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FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 01777)

ANNOUNCEMENT OF 2014 ANNUAL RESULTS

HIGHLIGHTS

- The spin-off and separate listing of Colour Life on the Main Board of the Stock Exchange has been successfully completed on 30 June 2014. After deducting the listing expenses, a total of approximately RMB710 million was raised on the first day of the listing. The successful spin-off and the listing of Colour Life has demonstrated the achievement of the light assets of Fantasia.
- The Group's total contract sales for the year of 2014 recorded over RMB10.214 billion and reached approximately 102.14% of the Group's annual sales target of RMB10 billion.
- The Group's total revenue increased by 0.4% to RMB7,306 million in 2014 from RMB7,280 million in 2013.
- The Group's gross profit margin was 38.4% in 2014, same as that in 2013, maintaining at a relatively high level within the industry.
- The Group's profit for the year increased by 11.5% to RMB1,372 million in 2014 from RMB1,230 million in 2013. The net profit margin was 18.8% (2013: 16.9%).
- The Group's core net profit (excluding change in fair value of investment properties, recognition of change in fair value of completed properties for sale upon transfer to investment properties and foreign exchange gains and losses) for the year was RMB1,076 million (2013: RMB1,027 million), and the core net profit margin was 14.7% (2013: 14.1%).
- Basic earnings per share were RMB0.22 (2013: RMB0.23).

- As at 31 December 2014, the Group’s total bank balances and cash (included restricted/pledged bank deposits) was approximately RMB4,653 million (2013: approximately RMB3,632 million), representing an increase of 28.1% as compared to that as at 31 December 2013.
- The Group’s net gearing ratio (being aggregated bank borrowings and senior notes net of bank balances and cash and restricted/pledged bank deposits over the total equity) as at 31 December 2014 was 86.7%, which substantially decreased by 18.1 percentage points from 104.8% as at 31 December 2013.
- In January 2014, the Company issued senior notes in the amount of US\$300 million at an interest rate of 10.625% due 2019.
- In January 2014, the Company issued 863,600,074 new shares to T.C.L. Industries Holdings (H.K.) Limited, and a total of approximately RMB940 million was raised.
- The Board proposed the payment of a final dividend of HK\$5.39 cents per share.

The board (the “Board”) of Directors (the “Directors”) of Fantasia Holdings Group Co., Limited (the “Company”) is pleased to announce the audited financial results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Revenue	3	7,305,950	7,279,828
Cost of sales and services		(4,499,138)	(4,486,269)
Gross profit		2,806,812	2,793,559
Other income, gains and losses	4	(13,301)	385,511
Change in fair value of investment properties		575,840	167,319
Recognition of change in fair value of completed properties for sale upon transfer to investment properties		95,665	10,177
Selling and distribution expenses		(269,719)	(315,184)
Administrative expenses		(585,730)	(487,390)
Finance costs	5	(290,948)	(260,294)
Share of results of associates		56	675
Share of results of joint ventures		(12,663)	(6,714)
Gain on disposal of subsidiaries		223,707	116,644
Profit before tax	6	2,529,719	2,404,303
Income tax expense	7	(1,157,408)	(1,174,112)
Profit for the year		1,372,311	1,230,191
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of properties		9,942	3,960
Deferred taxation liability arising from revaluation of properties		(2,485)	(990)
Other comprehensive income for the year, net of income tax		7,457	2,970
Total comprehensive income for the year		1,379,768	1,233,161
Profit for the year attributable to:			
Owners of the Company		1,255,341	1,215,038
Owner of perpetual capital instrument		42,525	–
Other non-controlling interests		74,445	15,153
		1,372,311	1,230,191
Total comprehensive income attributable to:			
Owners of the Company		1,259,815	1,218,008
Owner of perpetual capital instrument		42,525	–
Other non-controlling interests		77,428	15,153
		1,379,768	1,233,161
Earnings per share – Basic (RMB)	9	0.22	0.23
Earnings per share – Diluted (RMB)	9	0.22	0.23

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	<i>Note</i>	2014 RMB'000	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,541,882	905,241
Investment properties		6,642,075	4,012,828
Interests in associates		1,753	1,566
Interests in joint ventures		609,981	71,084
Available-for-sale investment		38,910	38,910
Goodwill		133,918	79,267
Intangible assets		26,850	907
Prepaid lease payments		884,550	1,233,811
Premium on prepaid lease payments		175,847	390,032
Land development expenditure		667,965	666,131
Other receivables		376,841	376,841
Deposits paid for acquisition of subsidiaries		262,550	150,000
Deposit paid for acquisition of a property project		136,648	132,346
Deposits paid for acquisition of land use rights		1,005,685	435,423
Deferred tax assets		498,714	393,454
		<u>13,004,169</u>	<u>8,887,841</u>
CURRENT ASSETS			
Properties for sale		19,442,516	14,191,479
Prepaid lease payments		34,274	30,828
Premium on prepaid lease payments		3,678	10,853
Trade and other receivables	<i>10</i>	3,873,362	3,583,659
Amounts due from customers for contract works		59,460	41,059
Tax recoverable		34,130	46,114
Amount due from a joint venture		149,855	139,190
Restricted/pledged bank deposits		914,596	855,564
Bank balances and cash		3,738,040	2,776,879
		<u>28,249,911</u>	<u>21,675,625</u>

	<i>Note</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	<i>11</i>	5,516,143	2,453,629
Deposits received for sale of properties		3,386,888	4,678,224
Amounts due to customers for contract works		8,195	54,318
Amount due to a related party		–	506
Amount due to a shareholder		419,960	–
Amounts due to joint ventures		996,467	–
Tax liabilities		3,016,193	2,784,573
Borrowings – due within one year		4,122,925	2,053,357
Obligations under finance leases		20,826	26,003
Senior notes		746,051	–
		18,233,648	12,050,610
NET CURRENT ASSETS		10,016,263	9,625,015
TOTAL ASSETS LESS CURRENT LIABILITIES		23,020,432	18,512,856
NON-CURRENT LIABILITIES			
Amount due to a shareholder		686,667	–
Deferred tax liabilities		1,096,155	719,916
Borrowings – due after one year		3,651,475	4,942,036
Obligations under finance leases		119,749	140,418
Senior notes		6,022,081	4,843,390
Provision		31,931	29,591
Redeemable shares		–	6,177
		11,608,058	10,681,528
		11,412,374	7,831,328
CAPITAL AND RESERVES			
Share capital		497,485	429,575
Reserves		8,955,574	6,890,876
Equity attributable to owners of the Company		9,453,059	7,320,451
Perpetual capital instrument		710,500	–
Other non-controlling interests		1,248,815	510,877
Total non-controlling interests		1,959,315	510,877
		11,412,374	7,831,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL

The Company is a public limited company incorporated in Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”). Its parent and its ultimate parent are Fantasy Pearl International Limited and Ice Apex Limited, respectively, both being limited liability companies incorporated in the British Virgin Islands (the “BVI”). Its ultimate controlling party is Ms. Zeng Jie, Baby, who is a director of the Company. The addresses of the registered office and principal place of the Company are disclosed in the corporate information section to the annual report.

The addresses of the registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands, corporate head office in Hong Kong is Room 1202-03, New World Tower 1, 16-18 Queen’s Road Central, Hong Kong, and corporate headquarter in People’s Republic of China is Block A, Funian Plaza, Shihua Road and Zijing Road Interchange in Futian Dutyfree Zone, Shenzhen 518048, Guangdong Province, China.

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities
Amendments to HKFRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKFRS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

Except as described below, the application of the above new and revised HKFRSs 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.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 “Investment Entities”

The Group has applied the amendments to HKFRS10, HKFRS 12 and HKAS27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investments entities.

As the company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impacts on the disclosures or the amounts recognised in the Group’s consolidated financial statements.

Amendments to HKAS 36 “Recoverable Amount Disclosure for Non-Financial Assets”

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 “Fair Value Measurements”.

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

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to HKAS 1	Disclosure Initiative ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁵
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to HKAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ⁵
Amendments to HKFRSs	Annual Improvements to HFRSs 2010–2012 Cycle ⁶
Amendments to HKFRSs	Annual Improvements to HFRSs 2011–2013 Cycle ⁴
Amendments to HKFRSs	Annual Improvements to HFRSs 2012–2014 Cycle ⁵

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

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 July 2014

⁵ Effective for annual periods beginning on or after 1 January 2016

⁶ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 15 “Revenue from contracts with Customer”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with 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 HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipates that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvement to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce special guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 “Disclosure – Offsetting Financial Assets and Financial Liabilities” issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

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

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the year is as follows:

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of properties	6,535,319	6,733,340
Rental income	136,462	128,673
Agency fee from provision of property agency services	18,653	12,683
Management fee and installation services fee from provision of property operation services	504,243	314,764
Hotel operations	111,273	90,368
	<u>7,305,950</u>	<u>7,279,828</u>

The segment information reported externally was analysed on the basis of the different products and services supplied by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the directors of the Company, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the operating and reportable segments of the Group.

The Group has five reportable and operating segments as follows:

Property development	–	developing and selling of commercial and residential properties in the PRC
Property investment	–	leasing of commercial and residential properties
Property agency services	–	provision of property agency and other related services
Property operation services	–	provision of property management, installation of security systems and other related services
Hotel operation	–	provision of hotel accommodation, hotel management and related services, food and beverage sale and other ancillary services

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, interest income, exchange gain/loss, share of results of associates and joint ventures, gain on disposal of subsidiaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker also reviews the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, available-for-sale investments, amount due from a joint venture, restricted bank deposits, bank balances and cash and other corporate assets.

The following is an analysis of the Group's revenue, results and other material items by operating and reportable segment under review:

For 31 December 2014

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property agency services <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
External revenues	<u>6,535,319</u>	<u>136,462</u>	<u>18,653</u>	<u>504,243</u>	<u>111,273</u>	<u>7,305,950</u>
Inter-segment revenues	<u>147,775</u>	<u>-</u>	<u>-</u>	<u>90,238</u>	<u>-</u>	<u>238,013</u>
Segment result	<u>1,854,053</u>	<u>637,038</u>	<u>17,234</u>	<u>299,063</u>	<u>5,323</u>	<u>2,812,711</u>
Segment assets	<u>26,161,619</u>	<u>6,875,227</u>	<u>11,731</u>	<u>1,203,359</u>	<u>955,256</u>	<u>35,207,192</u>

Amounts included in the measure of segment profit or loss or segment assets:

Additions to non-current assets (<i>note</i>)	73,249	2,139,128	689	10,594	623,839	2,847,499
Change in fair value of investment properties	-	575,840	-	-	-	575,840
Recognition of change in fair value of completed properties for sale upon transfer to investment properties	95,665	-	-	-	-	95,665
Release of prepaid lease payments	20,341	-	-	1,967	1,937	24,245
Release of premium on prepaid lease payments	22,910	-	-	-	-	22,910
Amortisation of intangible assets	-	-	-	3,505	-	3,505
Depreciation of property, plant and equipment	21,496	6,475	-	8,639	54,046	90,656
Gain on disposal of property, plant and equipment	321	-	-	-	-	321
Reversal of allowance on bad and doubtful debts, net	<u>28,599</u>	<u>-</u>	<u>-</u>	<u>11,054</u>	<u>-</u>	<u>39,653</u>

Inter-segment revenues are charged at prevailing market rate.

