	5,278,546
Profit		
Segment profit	2,094,285	1,968,392
Other gains and losses	(7,415)	(4,896)
Other income	13,170	12,387
Other expenses	(26,388)	(39,027)
Share of result of associates	3,312	(6,924)
Gain on fair value change of investment properties	783,601	385,956
Finance costs	(141,095)	(238,900)
Depreciation	(3,884)	(3,884)
Auditor's remuneration	(3,786)	(3,628)
Directors' emoluments	(12,202)	(10,467)
Consolidated profit before tax	2,699,598	2,059,009

(c) Other segment information

Amounts included in the measurement of segment profit or loss:

	Property development RMB'000	Primary land construction and development services RMB'000	Property investment RMB'000	Property management and related services RMB'000	Unallocated amount RMB'000	Total RMB'000
Year ended December 31, 2015						
Depreciation and amortization	10,536	—	5,221	7,600	3,884	27,241
Release of prepaid lease payment	—	—	81	26	—	107
Reversal of allowance for doubtful receivables	—	—	(459)	—	—	(459)
Year ended December 31, 2014						
Depreciation and amortization	8,465	—	5,216	4,095	3,884	21,660
Release of prepaid lease payment	—	—	81	26	—	107

7. REVENUE AND SEGMENT INFORMATION (continued)

(d) Revenue from major products and services

The following is an analysis of the Group's revenue from external customers:

	Year ended December 31,	
	2015 RMB'000	2014 RMB'000
Sales of properties	6,028,920	4,790,244
Primary land construction and development services	143,391	175,970
Rental income	280,589	267,622
Property management and related services	61,404	44,710
	6,514,304	5,278,546

(e) Geographical information

All the revenue and operating results of the Group is derived from the PRC based on location of the operations. All the Group's non-current assets (other than financial instruments, and deferred tax assets of the Group) amounting to RMB15,304,797,000 (2014: RMB13,160,701,000) at December 31, 2015 are located in the PRC based on geographical location of the assets or the associates' operation, as appropriate.

(f) Revenue from major customers

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

8. OTHER GAINS AND LOSSES

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Other gains and losses comprise:		
Loss on disposal of land use right (note)	—	(5,894)
Net foreign exchange (loss) gains	(7,340)	1,009
(Loss) gains on disposal of property, plant and equipment	(95)	51
Changes in fair value of financial assets at fair value through profit or loss	—	17
Reversal of allowance for doubtful receivables	459	—
Others	20	(79)
	(6,956)	(4,896)

Note: In March 2014, Haikou Hangrui entered into a contract with the local goverment to transfer the land use right of a piece of land (included in the properties under development), which resulted a loss amounting to RMB5,894,000.

9. OTHER INCOME

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Interest income	6,338	4,013
Compensation received	2,900	2,375
Others	3,932	5,999
	13,170	12,387

10. OTHER EXPENSES

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Donations	**12,137**	4,545
Compensation paid	**10,614**	2,232
Listing expense	**—**	30,908
Others	**3,637**	1,342
	26,388	39,027

11. FINANCE COSTS

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Interest on bank loans	**606,807**	496,839
Interest on corporate bonds	**22,624**	—
Interest on other loans	**214,342**	273,767
Interest on amounts due to related parties	**190**	63
Other finance cost (note)	**3,950**	7,404
Total interest expenses	**847,913**	778,073
Less: Amounts capitalised to properties under development	**(706,818)**	(539,173)
	141,095	238,900

Note: In 2009, the Group entered into a sale contract with a connected person as defined under the Listing Rules ("the Party") to sell a residential block ("the Property") located in Beijing and received RMB1,160,911,000 as deposit. On May 5, 2013, the Group entered into another agreement with the Party to cancel the sale contract of the Property (the "Cancellation Agreement"). According to the Cancellation Agreement, the deposit received from sale of the Property amounting to RMB1,160,911,000 and an interest amounting to RMB351,310,000 (the "Settlement Amount") will be paid to the Party by the Group within one year by instalments. Upon signing of the Cancellation Agreement, the Group measured the Settlement Amount at fair value and recognised a loss amounting to RMB293,927,000, being the difference between the sale deposit of RMB1,160,911,000 and the fair value of the Settlement Amount determined using an effective interest rate of 6% per annum in 2013. During the year ended December 31, 2015, the Group recognised RMB3,950,000 (2014: RMB7,404,000) as other finance cost based on an effective interest rate of 6% per annum. Subsequent to December 31, 2015, the outstanding amount of RMB200,000,000 was repaid in March 2016.

Borrowing costs capitalised to properties under development were arising from specific bank borrowings, corporate bonds and other loans.

12. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Directors' emoluments (Note 13)	12,202	10,467
Other staff costs:		
– Salaries and other benefits	251,503	181,007
– Retirement benefit contributions	17,608	13,354
– Equity-settled share-based payments	51,947	21,978
Total staff costs	333,260	226,806
Less: Amounts capitalised to properties under development (note)	(126,874)	(58,586)
	206,386	168,220
Cost of properties sold recognised as expense	3,591,663	2,658,167
Auditor's remuneration	3,786	3,628
Depreciation of property, plant and equipment	26,404	20,939
Amortization of intangible assets (included in administrative expenses)	837	721
Release of prepaid lease payments (included in administrative expense)	107	107
Reversal of allowance on doubtful receivables, net	(459)	—
Operating lease rental expenses	7,616	2,971
Rental income from investment properties	(280,589)	(267,622)
Less: direct operating expense	63,004	36,061
	(217,585)	(231,561)

Note: The amount capitalised mainly represents costs of certain staff of the project management department and the design department, who were assigned to construction sites and engaged in specific construction projects directly.

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors are as follows:

	Fees RMB'000	Salaries and other benefits RMB'000	Performance bonuses RMB'000	Retirement benefit contributions RMB'000	Equity-settled share-based payment RMB'000	Total RMB'000
For the year ended December 31, 2015						
Executive Directors						
Mr. Zhang Zhangsun	—	2,603	400	5	—	3,008
Ms. Ruan Wenjuan	—	1,469	218	44	1,144	2,875
Ms. Zhang Jin	—	1,469	218	44	1,144	2,875
Mr. Ge Weiguang	—	1,469	202	44	1,144	2,859
Independent Non-Executive Directors						
Mr. Luo Zhenbang	195	—	—	—	—	195
Mr. Lai Siming	195	—	—	—	—	195
Ms. Chen Jingru	195	—	—	—	—	195
	585	7,010	1,038	137	3,432	12,202
For the year ended December 31, 2014						
Executive Directors						
Mr. Zhang Zhangsun (note c)	—	3,002	400	19	—	3,421
Ms. Ruan Wenjuan (note d)	—	1,205	200	40	776	2,221
Ms. Zhang Jin (note d)	—	1,229	200	40	776	2,245
Mr. Ge Weiguang (note d)	—	1,229	200	40	776	2,245
Independent Non-Executive Directors						
Mr. Luo Zhenbang (note a)	95	—	—	—	—	95
Mr. Lai Siming (note a)	95	—	—	—	—	95
Ms. Chen Jingru (note a)	95	—	—	—	—	95
Ms. Nie Meisheng (notes a and b)	50	—	—	—	—	50
	335	6,665	1,000	139	2,328	10,467

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Notes:

(a) Mr. Luo Zhenbang, Mr. Lai Siming, Ms. Chen Jingru and Ms. Nie Meisheng had been appointed as the independent non-executive directors on July 4, 2014.

(b) Ms. Nie Meisheng resigned from the position of independent non-executive director on October 10, 2014.

(c) Mr. Zhang Zhangsun had been appointed as Chief Executive of the Company on May 12, 2014, and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(d) Ms. Ruan Wenjuan, Ms. Zhang Jin and Mr. Ge Weiguang had been appointed as executive Director and vice president of the Company on July 7, 2014.

Performances bonuses were determined by the management having regard to the performance of the directors and the Group's operating results.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

No directors waived any emoluments during both years.

