豐盛
FULLSHARE

Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00607)

Annual Report 2015

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Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Ji Changqun *(Chairman and CEO)*
Mr. Shi Zhiqiang
Mr. Wang Bo
Mr. Fang Jian

Non-executive Directors
Mr. Eddie Hurip
Mr. Chen Minrui*

Independent Non-executive Directors
Mr. Lau Chi Keung
Mr. Chow Siu Lui
Mr. Tsang Sai Chung

AUDITORS

SHINEWING (HK) CPA Limited
Certified Public Accountants
43th Floor, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

COMPANY SECRETARY

Ms. Seto Ying

AUTHORISED REPRESENTATIVES

Mr. Wang Bo
Ms. Seto Ying

AUDIT COMMITTEE

Mr. Chow Siu Lui *(Chairman)*
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

REMUNERATION COMMITTEE

Mr. Lau Chi Keung *(Chairman)*
Mr. Ji Changqun
Mr. Tsang Sai Chung

NOMINATION COMMITTEE

Mr. Ji Changqun *(Chairman)*
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Nanjing
China Merchants Bank, Nanjing Branch

LEGAL ADVISERS

Troutman Sanders Solicitors and International Lawyers
Zhong Lun Law Firm

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 2526, Level 25
Admiralty Centre Tower I
18 Harcourt Road, Admiralty
Hong Kong

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Standard Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

www.fullshare.com

STOCK CODE

00607

* *Mr. Chen Minrui resigned as a non-executive director with effect from 30 March 2016 and acted as a senior management of Fullshare Holdings Limited (the "Company") and its subsidiaries (the "Group") and the human resources matters for the Group. Please refer to section headed Biographical Details of Directors and Senior Management for more details.*

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Ji Changqun ("Mr. Ji"), aged 47, was appointed as an executive director (the "Director") of the Company, chief executive officer ("CEO"), the chairman of the board of Directors (the "Board"), the chairman of nomination committee ("Nomination Committee") and a member of remuneration committee of the Company ("Remuneration Committee") on 12 December 2013. Mr. Ji is responsible for planning the development of strategic direction and human resources matters of the Group. Mr. Ji has over seven years of management experience in the real estate industry in the People's Republic of China ("PRC"). Mr. Ji has been a director and the chairman of Nanjing Fullshare Industrial Holding Co. Limited*（南京豐盛產業控股集團有限公司, "Nanjing Fullshare Holding") since November 2002. He obtained a diploma of adult higher education majoring in highway and city road issued by Nanjing Associated Workers' College（南京聯合職工大學）in February 1999. Mr. Ji studied the courses for postgraduates majoring in management science and engineering in Southeast University from September 2003 to September 2005. Mr. Ji obtained a master's degree majoring in business administration issued by Macau University of Science and Technology in June 2006. Mr. Ji is a PRC senior engineer and senior economist. Mr. Ji worked as the project manager and the branch manager of Nanjing Jiasheng Infrastructure Engineering Co., Limited（南京嘉盛基礎建設工程有限公司）from March 1993 to August 1995. Mr. Ji worked as the deputy general manager and the general manager of Jiasheng Construction Group Co., Limited*（嘉盛建設集團有限公司）from September 1995 to November 2011. Mr. Ji holds a lot of important social positions, including the representative of People's Congress of Nanjing, the vice chairman of Jiangsu Federation of Industrial Economics, Jiangsu Enterprise Confederation and Jiangsu Enterprise Directors Association, the chairman of Anhui Chamber of Commerce of Jiangsu Province（江蘇省安徽商會）, the vice chairman of Nanjing Federation of Industry and Commerce, the chairman of Australia Nanjing General Chamber of Commerce（澳大利亞南京總商會）and the vice chairman of Nanjing City Overseas Exchange Association, the honorary chairman of Singapore Chinese Medicine College, the director of the board of Wuhan University, the honorary chairman of the Institute of Chinese Medicine and Natural Medicine of Wuhan Chinese Medicine, the honorary chairman of the board of Nanjing University of Chinese Medicine, the guest professor of Nanjing University of Chinese Medicine, the dean of Fullshare Health Institute（豐盛健康學院）. Mr. Ji was awarded with various honors, including Nanjing Model Worker in 2006, Outstanding Contribution Entrepreneur of Jiangsu Construction Industry（江蘇省建築業突出貢獻企業家）in 2007, Nanjing Guangcai Programme Star（南京市光彩事業之星）in 2010, National Outstanding Entrepreneur on Staff Caring in Private Sector（全國關愛員工優秀民營企業家）in 2011, May 1 Labour Medal award winner of Jiangsu Province（江蘇省五一勞動獎章）in 2012, Outstanding Builder of Socialism with Chinese Characteristics of Jiangsu Province（江蘇省優秀中國特色社會主義事業建設者）in 2012, Top 10 Integrity Models（十大誠信標兵）issued by Jiangsu Province in 2012, the 4th Outstanding Entrepreneur of Jiangsu Province in 2013 （二零一三年第四屆江蘇省優秀企業家）and the Most Influential Brand Character in the Health Industry in 2013 （二零一三年健康產業最具影響力品牌人物）.