Segment revenues, results, assets and other material items for 31 December 2013:

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property agency services <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
External revenues	<u>6,733,340</u>	<u>128,673</u>	<u>12,683</u>	<u>314,764</u>	<u>90,368</u>	<u>7,279,828</u>
Inter-segment revenues	<u>104,383</u>	<u>–</u>	<u>1,157</u>	<u>404,902</u>	<u>–</u>	<u>510,442</u>
Segment result	<u>2,294,476</u>	<u>170,405</u>	<u>11,106</u>	<u>129,765</u>	<u>1,010</u>	<u>2,606,762</u>
Segment assets	<u>20,300,865</u>	<u>4,334,570</u>	<u>3,912</u>	<u>937,689</u>	<u>570,952</u>	<u>26,147,988</u>
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets (<i>note</i>)	13,781	111,149	1,493	322,125	46,884	495,432
Change in fair value of investment properties	–	167,319	–	–	–	167,319
Recognition of change in fair value of completed properties for sale upon transfer to investment properties	10,177	–	–	–	–	10,177
Release of prepaid lease payments	14,917	–	–	1,767	1,577	18,261
Release of premium on prepaid lease payments	15,342	–	–	–	–	15,342
Investment income	246,161	–	–	–	–	246,161
Amortisation of intangible assets	–	–	–	906	–	906
Depreciation of property, plant and equipment	15,427	5,239	–	15,453	28,119	64,238
Gain on disposal of property, plant and equipment	39	–	–	–	–	39
Reversal of allowance on bad and doubtful debts, net	<u>4,117</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,117</u>

Inter-segment revenues are charged at prevailing market rate.

Note: Additions to non-current assets comprise mainly additions to goodwill, property, plant and equipment and investment properties and exclude interests in associates and joint ventures, deposits paid for acquisition of land use rights, acquisition of subsidiaries and acquisition of a property project and deferred tax assets.

Reconciliation:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Revenue:		
Total revenue for operating and reportable segments	7,543,963	7,790,270
Elimination of inter-segment revenues	<u>(238,013)</u>	<u>(510,442)</u>
Group's total revenues	<u>7,305,950</u>	<u>7,279,828</u>
Total segment results		
Elimination of inter-segment result	2,812,711	2,606,762
Unallocated amounts:	<u>(68,860)</u>	<u>(56,730)</u>
Unallocated income, gains and losses	(27,163)	98,847
Unallocated corporate expenses	(107,121)	(94,887)
Finance costs	(290,948)	(260,294)
Gain on disposal of subsidiaries	223,707	116,644
Share of results of associates	56	675
Share of results of joint ventures	<u>(12,663)</u>	<u>(6,714)</u>
Profit before tax	<u>2,529,719</u>	<u>2,404,303</u>
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Assets:		
Total assets for operating and reportable segments	35,207,192	26,147,988
Unallocated assets:		
Interests in associates	1,753	1,566
Interests in joint ventures	609,981	71,084
Available-for-sale investment	38,910	38,910
Restricted/pledged bank deposits	914,596	855,564
Amount due from a joint venture	149,855	139,190
Bank balances and cash	3,738,040	2,776,879
Corporate assets	<u>593,753</u>	<u>532,285</u>
Group's total assets	<u>41,254,080</u>	<u>30,563,466</u>

The Group's revenue from external customers is derived solely from its operations in the PRC, and non-current assets of the Group are mainly located in the PRC.

During the years ended 31 December 2014 and 2013, there was no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Other material items:		
<i>Release of prepaid lease payments</i>		
Reportable segment totals	24,245	18,261
Unallocated amount	343	283
	24,588	18,544
 <i>Release of premium on prepaid lease payments</i>		
Reportable segment and Group's totals	22,910	15,342
 <i>Depreciation of property, plant and equipment</i>		
Reportable segment totals	90,656	64,238
Unallocated amount	439	283
Group's total	91,095	64,521
 <i>Additions to non-current assets</i>		
Reportable segment totals	2,847,499	495,432
Unallocated amount	8,864	5,649
Group's total	2,856,363	501,081
 <i>Gain on disposal of property, plant and equipment</i>		
Reportable segment and Group's totals	321	39
 <i>Allowance (reversal) on bad and doubtful debt, net</i>		
Reportable segment and Group's totals	39,653	(4,117)

4. OTHER INCOME, GAINS AND LOSSES

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Investment income (<i>note i</i>)	–	246,161
Interest income	23,351	7,007
Government grant (<i>note ii</i>)	571	29,335
Net exchange (loss) gain	(50,514)	91,838
Others	13,291	11,170
	<u>13,301</u>	<u>385,511</u>

Notes:

- (i) The amount represented the return from Pixian Government on investment in land development projects.
- (ii) The amount represents the grants received from the relevant PRC local government to encourage the development of real estate industry. The subsidies are unconditional and granted on a discretionary basis to the Group during the year.

5. FINANCE COSTS

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Interest on:		
– borrowings wholly repayable within five years	308,626	315,091
– borrowings not wholly repayable within five years	60,870	66,988
– senior notes	768,529	542,664
– finance lease	8,759	1,045
– redeemable share	655	–
– amount due to a shareholder	141,099	–
	<u>1,288,538</u>	<u>925,788</u>
Less: Amount capitalised in properties under development for sale	(953,941)	(658,372)
Amount capitalised in investment properties under development	(4,123)	(7,122)
Amount capitalised in construction in progress	(39,526)	–
	<u>290,948</u>	<u>260,294</u>

In 2014, certain amount of borrowing costs capitalised arose on the general borrowing pool and were calculated by applying the capitalisation rate of 11.76% per annum (2013: 13.24% per annum) to expenditures on qualifying assets.

6. PROFIT BEFORE TAX

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Profit before tax has been arrived at after charging (crediting):		
Directors' emoluments	20,274	14,784
Other staff's salaries and allowances	346,743	264,165
Retirement benefit scheme contributions	62,003	47,884
Share-based payments	768	6,555
	<hr/>	<hr/>
Total staff costs	429,788	333,388
Less: Amount capitalised in properties under development for sale	(167,094)	(92,920)
	<hr/>	<hr/>
	262,694	240,468
	<hr/>	<hr/>
Auditor's remuneration	5,853	4,868
Release of prepaid lease payments	24,588	18,544
Release of premium on prepaid lease payments	22,910	15,342
Depreciation of property, plant and equipment	91,095	64,521
Amortisation of intangible assets	3,505	906
Gain on disposal of property, plant and equipment	(321)	(39)
(Reversal of) allowance on bad and doubtful debts, net	39,653	(4,117)
Listing expense of a non-wholly own subsidiary of the Company	16,282	22,854
Cost of properties sold recognised as an expense	4,091,116	4,233,681
Contract cost recognised as an expense	24,878	22,321
Rental expenses in respect of rented premises under operating leases	13,893	9,128
	<hr/>	<hr/>
Gross rental income from investment properties	(136,462)	(128,673)
Less: direct operating expenses from investment properties that generated rental income	9,784	6,664
	<hr/>	<hr/>
	(126,678)	(122,009)
	<hr/>	<hr/>

7. INCOME TAX EXPENSE

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Current tax:		
PRC taxes		
Enterprise Income Tax ("EIT")	538,665	634,865
Land Appreciation Tax ("LAT")	382,487	576,870
	<u>921,152</u>	<u>1,211,735</u>
Deferred tax		
Current year	236,256	(37,623)
	<u>1,157,408</u>	<u>1,174,112</u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the income of the Group neither arises in nor is derived from Hong Kong.

The Group's PRC enterprise income tax is calculated based on the applicable tax rate on assessable profits, if applicable.

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

8. DIVIDENDS

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Dividends recognised as distribution during the year:		
2013 Final – HK6.68 cents (2013: 2012 final dividend HK5.50 cents) per share	<u>306,054</u>	<u>228,576</u>

Note: Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2014 of HK5.39 cents, equivalent to RMB4.36 cents (2013: final dividend for the financial year ended 31 December 2013 of HK6.68 cents, equivalent to RMB5.27 cents) per share amounting to approximately RMB251,000,000 has been proposed by the directors for approval by the shareholders in the annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	<u>1,255,341</u>	<u>1,215,038</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,743,200,974	5,181,097,750
Effect of dilutive potential ordinary shares Share options	<u>5,218,237</u>	<u>26,579,949</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>5,748,419,211</u>	<u>5,207,677,699</u>

10. TRADE AND OTHER RECEIVABLES

Trade receivables are mainly arisen from sales of properties, rental income derived from investment properties, agency fee income in respect of property rentals, service and management income in respect of property management.

Considerations in respect of properties sold are paid by purchasers in accordance with the terms of the related sales and purchase agreements.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

Management and service fee income is received in accordance with the terms of the relevant property service agreements, normally within 30 days to 1 year after the issuance of demand note to the residents. Each customer from the property management service has a designated credit limit.

Hotel operation income is in the form of cash sales.

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Trade receivables	1,034,555	661,721
Other receivables	321,438	278,857
Prepayments and other deposits	103,146	116,237
Prepayments for suppliers	187,386	226,028
Prepayments for construction work	1,262,129	1,511,936
Consideration receivables on disposal of subsidiaries	286,446	205,369
Consideration receivables on disposal of partial interests in subsidiaries resulting in loss of control	206,410	–
Consideration receivables on disposal of partial interests in subsidiaries without loss of control	162,250	–
Amount due from Pixian Government	135,989	375,989
Other tax prepayments (<i>note</i>)	173,613	207,522
	<u>3,873,362</u>	<u>3,583,659</u>

Note: During the year ended 31 December 2014, the Group is required to prepay business tax amounting to RMB188,054,000 (2013: RMB204,844,000) in accordance with the relevant PRC tax rules in respect of its pre-sale of property development projects. As at 31 December 2014, amount of approximately RMB168,946,000 (2013: RMB200,573,000) has been prepaid and included in other tax prepayments.