Of the five individuals with the highest emoluments in the Group, four (2014: four) are directors of the Company whose emoluments are included in the disclosures in note 12. The emolument of the remaining one (2014: one) individual is as follows:

	Year ended December 31,	
	2015	2014
	RMB'000	RMB'000
Salaries and other benefits	**1,270**	1,210
Performance bonuses	**200**	200
Retirement benefit contributions	**5**	5
Equity-settled share-based payment	**23,345**	6,576
	24,820	7,991

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. INCOME TAX EXPENSES

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Current tax		
PRC enterprise income tax	462,419	401,576
Under provision in prior year	357	8,117
LAT	530,513	407,078
	993,289	816,771
Deferred tax (note 23)	122,820	35,949
Income tax expenses	1,116,109	852,720

Pursuant to the PRC Enterprise Income Tax Law promulgated on March 16, 2007 the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the income tax rate of 25% effective from January 1, 2008 onwards.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

In accordance with PRC tax circular (Guoshuihan [2008] 112) effective from January 1, 2008, PRC withholding income tax at the rate of 10% is applicable to dividends to "non-resident" investors who do not have an establishment or business in the PRC. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries since January 2008 amounting to RMB3,207,683,000 (2014: RMB2,537,552,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

No provision for Hong Kong Profits Tax has been made as the income of the companies comprising the Group neither arises in, nor is derived from Hong Kong during both years.

14. INCOME TAX EXPENSES (continued)

The tax charge for the year can be reconciled to the profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2015	2014
	RMB'000	RMB'000
Profit before tax	**2,699,598**	2,059,009
Tax at PRC enterprise income tax rate of 25%	**674,899**	514,752
LAT	**530,513**	407,078
Tax effect of LAT	**(132,628)**	(101,770)
Tax effect of expenses not deductible for tax purpose	**34,339**	8,913
Tax effect of share of results of associates	**(828)**	1,731
Effect of tax losses not recognised as deferred tax assets	**9,457**	13,899
Under provision in prior year	**357**	8,117
Tax charge	**1,116,109**	852,720

15. EARNINGS PER SHARE

	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Earnings:		
Profit for the year attributable to the owners of the Company for the purposes of basic and diluted earnings per share	**1,260,550**	950,654

	Year ended December 31, 2015 '000	Year ended December 31, 2014 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,404,430**	4,059,354
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**31,451**	7,409
Share awards issued by the Company	**21,299**	5,840
Over-allotment share option issued by the Company	**—**	24
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,457,180**	4,072,627

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after eliminating the unvested shares of the Company held under the Company's share award scheme.

16. DIVIDENDS

Subsequent to the end of the reporting period, final dividend in respect of the year ended December 31, 2015 of HK5.55 cents per share, totalling HK$245,882,000 (equivalent to RMB206,000,000) has been proposed by the Directors and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

Dividend recognised as distribution by the Company during the year ended December 31, 2015 amounted to HK$266,080,000 (equivalent to RMB209,914,000) in aggregate, representing HK6.05 cents per share declared and paid in cash to the shareholders of the Company.

17. INVESTMENT PROPERTIES

	RMB'000
Fair value	
At January 1, 2014	7,985,500
Additions	4,450,994
Gain on fair value change of investment properties	385,956
At December 31, 2014	12,822,450
Additions	719,451
Gain on fair value change of investment properties	783,601
Acquisition of a subsidiary (note 41)	798,921
Disposals	(58,573)
At December 31, 2015	15,065,850

The investment properties are all situated in the PRC. The fair value of the Group's investment properties, including the Group's property interests held under operating leases classified and accounted for as investment properties as at December 31, 2015 and 2014 have been arrived at on the basis of valuations carried out on those dates by Colliers International (Hong Kong) Ltd ("Colliers"), a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuations of completed investment properties are arrived at with adoption of direct comparison approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market and also consider income method-direct capitalization approach by capitalization of the net rental income derived from the existing tenancy agreements with due allowance for the reversionary income potential of the properties.

Fair values of the investment properties under development are generally derived using the residual method. This valuation method is essentially a means of valuing the land and building by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed in accordance with the existing development plans as at the date of valuation, which duly reflected the risks associated with the development.

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

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable. The Group considered multiple valuation techniques to the extent appropriate. In addition to residual method for investment properties under development, both income and direct comparison approaches are considered, the results (i.e. respective indications of fair value) are evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is usually the point within that range that is most representative of fair value in the circumstances.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Beijing Glory City Complex	RMB 4,926,200,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5.5% to 6% for shopping mall, and 6% to 6.5% for office. Market monthly rent, using direct market comparable and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB554/sq.m./month on NFA for shopping mall and RMB233/sq.m./month on GFA for office.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB81,700/sq.m. for shopping mall and RMB49,000/sq.m. for office.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Lotte Mart Shopping Centre	RMB 790,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5.5% to 6%. Market monthly rent, using direct market comparable and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB122/sq.m./month on GFA.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB29,000/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
Beijing Fugui Garden Shopping Mall	RMB 855,300,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5.5% to 6%. Market monthly rent, using direct market comparable and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB226.6/sq.m./month on GFA.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB64,950/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Shantou Glory City Phase I	RMB535,300,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 8% to 8.5%. Market monthly rent, using direct market comparable and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB63.6/sq.m./month on GFA.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	A unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB12,000/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
Shenyang Glory City Phase I, Big Box	RMB342,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 6%. Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB37/sq.m./month on GFA.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB8,300/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Siheyuan Beijing Glory City	RMB688,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 2.5% to 3%.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
				Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB280/sq.m./month on GFA.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB100, 000/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
Shenyang Glory City Block C and E	RMB331,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 6%.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
				Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB33/sq.m./month on GFA.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB6,630/sq.m..	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Eudemonia Palace underground car parking spaces	RMB35,250,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account the capitalization of rental income potential, nature of the property, prevailing market condition, of 4% to 4.5%. Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB1,000/sq.m./month on lot.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB304, 000/lot.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Beijing Glory Center	RMB4,675,000,000	Level 3	Multiple valuation techniques: Residual method, income and direct comparison approaches	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 6% for retail, and 5.5% for office.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
			The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB548/sq.m./month on GFA for retail, RMB313/sq.m./month on GFA for office.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB63, 000/sq.m. for retail, and RMB75, 000 for office.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
			The key input of Residual method is: Total development costs to completion	Estimation of development costs not yet incurred or contracted based on existing development plans	Increases in the development costs would result in a decrease in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Foshan South Levee Bay	RMB822,000,000	Level 3	Multiple valuation techniques: Residual method, income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 7.5% for retail, and 5% - 7% for car parking spaces.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
				Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB320/sq.m./month on GFA for retail, RMB 550/sq.m./month on lot for car parking spaces.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB33,300/sq.m. for retail, and RMB158,000/lot for car parking spaces.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
			The key input of Residual method is: Total development costs to completion	Estimation of development costs not yet incurred or contracted based on existing development plans	Increases in the development costs would result in a decrease in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Glory City retail podiums	RMB177,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are:	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5% to 6%.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
			(1) Capitalization rate; and (2) Market monthly rent	Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB185.5/sq.m./month on GFA.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB33, 800/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
Fuguiyuan retail podiums	RMB55,800,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are:	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5% to 6%.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.
			(1) Capitalization rate; and (2) Market monthly rent	Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB189/sq.m./month on GFA.	A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB34, 000/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

17. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial positions	At December 31, 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Fugui Complementary Building	RMB38,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 5.5% to 6%. Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB140/sq.m./month on GFA..	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
			The key input of Direct Comparison Approach is: Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB26, 800/sq.m.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
Shenzhen Wanji Business Park	RMB795,000,000	Level 3	Multiple valuation techniques: income and direct comparison approaches The key inputs of income method are: (1) Capitalization rate; and (2) Market monthly rent	Capitalization rate, taking into account of the capitalization of rental income potential, nature of the property, prevailing market condition, of 7% for industrial. Market monthly rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB145/sq.m./month on GFA.	A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.

17. INVESTMENT PROPERTIES (continued)

In estimating the fair value of the investment properties, the Group uses market observable data to the extent it is available. The management of the Group works closely with the valuers to establish the appropriate valuation techniques and inputs to the model.

The unrealised gain on property revaluation amounting to RMB770,715,000 (2014: RMB385,956,000) was recognised in profit or loss during the year ended December 31, 2015.

The Group had pledged investment properties of approximately RMB13,628,300,000 (2014: RMB12,131,300,000) at December 31, 2015 to secure bank and other borrowing granted to the Group as set out in Note 42.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RMB'000	Leasehold improvement RMB'000	Motor vehicles RMB'000	Electronic equipment & furniture RMB'000	Total RMB'000
Cost					
At January 1, 2014	152,480	26,143	41,995	12,819	233,437
Additions	—	8,786	5,794	6,674	21,254
Acquisition of a subsidiary (note 41)	—	—	1,627	—	1,627
Disposals	—	—	(1,492)	(614)	(2,106)
At December 31, 2014	152,480	34,929	47,924	18,879	254,212
Additions	—	7,128	1,851	4,894	13,873
Acquisition of a subsidiary (note 41)	—	—	—	1	1
Disposals	—	—	(294)	(580)	(874)
At December 31, 2015	152,480	42,057	49,481	23,194	267,212
Accumulated depreciation					
At January 1, 2014	45,962	21,782	20,106	4,456	92,306
Charge for the year	8,937	2,441	6,467	3,094	20,939
Eliminated on disposals	—	—	(1,432)	(492)	(1,924)
At December 31, 2014	54,899	24,223	25,141	7,058	111,321
Charge for the year	8,948	7,249	6,495	3,712	26,404
Eliminated on disposals	—	—	(283)	(478)	(761)
At December 31, 2015	63,847	31,472	31,353	10,292	136,964
Carrying amount					
At December 31, 2015	88,633	10,585	18,128	12,902	130,248
At December 31, 2014	97,581	10,706	22,783	11,821	142,891

As at December 31, 2015, leasehold land and buildings with carrying amount of approximately RMB74,008,000 (2014: RMB85,465,000) were pledged to banks to secure bank and other borrowings granted to the Group as set out in Note 42.

18. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated using the straight-line method after taking into account of their estimated residual values over the following estimated useful lives:

Leasehold land and buildings	Over the shorter of the term of the lease or 20 years
Leasehold improvement	Over the shorter of the term of the lease or 5 years
Motor vehicles	5 years
Electronic equipment & furniture	5 years

19. INTANGIBLE ASSETS

	Software licenses RMB'000
Cost	
At January 1, 2014	5,487
Additions	1,502
At December 31, 2014	6,989
Additions	1,163
At December 31, 2015	8,152
Accumulated amortization	
At January 1, 2014	3,104
Charge for the year	721
At December 31, 2014	3,825
Charge for the year	837
At December 31, 2015	4,662
Carrying amounts	
At December 31, 2015	3,490
At December 31, 2014	3,164

The software licenses have finite useful lives and are amortised on a straight-line basis over 6 years.

20. INTERESTS IN ASSOCIATES

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Cost of investment in associates	36,000	196,000
Share of post-acquisition losses	(3,804)	(6,924)
	32,196	189,076

Details of each of the Group's associates at the end of reporting period are as follow:

Name of entity	Place of registration	Principal place of operation	Proportion of ownership interest by the Group 2015	Proportion of ownership interest by the Group 2014	Principal activity
Shenzhen Dachaoshan Real Estate Development Ltd. (深圳市大潮汕建設有限公司)	PRC	PRC	30%	30%	Property development
Bohai Life Ltd. (渤海人壽保險股份有限公司)	PRC	PRC	note	20%	Life insurance

Note: Bohai Life Ltd. has increased its paid-in capital during the year ended December 31, 2015 through capital injection by new investors, resulting equity interests in Bohai Life Ltd. held by the Group being diluted from 20% to 3%. Bohai Life Ltd. is a start up company, holding mainly bank balances and cash. The Directors considered that the carrying amount of the interest in associate amounting to RMB160,192,000 at the date of losing significant influence, approximate fair value of the 3% retained interest. Accordingly, no material gain or loss is resulted from the dilution. The investment was transferred to available-for-sale investment on the date the Group losing significant influence over Bohai Life Ltd.

The English name of the companies which established in the PRC are for reference only and have not been registered.

Summarised financial information in respect of the Group's material associate as at December 31, 2014 is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

20. INTERESTS IN ASSOCIATES (continued)

Bohai Life Ltd.

	At December 31, 2014 RMB'000
Current assets (note)	754,014
Non-current assets	28,780
Current liabilities	(8,205)
Net assets	774,589

Note: Included in current assets are mainly bank balances and cash of RMB754,014,000.

	Period from date of incorporation to December 31, 2014 RMB'000
Revenue	215
Loss for the period	(25,411)
Group's share of loss of associate	(5,082)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Bohai Life Ltd. recognized in the consolidated financial statements:

	At December 31, 2014 RMB'000
Net assets of the associate	774,589
Proportion of the Group's ownership interest	20%
Carrying amount of the Group's interest	154,918

20. INTERESTS IN ASSOCIATES (continued)

Information of associates that are not individually material:

	Year ended December 31, 2015 RMB'000	2014 RMB'000
The Group's share of gains (losses) and total comprehensive income (expenses)	**(1,962)**	(1,842)
Carrying amount of the Group's interests in the associates	**32,196**	34,158

21. AVAILABLE-FOR-SALE INVESTMENTS

	At December 31, 2015 RMB'000	2014 RMB'000
Unlisted equity investments, at cost:		
– equity securities (Note)	**165,192**	5,000

Notes:

One of the investments is an investment in 10% equity interest in 永清吉銀村鎮銀行股份有限公司("Credit Union"), a private entity established in the PRC which is involved in banking operation.

In addition, during the year ended December 31, 2015, as a result of dilution of equity interests in Bohai Life Ltd. from 20% to 3% as detailed in Note 20, the fair value of the retained interest in the investment at initial recognition amounting to RMB160,192,000.

The available-for-sale investments are subsequently measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

22. PREPAID LEASE PAYMENTS

	At December 31, 2015 RMB'000	2014 RMB'000
Prepaid lease payments	**3,120**	3,227
Analysed for reporting purposes as:		
Non-current	**3,013**	3,120
Current (included in trade and other receivables, deposits and prepayments)	**107**	107
	3,120	3,227

Prepaid lease payment represents land use right in the PRC.

As at December 31, 2015, the Group had pledged the land use rights of approximately RMB2,171,000 (2014: RMB2,220,000) to secure bank and other borrowings granted to the Group as set out in Note 42.

23. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the reporting period:

	Tax losses RMB'000	**Temporary differences on sale deposits received** RMB'000	**LAT** RMB'000	**Investment properties** RMB'000	**Others** RMB'000 (note)	**Total** RMB'000
At January 1, 2014	20,014	61,321	14,759	(1,683,953)	3,713	(1,584,146)
Charged to profit or loss	9,465	11,465	53,322	(110,437)	236	(35,949)
At December 31, 2014	29,479	72,786	68,081	(1,794,390)	3,949	(1,620,095)
Charged to profit or loss	20,816	(17,456)	83,212	(206,359)	(3,033)	(122,820)
At December 31, 2015	50,295	55,330	151,293	(2,000,749)	916	(1,742,915)

Note: The "others" is mainly relating to temporary differences on allowance for doubtful debts on trade receivables and exceeding advertising fee.

23. DEFERRED TAXATION (continued)

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

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Deferred tax assets	**160,336**	100,172
Deferred tax liabilities	**(1,903,251)**	(1,720,267)
	(1,742,915)	(1,620,095)

No deferred taxation asset has been recognised in respect of the following unutilised tax losses due to the unpredictability of future profit streams, estimated at the end of the reporting period. The unrecognised tax losses will expire in the following years:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
To be expired on:		
December 31, 2015	**—**	588
December 31, 2016	**58**	58
December 31, 2017	**899**	899
December 31, 2018	**2,179**	2,179
December 31, 2019	**55,594**	55,594
December 31, 2020	**37,827**	—
Total unused tax losses not recognised as deferred tax assets	**96,557**	59,318

24. PREPAYMENT/DEPOSITS PAID FOR LAND ACQUISITION

	Year ended December 31,	
	2015 RMB'000	2014 RMB'000
Deposits paid for land acquisition (note a)	85,000	35,000
Payment for land acquisition (note b)	2,844,848	—
	2,929,848	35,000

Notes:

(a) Balance represented deposits paid for public tenders, auctions or listing-for-bidding of land use rights in the PRC for the purpose of development for sale.

(b) During the year ended December 31, 2015, the Group entered into a land acquisition contract with Beijing Municipal Bureau of Land and Resources to acquire the land use rights of a piece of land in the PRC with the lease term of 40 to 70 years for the purpose of development for sale, at a cash consideration of RMB4,496,000,000. As at December 31, 2015, the Group has made payment of RMB2,819,523,700.

25. PROPERTIES UNDER DEVELOPMENT

The properties under development are located in the PRC.

As at December 31, 2015, certain of the Group's properties under development with a carrying amount of approximately RMB3,913,890,000 (2014: RMB4,042,924,000) was pledged to secure bank and other borrowings granted to the Group as set out in Note 42.

As at December 31, 2015, properties under development with carrying amount of RMB4,160,446,000 (2014: RMB7,738,079,000) are expected to be completed and realised after twelve months from the end of the reporting period.

The Group was in the process of obtaining the certificates of land use rights of approximately RMB287,164,000 (2014: RMB1,274,826,000) from the relevant authorities as at December 31, 2015.

26. JOINTLY CONTROLLED OPERATION

On September 1, 2009, Original Beijing Glory entered into an agreement with an independent third party (the "Project partner") in respect of a jointly development project of Qinian Street Rebuild Primary Land Development Project in the PRC (the "Qinian Street Project").