Biographical Details of Directors and Senior Management

Mr. Shi Zhiqiang ("Mr. Shi"), aged 40, was appointed as an executive Director of the Company on 25 November 2013. Mr. Shi is responsible for assisting the CEO and monitoring the operation and management for property projects in Mainland China. Mr. Shi has over five years of management experience in the real estate industry in the PRC. Mr. Shi is currently a director, the general manager and the legal representative of Nanjing Fullshare Asset Management Limited*（南京豐盛資產管理有限公司, "Nanjing Fullshare Asset Management"）. Mr. Shi has been a director, the general manager and the legal representative of Jiangsu Province Fullshare Property Development Limited*（江蘇省豐盛房地產開發有限公司, "Jiangsu Fullshare") since August 2012 and a director of Chongqing Tongjing Changhao Property Limited（重慶同景昌浩置業有限公司, "Chongqing Tongjing"）since July 2011. Mr. Shi is also a director of certain subsidiaries of the Company. Mr. Shi obtained a diploma majoring in financial accounting issued by the Township Enterprise Management Institution organised by the Department of Agriculture of the PRC. Mr. Shi is a PRC accountant and an international certified internal auditor. Mr. Shi worked as the financial controller of Jiangsu Zhongda Communication Industry Co., Limited*（江蘇中大通信實業有限公司）from December 2004 to July 2005. Mr. Shi worked as the deputy manager of financial management department, audit manager, audit director and chief financial officer of Nanjing Fullshare Holding from July 2005 to March 2011. Mr. Shi worked as a director of Nanjing Fullshare Holding from June 2011 to April 2013 and the assistant to the chairman of Nanjing Fullshare Holding from March 2011 to January 2013.

Mr. Wang Bo ("Mr. Wang"), aged 35, was appointed as an executive Director of the Company on 10 September 2014. Mr. Wang is responsible for assisting the chairman of the Board and is in charge of the investing and financing activities and investor relationship of the Group. Mr. Wang obtained a Juris doctor degree from Duke University, the United States of America ("USA"), in 2007, a master of laws degree from Nanjing University in 2004 and a bachelor of laws degree from Nanjing University of Finance & Economics in 2001. He also obtained Legal Profession Qualification of PRC in 2002. Mr. Wang worked as a manager of Legal Department of DBS Bank (China) Limited Shanghai Branch from 2010 to 2011 and an associate and a senior associate of King & Wood Mallesons from 2007 to 2010. From March 2011 to September 2014, Mr. Wang worked as the general manager of Fullshare Group Limited and the director and the managing director of Fullshare International Group Limited. Since March 2011, Mr. Wang has been and is currently a director of Fullshare Group Limited. The controlling shareholder of Fullshare Group Limited and Fullshare International Group Limited is Mr. Ji. Mr. Wang is also a director of certain subsidiaries of the Company.