The following is an aged analysis of trade receivables of the Group net of allowance for doubtful debts presented based on the date of delivery of the properties to the customers at the end of the reporting period:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
0 to 30 days	617,505	300,701
31 to 90 days	101,979	97,072
91 to 180 days	72,856	45,825
181 to 365 days	141,341	143,666
Over 1 year	100,874	74,457
	<u>1,034,555</u>	<u>661,721</u>

11. TRADE AND OTHER PAYABLES

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Trade payables	3,706,547	1,660,348
Deposit received (<i>note</i>)	183,996	24,067
Other payables	891,659	515,233
Other tax payables	137,307	61,559
Payroll payables	100,835	74,103
Welfare payables	4,673	2,620
Retention payables	6,870	60,400
Consideration payables	426,297	19,462
Accruals	57,959	35,837
	<u>5,516,143</u>	<u>2,453,629</u>

Note: The balance of RMB183,996,000 (2013: RMB24,067,000) represents the earnest money received from potential property buyers.

Trade payables principally comprise amounts outstanding for purchase of materials for the construction of properties for sale and ongoing expenditures. The average credit period for purchase of construction materials ranged from six months to one year.

The following is an aged analysis of the Group's trade payables and retention payables presented based on the invoice date at the end of the reporting period:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
0 to 60 days	2,774,979	1,217,018
61 to 180 days	260,645	223,488
181 to 365 days	507,270	153,212
1–2 years	118,654	42,320
2–3 years	11,014	80,116
Over 3 years	40,855	4,594
	<u>3,713,417</u>	<u>1,720,748</u>

At 31 December 2014, the balances of RMB6,870,000 (2013: RMB60,400,000) represent the retention money of approximately 5% to 10% of the construction contract price.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

Contracted Sales and Project Development

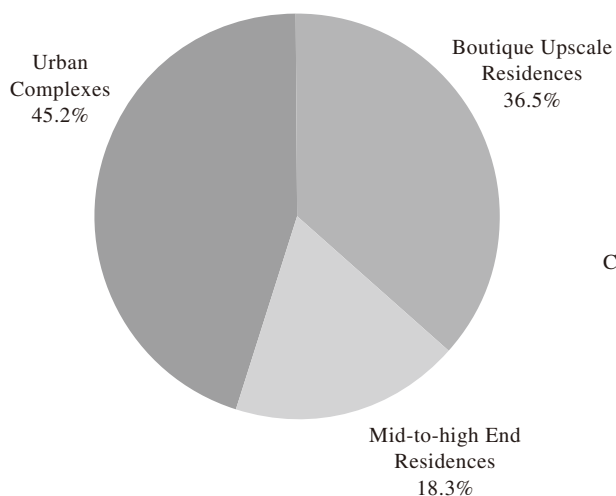
After the rapid development in 2013, the market returned to normal in 2014 with sales slowing down and stock level increasing; the results of most companies grew less than satisfactory compared to those of 2013. Affected by the general market atmosphere, most of the property companies acted prudently in 2014, proactively reduced the scale of production and lowered their land reserves. Judging from the growth of investment in the property market, the rate was gradually slowing down and the number of new projects continued to drop; the development of property market was entering a new normal of slow growth. At the same time, land costs and financial costs remained high, market slipped and general property prices declined, thus profit decreased. Amid a slow market, competition among small and medium property companies became more severe, with most of the small and medium property companies going out of business, further accelerating the speed of industry consolidation.

During the first half of 2014, the de-administration of the macro-control policies was gradually in place and the market was once again manipulated by market forces thus releasing ample demands. During the second half of the year, in particular the fourth quarter, the market warmed up again, the major developers seized this opportunity and took proactive action to promote the sales of stock up properties in order to achieve outstanding results. The market was steaming hot and bench mark property companies delivered brilliant results. Judging from market changes during the reporting period, despite market rebound, the market was generally dominated by the tendency of rise in volume while drop in price. Since the stock level remained high, destocking would be the key strategy in the future.

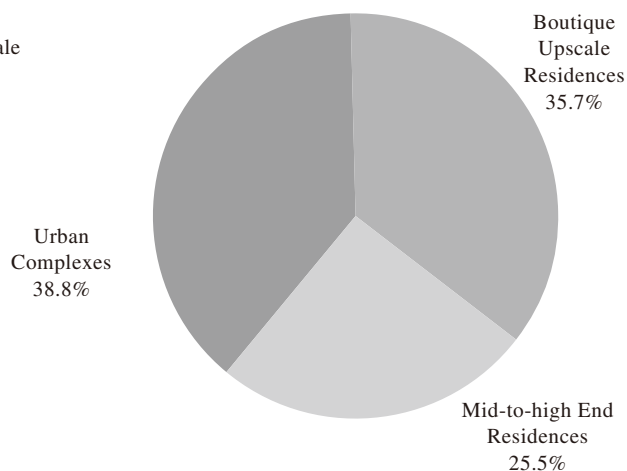
Taking the market performance in the first half of the year into account, the Group adhered to its steady and prudent business strategies in order to ensure that its cash flows and capital were cautiously managed. Due to the general situation in the property market and the adjustment in the value of the properties, sales of the Group for the first half of the year was lower than expected. During the second half of the year, in view of the limited numbers of new projects, the Group assessed and analysed the situations and acted promptly for a window of opportunity to focus on making breakthroughs on destocking through a variety of means and strategies as well as enhance the team's competitiveness quickly so as to achieve significant breakthroughs in terms of market performance.

During the reporting period, the Group recorded contracted sales of RMB10,213.60 million and contracted sales area of 1,380,125.46 square meters ("sq.m."). RMB4,618.78 million of the total contracted sales was derived from urban complexes projects, which accounted for 45.2%, and RMB3,729.37 million of the total contracted sales was derived from boutique upscale residences projects, which accounted for 36.5%.

The proportion of contracted sales attributable to different categories of products



The proportion of contracted sales area attributable to different categories of products

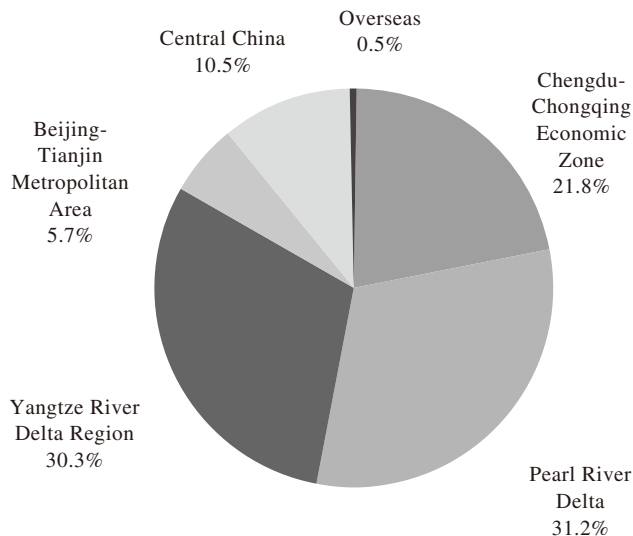


The proportion of contracted sales and contracted sales area attributable to different categories of products in 2014

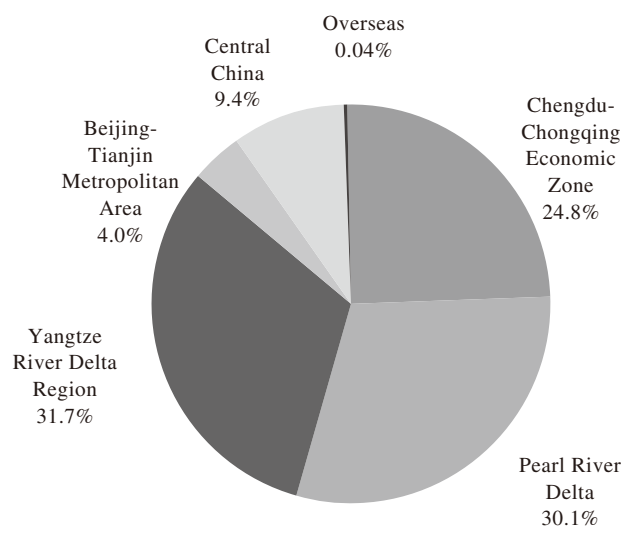
	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Urban Complexes	4,618.78	45.2	534,808.17	38.8
Mid-to-high End Residences	1,865.45	18.3	352,275.97	25.5
Boutique Upscale Residences	3,729.37	36.5	493,041.32	35.7
Total	10,213.60	100.0	1,380,125.46	100.0

During the reporting period, the contracted sales contribution of the Group's real estate business were mainly derived from 14 cities, including Chengdu, Guilin and Huizhou, and 33 projects, including Chengdu Fantasia Town, Chengdu Longnian International Centre, Guilin Fantasia Town, Huizhou Fantasia Special Town, Suzhou Fantasia Special Town and Wuhan Love Forever. As compared to last year, the Group used Wuhan city as a strategic location to enter the Central China market and earned good reputation and impact in the local market, which resulted in a more balanced portfolio for the Group's real estate business and the successful implementation of the strategic plan for its real estate business in China.

The contracted sales distribution in the six major regions in 2014



The contracted sales area distribution in the six major regions in 2014



The breakdown of the Group's contracted sales in the six major regions in 2014

	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Chengdu-Chongqing Economic Zone	2,224.93	21.8	341,802.26	24.8
Pearl River Delta	3,187.48	31.2	415,057.09	30.1
Yangtze River Delta Region	3,090.39	30.3	437,247.31	31.7
Beijing-Tianjin Metropolitan Area	579.89	5.7	55,375.85	4.0
Central China	1,076.27	10.5	130,115.95	9.4
Overseas	54.64	0.5	527.00	0.04
Total	10,213.60	100.0	1,380,125.46	100.0

Chengdu-Chongqing Economic Zone

Chengdu-Chongqing Economic Zone is one of the most important drivers for economic growth in China. Driven by its systematic planning for transport development, Chengdu will become the strategic economic region for modern service industry and new and high-technology industry. The Group entered Chengdu market in early 2001. With the brand reputation that the Group has accumulated over the past 13 years, the Group has become one of the strongest property developers in Chengdu. In 2014, the Group is aiming to actively expand the development of the Group's projects in Chongqing and strive to complete comprehensive expansion of Chengdu-Chongqing Economic Zone.

During the reporting period, the Group recorded contracted sales area of approximately 341,802 sq.m. in Chengdu-Chongqing Economic Zone and contracted sales of approximately RMB2,224.93 million, attributing 24.8% and 21.8% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Pearl River Delta

Pearl River Delta, being one of the most important drivers for economic growth in China, was where Fantasia grew and its strategy of "Blossoming China" developed. The Group targeted Shenzhen as the center and Huizhou and Dongguan as the radiated regions, while speeding up the business development in Guilin market.

During the reporting period, the Group recorded contracted sales area of approximately 415,057 sq.m. in Pearl River Delta and recorded contracted sales of approximately RMB3,187.48 million, attributing 30.1% and 31.2% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Beijing-Tianjin Metropolitan Area

Beijing-Tianjin Metropolitan Area, which is the third pole for China's economic growth as well as the core of the Capital Economic Circle and the hinterland of Bohai Economic Rim Region, enjoys a prominent strategic position. This area, having the advantage of being the national political, economic and cultural center, has become one of the most attractive areas in China at an earlier time. During the reporting period, based on the existing projects, the Group actively expanded industry projects, which is the core direction of real estate transformation in first-tier cities.