Pursuant to the agreement, Original Beijing Glory and the Project partner set up an operation committee to jointly control and manage the project together. The two parties contribute the funding, share revenue and bear costs equally.

The amount included in the consolidated financial statements arising from the jointly controlled operation is as follows:

	Year ended December 31,	
	2015	2014
	RMB'000	RMB'000
Analysis of profit or loss		
Revenue	**143,391**	175,970
Cost of sales and services	**(142,533)**	(174,595)
Profit before tax	**858**	1,375

The details of the assets and liabilities arising from the jointly controlled operation are set out in note 29 and note 36 respectively.

27. PROPERTIES HELD FOR SALE

The Group's properties held for sale are stated at the lower of cost and net realisable value and situated in the PRC. In the opinion of the Directors, properties held for sale of approximately RMB683,471,000 (2014: RMB122,434,000) as at December 31, 2015 are expected to be sold after twelve months from the end of the reporting period.

As at December 31, 2015, properties held for sale of approximately RMB1,390,967,000 (2014: RMB3,321,126,000) were pledged to secure bank and other borrowings granted to the Group as set out in Note 42.

28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly comprise of rental receivables and receivables for sales of properties. Pursuant to the lease agreements, rental payment is required to be settled in advance with no credit period being granted to the tenants. In respect of sales of properties, a credit period of six to twelve months may be granted to specific customers on a case-by-case basis.

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Trade receivables, net of allowance	**475,587**	242,337
Advances to contractors and suppliers	**205,953**	126,855
Other receivables from independent third parties (note)	**17,261**	17,261
Other receivables and prepayment, net of allowance	**87,165**	100,154
Prepaid lease payment - current portion	**107**	107
Deposits	**84,802**	67,042
	870,875	553,756

Note: Other receivables from independent parties are of non-trade nature, unsecured, interest free and repayable on demand.

The following is an aged analysis of trade receivables based on the date of recognition of revenue at the end of the reporting period:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
0 to 60 days	**350,660**	162,825
61 to 180 days	**28,618**	9,123
181 to 365 days	**28,302**	63,245
1-2 years	**64,274**	4,742
Over 2 years	**3,733**	2,402
	475,587	242,337

Trade receivables with an amount of approximately RMB49,112,000 (2014: RMB19,747,000) as at December 31, 2015, were overdue receivables but not impaired at the end of each of the reporting period. The Group does not hold any collateral over these balances. The following is an aged analysis of overdue receivables based on due date.

28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

	At December 31,	
	2015 RMB'000	2014 RMB'000
Less than 1 year	38,281	12,603
1-2 years	7,098	4,742
Over 2 years	3,733	2,402
	49,112	19,747

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

All the receivables that are neither past due nor impaired are due from customers with good settlement history.

Movements in the allowance for doubtful debts on trade receivables are set out as follows:

	Year ended December 31,	
	2015 RMB'000	2014 RMB'000
Balance at the beginning of the year	4,110	4,110
Reversed during the year	(459)	—
Balance at the end of the year	3,651	4,110

Included in allowance for doubtful debts are trade receivables individually impaired which are due from debtors under financial difficulties. In addition, the Group assessed impairment on a collective basis. No further allowance for doubtful debts was recognised.

29. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Contract in progress		
Construction costs incurred plus recognised profits	**1,772,245**	1,622,586
Less: payment received	**(550,000)**	(550,000)
	1,222,245	1,072,586

Contract in progress represents the Group's interest in the Qinian Street Project, which is recognised through a jointly controlled operation. Details are set out in note 26.

In the opinion of the Directors, amounts due from customers for contract work of approximately nil (2014: RMB432,000,000) as at December 31, 2015 was expected to be settled after twelve months from the end of the reporting period.

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PORFIT OR LOSS

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Funds	**97**	97
Investment in financial products (note)	**70,000**	—
	70,097	97

Note:

The amount represented investment in financial products operated by a bank, which mainly invested in debt securities. The investment was principal-protected and with expected annual returns at rates up to 3.0% and can be redeemed in any working day at different prices before its maturity in December 2016.

31. RESTRICTED BANK DEPOSITS

	At December 31, 2015 RMB'000	2014 RMB'000
Deposits pledged for banking facilities (note a)	10,104	1,113,528
Restricted bank deposits (note b)	56,239	9,513
Deposits pledged for mortgage loans granted to customers (note c)	53,241	64,736
	119,584	1,187,777
Analysed for reporting purposes as:		
Non-current (note d)	38,686	7,590
Current	80,898	1,180,187
	119,584	1,187,777

Notes:

(a) The amounts represent bank deposits denominated in RMB pledged to banks as security for certain banking facilities granted to the Group.

Garden Group and Shantou Construction Materials, subsidiaries of the Company, entered into banking facility agreements with the bank on August 11, 2014 and July 24, 2014, for banking facilities of RMB480,000,000 and RMB600,000,000 respectively, which are secured by a pledge over Glory Real Estate (HK)'s offshore deposit amounting to RMB1,113,528,000 placed with the bank at the interest rate of 0.385% per annum. Garden Group and Shantou Construction Materials fully repaid the loans during 2015. As a consequence, the deposit amounting to RMB1,113,528,000 pledged for these two loans were released in current year.

(b) The amounts include bank deposits, subject to the banks' approval, that are restricted for payments of construction works of the specified development projects as set out in the relevant loan agreements.

(c) The amounts represent bank deposits pledged to banks as security for certain mortgage loans granted by the banks to the Group's customers. The pledged bank deposits will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security of the mortgage loans granted.

(d) Deposits pledged as security for mortgage loans of the Group's customers that are not expected to be released within twelve months after the end of the reporting period are classified as non-current assets.

The bank deposits carry prevailing market interest rates as follows:

	At December 31, 2015	2014
Range of interest rate per annum	0.30%~0.42%	0.35%~1.15%

32. CASH AND BANK BALANCES

	At December 31, 2015 RMB'000	2014 RMB'000
Cash and bank balances	**1,956,263**	542,557

Cash and cash equivalents comprise cash and bank balances held by the Group.

The bank balances carry interest rates as follows:

	At December 31, 2015	2014
Range of interest rate per annum	**0.30%~0.42%**	0.35%~1.1%

Cash and bank balances as at December 31, 2015 were denominated in RMB and HKD, and RMB is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

33. TRADE AND OTHER PAYABLES

	At December 31, 2015 RMB'000	2014 RMB'000
Trade payable	**3,223,172**	3,732,286
Deposits received	**399,886**	387,213
Rental received in advance	**51,782**	47,838
Payable for acquisition of subsidiaries (note a)	**504,360**	464,360
Other payables to connected person (note b)	**200,000**	196,050
Accrued payroll	**45,578**	33,572
Business and other tax payable	**212,170**	160,207
Other payables and accruals	**339,138**	87,561
	4,976,086	5,109,087
Analyzed for reporting purposes as:		
Non-current (note c)	**65,970**	64,826
Current	**4,910,116**	5,044,261
	4,976,086	5,109,087

33. TRADE AND OTHER PAYABLES (continued)

Notes:

(a) In June 2015, the Group acquired 87.5% equity interest in Shenzhen Wanji at a cash consideration of RMB500,000,000 and an assignment of debt of RMB200,000,000. As of December 31, 2015, the outstanding balance amounted to RMB100,000,000. The amount is unsecured, interest free and repayable on demand. The details of the acquisition are set out in note 41.

The remaining balance as at December 31, 2015 comprised the outstanding balance of consideration amounted to RMB346,860,000 (2014: RMB346,860,000) for the acquisition of equity interests in Hainan Junhe Industrial Co., Ltd. ("Hainan Junhe") during 2014 and the outstanding balance of consideration amounted to RMB57,500,000 (2014: RMB117,500,000) in relation to the equity interests in Shaanxi Huawei Shida Industrial Co., Ltd. acquired in 2013. These amounts are unsecured, interest free and repayable on demand.

(b) The amount is related to the cancellation of a sale contract which is unsecured and repayable on demand as at December 31, 2015, details are set out in Note 11.

(c) Pursuant to the relevant agreements, rental deposits of approximately RMB65,970,000 (2014: RMB64,826,000) as at December 31, 2015 are to be settled after twelve months from the end of the reporting period and is therefore classified as non-current liability.

Trade payables comprise construction costs payable and other project-related expenses payable. The average credit period of trade payable is approximately 180 days.