Biographical Details of Directors and Senior Management

Mr. Fang Jian ("Mr. Fang"), aged 49, was appointed as an executive Director of the Company, and the chairman of the board, an executive director and the legal representative, and general manager of Fullshare Green Building Group Company Limited*（豐盛綠建集團有限公司, "Fullshare Lujian", formerly known as Jiangsu Ruiheng Construction Limited* 江蘇銳恒建設有限公司）in December 2014. Mr. Fang is in charge of the operation management of green building projects of the Group. Fullshare Lujian is a subsidiary of the Company. Mr. Fang obtained a professional diploma in road and bridges in the department of civil engineering in Jinling Institute of Technology in 1987. Mr. Fang has over eight years of management experience in the green building and energy saving building industry in the PRC. He joined Nanjing Fullshare Holding as a vice president from July 2006 to December 2009 and was appointed as a director of Nanjing Fullshare Holding from 2011 to December 2014. From October 2006 to December 2014, he was the chairman of the board, an executive director and the legal representative of Nanjing Fullshare Energy Technology Company Limited*（南京豐盛新能源科技股份有限公司, "Nanjing Fullshare Energy"）. He has been a shareholder of Nanjing Fullshare Energy starting from November 2010. He has been appointed as the chairman of the board, an executive director and the legal representative of Jiangsu Green Building Research Centre Company Limited*（江蘇省綠色建築工程技術研究中心有限公司, "Jiangsu Green Building"）since September 2008. From July 2013 to December 2014, he was appointed as the chairman of the board, an executive director and the legal representative of Anhui Green Building Company Limited*（安徽省綠色建築有限公司, "Anhui Green Building"）, during which Jiangsu Green Building and Anhui Green Building were subsidiaries of Nanjing Fullshare Energy. Nanjing Fullshare Energy is a subsidiary of Nanjing Fullshare Holding, which is controlled by Mr. Ji. Mr. Fang has been appointed as the chairman of the board, an executive director and the legal representative of Jiangsu Green Dujian Construction Consultancy Company Limited*（江蘇綠色都建工程顧問有限公司）("Green Dujian") since October 2014. He has been appointed as the chairman of the board, an executive director and the legal representative of Anhui Green Building since May 2015. He has been appointed as the chairman of the board, an executive director and the legal representative of Nanjing Fullshare Energy Management Company Limited*（南京豐盛能源管理有限公司）("Nanjing Fullshare Energy Management") since June 2015. He has been appointed as the chairman of the board, an executive director and the legal representative of Nanjing Far-seeker Energy Technology Company Limited*（南京法斯克能源科技發展有限公司）("Nanjing Far-seeker") since June 2015. He has been appointed as the chairman of the board, an executive director and the legal representative of Shanghai Far-seeker Energy Technology Company Limited*（上海法斯克能源科技有限公司）("Shanghai Far-seeker") since June 2015. Currently, Green Dujian, Anhui Green Building, Nanjing Fullshare Energy Management, Nanjing Far-seeker and Shanghai Far-seeker are subsidiaries of Fullshare Lujian. Mr. Fang is the director of the heat pump specialized committee of Jiangsu Province Association of Building Energy Efficiency*（江蘇省建築節能協會）, and was elected as vice president of China Association of Building Energy Efficiency in 2015.

Biographical Details of Directors and Senior Management

Non-executive Directors

Mr. Eddie Hurip ("Mr. Hurip"), aged 57, was appointed as an executive Director on 25 November 2013 and re-designated as a non-executive Director on 31 March 2015. Mr. Hurip has over eight years of management experience in the real estate industry in the PRC and Hong Kong. Mr. Hurip was responsible for providing consulting services for the acquisition of Nanjing Fullshare Asset Management and the resumption of trading in the shares of the Company (the "Shares") which was completed in December 2013. Mr. Hurip obtained a bachelor's degree in Electrical Engineering and Computer Science from the University of California, Berkeley and an Executive MBA degree from the Marshall Business School of the University of Southern California. Mr. Hurip was an executive director of China Overseas Grand Oceans Group Limited (formerly known as Shell Electric Mfg. (Holdings) Company Limited, (Hong Kong stock code: 0081)) from 2006 to 2010.

Mr. Chen Minrui ("Mr. Chen"), aged 51, was the non-executive Director for the Company from 31 March 2015 to 30 March 2016. Mr. Chen was appointed as the chief human resources officer of the Company and acted as a senior management of the Company since 30 March 2016. Mr. Chen obtained a bachelor of science in Fuzhou University in 1984 and a master of science in Xiamen University in 1990. Mr. Chen has over 24 years of human resources experience by holding key human resources management positions in various firms including ABB Xiamen Switchgear Co. Limited, Dell Computer (China) Co. Limited, Nokia Pte Limited and Fuyao Glass Industry Group Co., Limited (Hong Kong stock code: 3606). He is currently a director of Fudaksu Pte Ltd., Five Seasons IV Pte Ltd., Five Seasons V Pte Ltd., Five Seasons VI Pte Ltd. and Fullshare Holding Singapore Service Management Pte Ltd. He is also the deputy general manager and the director of human resources in Fullshare Group Pte Limited. The controlling shareholder of Fullshare Group Pte Limited is Mr. Ji.