During the reporting period, the Group recorded contracted sales area of approximately 55,375.85 sq.m. and contracted sales of approximately RMB579.89 million in Beijing-Tianjin Metropolitan Area, attributing 4.0% and 5.7% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Yangtze River Delta Region

Yangtze River Delta Region is the region which enjoys the strongest integrative strength and the most-balanced development. Due to its extensive geographic coverage and strategic development, the region shall become an important focus for the growth of China's property industry. The Group paid continuous attention to its current projects as well as the key cities that have great growth potential within the region. During the reporting period, the Group has promoted the implementation of housing industrialisation in Suzhou Fantasia Special Town projects and succeeded in the sales of housing industrialisation projects.

During the reporting period, the Group recorded contracted sales area of 437,247.31 sq.m. and contracted sales of approximately RMB3,090.39 million in the Yangtze River Delta Region, attributing 31.7% and 30.3% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Central China

Central China is one of the regions in China that has high economic growth potential. It is the centre of industry and agriculture as well as a transport hub of the country. This region, playing an important role of linking the eastern, southern, western and northern parts of China, is of high strategic significance. During the reporting period, the Group used Wuhan city as a strategic location to smoothly implement its strategic planning for the region and achieved significant breakthroughs.

During the reporting period, the Group recorded contracted sales area of 130,116 sq.m. and contracted sales of approximately RMB1,076.27 million in Central China, attributing 9.4% and 10.5% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Overseas

Singapore is one of the United States dollar centres and one of the most important financial, service and shipping centres in Asia. As the first stop where the Group advanced into overseas real estate market, Singapore has an important strategic meaning to the international development of the Group.

During the reporting period, the Group recorded contracted sales area of 527 sq.m. and contracted sales of approximately RMB54.64 million overseas, attributing 0.04% and 0.5% of the total contracted sales area and total contracted sales of properties to the Group, respectively.

Newly Commenced Projects

During the reporting period, the Group had 22 projects or phases of projects which were newly commenced, with a total planned GFA of approximately 1,805,381 sq.m..

The breakdown of newly commenced projects in 2014

Project-serial number	Project name	Project location	Nature of land	Expected completion date	Company's interest	GFA (sq.m.)
PEARL RIVER DELTA						
1	Phase 2 of Shenzhen Able	Baolong Industrial Zone, Longgang, Shenzhen City	Plants and ancillary offices	2016	61%	85,428
2	Shenzhen Lenian Plaza (深圳樂年廣場)	Longgang District, Shenzhen City	Industrial plants and carparks	2016	60%	127,123
3	Nanshan District Project (南山區項目)	Nanshan District, Shenzhen City	Industrial plants and carparks	2018	100%	39,587
4	Dongguan Wonderland	Huangjiang Town, Dongguan City	Residential and commercial purposes	2015	100%	34,289
5	Building 1-2# of Phase 1 of Huizhou TCL Kangchengsiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	2016	100%	31,505
6	Phase 1 of Huizhou TCL Kangchengsiji Land Plot No. 8	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	2016	100%	33,254
7	Phase 2 of Huizhou TCL Kangchengsiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	Building 9-12#: 2015 Building 16#: 2016 Building 15#: 2018	100%	82,330
8	B District, North Coast of Guilin Lakeside Eden (桂林麓湖國際北岸B區)	Lingui New District, Guilin City	Residential and commercial purposes	Building 1, 8#: 2016 Building 2, 3#: 2017 Others: 2018	100%	243,210
CHENGDU-CHONGQING ECONOMIC ZONE						
1	Phase 2.2 of Chengdu Grande Valley	Pujiang County, Chengdu City	Residential and commercial purposes	2015	100%	14,980
2	Phase 2.3 of Chengdu Meinian International Plaza	Chengdu High-technology Zone, Chengdu City	Educational land use	2015	100%	48,992
3	Grande Valley 12-1	Pujiang County, Chengdu City	Residential and commercial purposes	2017	100%	3,497
4	Chengdu Pi County Project (成都郫縣項目)	Pi County, Chengdu City	Residential and commercial purposes	2018	100%	129,814
YANGTZE RIVER DELTA						
1	Phase 2 of Suzhou Fantasia Special Town	Taihu National Tourism Vacation Zone, Suzhou City	Residential purpose	2016	100%	143,521
2	Suzhou Lago Paradise Land Plot No. 4	Taihu National Tourism Vacation Zone, Suzhou City	Residential, commercial and ancillary purposes	2016	100%	9,166
3	Phase 1 of Nanjing Fantasia Town (南京花樣城1期)	Ninggao High-Tech Industrial Park, Gaochun Economic Development Zone (高淳區開發區寧高科技園區)	Residential and commercial purposes	2016	100%	112,444
4	Phase 1 of Nanjing Hailun Plaza (南京喜年廣場1期)	Central North Road, Gulou District, Nanjing City (南京市鼓樓區中央北路)	Commercial land use	2017	60%	199,395

Project-serial number	Project name	Project location	Nature of land	Expected completion date	Company's interest	GFA (sq.m.)
CENTRAL CHINA						
1	Phase 2 of Wuhan Love Forever (武漢花郡2期)	Wufeng Village, Heping Avenue, Hongshan District, Wuhan City	Residential, commercial and ancillary purposes	2015	100%	100,450
2	Phase 1 of Wuhan Fantasia Town (武漢花樣城一期)	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City (武漢市東西湖區金銀湖生態園)	Residential land use	2015	100%	155,034
BEIJING-TIANJIN METROPOLITAN AREA						
1	Phase 4.1 of Tianjin Love Forever	Wuqing District, Tianjin City	Residential land use	2016	100%	72,177
2	Phase 1 of Tianjin Huaxiang (天津花鄉1期)	Wuqing District, Tianjin City	Residential land use	2015	100%	16,479
3	Tianjin Meinian International Plaza (天津美年廣場)	Hexi District, Tianjin City	Offices	2016	100%	99,803
SINGAPORE						
1	6 Derbyshire	Novena, Singapore	Residential and commercial purposes	2016	90%	22,904
Total						<u>1,805,381</u>

Completed Projects

During the reporting period, the Group completed 18 projects or phases of projects, with a total GFA of approximately 1,693,227 sq.m..

The breakdown of completed projects in 2014

Project-serial number	Project name	GFA <i>sq.m.</i>	Gross saleable area <i>sq.m.</i>	Area held for sale		Area held by the Company <i>sq.m.</i>
				Area for sale <i>sq.m.</i>	Contracted sales area <i>sq.m.</i>	
PEARL RIVER DELTA						
1	Shenzhen Xingnian Plaza	52,340	40,222	–	40,222	–
2	Shenzhen Longqi Bay (深圳龍岐灣)	38,139	24,871	24,871	–	–
3	Phase 3.2 of Dongguan Wonderland	86,965	85,045	421	84,624	–
4	Phase 3 of Huizhou Fantasia Special Town	159,918	113,183	5,590	107,593	–
5	Phase 5 of Huizhou Fantasia Special Town	149,970	119,753	3,145	116,608	–
6	Phase 2 of Huizhou Love Forever (惠州花郡2期)	41,390	39,567	1,710	37,857	–
7	Guilin Fantasia Town	324,453	262,467	20,918	241,549	–
8	A1 District, North Coast of Guilin Lakeside Eden (桂林麓湖國際北岸A1區)	37,058	24,816	483	24,333	–
9	C1 District, North Coast of Lakeside Eden (麓湖國際北岸C1區)	57,118	57,118	28,949	28,169	–
10	Four Points by Sheraton at Guilin Fantasia Town (桂林花樣城福朋酒店)	28,647	28,647	–	–	28,647
YANGTZE RIVER DELTA						
1	Phase 1 of Suzhou Fantasia Special Town (Land Plot No.8)	134,482	122,442	1,277	121,165	–
2	Wuxi Love Forever (無錫花郡)	88,327	55,846	11,124	44,723	–
CHENGDU-CHONGQING ECONOMIC ZONE						
1	Phase 2.2.1 of Chengdu Grande Valley	6,998	6,916	337	6,579	–
2	Phase 2.2.2 of Chengdu Grande Valley	26,000	26,000	3,472	22,528	–
3	Phase 1.1 of Chengdu Longnian International Center (Land Plot No. 1-7) (成都龍年中心1.1期(1-7#))	241,050	183,646	72,809	58,930	52,626
4	Phase 4.2 of Chengdu Fantasia Town	129,615	80,412	–	80,412	–
BEIJING-TIANJIN METROPOLITAN AREA						
1	Phase 1.2 of Tianjin Love Forever	32,026	24,271	–	24,271	–
2	Phase 1.3 of Tianjin Love Forever	58,731	58,731	10,116	48,614	–
Total		1,693,227	1,353,954	185,222	1,088,178	81,273

Projects Under Construction

As at 31 December 2014, the Group had 37 projects or phases of projects under construction, with a total planned GFA of 4,562,092 sq.m. and a planned gross saleable area of 3,437,101 sq.m., among which the accumulated contracted area was 1,419,186 sq.m..

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA sq.m.	Gross saleable area sq.m.	Product Category
Shenzhen								
1	Longnian Building (龍年大廈)	Longgang District, Shenzhen City	Commercial and financial land use	64%	2015	38,482	28,957	Urban Complexes
2	Phase 2 of Able	Longgang District, Shenzhen City	Industrial land use	61%	2016	85,428	65,109	Industrial Plants
3	Lenian Plaza (樂年廣場(華創))	Longgang District, Shenzhen City	Industrial plants and carparks	60%	2016	127,123	86,344	Industrial Plants
4	Nanshan District Project (南山區項目)	Nanshan District, Shenzhen City	Industrial plants and carparks	100%	2018	39,587	39,587	Industrial Plants
Huizhou								
1	Phase 4 of Fantasia Special Town	Huinan Road, Huizhou City	Residential and commercial purposes	100%	2016	156,155	129,716	Mid-to-high End Residences
2	Phase 1 of Kangchengsiji Land Plot No. 8	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	2016	33,254	32,565	Mid-to-high End Residences
3	Phase 2 of Kangchengsiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	Building 9-12#: 2015 Building 16#: 2016 Building 15#: 2018	82,330	75,664	Mid-to-high End Residences
4	Building 1-2# of Phase 1 of Huizhou TCL Kangchengsiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	2016	31,505	31,048	Mid-to-high End Residences
Dongguan								
1	Wonderland (Commercial) Land Plot No. 1 (江山花園商業1#)	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	2015	1,387	1,387	Boutique Upscale Residences
2	Dongguan Wonderland (江山薈)	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	2015	34,289	14,208	Urban Complexes
Guilin								
1	Guilin Fantasia Town	Lingui New District, Guilin City	Residential and commercial purposes	100%	2016	96,342	72,682	Urban Complexes
2	B District, North Coast of Guilin Lakeside Eden (桂林麓湖國際北岸B區)	Lingui New District, Guilin City	Residential and commercial purposes	100%	1,8#: 2016 2,3#: 2017 Others: 2018	243,210	206,571	Boutique Upscale Residences
3	Block C2 of Guilin Lakeside Eden Community	Lingui New District, Guilin City	Residential and commercial purposes	100%	3#: 2016 5,6#: 2017	149,670	93,882	Boutique Upscale Residences
4	Block D of Guilin Lakeside Spring Dawn	Lingui New District, Guilin City	Residential and commercial purposes	51%	Building 1,3#: 2015 Building 2,5#: 2016	123,000	95,299	Boutique Upscale Residences
5	Block E of Guilin Lakeside Spring Dawn	Lingui New District, Guilin City	Residential and commercial purposes	51%	1,2#: 2016 3#: 2018	119,709	89,800	Boutique Upscale Residences

