COUNTRY GARDEN HOLDINGS COMPANY LIMITED
碧 桂 園 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB84.55 billion for the year ended 31 December 2014, representing an increase of approximately 34.8% compared with the year 2013. Revenue from property sales amounted to RMB81.90 billion, representing an increase of 36.4% compared with the year 2013. Recognized GFA reached approximately 12.18 million sq.m. representing an increase of 31.8% compared with the year 2013.

- Profit attributable to owners of the Company amounted to RMB10.23 billion, representing an increase of 20.1% compared with 2013. Basic earnings per share amounted to RMB53.45 cents, representing an increase of 16.3% compared with 2013.

- As of 31 December 2014, the Group's net gearing ratio was 59.7%, representing a decrease of 7.6 percentage points compared with 2013; the Group's weighted average borrowing cost in 2014 was 8.16%, representing a decrease of 38 basis points compared with 2013.

- For the year of 2014, the Group achieved contracted sales of approximately RMB128.8 billion with GFA 19.28 million sq.m., representing year-on-year increase of 21.5% and 21.0% respectively;

- In 2014, the estimated total GFA of the Group's acquired land parcels was 18.96 million sq.m., and the total cost for the land purchases was approximately RMB16.17 billion.

- In 2014, the Company was rated as "Ba2" by Moody's, "BB+" by S&P and "BB+" by Fitch. During the year, the Company had successfully issued two senior notes in the sum of US$800 million, and secured its first overseas club loan of approximately HK$4.5 billion.

- The Board proposed a final dividend of RMB14.75 cents per share, in a form of cash. The total dividend payout accounted for 32.5% of the total core net profit.

The board of directors (the "Director(s)") (the "Board") of Country Garden Holdings Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group" or "Country Garden") for the year ended 31 December 2014.

BUSINESS REVIEW AND OUTLOOK

During the year, the property industry sector underwent some difficult times as a result of the commencement of the adjustments on the supply and demand. With perseverance and innovative spirit, the growth of 2014 results was mainly benefited from the strategic opportunities the Group seized when focusing on the urbanization throughout the PRC.

In 2014, the Group's total revenue reached approximately RMB84.55 billion, representing a year-on-year increase of approximately 34.8%. The gross profit reached RMB22.06 billion, representing a year-on-year increase of approximately 16.0%. Profit attributable to owners of the Company rose to approximately RMB10.23 billion, posting a year-on-year increase of approximately 20.1%. The core net profit[1] amounted to RMB9.24 billion, representing a year-on-year increase of 15.5%.

The Group's contracted sales achieved approximately RMB128.8 billion for the year, representing a year-on-year increase of 21.5%, and contracted gross floor area ("GFA") of approximately 19.28 million sq. m., representing year-on year growth of 21.0%. The cash collection of the above contracted sales reached approximately RMB105.8 billion, which represents the first time for the Group to record a cash collection of more than RMB100 billion. During the year, the Company launched a total of 77 new projects, most of which were outside Guangdong Province.

The Board believe that the trend of population flow from rural areas to cities will remain unchanged although the economic growth slows down. Thus, the house purchases and other demands arising from the urbanization will still sustain in the long run. Based on this fundamental condition, exploring the benefits brought by the urbanization, developing a strategic sales and marketing plan, offering high value-for-money products and promoting differentiated competitive edges are altogether the key for the Group to achieve satisfactory results.

In terms of target markets, 50% of the Group's sales were contributed by those projects targeting the first-and second-tier cities, and the remaining 50% by the third- and fourth-tier cities. The Group's enhanced product development and marketing capabilities, and the implementation of a series of innovative means including the use of the internet platforms, led to an increase in sales, stable average selling price, a steady decrease in housing inventory and an increase in sell-through ratio.

In the aspect of financial management, the Group established a strict top-down design and red-line management, which enabled the effective implementation of the Group's financial policies. Through optimizing capital structure, activating inventory assets, and broadening financing channels, the Group's financing cost was further reduced and its stability and growth prospect were strengthened. In 2014, the Group successfully issued two senior notes, including the US$250 million private placement notes (term: 5 years, 7.5% coupon rate) and the US$550 million public issued notes (term: 5 years, 7.875% coupon rate). In particular, the US$550 million public issued notes were five times oversubscribed. In addition, the Group successfully secured its first overseas club loan of approximately HK$4.5 billion, which was also the largest overseas syndicated loan ever obtained by the major Chinese developers. As at 31 December 2014, the Group's available cash (the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sale properties) were RMB27.21 billion, accounting for approximately 10.2% of the total assets; net gearing ratio (total debt less available cash divided by equity attributable to owners of the Company) was 59.7%, down by 7.6 percentage points from 67.3% as at 31 December 2013. The Group's weighted average borrowing cost in 2014 was 8.16%, representing a decrease of 38 basis points compared to 8.54% in 2013. The Group was well recognized by the capital market for its stable financial position, and it received the most frequent upgrades to its ratings and outlook by international rating agencies in 2014 among major Chinese developers.

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1 The core net profit is defined as profit attributable to owners of the Company excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, and the loss on early redemption of senior notes.

In addition to the continuing expansion of property development and sales, the Group's hotel business broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. As of 31 December 2014, the Group operated 40 five-star or five-star standard hotels and 4 four-star or four-star standard hotels, with a total of 12,433 guest rooms. In 2014, income from the hotels was approximately RMB1.13 billion, representing a year-on-year increase of 13.9% . Most of the Group's hotels are located within the Group's property projects. The five-star or five-star standard hotels enhance the value of these property projects and facilitated their sales.