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

	At December 31,	
	2015	2014
	RMB'000	RMB'000
0 to 60 days	**2,577,407**	3,304,748
61-365 days	**386,298**	70,803
1-2 years	**227,801**	286,152
Over 2 years	**31,666**	70,583
	3,223,172	3,732,286

34. DEPOSITS RECEIVED FROM SALE OF PROPERTIES

In the opinion of the Directors, deposits received from sale of properties of approximately nil (2014: RMB7,199,000) as at December 31, 2015, are expected to be recognised as revenue after twelve months from the end of the reporting period.

35. TAXATION PAYABLE

	At December 31, 2015 RMB'000	2014 RMB'000
LAT payable	**614,153**	264,292
Income tax payable	**863,548**	856,969
	1,477,701	1,121,261

36. BANK AND OTHER BORROWINGS

	At December 31, 2015 RMB'000	2014 RMB'000
Bank loans, secured	**10,188,650**	8,376,150
Other loans, secured	**2,109,475**	2,227,460
Other loans, unsecured	**—**	215,000
	12,298,125	10,818,610
The borrowings are due to be repaid:		
– On demand or within one year	**3,718,997**	4,221,260
– More than one year, but not exceeding two years	**1,812,157**	2,252,160
– More than two years, but not exceeding five years	**6,062,130**	3,508,100
– More than five years	**704,841**	837,090
	12,298,125	10,818,610
Less: Amount due within one year shown under current liabilities	**(3,718,997)**	(4,221,260)
Amount shown under non-current liabilities	**8,579,128**	6,597,350

The Group's bank and other borrowings are all denominated in RMB. Details of assets that have been pledged to secure bank and other borrowings are set out in Note 42.

36. BANK AND OTHER BORROWINGS (continued)

Bank loans

Borrowings include approximately RMB7,259,626,000 (2014: RMB6,496,150,000) variable rate borrowings which carry effective interest ranging from 5.23% to 8.52% (2014: 6.22% to 8.52%) per annum during the year ended December 31, 2015 and exposed the Group to cash flow interest rate risk. The remaining borrowings are arranged at fixed rate, the effective interest rate was 2.09% to 12.2% (2014: 2.09% to 12.2%) per annum during the year ended December 31, 2015, and exposed the Group to fair value interest rate risk.

As at December 31, 2015, bank borrowings amounting to RMB560,000,000 (2014: RMB1,360,000,000) are specific borrowings for the Qinian Street Project as set out in note 26.

During the current year, in respect of a bank loan with a carrying amount of RMB857,900,000 as at December 31, 2015, the Group breached certain of the terms of the bank loan, which are primarily related to the debt-equity ratio of the Group. On discovery of the breach, the Directors informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at December 31, 2015, those negotiations had not been concluded and a waiver from the lender for its right to demand immediate payment has not been obtained as at the end of the reporting period. Accordingly, the loan has been classified as a current liability as at December 31, 2015. Up to the date of approval for issuance of these consolidated financial statements, the negotiations are still in progress. The Directors are confident that their negotiations with the lender will ultimately reach a successful conclusion. In any event, should the lender calls for immediate repayment of the loan, the Directors believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

Included in the bank loans, the following was borrowed through the assignment of bank loans:

— **Original Beijing Glory**

In January 2014, Original Beijing Glory borrowed a loan of RMB800,000,000 from Guangzhou Securities through the assignment loan of Huaxia Bank. The loan carries a fixed interest at 7.72% and is secured by certain properties under development and properties held for sale of the Group. During 2015, Original Beijing Glory repaid part of the loan that amounting to RMB640,000,000, with the remain balance due for repayment in January 2016.

— **Glory Investment and Beijing Wenhuashengda**

In December 2015, Glory Investment and Beijing Wenhuashengda borrowed a loan of RMB1,072,002,000 and RMB837,522,000 respectively from Bosera Capital Management Co., Ltd through the assignment loan of China Bohai Bank Beijing Branch. The loans are secured by 100% equity interest of Glory Investment and Beijing Wenhuashengda, and are guaranteed by Original Beijing Glory, Garden Group, Mr. Zhang Zhangsun and Ms. Ruan Wenjuan. Both loans carried a fixed interest at 6.5% per annum. The loan of RMB1,072,002,000 will be due for repayment on December 20, 2018. Part of the loan borrowed by Beijing Wenhuashengda amounted to RMB37,522,000 will be due for repayment within one year, and the remaining balance of RMB800,000,000 will be due for repayment on December 21, 2018.

36. BANK AND OTHER BORROWINGS (continued)

Bank loans (continued)

— **Shenzhen Glory**

In November 2015, Shenzhen Glory borrowed a loan of RMB300,000,000 from Great Wall Capital Co., Ltd through the assignment loan of Guangdong Huaxing Bank Shenzhen Branch. The loan carries a fixed interest at 10% per annum, and is secured by 75% of equity interest as well as investment properties of Shenzhen Wanji, one of subsidiaries of Shenzhen Glory. Besides for the security, the loan is also guaranteed by Garden Group and Mr. Zhang Zhangsun and Ms. Ruan Wenjuan.

Other loans

— **Original Beijing Glory**

In July 2013, Original Beijing Glory borrowed a loan of RMB769,060,000 from Minmetals International Trust Co., Ltd ("Minmetals Trust"). The loan is secured by land use rights of properties under development of the Group located in Dongcheng District, Beijing, and carries fixed interest at 10% per annum. Original Beijing Glory repaid loan amounts of RMB200,000,000 and RMB300,000,000 during 2014 and 2015, respectively. The remaining balance of the loan of RMB269,060,000 will be due for repayment in 2016.

In July 2015, a loan of RMB340,000,000 was borrowed from Northern International Trust Co., Ltd by Original Beijing Glory. The loan was secured by the land use rights held by Langfang Guoxing. The loan carried fixed interest at 9.5% per annum and was due for repayment within one year. On December 31, 2015, the Group has early repaid the loan in full.

— **Glory Industrial**

In April 2014, Glory Industrial borrowed an unsecured loan of RMB85,000,000 from Minmetals Trust. In 2015, another loan of RMB90,000,000 and RMB65,000,000 were borrowed from Minmetals Trust. The loans carried fixed interest at 6% per annum and were repaid during 2015.

— **Garden Group**

In November 2013, Garden Group borrowed a loan of RMB800,000,000 from Minmetals Trust. The loan was secured by the investment properties of the Group located in Dongcheng District, Beijing and 100% equity interests in Foshan Guohua, a subsidiary of the Company. The loan carried fixed interest at 12% per annum and was fully repaid during 2015.

Pursuant to the borrowing agreement entered into between Garden Group and Minmetals Trust in December 2013, a loan of RMB361,000,000 was drawn down during 2014. The loan was unsecured, carried fixed interest at 6% per annum and repayable within one year. The Group has repaid RMB231,000,000 during 2014 and remaining loan balance of RMB130,000,000 was fully repaid during 2015.

36. BANK AND OTHER BORROWINGS (continued)

Other loans (continued)

— **Shantou Construction Materials**

In December 2012, Shantou Construction Materials borrowed a loan of RMB120,000,000 from Sichuan Trust Co., Ltd. ("Sichuan Trust"). The right of income generated from certain investment properties of a subsidiary of the Company has been charged as security to Sichuan Trust. The loan is also guaranteed by Mr. Zhang Zhangsun and Ms. Ruan Wenjuan. The loan carries variable interest at 95% of the over-5-year benchmark loan rate quoted by the People's Bank of China plus 0.5% and an upfront fee with the rate of 1.7925% per annum. A loan instalment of RMB1,450,000 will be paid quarterly from March 21, 2013 to September 21, 2018. The Company repaid RMB5,800,000 (2014: RMB5,800,000) during the current year. As at December 31, 2015, the remaining loan balance is RMB102,600,000 (2014: RMB108,400,000).

— **Shenyang Dadongfang**

In July 2014, Shenyang Dadongfang entered into a trust loan agreement with Minsheng Trust Co., Ltd. in which the total credit facility granted is RMB450,000,000. The loan is secured by certain land use rights and properties under development of the Group. The Company has drawn down the loan amounts of RMB300,000,000 and RMB150,000,000 during 2014 and 2015, respectively. The loan carries fixed interest at 12.2% per annum, with maturity of 24 months. Early repayment is permitted after one year from the drawdown date.

In December 2015, a trust loan of RMB300,000,000 was borrowed from SDIC Taikang Trust Co., Ltd by Shenyang Dadongfang. The loan is secured by certain properties under development and properties held for sale of the Group. The loan carries fixed interests at 8.3% per annum for the first year and 9.8% per annum for the second year, respectively. 30% of the loan will be due for repayment on June 29, 2017 and the remaining balance will be due for repayment on December 29, 2017.