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA sq.m.	Gross saleable area sq.m.	Product Category
Chengdu								
1	Phase 2.2 of Grande Valley	Pujiang County, Chengdu City	Residential land use	100%	2015	26,006	26,006	Boutique Upscale Residences
2	Phase 5 of Fantasia Town	Wenjiang District, Chengdu City	Residential and commercial purposes	60%	2015	367,297	282,634	Mid-to-high End Residences
3	Phase 2 of Meinian International Plaza	Chengdu High-technology Zone, Chengdu City	Residential, commercial and educational purposes	100%	Phase 2.1: 2015 Phase 2.2: 2016 Phase 2.3: 2016	546,836	424,872	Urban Complexes
4	Phase 1.2, 1.3 and 2.1 of Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	100%	2015	236,457	184,652	Urban Complexes
5	Four Points by Sheraton of Grande Valley	Pujiang County, Chengdu City	Hotels	100%	2016	33,700	33,700	Hotels
6	Grande Valley 12-1	Pujiang County, Chengdu City	Residential and commercial purposes	100%	2016	3,497	3,497	Boutique Upscale Residences
7	Chengdu Pi County Project (成都郫縣項目)	Pi County, Chengdu City	Residential and commercial purposes	100%	2018	129,814	129,814	Boutique Upscale Residences
Tianjin								
1	Ancillaries of Phase 1.3 of Love Forever (花郡1.3期配套)	Wuqing District, Tianjin City	Residential land use	100%	2016	2,679	2,679	Mid-to-high End Residences
2	Phase 4.1 of Love Forever	Wuqing District, Tianjin City	Residential land use	100%	2016	72,177	43,394	Boutique Upscale Residences
3	Phase 1 of Huaxiang (花鄉1期)	Wuqing District, Tianjin City	Residential land use	100%	2016	16,479	10,248	Boutique Upscale Residences
4	Meinian International Plaza	Hexi District, Tianjin City	Offices	100%	2016	99,803	68,444	Urban Complexes
Suzhou								
1	Phase 2 of Fantasia Special Town	Taihu National Tourism Vacation Zone, Suzhou City	Residential purpose	100%	2015	143,521	105,410	Mid-to-high End Residences
2	Suzhou Lago Paradise Land Plot No. 4	Taihu National Tourism Vacation Zone, Suzhou City	Residential purpose	100%	Phase 2.1: 2015 Phase 2.2: 2016 Phase 2.3: 2016	28,842	21,816	Boutique Upscale Residences
3	Hailrun Plaza	Binhe Road West, Shangxin District, Suzhou City	Residential and commercial purposes	100%	2016	330,589	198,743	Urban Complexes
Nanjing								
1	Phase 1 of Fantasia Town	Ninggao High-Tech Industrial Park, Gaochun Economic Development Zone (高淳區開發區寧高科技園區)	Residential and commercial purposes	100%	2016	112,444	105,526	Mid-to-high End Residences
2	Phase 1 of Hailrun Plaza	Central North Road, Gulou District, Nanjing City (南京市鼓樓區中央北路)	Commercial land use	60%	2017	199,395	123,763	Urban Complexes

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA <i>sq.m.</i>	Gross saleable area <i>sq.m.</i>	Product Category
Wuxi								
1	Phase 4 of Love Forever	New District, Wuxi City	Residential and commercial purposes	100%	2015	89,033	45,407	Boutique Upscale Residences
Wuhan								
1	Phase 1 and 2 of Love Forever	Hongshan District, Wuhan City	Residential and commercial purposes	100%	2015	189,709	142,042	Boutique Upscale Residences
2	Phase 1 of Fantasia Town	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City (武漢市東西湖區金銀湖生態園)	Residential land use	100%	2015	155,034	117,743	Mid-to-high End Residences
Beihai								
1	Mangrove	Beihai City	Residential and commercial purposes	100%	Phase 1: 2015 Phase 2: 2016	176,899	141,547	High End Residences
Ningbo								
1	Love Forever	Beilun District, Ningbo City	Residential and commercial purposes	100%	Phase 1: 2015 Phase 2: 2016	217,507	150,795	Boutique Upscale Residences
Singapore								
1	6 Derbyshire	Novena, Singapore	Residential and commercial purposes	90%	2016	22,904	11,551	Boutique Upscale Residences
Total						4,562,092	3,437,101	

Projects Held for Development

As at 31 December 2014, the Group had 19 projects or phases of projects held for development, with a total planned GFA of approximately 4,362,331 sq.m..

	<i>sq.m.</i>	<i>%</i>
Pearl River Delta	1,651,668	38%
Chengdu-Chongqing Economic Zone	1,270,667	29%
Yangtze River Delta	510,614	12%
Beijing-Tianjin Metropolitan Area	667,189	15%
Central China	262,193	6%
Overseas	–	0.00%
Total	<u>4,362,331</u>	<u>100%</u>

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA <i>sq.m.</i>
Shenzhen					
1	Xinghua Industrial Project (興華工業項目)	Shekou District, Shenzhen City	Commercial and financial purposes	61%	37,500
Subtotal					<u>37,500</u>
Huizhou					
1	Remaining phases of Kangchensiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	456,689
2	Qiuchang Project (秋長項目)	Danshui Town, Huiyang District, Huizhou City	Residential purpose	100%	159,387
Subtotal					<u>616,076</u>
Suzhou					
1	Remaining phases of Lago Paradise	Taihu National Tourism Vacation Zone, Suzhou City	Residential and commercial purposes	100%	73,229
Subtotal					<u>73,229</u>

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA sq.m.
Wuxi					
1	Remaining phases of Wuxi Love Forever	New District, Wuxi City	Residential and commercial purposes	100%	19,420
Subtotal					<u>19,420</u>
Dongguan					
1	Wonderland Kindergarten (江山幼兒園)	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	4,271
Subtotal					<u>4,271</u>
Guilin					
1	Remaining phases of Lakeside Eden	Lingui New District, Guilin City	Residential and commercial purposes	100%	993,821
Subtotal					<u>993,821</u>
Chengdu					
1	Remaining phases of Belle Epoque	Laojunshan, Xinjin County, Chengdu City	Residential, commercial and ancillary purposes	100%	265,812
2	Remaining phases of Grande Valley	Pujiang County, Chengdu City	Residential and commercial purposes	100%	727,088
3	Remaining phases of Meinian International Plaza	High-technology Zone, Chengdu City	Educational land use	100%	23,903
4	Remaining phases of Chengdu Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	100%	253,864
Subtotal					<u>1,270,667</u>
Beijing					
1	Qingnian Road Project	Qingnian Road, Beijing	Commercial purpose, offices and car parks	100%	140,000
Subtotal					<u>140,000</u>

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA sq.m.
Tianjin					
1	Remaining phases of Love Forever	Wuqing District, Tianjin City	Residential purpose	100%	98,150
2	Remaining phases of Huaxiang (花鄉)	Wuqing District, Tianjin City	Residential purpose	100%	260,700
3	Yingcheng Lake Project	Hangu District, Tianjin City	Residential, commercial and tourism purposes	100%	168,339
Subtotal					<u>527,189</u>
Nanjing					
1	Fantasia Town	Ninggao High-Tech Industrial Park, Gaochun Economic Development Zone (高淳區開發區寧高高科技園區)	Residential and commercial purposes	100%	297,852
2	Hailun Plaza	Central North Road, Gulou District, Nanjing City (南京市鼓樓區中央北路)	Commercial land use	60%	120,113
Subtotal					<u>417,965</u>
Wuhan					
1	Remaining phases of Love Forever	Hongshan District, Wuhan City	Residential purpose	100%	68,458
2	Fantasia Town Project	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City (武漢市東西湖區金銀湖生態園)	Residential purpose	100%	193,735
Subtotal					<u>262,193</u>
Total					<u>4,362,331</u>

Our Land Bank

During the reporting period, the Group continued to adhere to its prudent investment strategy and its development direction of acquiring land in first-tier cities, such as Beijing, Shanghai and Shenzhen, which enjoy strong market potential and are capable of delivering prosperous return. As at 31 December 2014, the planned GFA of the Group's land bank amounted to approximately 14.55 million sq.m. and the planned GFA of properties with framework agreements signed amounted to 5.63 million sq.m..

Region	Projects under construction <i>sq.m.</i>	Projects to be developed <i>sq.m.</i>	Projects under framework agreements <i>sq.m.</i>	Aggregate planned GFA of landbank <i>sq.m.</i>	Proportion
Chengdu-Chongqing Economic Zone				5,905,462	40.6%
Chengdu	1,343,607	1,270,667	3,178,016	5,792,290	
Kunming			113,172	113,172	
Pearl River Delta				5,414,424	37.2%
Shenzhen	290,620	37,500	2,065,000	2,393,120	
Huizhou	303,243	616,076	159,387	1,078,706	
Dongguan	35,676	4,271		39,947	
Guilin	731,931	993,821		1,725,752	
Beihai	176,899			176,899	
Beijing-Tianjin Metropolitan Area				933,327	6.4%
Beijing		140,000	75,000	215,000	
Tianjin	191,138	527,189		718,327	
Yangtze River Delta				1,670,745	11.5%
Suzhou	502,952	73,229		576,181	
Wuxi	89,033	19,420		108,453	
Shanghai			38,800	38,800	
Nanjing	311,839	417,965		729,804	
Ningbo	217,507			217,507	
Central China				606,936	4.2%
Wuhan	344,743	262,193		606,936	
Overseas				22,904	0.2%
Singapore	22,904			22,904	
Total	4,562,092	4,362,331	5,629,375	14,553,798	

Colour Life Group

During the reporting period, the community services business of the Group maintained rapid growth while Colour Life Services Group Co., Limited (“Colour Life”, and together with its subsidiaries referred to as the “Colour Life Group”), a non-wholly owned subsidiary of the Company, and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) continued to expand its management areas through engagement and acquisition. As at 31 December 2014, Colour Life Group had contracted management area of or provided consultancy service to over 200,000,000 sq.m. and contracted management projects of or provided consultancy service to over 1,200 in total. Currently, projects managed by Colour Life Group cover over 100 cities including provincial capitals, such as Beijing, Tianjin, Shenyang, Harbin, Changchun, Shanghai, Hangzhou, Nanjing, Xi’an, Yinchuan, Guiyang, Changsha, Wuhan, Zhengzhou, Guangzhou, Nanchang, Chengdu, Nanning and Haikou, and cities in the Yangtze River Delta, such as Suzhou, Wuxi and Yangzhou, as well as cities in the Pearl River Delta, such as Foshan, Zhuhai, Zhongshan and Huizhou, initially forming a regional layout covering regions such as Shenzhen, Eastern China, Southern China (excluding Shenzhen), Northwest China, Southwest China, Northeast China, Northern China, Central China and Singapore. Currently, Colour Life Group has become a large-scale property service group, comprising 14 corporations with the certificate of National Class 1 Aptitude on Property Management and 27 corporations with the certificate of National Class 2 Aptitude on Property Management, signifying a further enhancement and expansion of the influence of the reputation of the community services branding of Colour Life. In the past year, Colour Life also achieved considerable progress in its online services business and further enhanced its competition advantages of online and offline community services platforms.