As one of the key aspects of the Group's vertically integrated industrial value chain, construction, fitting and decoration segment generated revenue of approximately RMB21.45 billion in 2014, of which approximately RMB20.98 billion was derived from sales to other internal business segments of the Group, and approximately RMB0.47 billion was generated from sales to external customers.

As of 31 December 2014, the Group's property management business covered 205 projects, with area of approximately 71,490 million sq.m. under its management, serving approximately 354,000 households of owners and residents. Revenue from the property management segment was approximately RMB0.96 billion, representing a year-on-year increase of 24.1%. The property management business diversified the Group's income portfolio and enabled closer relationship between the Group and its customers. Through this business segment, the Group provided customers with high value-for-money products and services, thus facilitating the sustainable development of its businesses.

As of 31 December 2014, the total GFA of the Group's investment properties was approximately 898 thousand sq. m., with a fair value of approximately RMB7.04 billion. In particular, approximately 719 thousand sq. m. of GFA were completed with a fair value of approximately RMB5.95 billion. In 2014, the rental income from the investment properties amounted to approximately RMB86.71 million.

The Group's first project outside Asia, namely Country Garden Ryde Garden in a suburb of Sydney, Australia, was launched in June 2014, and achieved excellent sales performance there. In 2014, the contract sales of the projects in Malaysia amounted to approximately RMB2.6 billion, with contract sales of GFA totalling 188 thousand sq.m., while the contract sales of the projects in Australia amounted to approximately RMB2.5 billion, with contract sales of GFA totalling 50 thousand sq.m.. The Group is confident that its overseas business will be able to generate stable and satisfactory returns, and will expand its overseas business prudently.

Constant exploration of ideas and innovations has contributed to the Group's development. The Group has enhanced its operational efficiency by redefining and adjusting the managerial roles and functions of its regional companies. The Group introduced a partnership scheme to unite the core management and shareholders, stepped up investment in talents and training, and brought near 200 well educated talents from various industries into the Company's training programme. In respect of risk control and compliance, the Group continuously optimizes its internal control system, which is further enhanced by a strong legal team of more than 100 professionals.

Looking forward, the Group will strengthen its strategic management, corporate governance and project management, and effectively enhance the Group's operational efficiency. Moreover, the Group will step up cost-control measures and strive to achieve satisfactory results in net operating cash flow. In the future, the Group will also enhance or consolidate the various businesses of the industry chain, be community-oriented and build a business platform covering all stages of people's life cycles, and further create the commercial value of real estate and related business.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**18,642,518**	15,828,290
Investment properties	*3*	**7,035,579**	112,340
Intangible assets		**29,247**	43,477
Land use rights		**2,034,522**	1,865,068
Properties under development		**44,638,652**	40,080,095
Investments in associates		**34,492**	56,791
Investment in a joint venture		**21,374**	33,333
Available-for-sale financial assets		**208,667**	206,329
Deferred income tax assets		**2,770,111**	1,800,022
		75,415,162	60,025,745
Current assets			
Properties under development		**105,993,980**	67,473,799
Completed properties held for sale		**23,203,236**	18,919,822
Inventories		**2,095,143**	572,863
Trade and other receivables	*4*	**25,370,902**	26,378,400
Prepaid taxes		**8,739,706**	6,189,210
Restricted cash		**8,453,490**	7,769,870
Cash and cash equivalents		**18,760,590**	18,909,719
		192,617,047	146,213,683
Current liabilities			
Advanced proceeds received from customers		**91,792,491**	63,417,952
Trade and other payables	*5*	**40,924,965**	30,914,620
Income taxes payable		**8,976,132**	8,137,481
Senior notes		**2,538,757**	2,348,003
Bank and other borrowings		**12,390,679**	10,086,227
		156,623,024	114,904,283
Net current assets		**35,994,023**	31,309,400
Total assets less current liabilities		**111,409,185**	91,335,145

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
Non-current liabilities			
Senior notes		**19,735,005**	20,711,542
Bank and other borrowings		**26,404,258**	23,103,006
Deferred government grants		**239,520**	239,520
Deferred income tax liabilities		**2,587,976**	1,269,910
		48,966,759	45,323,978
Equity attributable to owners of the Company			
Share capital and premium	*6*	**24,262,047**	20,169,019
Other reserves		**4,243,448**	2,194,083
Retained earnings			
— proposed final dividend	*11*	**3,001,893**	3,105,759
— others		**25,178,817**	18,484,759
		56,686,205	43,953,620
Non-controlling interests		**5,756,221**	2,057,547
Total equity		**62,442,426**	46,011,167
Total equity and non-current liabilities		**111,409,185**	91,335,145