36. BANK AND OTHER BORROWINGS (continued)

Other loans (continued)

— **Foshan Glory and Foshan Glory Southern**

In July 2014, Foshan Glory and Foshan Glory Southern, subsidiaries of the Company, entered into a tri-party agreement with Pingan Trust Co., Ltd深圳平安大華匯通財務管理有限公司 ("Pingan Trust"). Pursuant to this agreement, Pingan Trust made the cash contribution of RMB23,330,000 to Foshan Glory Southern and holds the 70% equity interest in it. Pursuant to another agreement between Foshan Glory and Pingan Trust signed on the same date, Foshan Glory agreed to repurchase the equity interest of Foshan Glory Southern held by Pingan Trust in 2016, at the consideration of RMB23,330,000 plus the additional expense charged at a rate of 11.5% per annum. Prior to such transaction, the Group holds 80% interest in Foshan Glory which holds 100% interest in Foshan Glory Southern. The Group continues to account for Foshan Glory Southern as a 80% effective interest owned subsidiary of the Group through Foshan Glory, taking into account that the Group can still exercise control over Foshan Glory Southern, the compulsory repurchase arrangement and Pingan Trust does not expose to any risks or entitle to any rewards (including profit distribution) as equity holder of Foshan Glory Southern but receives fixed interest income. The transaction as a whole has been considered as a loan granted to the Group in these consolidated financial statements to reflect the economic substance of the arrangement. The repurchase agreement is guaranteed by Original Beijing Glory and New Beijing Glory.

In July 2014 and July 2015, Foshan Glory Southern additionally borrowed RMB426,670,000 and RMB537,815,000 respectively from Pingan Trust, which due for repayment in full after 24 months and 18 months from the respective draw down dates, and carried interest at a rate of 11.5% per annum. The above loans were secured by the 100% equity interest of Foshan Glory Southern and guaranteed by Mr. Zhang zhangsun and Ms. Ruan Wenjuan.

37. CORPORATE BONDS

Corporate bonds

On November 11, 2015, Garden Group has issued its first tranche of domestic corporate bonds to the public in the PRC ("First Tranche Issue") with a principal amount of RMB2,000,000,000, bearing interest at the coupon rate of 7.25% per annum paid annually, and has a term of 5 years. On December 22, 2015, Garden Group has issued the second tranche of domestic corporate bonds to the public in the PRC ("Second Tranche Issue") with a principal amount of RMB1,000,000,000, bearing interest at the coupon rate of 7.47% per annum, payable annually, and has a term of 5 years. The Group is entitled to adjust the coupon rate at the end of the third year with the right of redemption exercisable by the holders. The corporate bonds of first Tranche Issue and Second Tranche Issue are collectively referred as "2015 Corporate Bonds".

According to the terms and conditions of the 2015 Corporate Bonds, Garden Group has the right to adjust and not adjust the coupon rate for the fourth and fifth year at the end of the third year, by giving a 30-day notice to the bondholder before 10 November and 21 December 2018 for the First Tranche Issue and the Second Tranche Issue respectively. At the same time, the bondholder may at its option require Garden Group to redeem the bond at a redemption price equal to 100% of the principal plus accrued and unpaid interest to such redemption date. The remaining bond will be subject to the adjusted interest rate until the maturity date. The effective interest rate of the 2015 Corporate Bonds is approximately 7.61% and 7.64% per annum respectively after the adjustment for transaction costs.

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Principal amount	**3,000,000**	—
Issue costs	**(23,600)**	—
	2,976,400	—
Effective interest recognised (note11)	**22,624**	—
Interest payable accrual	**(21,897)**	—
Carrying amount as at end of the year	**2,977,127**	—

38. SHARE CAPITAL

	Number of shares HKD0.001 each	Share capital HKD	Equivalent to RMB'000
Ordinary shares of HKD0.001 each			
Authorised:			
At January 1, 2014, December 31, 2014 and 2015	10,000,000,000	10,000,000	
Issued and fully paid:			
At January 1, 2014	3,750,000,000	3,750,000	2,967
Issue of shares	681,634,000	681,634	542
At December 31, 2014	4,431,634,000	4,431,634	3,509
Exercise of share options	2,180,997	2,181	2
At December 31, 2015	4,433,814,997	4,433,815	3,511

On July 7, 2014, the Company issued 661,780,000 shares with par value of HKD0.001 each under the global offering at HKD2.38 per share.

On July 25, 2014, the Company issued 19,854,000 shares with par value of HKD0.001 each under the over-allotment option at HKD2.38 per share.

With the global offering and over allotment option, the Company issued 681,634,000 ordinary shares, the total consideration received amounted to RMB1,290,574,000, and the issue cost amounted to RMB50,788,000. The consideration of RMB1,290,574,000 was recorded as share capital and share premium of RMB542,000 and RMB1,290,032,000 respectively.

During the year ended December 31, 2015, share options to subscribe for 2,180,997 ordinary shares with par value of HKD0.001 each were exercised at HKD1.428 per share (equivalent to RMB1.16 per share).

39. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated by the local municipal government. The group entities in the PRC contribute funds which are calculated on a certain percentage range from 12% to 20% of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. The principal obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. The total cost charged to profit or loss for the year ended December 31, 2015 amounted to RMB17,745,000 (2014: RMB13,493,000), represent contributions paid or payable to the scheme by the Group.

40. SHARE-BASED PAYMENT TRANSACTIONS

i. Share award scheme

Pursuant to the share award scheme adopted by the Company on June 5, 2014 (the "Share Award Scheme"), a total of four employees were awarded in aggregate 33,617,700 shares of the Company on June 16, 2014. The awarded shares will vest in three equal tranches on the first, second and third anniversary of the date on which the Company's shares are listed on the Stock Exchange (the "Listing Date"), respectively. 33.33% (2014: nil) of the Awarded Shares were vested during the year ended December 31, 2015.

The weighted average fair value of the shares granted under the Share Award Scheme at June 16, 2014 was RMB56,242,000, which was determined using Monte Carlo simulation model. The significant inputs into the model were estimated fair value of these unlisted shares at the grant date, expected dividend pay-out rate, annual risk-free rate and volatility rate. The volatility is measured based on past year's historical price volatility of similar companies.

The Group recognised an expense of RMB33,462,000 (2014: RMB14,880,000) for the year ended December 31, 2015 in relation to shares awarded by the Company.

The shares awarded by the Company will be settled with the existing shares held by a trust company on behalf of the Company. During the year ended December 31, 2015, 11,205,896 (2014: nil) shares had been vested to the employees.

The following table discloses movements of the awarded shares during both years:

	Outstanding at year ended January 1, 2015	Vested during the year	**Outstanding at year ended December 31, 2015**
Awarded shares	33,617,700	(11,205,896)	**22,411,804**

	Outstanding at year ended January 1, 2014	Granted during the year	**Outstanding at year ended December 31, 2014**
Awarded shares	—	33,617,700	**33,617,700**

40. SHARE-BASED PAYMENT TRANSACTIONS (continued)

ii. Share Option Scheme

Pre-IPO Share Option Scheme

Pursuant to the pre-IPO share option scheme adopted by the Company on June 5, 2014 (the "Pre-IPO Share Option Scheme"), the Company granted to 54 employees options to subscribe for an aggregate of 67,076,800 shares of the Company on June 16, 2014 (the "Pre-IPO Share Option").

All options under the Pre-IPO Share Option Scheme were granted on June 16, 2014 and no further options will be granted under the Pre-IPO Share Option Scheme prior to the Listing Date. No additional performance target or condition applies to the outstanding options granted under the Pre-IPO Share Option Scheme. The exercise price for any option granted under the Pre-IPO Share Option Scheme shall be 60% of the offer price. The share options granted will vest in three equal tranches on the first, second and third anniversary of the Listing Date, respectively. All share options will be expired after 7 years since the grant date.

The vesting period of the Pre-IPO Share Options is as follows:

33.33%: from the date of grant to July 7, 2015
33.33%: from the date of grant to July 7, 2016
33.34%: from the date of grant to July 7, 2017

Post-IPO Share Option Scheme

The Company adopted the post-IPO share option scheme on June 5, 2014 (the "Post-IPO Share Option Scheme") to enable the Company to grant options to any director (including the independent non-executive directors), full-time employee and consultant of the Group or any other eligible person who, in the Board's sole discretion, has contributed or will contribute to the Group (the "Eligible Participants"). The purpose of the Post-IPO Share Option Scheme is to encourage the Eligible Participants to contribute to the Group for the long-term benefits of the Company and its Shareholders as a whole.