In recent years, the labour cost of property service industry continued to increase. In order to tackle the challenges posted by such increase and further enhance the efficiency of the property management services, Colour Life Group continued to implement Internet-technology-based modifications to the projects under its management. Commencing from the second half of 2014, Colour Life Group further upgraded and modified Colour Life’s property management model V2.2 in the communities managed by Colour Life. As at 31 December 2014, 410 projects completed their modifications on hardware facilities, and 280 projects completed the comprehensive inspection and acceptance procedures. Other than upgrading the hardware facilities in the communities, model V2.2 also emphasised on the promotion of Caizhiyun mobile application. Currently, Caizhiyun is equipped with functions for paying property management fees and submitting complaints about services, and, in terms of its vertical applications, it is loaded with applications for electronically repairing services and electronic financial management services which created convenience for residential community owners and strengthened the interactions and communications between Colour Life and the residential community owners, resulting in the enhancement of cohesion between residential community owners and Caizhiyu. Colour Life Group believe that this will further boost Colour Life Group’s capability in catering the demands for community services in an era of mobile network, facilitate replication of our management model applicable to communities, and seamlessly integrate our online and offline businesses, provide strong assurance to Colour Life Group centralised business model of and the quality of our property management services, thereby further sharpening our competitive edge in property management.

In 2015, leveraging on the positive effect of Colour Life’s brand, Colour Life Group will further enhance its project layout across the country so as to realise the rapid growth in the number of projects managed as well as the expansion of area of projects managed, enabling

better economy of scale of the online and offline community services platforms. Meanwhile, Colour Life Group will further increase the effort in promoting the upgrading and modifying of the communities, raise customers' satisfaction by utilising modern technologies, attract more vendors to establish a cooperation relationship in order to provide more goods and services to the residents in the communities under our management, and continue to enrich Colour Life Group's community eco-system, thereby strengthening customer cohesion to the service platforms of Colour Life and developing Colour Life Group as a leading operator of community service platforms.

Financial Services

Since its operation from 2013, the financial sector of the Group, which is one of the Group's major sectors, has been operating on China's largest social platform exclusively owned by the Group. The financial sector of the Group innovatively adopts the Internet finance model and focuses on the development of large scale financial holding system, financial platform and financial ecosystem of the Group so as to establish the financial value chain between major sectors of the Group and develops a distinctive model of "community finance". Regarding the business modules of the Group, the financial sector of the Group has formed three major business modules, namely micro credit business, finance leasing business and peer-to-peer ("P2P") Internet finance platform.

Since obtaining its micro-credit license in May 2013, Hehenian Finance (合和年金融) has adopted an innovative operating module and utilised the Group's social platform to achieve rapid growth. Hehenian Finance has opened 20 branches in four major regions, namely Guangdong, Guangxi, Hubei and Chengdu-Chongqing regions, and has already recorded profit. In 2015, Hehenian Finance will, follow the trend of the Group's transformation, enter the communities and expand its business, and through adopting channel marketing, overcome the traditional marketing strategy of micro-finance which relies on the number of sales persons so as to realize maximum productivity per capita.

The Group has obtained approval from the Ministry of Commerce for its finance leasing business to set up three branches in Shenzhen and Chengdu to conduct finance leasing business across the country. The community leasing module of the Group focuses its business on various community services, and achieves breakthroughs from various areas of community services such as vehicle maintenance, beauty, logistics, medical care and retirement services. The module also expanded vertically into areas of community services such as farming and cultivation, emerging energy for residents and furniture etc. The community leasing module signified by home appliances has created a distinctive business model that integrates "Financial service provider + Manufacturer + Community service provider + Community resident", while at the same time incorporated the concept of Internet finance to facilitate the Company's development strategy of becoming the first financial service provider in relation to community leasing business in China. Regarding the investment bank business module of the Group, targeting on large scale national enterprises, listed companies as well as industry leaders represented by its environmental project for Dongjiang (東江環保項目), has successfully integrated domestic and overseas capital and resources and obtained recognition from regulatory authorities, financial institutions and enterprises, as a result, promoted the brand name of the finance sector of the Group, thereby making it the model of its industry.

The P2P Internet finance platform “Hopewell Online” through a brand new way of resources integration, in cooperation with Colour Life, the largest community service provider in China, launched the “Colourful and Wealthy Life Plan No.1 (彩富人生計劃1號)” in 2014. This plan, which off-sets community property management fees by investment income, was a huge success and the number of online registered accounts rose to over 250,000 and its online sales amount increased to over RMB100 million shortly. In 2015, while further exploring community resources, Hopewell Online will also pay attention to sub-segments of the market. Through selecting high quality customers and introducing a series of products with low interest rate, highly focused and controlled risks, Hopewell Online strives to become the industry leader through a distinctive community financial service platform providing professional service experience to customers.

Looking forward, the financial sector of the Group will create a brand new online to offline (“O2O”) community financial service platform and integrate its resources for effecting the industry-finance synergy and providing online and offline customers with convenient integrated financial services so as to become the largest community financial service provider in China.

Property International

Fantasia Property Management (International) Company Limited (“Property International”), a wholly-owned subsidiary of the Group, was established in 2010 which focused on providing assets management services to high-end properties. It is one of the major sectors of the Group. The Group always positions itself under international perspectives, and through constant innovation, the Group constructed a very refined online and offline service platform that bears the special characteristics of the Group. The Group also focus on business in relation to high-end properties in the property market of China. The projects under the Group’s management spread out in 16 cities in China; together with 16 branches, the Group initially form a nationwide strategic layout covering the key regions that embrace the economic zones in the southwest, northwest, northern and eastern regions of China.

In 2014, instead of traditional basic property services, Property International offered world class professional services based on specific needs. Firstly, the Group integrated market resources and valuable customer resources owned by property service providers. Through the Huabaner (花瓣兒) mobile application of Property International, the Group created contents necessary for various platforms such as customer information, housing information and merchant information from offline to online, so as to build an intelligent community. Secondly, as property services became more professional, the Group’s property management sector transformed itself into a company that provided integrated management services, leveraging on its management capacity to coordinate professional companies in order to provide professional services to home-owners. Property International established Niutian Electromechanical Equipment Engineering Co., Ltd. and Yicai Space Decoration & Design Engineering Co., Ltd. to commission its maintenance, design and decoration works to professional companies, so that the work of management has been gradually distinguished from that of the operational staff. Consequently, the professionalism of the Group’s operational staff is enhanced. Thirdly, the Group upgraded its assets operation for property management. In terms of business management, the Group no longer confined itself to providing traditional property management services, but stepped forward to create a value-

added service platform not only for providing basic property management services but also providing the services needed at a convenient, timely and economical manner, so as to achieve mutual benefits. Besides, the Group established a module for providing services to top class residents in order to provide exclusive and specialised services tailor-made for home-owners.

Property International will continue to enhance its property service system in the future. While providing world class professional property services that “replace the traditional property management model with a hotel-like model”, it will also proactively develop new business models and establish its own core service system through intelligent communities, wealth creation platform for small-sized enterprises, star-rated serviced apartments and first class residential services, with a view to provide the target customers a brand new user experience and become a leading platform for business activities.

Business Management Service

Since urban complex is an important category among the real estate products of the Group, and under the Group’s corporate mission of pursuing innovative business model and offering a wider coverage of business with its experience accumulated over the past 16 years, Fantasia Business Management Company Limited, a wholly-owned subsidiary of the Group, during the reporting period, successfully attracted numerous industry talents, and actively participated in the operational planning, promotion and operation as well as investment invitation of the Group’s certain large scale projects. Meanwhile, that company also takes care of business projects not under the Group such as providing light assets business services including business agency, professional consultant or entrusted company for operation and management.

Nanjing’s Huashengtang (南京花生唐), a brand name of shopping malls of the Group, developed and operated by Fantasia Commercial Management Company Limited (“Fantasia Commercial Management”), a wholly-owned subsidiary of the Group, with an aggregate area of approximately 100,000 sq.m., is the first brand new “+0”- style shopping mall. With its wide range of business activities, which organically consolidates entertainment and consumption as well as living and the nature as a whole, Nanjing’s Huashengtang has over 80 partner merchants and was successfully opened for business on 28 September 2014. 85% of the shops at Nanjing’s Huashengtang have commenced operation. The marketing and promotion activities are currently well under way. Guilin’s Huashengtang, developed and operated by Fantasia Business Management, is the first one-stop international shopping centre in Guilin, and has reached 75% occupancy and established cooperation relationships with over 70 business partners and built its self-operated brand. Fantasia Business Management strives to establish Guilin’s Huashengtang as a shopping mall that harnesses the synergy from the three business models, namely leasing, joint operation and self-operation. In June 2014, Fantasia Business Management successfully entered into a strategic cooperation agreement with Cinemark, a world leading brand of cinema complex. Pursuant to the agreement, Fantasia Business Management will join force with Cinemark to achieve common goal. Up to date, Cinemark has entered into contracts in relation to Chengdu Pixian Project, Hongtang Project and Suzhou Hongtang Project and expressed intention of setting up businesses at these locations. Under the leadership of Fantasia Business Management, the “Fantasia World Outlet (花樣世界•奧特萊斯)” Project in Chengdu has reached 47% occupancy. The Project, in cooperation with Internet-based marketing companies, has successfully attracted 22 international top brands to set up businesses in the outlet and provided exclusive and

real offline experience to customers under the model of network marketing. Meanwhile, Beijing's Huashengtang and Suzhou and Chengdu's Hongtang, a brand name of shopping malls of the Group, Projects, which have larger scale, more plentiful business activities and higher position, are intensely preparing to be launched. At the same time, Fantasia Business Management actively expanded its commercial light assets projects in 2014, and has successfully launched 5 light assets management projects in the current year, and will provide outstanding services to home-owners in the future so as to deliver profitable return.