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2014 RMB'000	2013 RMB'000
Revenue	2	**84,548,803**	62,724,729
Cost of sales		**(62,493,670)**	(43,713,256)
Gross profit		**22,055,133**	19,011,473
Other income and gains — net	7	**185,996**	21,480
Gains arising from changes in fair value of and transfer to investment properties	3	**1,880,036**	—
Selling and marketing costs		**(4,356,272)**	(4,303,823)
Administrative expenses		**(3,159,928)**	(2,033,277)
Operating profit		**16,604,965**	12,695,853
Finance income	8	**254,747**	803,249
Finance costs	8	**(450,329)**	—
Finance (costs)/income — net	8	**(195,582)**	803,249
Share of results of associates and a joint venture		**(40,258)**	(25,949)
Profit before income tax		**16,369,125**	13,473,153
Income tax expenses	9	**(5,757,225)**	(4,625,173)
Profit for the year		**10,611,900**	8,847,980
Profit attributable to:			
— Owners of the Company		**10,229,159**	8,514,104
— Non-controlling interests		**382,741**	333,876
		10,611,900	8,847,980
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
—Revaluation gains on properties upon transfer from property, plant and equipment and land use rights to investment properties, net of tax		**1,464,237**	—
Items that may be reclassified to profit or loss:			
— Change in fair value of available-for-sale financial assets, net of tax		**2,338**	6,329
— Currency translation differences		**6,452**	(78,927)
Other comprehensive income/(loss) for the year, net of tax		**1,473,027**	(72,598)
Total comprehensive income for the year		**12,084,927**	8,775,382
Total comprehensive income attributable to:			
— Owners of the Company		**11,700,200**	8,476,627
— Non-controlling interests		**384,727**	298,755
		12,084,927	8,775,382
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
Basic	10	**53.45**	45.97
Diluted	10	**53.45**	45.93

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor companies ordinance (Cap. 32) for this financial year and the comparative period.

Changes in accounting policy and disclosures

(i) The new or revised standards, amendments and interpretations to existing standards, which are mandatory for the financial year beginning on 1 January 2014, are either currently not relevant to the Group or had no material impact on the Group's consolidated financial statements.

(ii) New and revised standards and amendments to existing standards that have been issued and are relevant to the Group, but are not effective for the financial year beginning on 1 January 2014 and have not been early adopted

		Effective for the financial year beginning on or after
Annual improvements 2012 and 2013	Annual improvement projects	1 July 2014
Annual improvements 2014	Annual improvement projects	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

The Group is in the process of assessing the impact of the above new standards and amendments to existing standards on the Group's consolidated financial statements.

(iii) New Hong Kong Companies Ordinance (Cap.622s)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

(iv) Change in accounting policy on investment properties

On 30 June 2014, the Group changed its accounting policy on investment properties. Prior to 30 June 2014, the Group's investment properties were stated at historical cost less accumulated depreciation and impairment loss. They were depreciated using the straight line method over estimated useful life of 20 years. Subsequent to the change in accounting policy, investment properties are carried at fair value.

Management believes that the new accounting policy for investment properties results in a more relevant presentation of the Group's financial position and also results in a presentation that is more consistent with the industry practices.

The above change in accounting policy should have been accounted for retrospectively in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; however, as the impact to the Group was immaterial, no retrospective adjustments have been made. The cumulative impact was recorded as follows:

	31 December 2014 ***RMB'000***
Increase in investment properties	**94,477**
Increase in deferred income tax liabilities	**23,619**
Increase in retained earnings	**70,858**

	Year ended **31 December 2014** ***RMB'000***
Fair value gains on investment properties	**94,477**
Increase in income tax expenses	**23,619**
Increase in profit attributable to owners of the Company	**70,858**

2 SEGMENT INFORMATION

The executive directors of the Company ("ED") reviews the Group's internal reporting in order to assess performance and allocate resources. The ED has determined the operating segments based on these reports.

The ED considers the business from product perspective. From a product perspective, ED assesses the performance of:

- Property development;
- Construction, fitting and decoration;
- Property investment (new segment identified in the current year);
- Property management; and
- Hotel operation.

The ED assesses the performance of the operating segments based on a measure of operating profit.

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, investment properties, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude deferred income tax assets and available-for-sale financial assets. Segment liabilities consist primarily of operating liabilities. They exclude senior notes, bank and other borrowings, deferred income tax liabilities and income taxes payable.

Capital expenditure comprises additions to property, plant and equipment, investment properties (note 3), intangible assets and land use rights.

Revenue consists of the following:

	2014	2013
		Restated
	RMB'000	*RMB'000*
Sales of properties	**81,897,856**	60,043,348
Rendering of construction, fitting and decoration services	**467,872**	866,871
Rental income	**86,714**	42,854
Rendering of property management services	**964,066**	777,129
Rendering of hotel services	**1,132,295**	994,527
	84,548,803	62,724,729

Sales between segments are carried out according to the terms and condition agreed by the respective segments' management.

The Group's entire revenue is attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers,none of whom contributed 5% or more of the Group's revenue.

Following the change of business plan of the Group during the year (note 3), property investment is identified as a separate operating segment in the year. In addition, rental income included in "other income and gains — net" in the year ended 31 December 2013 has been reclassified to revenue to conform to current year presentation. The segment revenue and results of the property investment segment for the prior year were included in the property development segment.