Pursuant to the Post-IPO Share Option Scheme, the Company offered to 137 employees options to subscribe for an aggregate of 98,000,000 shares of the Company, the first tranche of 49,000,000 shares options was granted on October 27, 2015 (the "Share Option 2015"), the second tranche of 49,000,000 share options had not granted yet during the year ended December 31, 2015 since the terms and conditions about the performance targets shall be agreed on a later date. Performance targets or conditions were applied to the options granted under the Share Option 2015. The exercise price for any option granted under the Share Option 2015 shall be HK$3.75 per share, representing the highest of (i) the official closing price of HK$3.75 per share as stated in the daily quotations sheets issued by the Stock Exchange on the grant date; (ii) the average of the official closing price of HK$3.684 per share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; and (iii) the nominal value of HK$0.001 per share. The option period of the options granted under the Share Option 2015 shall be ten years from the grant date, and the options granted under the Share Option 2015 will be expired on October 26, 2025.

The options granted under the Share Option 2015 will be vested on April 1, 2016 upon fulfilling the relevant performance targets or conditions.

40. SHARE-BASED PAYMENT TRANSACTIONS (continued)

ii. Share Option Scheme (continued)

The following table discloses movements of the Company's share options held by employees and directors during the year ended December 31, 2015:

	Outstanding at 1/1/2015	Granted during the year	Exercised during the year	Forfeited during the year (note)	Outstanding at 31/12/2015
Pre-IPO Share Option					
– Directors	10,500,000	—	—	—	10,500,000
– Other staff	56,576,800	—	(2,180,997)	—	54,395,803
Share Option 2015					
– Directors	—	2,900,000	—	(2,900,000)	—
– Other staff	—	46,100,000	—	(46,100,000)	—
	67,076,800	49,000,000	(2,180,997)	(49,000,000)	64,895,803
Exercisable at the end of the year					20,177,936
Weighted average exercise price (HKD)	1.428	3.75	1.428	3.75	1.428

Note: The share options granted under Share Option 2015 were forfeited during the year ended December 31, 2015 because of failure to satisfy the performance conditions.

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HKD3.60.

40. SHARE-BASED PAYMENT TRANSACTIONS (continued)

ii. Share Option Scheme (continued)

The fair values of the share options were calculated using the binominal model. The inputs into the model were as follows:

	Share Option 2015	Pre-IPO Share Option
Date of grant	October 27, 2015	June 16, 2014
Share price at the date of grant	HKD 3.75	HKD 2.38
Exercise price of the options	HKD 3.75	HKD 1.428
Expected volatility	40.47%	42.10%
Expected life	5.45 years	7 years
Risk-free rate	0.968%	1.32%
Expected dividend yield	1.417%	4.88%
Fair value	RMB 1.0318	RMB 0.720

Expected volatility was determined by using the historical volatility of the similar companies and the Company. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Change in variables and assumptions may result in changes in the fair value of the options.

The Group recognised the total expense of RMB21,917,000 (2014: RMB9,426,000) for the year ended December 31, 2015 in relation to share options granted by the Company.

41. ACQUISITION OF SUBSIDIARIES

On June 7, 2015, the Group entered into an equity interest transfer and cooperation agreement (the "Agreement") with an independent third party to acquire 87.5% equity interest in Shenzhen Wanji at a cash consideration of RMB500,000,000 and an assignment of debts of RMB200,000,000. Shenzhen Wanji helds two properties in a piece of land in Shenzhen, PRC. This acquisition is accounted for as an acquisition of assets and the associated liabilities.

In May 2014, Hainan Glory acquired the entire equity interest in Hainan Junhe for a consideration of RMB1,014,000,000 from an independent third party. Hainan Junhe is holding eight pieces of land for property development. This acquisition is accounted for as an acquisition of assets and liabilities.

41. ACQUISITION OF SUBSIDIARIES (continued)

The net assets of subsidiaries at the date of acquisition are as follows:

	Year ended December 31,	
	2015 Shenzhen Wanji RMB'000	2014 Hainan Junhe RMB'000
Assets acquired and liabilities recognised at the date of acquisition:		
Property, plant and equipment	**1**	1,627
Properties under development	**—**	994,766
Investment properties	**798,921**	—
Trade and other receivables	**10,207**	—
Cash and bank balances	**—**	20,500
Trade and other payables	**(9,129)**	(2,351)
Amount due to the then equity holder	**(200,000)**	—
Taxation payable	**—**	(542)
Net assets acquired	**600,000**	1,014,000
Less: Non-controlling interests	**(100,000)**	—
Total consideration	**500,000**	1,014,000
Satisfied by:		
Cash	**400,000**	667,140
Consideration payable	**100,000**	346,860
	500,000	1,014,000
Net cash outflow arising on acquisition:		
Cash consideration	**(400,000)**	(667,140)
Bank balances and cash acquired	**—**	20,500
	(400,000)	(646,640)

As at December 31, 2015, legal title of 75% equity interest in Shenzhen Wanji was transferred to the Group, the transfer of the legal title of remaining 12.5% equity interest will be completed upon full settlement of the outstanding consideration payable of RMB100,000,000. As the Group is obliged to settle the outstanding consideration payable and the Group is exposed to any risk or entitled to any rewards relating to 87.5% equity interest as equity holder of Shenzhen Wanji, the acquisition is considered as a single acquisition or a linked transaction. The Group accounts for Shenzhen Wanji at 87.5% effective interest from the date of acquisition.

42. PLEDGE OF ASSETS

The following assets were pledged to secure certain bank and other borrowings granted to the Group at the end of each reporting period:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Investment properties	**13,628,300**	12,131,300
Property, plant and equipment	**74,008**	85,465
Prepaid lease payments	**2,171**	2,220
Properties under development	**3,913,890**	4,042,924
Properties held for sale	**1,390,967**	3,321,126
Restricted bank deposits	**10,104**	1,113,528
	19,019,440	20,696,563

As at December 31, 2015, bank deposits of RMB53,241,000 (2014: RMB64,736,000) were pledged as security for mortgage loans of the Group's customers.

As at December 31, 2015 and 2014, right of the income generated from certain investment properties of the Group has been charged as security to Sichuan Trust respectively.

As at December 31, 2015 and 2014, 100% equity interest in Foshan Glory Southern have been pledged to Pingan Trust.

As at December 31, 2015 and 2014, 51% equity interest in Hainan Junhe was pledged to ICBC Hainan Branch.

As at December 31, 2015, 75% equity interest of Shenzhen Wanji has been pledged to Guangdong Huaxing Bank, Shenzhen Branch.

As at December 31, 2015, 100% equity interest of Glory Investment and Beijing Wenhuashengda have been pledged to China Bohai Bank Beijing Branch.

In addition, the Group pledged 100% equity interest in Hainan HNA to Haikou New City in order to secure the performance obligation as at December 31, 2015 and 2014. Upon the completion of the construction contract, the pledge shall be released within 10 days.

43. COMMITMENTS

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Contracted but not provided for in the consolidated financial statements:		
– Expenditure in respect of investment properties under development	**312,334**	936,142
– Acquisition of land use rights	**1,676,476**	—
	1,988,810	936,142

In addition to the above capital commitments, the Group has contracted expenditure in respect of properties under development of RMB2,565,291,000 (2014: RMB2,599,760,000) as at December 31, 2015, which have not provided for in the consolidated financial statements.

44. CONTINGENT LIABILITIES

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Guarantees provided by the Group in respect of loan facilities utilised by property buyers	**3,997,153**	2,665,273

The Group has pledged certain bank deposits (details set out in note 42) and provided guarantees to banks in favor of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties and under development properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security of the mortgage loans granted. In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant as the default rate is low.

Pursuant to the construction contract signed between Hainan Glory and Hai Kou New City on July 5, 2009, Hainan Glory pledged its 100% equity interest in Hainan HNA to Hai Kou New City, the details of the pledge are disclosed in note 42.

45. OPERATING LEASE ARRANGEMENT

(a) The Group as lessor

The properties held by the Group for rental purpose have committed tenants from six months to twenty years in which majority are fixed rental.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments under non-cancellable operating leases:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Within one year	**233,004**	245,789
In the second to the fifth year inclusive	**359,544**	345,223
After the fifth year	**258,433**	301,137
	850,981	892,149

(b) The Group as lessee

The Group leases various office buildings under non-cancellable operating lease agreements. The lease terms are between 1 and 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
No later than 1 year	**1,966**	7,661
In the second to third year inclusive	**1,229**	12,177
	3,195	19,838

46. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following related party balances and transactions.