The brand image and recognition of Fantasia's business projects has been improved significantly and gained unique brand influence in the industry. The Group believe that Fantasia Business Management will earn a stable and constantly increasing return in the future.

Cultural Tourism

In January 2014, Hotel Management Company Limited (酒店管理有限公司) and the hotel construction center (酒店建設中心) of the Group officially merged into a company for the business of cultural tourism, which marked the beginning of a sizable sector among the eight major sectors of the Group. The cultural tourism sector covers businesses such as hotels, golf courses, high-end urban clubhouses, private clubs, theme parks, art museums and construction works. Leveraging on its existing property businesses, the Group has strived to develop the cultural tourism sector into a light assets business module through the consolidation and accumulation of resources related to cultural tourism as well as the integration of internal and external resources.

In 2014, each of the business sectors of the Cultural and Tourism Group (文旅集團) strived to achieve various targets step by step by following the business ideology of "focus on achieving sales targets, promote art and aesthetics, create new brand with innovation, and encourage the utilisation of the Internet". Hotel Management Company Limited focuses on achieving market shares in the boutique hotels segment and the exploration of overseas projects. It has launched four new projects which provide management services and established a division for overseas affairs so as to lay the foundation for the overseas listing of the Cultural and Tourism Group. There has been a series of activities and events held at its golf courses in order to enhance customers' experience of playing golf as well as increase the recognition of the golf courses. Construction Consulting Co., Ltd. (工程建設諮詢有限公司) has undertaken the construction works for the hotels, Qiertang and tourist spots as well as the research and development of the Group's self-operated brands. Meanwhile, it has proactively promoted the work of building up the new profit making model for Mall Hotel under the brand "U Hotel". Through holding the two exhibitions, namely the Architecture for Dogs cum the Opening Ceremony of Zhi – Museum of Art (為了愛犬展－暨知美術館開館展) and Burigude in the Process of Resinicization (再中國化－進程中的布日古德), the "Zhi – Museum of Art" (知美術館) has broadened its media coverage and gained recognition from the industry. The construction project in relation to the first phase of the theme parks of Tourist Spots Management Company Limited (旅遊景區管理有限公司) has been approved by the Group, which contributes to the initial implementation of the strategic plan for developing the business module of light assets.

In 2015, each of the sectors of the Cultural and Tourism Group will mainly focus on deriving more revenue from operating activities and increasing profits gained based on the performance targets while at the same time investigates the commencement and implementation status of the projects to be developed. The Cultural and Tourism Group will continue to develop its business module of light assets through proactively expanding the market of its hotel brands, advancing the works on technology management for its domestic and overseas constructions, commencing the preparation work on planning Phase I of its theme park at the Grande Valley Resort (大溪谷度假區一期樂園), which is an innovative project and unique product under its plan of broadening external tourism resources, and preparing the establishment of a golf training base for secondary and primary schools as well as universities at its golf courses, which realizes the concept of edutainment and cultivation of new generation. In 2015, the Cultural and Tourism Group will integrate its internal and external resources to design products for community tourism under the theme of “Community Cultural Tourism” and also explore resources via various platforms and attract customers through its services.

Retirement Life Services

In 2014, Fantasia Senior Housing Management Holdings Group Co., Limited (together with its subsidiaries, “Futainian”), a wholly-owned subsidiary of the Group, expanded its business under the 3-in-1 community senior healthcare model in two key cities, namely Chengdu and Nanjing. As at 31 December 2014, Futainian operated six home-care centres, two day-care centres and one retirement home in nine communities with over 6,000 senior citizens having registered on the database of retirement services of Futainian. Futainian, which focuses on communities and aims at catering the needs of the elderly, embraces the notion of “An evergreen life leads to a happier family” by providing the elderly with various services including body checks, home services, rehabilitation training services, physiotherapy for preserving health, nutritious diets, social events, retirement houses and health management, which has gained recognition from both the government and the elderly in the communities as well as a relatively high degree of customers’ satisfaction and created a friendly, happy and healthy retirement lifestyle for the elderly in the communities. In the coming three years, Futainian will expand its community retirement life services mainly in five cities, namely Chengdu, Nanjing, Shanghai, Beijing and Shenzhen, by quickly scaling up its retirement life services and building up its long-term corporate images through marketing and branding activities. Futainian will also strengthen its capability in basic business management and enhance its core business content so as to develop a standardized service system as well as provide better services to customers by further developing value-added products.

In 2015, the Group will explore the Chengdu market more extensively while focusing on its expansion of the market in Nanjing so as to further understand and analyze customers’ need. The Group will also continue to standardise, sub-categorise and renew products and the content of services so that its management ability can be more professional, intellectual and automated, and continuously enhance its ability in organising and implementing activities in order to establish a corporate structure which is consistent with the plan of the Group’s strategic transformation, as well as continue to explore resources for the gradually constructing and accomplishing of an organic eco-system for the retirement life service sector. The number of engagement in the services provided to senior citizens is about 160,000 in 2015.

Education

The education sector of the Group, which commenced operation in 2014 officially, is a new business platform developed based on the long term planning of the Group and the strategic layout of the eight major business sectors, as well as to satisfy the rapid development of our business. It will, in the future, become the development engine of human resources for various business sectors of the Group as well as provide a platform for the important modern education services. Through integrating education resources of international occupational skills and quality business resources of the enterprises, the education sector of the Group strives to establish a platform for cultivating talents for modern service industry and provide high standard, good quality, and highly skilled talents that are tailor-made for the trade and industry. The education sector of the Group will also emphasise on its research on community services in order to set up the service standard of the industry as well as the standard for accrediting professional qualification, which will result in the internationalisation and standardisation of industry, so as to become China's most powerful and influential provider of talents specialising in service delivery.

During the first half of 2014, the education sector of the Group mainly focused on exploring the direction of its development and carried out resources integration following the direction of the two major sectors, namely the training work for the modern service industry and community education. During the second half of 2014, the education sector of the Group completed its team building work and corporate incorporation and officially enlisted as the "training base for modern service industry" within the high school system. On the foundation of integrating the resources for high school occupation education, the education sector of the Group became the development engine of human resources for various sectors of the Group and initiated a new channel of recruitment through student enrolment at schools. Towards the end of 2014, the education sector of the Group attempted to run joint school with occupational education organizations and explored the new module of recruiting students from the society. This marked that the education sector of the Group would endeavor to engage, through various directions of development and channels, in occupational skill education for modern service industry and social education in order to create value for the positive development of the society, enterprises and individuals.

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from (i) the sales of our developed properties, (ii) the lease of investment properties, (iii) the provision of property agency and related services, (iv) the provision of property operation and related services and (v) the provision of hotel management and related services. For the year ended 31 December 2014, turnover of the Group amounted to approximately RMB7,306 million, representing an increase of 0.4% from approximately RMB7,280 million in 2013. Profit for the year attributable to the owners of the Company was approximately RMB1,255 million, representing an increase of 3.3% from approximately RMB1,215 million in 2013.

Property Development

We recognise revenue from the sale of a property when the significant risks and rewards of ownership have been transferred to the purchaser, i.e., when the relevant property has been completed and the possession of the property has been delivered to the purchaser. Revenue from property development represents proceeds from sales of our properties held for sales. Revenue derived from property development decreased by 2.9% to approximately RMB6,535 million in 2014 from approximately RMB6,733 million in 2013, which was almost flat as compared to last year.

The table below sets forth the total revenue derived from each of the projects and the aggregate GFA of properties sold in 2014 and 2013.

	2014			2013		
	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter
Chengdu Future Plaza (成都香年廣場)	69,402	6,350	10,929	574,983	54,211	10,606
Shenzhen Funian Plaza (深圳福年廣場)	-	-	-	16,856	745	22,631
Huizhou Fantasia Special Town (惠州別樣城)	1,152,616	221,984	5,192	81,633	13,645	5,983
Chengdu Fantasia Town (成都花樣城)	328,760	80,248	4,097	217,009	50,783	4,273
Dongguan Wonderland (東莞江山)	553,081	85,053	6,502	691,878	108,043	6,404

	2014			2013		
	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter
Wuxi Love Forever (無錫花郡)	335,956	50,357	6,671	83,363	8,461	9,852
Suzhou Lago Paradise (蘇州太湖天城)	709,124	126,493	5,606	217,491	17,066	12,744
Dongguan Mont Conquerant (東莞君山)	1,760	147	11,972	30,947	2,842	10,888
Chengdu MIC Plaza ¹ (成都美年國際廣場)	4,058	494	8,215	15,568	2,121	7,339
Chengdu Grande Valley (成都大溪谷)	367,915	35,654	10,319	41,794	4,232	9,875
Chengdu Belle Eqopue ² (成都君山)	18,801	3,930	4,784	19,843	2,829	7,013
Chengdu Funian Plaza (成都福年廣場)	43,035	3,563	12,078	1,617,941	132,212	12,237
Tianjin Love Forever (天津花郡)	432,806	69,684	6,211	431,890	50,593	8,537
Wuxi Hailrun Plaza (無錫喜年廣場)	46,503	8,643	5,380	196,114	25,268	7,761
Huizhou Love Forever (惠州花郡)	194,039	44,473	4,363	220,919	49,784	4,438
Guilin Fantasia Town (桂林花樣城)	1,168,126	237,520	4,918	942,078	158,491	5,944
Nanjing Yuhuatai Project (南京花生唐)	1,143	53	21,566	932,745	44,597	20,915
Dali Human Art Wisdom (大理藝墅花鄉)	24,069	1,276	18,863	327,571	52,545	6,234
Guilin Lakeside Eden Community (桂林麓湖國際社區)	522,671	56,012	9,331	–	–	–

	2014			2013		
	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter	Total Revenue RMB'000	GFA sold Square meters	Average Selling Price RMB/ square meter
Chengdu Longnian Plaza (成都龍年廣場)	453,316	31,973	14,178	–	–	–
Huizhou TCL Project (惠州TCL項目)	55,643	8,934	6,228	–	–	–
	6,482,824	1,072,841	6,043	6,660,623	778,468	8,556
Other (including sales of car parks and construction of relocation housing)	52,495	–	–	72,717	–	–
	6,535,319	–	–	6,733,340	–	–

Property Investment

Revenue generated from property investment increase by 5.4% to approximately RMB136 million in 2014 from approximately RMB129 million in 2013. The increase was primarily due to the increased area of externally leased investment properties.