The segment information provided to the ED for the reportable segments for the year ended 31 December 2014 is as follows:

	Property development *RMB'000*	**Construction, fitting and decoration** *RMB'000*	**Property investment** *RMB'000*	**Property management** *RMB'000*	**Hotel operation** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**81,897,856**	**21,449,077**	**86,714**	**964,066**	**1,213,636**	**105,611,349**
Inter-segment revenue	**—**	**(20,981,205)**	**—**	**—**	**(81,341)**	**(21,062,546)**
Revenue (from external customers)	**81,897,856**	**467,872**	**86,714**	**964,066**	**1,132,295**	**84,548,803**
Depreciation and amortisation	**424,158**	**30,312**	**3,817**	**11,352**	**319,673**	**789,312**
Operating profit/(loss)	**15,027,422**	**(3,300)**	**1,906,185**	**(89,492)**	**(235,850)**	**16,604,965**
At 31 December 2014						
Total segment assets	**235,028,152**	**8,607,178**	**7,035,579**	**1,499,951**	**12,882,571**	**265,053,431**
Capital expenditure	**1,926,777**	**27,023**	**—**	**17,660**	**3,172,700**	**5,144,160**
Total segment liabilities	**124,665,546**	**6,616,117**	**—**	**1,029,748**	**645,565**	**132,956,976**

The segment information provided to the ED for the reportable segments for the year ended 31 December 2013 is as follows:

	Property development *RMB'000*	Construction, fitting and decoration *RMB'000*	Property management *RMB'000*	Hotel operation *RMB'000*	Total Group *RMB'000*
Segment revenue	60,086,202	14,144,254	777,129	1,129,982	76,137,567
Inter-segment revenue	—	(13,277,383)	—	(135,455)	(13,412,838)
Revenue (from external customers)	60,086,202	866,871	777,129	994,527	62,724,729
Depreciation and amortisation	263,425	19,062	7,884	300,398	590,769
Operating profit/(loss)	12,571,925	203,911	18,166	(98,149)	12,695,853
At 31 December 2013					
Total segment assets	184,926,936	5,834,901	1,243,197	12,228,043	204,233,077
Capital expenditure	1,927,732	195,278	22,659	3,174,540	5,320,209
Total segment liabilities	88,453,509	4,589,530	985,474	543,579	94,572,092

As at 31 December 2014, segment assets of the property development segment included the amounts of investments in associates and a joint venture accounted for using the equity method totalling approximately RMB55,866,000 (2013: RMB90,124,000).

Reportable operating profits are reconciled to net profit as follows:

	2014 *RMB'000*	2013 *RMB'000*
Total operating profit	**16,604,965**	12,695,853
Finance (costs)/income — net	**(195,582)**	803,249
Share of results of associates and a joint venture	**(40,258)**	(25,949)
Profit before income tax	**16,369,125**	13,473,153
Income tax expenses	**(5,757,225)**	(4,625,173)
Profit for the year	**10,611,900**	8,847,980

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	2014 *RMB'000*	2013 *RMB'000*
Total segment assets	**265,053,431**	204,233,077
Deferred income tax assets	**2,770,111**	1,800,022
Available-for-sale financial assets	**208,667**	206,329
Total assets	**268,032,209**	206,239,428
Total segment liabilities	**132,956,976**	94,572,092
Deferred income tax liabilities	**2,587,976**	1,269,910
Income taxes payable	**8,976,132**	8,137,481
Senior notes	**22,273,762**	23,059,545
Bank and other borrowings	**38,794,937**	33,189,233
Total liabilities	**205,589,783**	160,228,261

3 INVESTMENT PROPERTIES

	2014 *RMB'000*	2013 *RMB'000*
Year ended 31 December		
Opening net book amount	**112,340**	118,329
Additions	**—**	1,645
Depreciation	**(3,817)**	(7,634)
Transfers from property, plant and equipment and land use rights	**1,211,111**	—
Transfers from properties under development and properties held for sales	**1,883,593**	—
Revaluation gains upon transfers	**3,333,443**	—
— from property, plant and equipment and land use rights	**1,381,127**	—
— from properties under development and properties held for sales	**1,952,316**	—
Fair value change	**498,909**	—
Closing net book amount	**7,035,579**	112,340
Gains arising from changes in fair value of and transfer to investment properties represent:		
— Revaluation gains upon transfers of properties under development and properties held for sales	**1,381,127**	—
— Fair value change	**498,909**	—
	1,880,036	—

Pursuant to a business plan approved by management on 30 June 2014, the Group changed the use of certain properties from holding for sale or self-use to earning long-term rental. The costs of these properties were previously included in "Properties under development", "Completed properties held for sale", "Property, plant and equipment" and "Land use rights". As a result of the above change in use, approximately RMB1,502,850,000 of "Properties under development", RMB380,743,000 of "Completed properties held for sale", RMB1,109,822,000 of "Property, plant and equipment" and RMB101,289,000 of "Land use rights" were transferred to "Investment properties" on 30 June 2014.

These properties were re-measured at their respective fair values upon transfer. For the properties transferred from "Properties under development" and "Completed properties held for sale" to "Investment properties", the differences between the fair values and carrying amounts upon transfer, amounting to RMB1,381,127,000, were recognised in profit or loss as "Gains arising from changes in fair value of and transfer to investment properties". For those properties transferred from "Property, plant and equipment" and "Land use rights" to "Investment properties", the differences between the fair values and carrying amounts upon transfer, amounting to RMB1,952,316,000, were recognised directly in equity with related deferred income tax of RMB488,079,000.

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2014 by Vigers Appraisal and Consulting Limited, an independent and professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates the highest and best use.

Discussions of valuation processes and results are held between management and the valuer on a semi-annual basis, in line with the Group's interim and annual reporting dates.

At each half year-end,management:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

Valuation techniques

Valuations are based on either:

(i) Direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size, and/or

(ii) Income approach taking into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property, or

(iii) Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, contingency, marketing and legal cost, and interest payments to be incurred, anticipated developer's profits, as well as land acquisition costs, interest payment and profit on land.