A. During the years ended December 31, 2015 and 2014, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Name of related party	Relationship
Mr. Zhang Zhangsun	Executive Director and controlling shareholder of the Group
Ms. Ruan Wenjuan	Executive Director and spouse of Mr. Zhang Zhangsun
Ms. Zhang Jin	Executive Director and daughter of Mr. Zhang Zhangsun
Ms. Zhang Xiaoqian	Daughter of Mr. Zhang Zhangsun
Beijing Glory Commercial Management Co., Ltd.* (“Glory Commercial Management”) 北京國瑞興業商業管理有限公司	Controlled by Ms. Zhang Jin
Shantou Jinming Wujin Material Co., Ltd.* (“Jinming Wujin”) 汕頭金明五金材料有限公司	Controlled by Mr. Zhang Zhangsun
Longhu Huamu	Controlled by Ms. Zhang Youxi, sister of Mr. Zhang Zhangsun
Tonghe Leasing	Controlled by Ms. Zhang Youxi, sister of Mr. Zhang Zhangsun
Alltogether Land Company Limited (“Alltogether Land”) 通和置業有限公司	Controlled by Mr. Zhang Zhangsun

* The English name of the companies which established in the PRC are for reference only and have not been registered.

46. RELATED PARTY TRANSACTIONS (continued)

B. At the end of the reporting period, the Group has deposit paid to or amounts receivable from the following related parties and the details are set out below:

Name of related party	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Non-trade nature:		
Jinming Wujin (note)	70,000	—
Tonghe Leasing	1,063	—

Maximum amount outstanding for non-trade receivables	Year ended December 31, 2015 RMB'000	Year ended December 31, 2014 RMB'000
Jinming Wujin	70,000	5,688
Tonghe Leasing	1,063	—

Note: Details of the transaction with Jinming Wujin is disclosed in note 47.

46. RELATED PARTY TRANSACTIONS (continued)

C. At the end of the reporting period, the Group has amounts due to the following related parties and the details are set out below:

	At December 31,	
Name of related party	**2015 RMB'000**	2014 RMB'000
Trade nature		
Glory Commercial Management	**24,107**	14,784
Non-trade nature		
Tonghe Leasing	**3,000**	4,170
Jinming Wujin	**180**	—
Alltogether Land	**27,770**	—
	30,950	4,170
Total	**55,057**	18,954

Other than the amount due to Glory Commercial Management (aged within one year) and amount due to Tonghe Leasing other balances are of non-trade nature, unsecured, interest free and repayable on demand.

In addition, the Group borrowed RMB4,170,000 at interest rate of 6.33% per annum from Tonghe Leasing on September 30, 2014 and repaid RMB1,170,000 in 2015. The remaining balance is repayable within one year.

D. During the reporting period, the Group entered into the following transactions with its related parties:

		Year ended December 31,	
Name of related party	**Nature of transaction**	**2015 RMB'000**	2014 RMB'000
Trade nature			
Glory Commercial Management	Property management services fee	**16,832**	15,388
Non-trade nature			
Tonghe Leasing	Interest expense	**190**	63

46. RELATED PARTY TRANSACTIONS (continued)

E. Mr. Zhang Zhangsun and Ms. Ruan Wenjuan have provideed guarantees for certain bank loans and other loans granted to the Group for nil consideration. At December 31, 2015, the Group has bank loans and other loans guaranteed by Mr. Zhang Zhangsun and Ms. Ruan Wenjuan amounting to RMB3,638,155,000 (2014: RMB735,070,000).

Jinming Wujin has provided guarantees for certain bank loans and other loans granted to the Group for nil consideration. At December 31, 2015, the Group has bank loans and other loans guaranteed by Jinming Wujin amounting to RMB138,216,000 (2014: nil).

F. Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors and other key management of the Group. The key management personnel compensation is as follows:

	At December 31,	
	2015	2014
	RMB'000	RMB'000
Short-term employee benefits	**18,926**	18,351
Retirement benefit contributions	**462**	464
Equity-settled share-based payments	**32,667**	12,903
	52,055	31,718

47. EVENT AFTER THE REPORTING PERIOD

On January 8, 2016, the Group has entered into agreements with Jinming Wujin, its related party, for the acquisition of 100% equity interest in 汕頭市國瑞醫院有限公司 (Shantou Guorui Hospital Co., Ltd.) ("Guorui Hospital") and transfer of a shareholder's loan, including interests, amounting to approximately RMB127,915,000 owed by Guorui Hospital to Jinming Wujin for a total cash consideration of RMB306,000,000. Guorui Hospital currently owns the land use right of a land parcel in Shantou. Guorui Hospital has no business operations other than holding this land parcel. The land use right of the land parcel has a term of 50 years for hospital use.

Before the end of the reporting period, the Group paid RMB70,000,000 to Jinming Wujin as a deposit for the acquisition and the amount was recorded as deposit paid for acquisition of a subsidiary on the consolidated statement of financial position. The Group has further paid RMB220,280,000 to Jinming Wujin in January, February and March 2016 and the remaining consideration of RMB15,720,000 is outstanding up to the date of issuance of the consolidated financial statements.

The transaction was completed on January 12, 2016 and Guorui Hospital became an indirect wholly-owned subsidiary of the Company.

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Non-current assets		
Unlisted investments in subsidiaries	193,001	137,622
Amounts due from subsidiaries	1,160,717	1,105,445
	1,353,718	1,243,067
Current assets		
Trade and other receivables, deposits and prepayments	270	389
Amounts due from subsidiaries	-	16,733
Cash and bank balances	2,051	121
	2,321	17,243
Current liabilities		
Trade and other payables	114	16,692
Amounts due to subsidiaries	115,865	29,686
	115,979	46,378
Net current liabilities	(113,658)	(29,135)
Total assets less current liabilities	1,240,060	1,213,932
Non-current liabilities		
Bank and other borrowings - due after one year	138,216	—
	138,216	—
Net assets	1,101,844	1,213,932
Capital and reserves		
Share capital	3,511	3,509
Reserves	1,098,333	1,210,423
Total equity	1,101,844	1,213,932

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium RMB'000	Capital reserve RMB'000	Equity-settled share-based payment reserve RMB'000	Treasury shares reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2014	—	—	—	—	(20,943)	(20,943)
Loss and total comprehensive expense for the year	—	—	—	—	(32,184)	(32,184)
Issue of shares	1,290,032	—	—	—	—	1,290,032
Issue cost	(50,788)	—	—	—	—	(50,788)
Deemed contribution from ultimate shareholder	—	56,242	—	(56,242)	—	—
Recognition of equity-settled share-based payments	—	—	24,306	—	—	24,306
At December 31, 2014	1,239,244	56,242	24,306	(56,242)	(53,127)	1,210,423
Profit and total comprehensive income for the year	—	—	—	—	39,875	39,875
Dividend declared to the shareholder of the Company	(209,914)	—	—	—	—	(209,914)
Recognition of equity-settled share-based payments	—	—	55,379	—	—	55,379
Exercise of share options	4,140	—	(1,570)	—	—	2,570
Shares vested under share award scheme	—	—	(18,747)	18,747	—	—
At December 31, 2015	1,033,470	56,242	59,368	(37,495)	(13,252)	1,098,333

FIVE-YEAR FINANCIAL SUMMARY

	For the year ended December 31, (RMB million)				
	2015	2014	2013	2012	2011
Revenue	**6,514**	5,279	6,835	4,276	1,753
Gross profit	**2,679**	2,405	3,705	1,576	798
Profit before tax	**2,700**	2,059	3,856	2,034	1,075
Profit for the year attributable to	**1,583**	1,206	2,770	1,273	744
– attributable to owners of the Company	**1,261**	951	2,234	1,030	597
– attributable to non-controlling interests	**322**	255	536	243	147
Earnings per share attributable to ordinary equity holders of the Company, in Renminbi cents:					
– Basic	**28.62**	23.42	59.57	—	—
– Diluted	**28.28**	23.34	59.57	—	—

	At December 31, (RMB million)				
	2015	2014	2013	2012	2011
Total assets	**35,227**	29,013	22,467	18,793	20,285
– Non-current assets	**15,669**	13,273	8,199	7,413	6,563
– Current assets	**19,558**	15,740	14,268	11,380	13,722
Total Liabilities	**25,299**	20,477	16,371	13,107	15,690
– Non-current liabilities	**13,525**	8,383	7,919	4,823	5,621
– Current liabilities	**11,774**	12,094	8,452	8,284	10,069
Total equity	**9,928**	8,536	6,096	5,686	4,595
– equity attributable to equity owners of the Company	**8,119**	7,016	4,788	4,899	3,802
– equity attributable to non-controlling interests	**1,809**	1,520	1,308	787	793

GLORY 国瑞

GUORUI PROPERTIES LIMITED

國瑞置業有限公司