Property Agency Services

Revenue derived from property agency services increased by 46.1% to approximately RMB19 million in 2014 from approximately RMB13 million in 2013. The increase was primarily due to the increase in the number of communities that the Group provided agency services and management services to.

Property Operation Services

Revenue derived from property operation services increased by 60.0% to approximately RMB504 million in 2014 from approximately RMB315 million in 2013. The increase was primarily due to the increase in both the GFA of the properties under our management and the areas of value-added services provided in 2014.

Hotel Services

Revenue derived from hotel services increased by 23.3% to approximately RMB111 million in 2014 from approximately RMB90 million in 2013. Such increase was primarily due to the increase of the revenue arising from the commencement of operation of the Hotel 373 in the US in the current year.

Gross Profit and Margin

Gross profit increased by 0.47% to approximately RMB2,807 million in 2014 from approximately RMB2,794 million in 2013, while the Group's gross profit margin maintained at a high level of 38.4% in 2014 which remains substantially the same as that in 2013.

Other Income, Gain and Losses

In 2014, the Group recorded other net loss of RMB13 million, while other net gain of approximately RMB386 million was recorded in 2013. Such difference was mainly attributable to (1) the exchange loss of RMB51 million in 2014 while an exchange gain of RMB92 million was recorded in 2013; and (2) the investment income of approximately RMB246 million gained from the provision of land development services to the Pixian Government in Chengdu City, Sichuan Province in 2013 while there was no such kind of income in 2014.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 14.3% to approximately RMB270 million in 2014 from approximately RMB315 million in 2013. As compared to that in 2013, such decrease was due primarily to the Group's tighter control on costs in 2014; while contracted sales in 2014 remained substantially the same as that in 2013, in particular, the Group promoted sales revenue by leveraging more on internal sales teams' efforts instead of relying primarily on spending more on external sales agency and advertisement as in 2013.

Administrative Expenses

The Group's administrative expenses increased by 20.3% to approximately RMB586 million in 2014 from approximately RMB487 million in 2013. This increase was mainly due to the increase in the number of staff in response to the expansion of the Group's scale of operation for the Group's business development during its transformation towards a community-based company.

Finance Costs

The Group's finance costs increased by 11.9% to approximately RMB291 million in 2014 from approximately RMB260 million in 2013. Most of the Group's bank loans and senior notes were used for projects constructions. The Group's finance costs increased as a result of the interest of the senior notes the Group issued in January 2014, despite an increase in the Group's capitalisation ratio due to a growth in the number of projects under construction during the current period.

Income Tax Expenses

The Group's income tax expenses decreased by 1.5% to approximately RMB1,157 million in 2014 from approximately RMB1,174 million in 2013. The decrease was primarily due to the settlement of the land appreciation tax in relation to six projects in the current year, offsetting the over-provision of land appreciation tax aggregated to RMB194 million in previous years.

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company increased by 3.3% to approximately RMB1,255 million in 2014 from approximately RMB1,215 million in 2013.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2014, the Group's bank balances and cash were in the sum of approximately RMB4,653 million (2013: approximately RMB3,632 million), representing an increase of 28.1% as compared to that as at 31 December 2013. A portion of the Group's cash is restricted bank deposits that are restricted for use of property development. These restricted bank deposits will be released upon completion of the development of the relevant properties in which such deposits relate to.

Net Gearing Ratio

The net gearing ratio was 86.7% as at 31 December 2014 compared to that of 104.8% as at 31 December 2013, representing a substantial decrease of 18.1 percentage points. The net gearing ratio was measured by net debt (aggregated bank borrowings and senior notes net of bank balances and cash and restricted cash) over the total equity. In 2014, due to the unfavourable property market, the Group optimised its equity structure and maintained a reasonable proportion of long-term and short-term debts as well as strictly implemented the budget for cash flows so as to substantially reduce its gearing ratio and establish a more stable and sound financial structure.

Borrowings and Charges on the Group's Assets

As at 31 December 2014, the Group had an aggregate borrowings and senior notes of approximately RMB7,774 million (31 December 2013: approximately RMB6,995 million) and approximately RMB6,768 million (31 December 2013: approximately RMB4,843 million), respectively. Amongst the borrowings, approximately RMB4,123 million (31 December 2013: approximately RMB1,873 million) will be repayable within one year, approximately RMB2,795 million (31 December 2013: approximately RMB4,594 million) will be repayable between two to five years and approximately RMB856 million (31 December 2013: approximately RMB528 million) will be repayable after five years. The senior notes were repayable between one to six years.

As at 31 December 2014, a substantial part of the borrowings were secured by land use rights and properties of the Group. The senior notes were jointly and severally guaranteed by certain subsidiary companies of the Group and by pledge of their shares.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank deposits, borrowings, redeemable shares, obligations under finance leases and senior notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. Appreciation in RMB would have a positive effect on the value on paying interest and repayment of foreign currency bank borrowings and senior notes. During 2014, though the exchange rates of RMB against U.S. dollar and Hong Kong dollar decreased, the Directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

Commitments

As at 31 December 2014, the Group had committed payment for the construction and land development expenditure amounting to approximately RMB4,487 million (2013: RMB4,764 million).

Contingent Liabilities

As at 31 December 2014, the Group had provided guarantees amounting to approximately RMB4,778 million (2013: approximately RMB3,163 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate. In the opinion of the Directors, no provision for the guarantee contracts was recognized in the financial statement for the year ended 31 December 2014 as the default risk is low.

Employees and Remuneration Policies

As at 31 December 2014, the Group had approximately 24,491 employees (31 December 2013: 12,412 employees). Total staff costs, including the Directors' emoluments, for the year ended 31 December 2014 amounted to approximately RMB430 million (2013: approximately RMB333 million). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees), a discretionary bonus program and a share option scheme.

The Company adopted the share option scheme on 27 October 2009. As at 31 December 2014, total 142,660,000 share options were granted and 7,115,800 (2013: 25,090,000) share options had lapsed while 124,200 (2013: nil) share options had been exercised during the year. As at 31 December 2014, the outstanding share options were 108,990,000.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 16 February 2015, the Group announced for the acquisition of a target company and its subsidiaries (collectively referred to as the “Target Group”) with certain indebtedness (the “Acquisition”) at a cash consideration of RMB330,000,000 from independent third parties. The Target Group are primarily engaged in the provision of property management services to manage over 130 communities in the PRC. As at the date of this announcement, the Acquisition has not been completed.

DIVIDEND

The Board proposed the payment of a final dividend of HK\$5.39 cents per share for the year ended 31 December 2014 to shareholders whose names appear on the register of members of the Company on Thursday, 21 May 2015, which will be paid after the receipt of approval by shareholders of the Company at annual general meeting of the Company.

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 Thursday, 14 May 2015 (“AGM”), the register of members of the Company will be closed on Friday, 8 May 2015 to Thursday, 14 May 2015, 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, Hong Kong not later than 4:30 p.m. on Thursday, 7 May 2015.
- (b) For the purpose of determining shareholders who qualify for the final dividend, the register of members of the Company will be closed on Wednesday, 20 May 2015 to Thursday, 21 May 2015, 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, Hong Kong not later than 4:30 p.m. on Tuesday, 19 May 2015.

ANNUAL GENERAL MEETING

The AGM will be held on Thursday, 14 May 2015 and a notice convening the AGM will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange in due course.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (“Corporate Governance Code”) contained in Appendix 14 to the Listing Rules on the Stock Exchange. For the period throughout the year ended 31 December 2014, the Board is of the view that the Company has complied with the code provisions under the Corporate Governance Code save for the following deviation:

- Code A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Pan Jun is the chairman of the Board and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Pan and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

- Under Code A.6.7, the independent non-executive Directors and the non-executive Directors, as equal Board members, should attend the general meetings of the Company. However, due to other business commitment, Ms. Zeng Jie, Baby, the executive Director, Mr. Li Dong Sheng and Mr. Yuan Hao Dong, the non-executive Directors, and Mr. Liao Martin Cheung Kong, JP and Mr. Huang Ming, the independent non-executive Directors, did not attend the annual general meeting of the Company held on 14 May 2014.

Audit Committee

The Company has established the audit committee (the “Audit Committee”) in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Audit Committee on 12 March 2012. The revised terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The annual results of the Company have been reviewed by the Audit Committee.

Remuneration Committee

The Company has established the remuneration committee (the “Remuneration Committee”) in compliance with the Listing Rules. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Remuneration Committee on 12 March 2012. The revised terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

Nomination Committee

The Company has established the nomination committee (the “Nomination Committee”) in compliance with the Listing Rules to fulfill the functions of reviewing the structure of and nominating suitable candidates to the Board. In order to comply with the Corporate Governance Code, the Board (a) adopted a revised terms of reference of the Nomination Committee on 30 August 2013 and (b) announced that Mr. Pan Jun was appointed as chairman of the Nomination Committee in place of Ms. Zeng Jie, Baby with effect from 12 March 2012. Ms. Zeng Jie, Baby remains as a member of the Nomination Committee. The revised terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for securities transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company has made specific enquiry with all Directors whether the Directors have complied with the required standard as set out in the Model Code during the year ended 31 December 2014 and all Directors confirmed that they have complied with the Model Code throughout such period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

On 6 January 2014, 863,600,074 ordinary shares of the Company were issued at a subscription price of HK\$1.4129 per subscription share pursuant to a subscription agreement entered by the Company on 23 December 2013, details of which are disclosed in the Company’s announcements dated 24 December 2013 and 7 January 2014, respectively.

Save as disclosed above, during the year ended 31 December 2014, neither the Company nor any of its subsidiaries and its joint ventures purchased, redeemed or sold any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of its directors at the date of this announcement, the Company has maintained a sufficient public float throughout the year ended 31 December 2014.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.cnfantasia.com). The annual report of the Company for the year ended 31 December 2014 containing all the information required by the Listing Rules will be dispatched to the Company’s shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

The development of the Group was founded on the tremendous support from all parties in the society and the contributions of our staff. On behalf of the Board, the Company would like to take this opportunity to express its heartfelt thanks to all shareholders, investors, partners and customers for their trust and support. Looking forward, the Group will build a coordinative organic ecosphere based on the financial services and the Internet, actively promote the globalisation of our development strategies and step by step shift towards light asset based business. It will also gradually adopt an organisation structure that separates the operation of front and back offices and supervise their coordination, so as to establish itself as an integrated strategic investment holding group. The Group will adhere to the brand vision of “Fantasia Creates Value” and endeavour to create maximum value and best return for shareholders and investors.

By order of the Board
Fantasia Holdings Group Co., Limited
Pan Jun
Chairman

Hong Kong, 2 March 2015

As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Lam Kam Tong, Mr. Zhou Jinquan and Mr. Wang Liang; the non-executive Directors are Mr. Li Dong Sheng and Mr. Yuan Hao Dong and the independent non-executive Directors are Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla JP and Mr. Guo Shaomu.