There were no changes to the valuation techniques during the year.

4 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables *(note (a))*	**8,690,063**	6,274,434
Land auction deposits	**2,600,236**	2,310,096
Other receivables	**4,422,791**	3,760,664
Amounts due from customers for contract work	**1,269,592**	891,484
Prepayments for land use rights	**3,280,822**	7,570,306
Amount due from an associate	**2,039,745**	2,039,745
Amount due from a joint venture	**304,612**	304,612
Other prepayments	**2,763,041**	3,227,059
	25,370,902	26,378,400

(a) Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on revenue recognition date is as follows:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**7,399,889**	5,283,477
Over 90 days and within 180 days	**640,911**	398,542
Over 180 days and within 365 days	**436,609**	338,579
Over 365 days	**212,654**	253,836
	8,690,063	6,274,434

At 31 December 2014 and 2013, trade receivables were denominated in RMB.

Trade receivables are analysed as follows:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Fully performing under credit terms	**8,451,516**	6,081,471
Past due but not impaired	**238,547**	192,963
	8,690,063	6,274,434

Past due but not impaired receivables mainly represent receivables from sales of properties. The Directors consider that these receivables would be recovered and no provision was therefore made against them as at 31 December 2014 (2013: nil). The ageing analysis of these trade receivables is as follows:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Over 90 days and within 180 days	**97,515**	80,813
Over 180 days and within 365 days	**95,164**	84,512
Over 365 days	**45,868**	27,638
	238,547	192,963

The other classes within trade and other receivables did not contain impaired assets and there had been no material default history for these receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. Trade receivables were collateralised by the properties sold.

5 TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables *(note)*	**26,875,334**	18,045,410
Other payables	**7,813,785**	9,153,619
Other taxes payable	**2,223,947**	1,663,780
Salaries payable	**3,491,833**	1,534,448
Accrued expenses	**520,066**	517,363
	40,924,965	30,914,620

Note:

The ageing analysis of trade payables was as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**25,106,015**	16,696,591
Over 90 days and within 180 days	**740,388**	745,092
Over 180 days and within 365 days	**510,070**	309,170
Over 365 days	**518,861**	294,557
	26,875,334	18,045,410

6 SHARE CAPITAL AND PREMIUM

	Note	Number of ordinary shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000	Treasury shares RMB'000	Total RMB'000
Authorised								
At 1 January 2013, 31 December 2013 and 2014, HKD 0.10 per share		100,000,000,000	10,000,000					
Issued and fully paid								
At 1 January 2013		18,229,660,154	1,822,966	1,771,631	17,977,360	19,748,991	(380,236)	19,368,755
Issue of shares as a result of the scrip dividend scheme		227,874,023	22,787	18,106	782,158	800,264	—	800,264
At 31 December 2013 and 1 January 2014		18,457,534,177	1,845,753	1,789,737	18,759,518	20,549,255	(380,236)	20,169,019
Issue of shares as a result of the scrip dividend scheme	*(a)*	622,296,869	62,230	49,398	1,542,203	1,591,601	—	1,591,601
Issue of shares as a result of the Rights Issue	*(b)*	1,271,988,736	127,199	100,869	2,400,558	2,501,427	—	2,501,427
At 31 December 2014		**20,351,819,782**	**2,035,182**	**1,940,004**	**22,702,279**	**24,642,283**	**(380,236)**	**24,262,047**

Notes:

(a) On 16 June 2014, a scrip dividend scheme was issued whereby shareholders may elect to receive cash dividend of RMB16.83 cents per share or an allotment of such number of new shares credited as fully paid and having an aggregate market value equal to, save for adjustment for fractions, the total amount of 2013 final dividend which such shareholder could receive in cash (the "Maximum Entitlement") or partly new shares not exceeding the Maximum Entitlement and the remainder in cash. On 11 July 2014, 622,296,869 new shares were issued as a result of the above scrip dividend scheme at a price of HKD3.22 per share (representing the average of the closing prices of the Company's ordinary shares for the five consecutive trading days up to and including 28 May 2014), for a total consideration of HKD2,003,796,000 (equivalent to approximately RMB1,591,601,000).

(b) On 13 October 2014, the Group issued 1,271,988,736 rights shares at a subscription price of HKD2.50 each on the basis of one rights share for every fifteen shares held payable in full on acceptance (the "Rights Issue"). The net proceeds from the Rights Issue were approximately RMB2,501,427,000. As a result of the Rights Issue, adjustments were made to the exercise price and the number of shares falling to be issued upon the exercise of the share options in accordance with the terms of the Group's share option scheme. Additionally, the basic and diluted earnings per share figures for the year ended 31 December 2013 have also been restated (note 10).

7 OTHER INCOME AND GAINS — NET

	2014	2013 Restated
	RMB'000	*RMB'000*
Refund of land usage tax and other government grants	**68,470**	3,914
Gain on disposal of properties under development	**43,300**	—
Forfeiture of advances received from customers	**16,330**	15,324
Loss on disposals of property, plant and equipment	**(1,143)**	(539)
Dividend income from available-for-sale financial assets	**6,100**	—
Others	**52,939**	2,781
	185,996	21,480

8 FINANCE (COSTS)/INCOME — NET

	2014	2013
	RMB'000	*RMB'000*
Finance income:		
— Interest income on short-term bank deposits	**254,747**	290,708
— Net foreign exchange gains on financing activities	**—**	512,541
	254,747	803,249
Finance cost:		
— Interest expenses:		
— Senior notes wholly repayable within 5 years	**(1,604,795)**	(1,590,347)
— Senior notes wholly repayable after 5 years	**(639,837)**	(424,942)
— Convertible bond wholly repayable within 5 years	**—**	(13,297)
— Bank and other borrowings wholly repayable within 5 years	**(2,510,640)**	(2,005,232)
— Bank and other borrowings wholly repayable after 5 years	**(124,172)**	(85,655)
	(4,879,444)	(4,119,473)
— Less: capitalised in qualifying assets	**4,879,444**	4,119,473
— Net foreign exchange losses on financing activities	**(260,836)**	—
— Loss on early redemption of senior notes	**(189,493)**	—
Net finance costs	**(450,329)**	—
Finance (costs)/income — net	**(195,582)**	803,249

9 INCOME TAX EXPENSES

	2014	2013
	RMB'000	*RMB'000*
Current income tax		
— PRC corporate income tax	**4,252,464**	3,089,030
— Land appreciation tax *(note (c))*	**1,644,863**	1,634,798
	5,897,327	4,723,828
Deferred income tax		
— PRC corporate income tax	**(183,997)**	(119,868)
— Withholding income tax on profit to be distributed in future *(note (d))*	**43,895**	21,213
	(140,102)	(98,655)
	5,757,225	4,625,173

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group companies as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**16,369,125**	13,473,153
Tax calculated at PRC corporate income tax rate of 25% (2013: 25%)	**4,092,281**	3,368,288
Land appreciation tax deductible for calculation of income tax purpose	**(411,216)**	(408,700)
Utilisation of tax losses not recognised as deferred income tax assets	**(1,674)**	(8,750)
Income not subject to tax	**(5,574)**	(138,789)
Expenses not deductible for tax	**394,650**	157,113
	4,068,467	2,969,162
Withholding income tax on profit to be distributed in future *(note (d))*	**43,895**	21,213
Land appreciation tax	**1,644,863**	1,634,798
Income tax expenses	**5,757,225**	4,625,173

Notes:

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2013:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.

(b) PRC corporate income tax has been provided at corporate income tax rate of 25%.

(c) PRC land appreciation tax 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.

(d) Withholding income tax is provided on the dividends to be distributed by the PRC subsidiaries of the Group. The relevant overseas holding companies have successfully obtained endorsement from various PRC tax bureaus to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the dividends to be distributed by the PRC subsidiaries of the Group.

10 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares (note 6).

	2014	2013 Restated
Profit attributable to owners of the Company (RMB'000)	**10,229,159**	8,514,104
Weighted average number of ordinary shares in issue (thousands)	**19,138,531**	18,522,543
Earnings per share — Basic (RMB cents per share)	**53.45**	45.97

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had two categories of dilutive potential ordinary shares: convertible bond and share options. The convertible bond was assumed to have been converted into ordinary shares, and the net profit was adjusted to eliminate the interest expenses charged to profit or loss. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2014	2013 Restated
Profit attributable to owners of the Company (RMB'000)	**10,229,159**	8,514,104
Weighted average number of ordinary shares in issue (thousands)	**19,138,531**	18,522,543
Adjustments — conversion of convertible bond (thousands)	**—**	13,591
Adjustments — share options (thousands)	**902**	581
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**19,139,433**	18,536,715
Earnings per share — Diluted (RMB cents per share)	**53.45**	45.93

Basic and diluted earnings per share for the year ended 31 December 2013 was restated as a result of the Rights Issue in October 2014 (note 6).

11 DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Proposed final dividend of RMB14.75 cents per share (2013: RMB16.83 cents) *(note)*	**3,001,893**	3,105,759

The 2013 final dividend was satisfied in the form of shares or cash dividend as a result of the scrip dividend scheme (note 6(a)). As a result of the above scrip dividend scheme, 622,296,869 new shares were issued at a price of HKD3.22 per share in July 2014, totalling RMB1,591,601,000; and dividends totaling RMB1,507,210,000 (RMB16.83 cents per ordinary share) were paid in cash in July 2014.

The directors recommend the payment of a 2014 final dividend of RMB14.75 cents per share, totalling RMB3,001,893,000. Such dividend is to be approved by the shareholders at the forthcoming annual general meeting. These financial statements do not reflect this dividend payable.

12 SUBSEQUENT EVENTS

On 9 March 2015, the Company issued senior notes in an aggregate principal amount of USD900,000,000 (the "2020 Notes"). The 2020 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2020 Notes carry interest at the rate of 7.5% per annum, payable semi-annually on 9 March and 9 September in arrears, and will mature on 9 March 2020, unless redeemed earlier.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from five business segments: property development, construction, fitting and decoration, property investment, property management and hotel operation. Revenue increased by 34.8% to approximately RMB84,548.8 million in 2014 from approximately RMB62,724.7 million in 2013. 96.9% (2013: 95.7%) of the Group's revenue was generated from the sales of properties and 3.1% (2013: 4.3%) from construction, fitting and decoration, property investment, property management and hotel operation.

Property development

Despite of the slowdown of the development momentum of the real estate industry in current year, the Group maintained a continuous steady growth as a result of the strict construction control and timely delivery of units. Revenue generated from property development increased by 36.4% to RMB81,897.9 million in 2014 from RMB60,043.3 million in 2013; primarily due to a 31.8% increase in total gross floor area ("GFA") recognized to 12,179,083 sq.m in 2014 from 9,239,765 sq.m in 2013, meanwhile, the recognized average selling price of property increased to RMB6,724 per sq.m. in 2014, compared to RMB6,498 per sq.m. in 2013.

Construction, fitting and decoration

Revenue generated from construction, fitting and decoration decreased by 46.0% to RMB467.9 million in 2014 from RMB866.9 million in 2013, primarily due to a decrease in the volume of construction, fitting and decoration services rendered to third parties of the Group.

Property management

The Group's property management covers 205 projects. Revenue generated from property management increased by 24.1% to RMB964.1 million in 2014 from RMB777.1 million in 2013, primarily due to an increase in the cumulative GFA under management resulting from construction completion and delivery of our properties, in line with the expansion of our operations.

Hotel operation

Revenue generated from hotel operation increased by 13.9% to RMB1,132.3 million in 2014 from RMB994.5 million in 2013, primarily due to increased revenues from existing hotels and the opening of new hotels.

Property investment

During the first half year of 2014, the Group approved a business plan, changed the use of certain properties from holding for sale or self-use to earning long-term rental. As at 31 December 2014, the total GFA of the investment properties held amounted to 898 thousand sq.m. The fair value of these investment properties amounted to RMB7,035.6 million, including RMB5,951.6 million of completed properties and RMB1,084.0 million of properties under development. During the year under review, annual rental income for investment amounted to RMB86.7 million.

Finance cost/income — net

The Group recorded finance cost — net of approximately RMB195.6 million in 2014, compared to finance income — net of approximately RMB803.2 million in 2013. Among which, due to the fluctuation of the foreign exchange rate, the Group recorded the net exchange loss of approximately RMB260.8 million in 2014, compared to the net exchange gain of approximately RMB512.5 million in 2013. Furthermore, the Group early redeemed the senior notes due 2017 in 2014, resulting in a finance cost of RMB189.5 million.

Profit attributable to owner of the Company

Profit attributable to owners of the Company in 2014 increased by 20.1% to RMB10,229.2 million from RMB8,514.1 million in 2013. The net profit margin decreased to 12.1% in 2014 from 13.6% in 2013. After deduction of the after-tax gains arising from changes in fair value of and transfer to investment properties, loss on early redemption of senior notes and net exchange gains/losses, the core profit attributable to owners of the Company in 2014 was RMB9,238.4 million, increased by 15.5% when compared to RMB8,001.6 million in 2013.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2014, the Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB27,214.1 million (31 December 2013: approximately RMB26,679.6 million). As at 31 December 2014, 90.7% (2013: 92.2%) of the Group's cash and bank deposits were denominated in Renminbi and 9.3% (2013: 7.8%) were denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

As at 31 December 2014, the carrying amount of the restricted cash was approximately RMB8,453.5 million (31 December 2013: approximately RMB7,769.9 million). Pursuant to relevant regulations, certain of the project companies were required to deposit a portion of proceeds from pre-sales of properties into designated bank accounts. Before the completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials and equipments, making interim construction payments and paying tax, with the prior approval of the relevant local authorities.

Net current assets and current ratio

As at 31 December 2014, net current assets of the Group were approximately RMB35,994.0 million (31 December 2013: approximately RMB31,309.4 million). The current ratio being current assets over current liabilities was approximately 1.2 as at 31 December 2014, which decreased from 1.3 as at 31 December 2013.

Debt and charges on group assets

The Group had an aggregated debt as at 31 December 2014 of approximately RMB61,068.7 million (31 December 2013: approximately RMB56,248.8 million), including bank and other borrowings and senior notes of approximately RMB38,794.9 million and RMB22,273.8 million respectively (31 December 2013: approximately RMB33,189.2 million and RMB23,059.6 million respectively).

For bank and other borrowings, approximately RMB12,390.7 million, RMB25,875.5 million and RMB528.7 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2013: approximately RMB10,086.2 million, RMB22,432.7 million and RMB670.3 million respectively). As at 31 December 2014, the substantial part of the bank and other borrowings are secured by certain land use rights and properties of the Group and guaranteed by group companies.

Net gearing ratio

Net gearing ratio is measured by the net debt (total debt net of available cash, which equal to the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sold properties) over the equity attributable to owners of the Company. Net gearing ratio decreased from 67.3% as at 31 December 2013 to 59.7% as at 31 December 2014.

Interest rate risk

The weighted average interest rate of the Group's bank and other borrowings decreased to 7.16% in 2014 from 7.34% in 2013. The Group has implemented certain interest rate management which includes, among the others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

Foreign exchange risk

Other than financing activities such as foreign currency borrowings which were denominated in foreign currencies, the Group conducts its business almost in Renminbi. The Group is not exposed to material exchange rate risk and the Board expects that any fluctuation of exchange rate will not have material adverse effect on the operation of the Group. The Group is considering to adopt foreign currency hedging instruments to better manage the exchange risk.

Contingent liability

As at 31 December 2014, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB49,375.9 million (31 December 2013: approximately RMB31,443.7 million).

The above guarantees represent the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. As at 31 December 2014, the amount of approximately RMB113.4 million (31 December 2013: approximately RMB85.1 million) was to be discharged two years from the day when the mortgaged loans become due; and approximately RMB49,262.5 million (31 December 2013: approximately RMB31,358.6 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally to be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgage loan by the purchasers of properties.

In addition, as at 31 December 2014, the Group had provided guarantees for approximately RMB2,299.0 million (31 December 2013: approximately RMB1,184.2 million) in its portion of equity interests in Guangzhou Li He Property Development Company Limited, an associate of the Group, and Zhongshan Yahong Property Development Company Limited, a joint venture of the Group, for their borrowings.

The Directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

Capital and property development commitments

As at 31 December 2014, the commitments of the Group in connection with capital and property development expenditures amounted to approximately RMB72,652.3 million (31 December 2013: approximately RMB49,056.6 million). This amount primarily arose from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments principally from pre-sold proceeds of the properties and partly from bank borrowings.

Employees and remuneration policy

Human resource has always been the outmost valuable resource of the Group. As of 31 December 2014, the Group had approximately 64,869 full-time employees (31 December 2013: 64,772).

In order to adapt itself to the fast growing and every changing market, the Group came up with the partnership scheme, bringing the interest of employees together with the sake of the company. Not only could this sharing responsibility and sharing benefit program help lowering operational cost and increasing profit, but also makes employees better understand the company's culture of "home experience", fulfilling social responsibilities together with the Company. Besides that, in 2014 the Group has recruited over 130 high-talented. graduates from top universities worldwide, through its global recruiting program. These newly recruited talented together will become a great value added to support the Group's further development.

Forward looking

Being one of the most important segments of Chinese economic, the real estate industry is expected to have constant economic stimulus from the government in 2015, and remain enjoying the benefit from urbanization and the strong need for high-quality housing. On the other hand, the competition of property development industry will be more intensive. To welcome the new market situation of diversification and integration, the Group will continue to strengthen its contract sales, and cash collection; apply strict cost control and further improve its cash position and profit margin, while keep the debt ratio steady. As to the land bank, a more prudent and practical strategy will be executed when acquiring new land to ensure the quality of future projects. Under the background of steady growth, the Group will focus on progressive increase of profitability to achieve high quality and all-balanced development.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of this announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's external auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2014. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PwC on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all of the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The annual results have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the year ended 31 December 2014, except for the deviation from the code provision E.1.2 of the Code. Under the first part of code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting. The chairman of the Board was unable to attend the annual general meeting of the Company held on 21 May 2014 (the "2014 Meeting") due to another business engagement. Mr. MO Bin, the president of the Company and an executive Director, chaired the 2014 Meeting on behalf of the chairman of the Board and was available to answer questions.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard of dealings set out therein throughout the year ended 31 December 2014. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEME

On 20 March 2007, a share option scheme (the "Share Option Scheme") was adopted and approved by the then shareholders of the Company for a period of 10 years commencing on the adoption date. Since the adoption date, the Board may, at its discretion, grant share options to any eligible person to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme. During the year, no share option of the Company was granted, exercised or cancelled in accordance with the terms of the Share Option Scheme. Pursuant to the terms of the Share Option Scheme, the exercise price and the number of new Shares to be allotted and issued upon full exercise if the subscription rights attaching to the outstanding share options were adjusted to reflect the rights issue which came into effect on 14 October 2014. 168,081 share options was lapsed due to one of the employees of the Group, being an grantee passed away during the year.

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of the employee incentive scheme ("Employee Incentive Scheme") for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company, together with the scheme rules were approved by the Board officially. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance performance and efficiency. During the year, the Company had not purchased any shares of the Company from the market, and had not acquired any shares by way of scrip dividend nor rights issue. As of 31 December 2014, the cumulative total number of the shares acquired under the Employee Incentive Scheme were 107,771,551 shares (31 December 2013: 101,132,446 Shares).

The Board will continue monitoring the Employee Incentive Scheme for the benefit of the senior management and employees of the Group and if it shall consider appropriate and/or desirable, modify or replace the Employee Incentive Scheme with and/or adopt other incentive scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIVIDENDS

The Directors recommend the payment of a final dividend of RMB14.75 cents (2013: RMB16.83 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, 28 May 2015 (record date) ("Eligible Shareholders").

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Thursday, 21 May 2015 to Thursday, 28 May 2015. It is expected that the final dividend warrants will be dispatched to Eligible Shareholders on or around Friday, 10 July 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Friday, 15 May 2015 to Wednesday, 20 May 2015, both days inclusive, during which period no transfer of Shares will be registered in order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 20 May 2015 (the "2015 Meeting"). All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 14 May 2015.

Subject to approval of shareholders in the 2015 Meeting, the proposed final dividend will be payable to shareholders whose names appears on the register of members of the Company on Thursday, 28 May 2015. The register of members will be closed at Wednesday, 27 May 2015 to Thursday 28 May 2015, both days inclusive, during which period no transfer of Shares will be registered in order to determine the identity of the shareholders who are qualified for the proposal final dividend. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 26 May 2015.

PUBLICATION OF ANNUAL RESULTS

The annual results announcement is published on the Company's website (http://www.countrygarden.com.cn) and the Stock Exchange designated website (http://www.hkexnews.hk).

By Order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Hong Kong, 11 March 2015

As of the date of this announcement, the executive Directors are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Vice Chairman), Mr. MO Bin (President), Mr. ZHU Rongbin (Associate President), Mr. WU Jianbin (Chief Financial Officer), Ms. YANG Ziying, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The independent non-executive Directors are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. LIU Hongyu, Mr. MEI Wenjue and Mr. YEUNG Kwok On.