Independent Non-executive Directors

Mr. Lau Chi Keung ("Mr. Lau"), aged 67, was appointed as an independent non-executive Director, the chairman of remuneration committee, a member of Nomination Committee and audit committee of the Company ("Audit Committee") on 12 December 2013. Mr. Lau has over 38 years of management experience in the real estate industry in the PRC and in Hong Kong. Mr. Lau obtained a higher diploma majoring in surveying/building technology issued by Hong Kong Technical College (currently known as Hong Kong Polytechnic University) in 1970. Mr. Lau was admitted fellow member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors respectively in 1987. Mr. Lau was appointed as a director of Henderson Investment Limited in 1995 and was appointed as a director of Henderson China Development Limited in 2005. Mr. Lau served in many social positions, including a member of the Construction Industry Training Authority, a member of the Administrative Appeals Board from 2003 to 2009 and an external examiner respectively of the Hong Kong University – B.Sc. (Hons) Degree in Surveying from 1998 to 2001 and of the Hong Kong Polytechnic University – B.Sc. (Hons) programme in Building Surveying from 2005 to 2007. Mr. Lau currently holds several social positions, including a member of the Disciplinary Panel of Hong Kong Institute of Surveyors, a member of the Appeal Tribunal Panel of Planning and Lands Branch, Development Bureau of Government Secretariat. Mr. Lau was awarded with "Justice of the Peace" issued by the Hong Kong government in 2001 and "Medal of Honour" issued by the Hong Kong government in 2005.

Biographical Details of Directors and Senior Management

Mr. Chow Siu Lui ("Mr. Chow"), aged 55, was appointed as an independent non-executive Director and the chairman of Audit Committee on 12 December 2013. Mr. Chow is a partner of VMS Investment Group, which is a multi-strategies investment house. Mr. Chow is currently a council member and the Chairman of the Audit Committee of the Hong Kong Institute of Chartered Secretaries and the chairman of the Mainland Development Strategies Advisory Panel of the Hong Kong Institute of Certified Public Accountants. Previously, he was a member of both of the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Dual Filing Advisory Group of the Securities and Futures Commission. Mr. Chow is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Mr. Chow had been working with one of the four largest certified public accounting firms in the world as a partner for many years. He has an in-depth knowledge on the accounting standards and business regulations in Hong Kong. Mr. Chow has been serving as an independent non-executive director of Universal Medical Financial & Technical Advisory Services Company Limited (Hong Kong stock code: 2666) and Sinco Pharmaceuticals Holdings Limited (Hong Kong stock code: 6833) since July 2015 and March 2016, respectively. He was an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (Hong Kong stock code: 8181) and NWS Holdings Limited (Hong Kong stock code: 00659) during the period from February 2015 to October 2015 and from March 2012 to June 2012, respectively.

Mr. Tsang Sai Chung ("Mr. Tsang"), aged 52, was appointed as an independent non-executive Director and a member of Audit Committee, Remuneration Committee and Nomination Committee on 12 December 2013. Mr. Tsang obtained a bachelor's degree of arts from the University of Hong Kong in 1985 and completed PCLL programme in University of Hong Kong in 1993. Mr. Tsang undertook his trainee programme and worked as an associate of Baker & McKenzie from September 1993 to January 1999. He then moved to in house with various companies and worked as an executive director, general counsel and company secretary of HKC (Holdings) Limited (Hong Kong stock code: 00190) from April 2004 to September 2009. Mr. Tsang was the general counsel and company secretary of Sa Sa International Holdings Limited (Hong Kong stock code: 00178) from September 2012 to September 2014. Mr. Tsang joined Pacific Century Premium Developments (Hong Kong stock code: 00432) as general counsel on 29 September 2014 and was also appointed as their company secretary on 25 November 2014.

Senior Management

Mr. Yuen Chi Ping ("Mr. Yuen"), aged 37, was appointed as the chief operating officer of the Company on 1 October 2014. Mr. Yuen is responsible for the back office operation and overall risk management of the Group, process management for financing and acquisition projects, management of oversea entrusted businesses and overseeing organizational structure and responsibility of positions in the Group. Mr. Yuen is a qualified lawyer in both Hong Kong, and England and Wales. Mr. Yuen has over 12 years of experience practicing as a lawyer in the PRC and Hong Kong, and has extensive experience in corporate law, China-related public and private mergers and acquisitions, and capital market transactions. Mr. Yuen obtained a bachelor's degree in Laws in 2001 and completed the PCLL programme in 2002 in the University of Hong Kong, then undertook his traineeship and worked as a lawyer in various leading international law firms. He worked as a special counsel in the Shanghai office of Baker & McKenzie from 2011 to 2014, responsible for the firm's securities practice in Shanghai. Since May 2014, Mr. Yuen has been appointed as the head of investment and legal of Fullshare International Group Limited, and subsequently the chief operating officer of the Company. The controlling shareholder of Fullshare International Group Limited is Mr. Ji.

Biographical Details of Directors and Senior Management

Mr. Jack Tsai, aged 35, was appointed as the chief portfolio officer of the Company on 15 February 2016. Mr. Tsai is responsible for exploring investment targets, providing investment proposals, leading the team to conduct due diligence and reviewing and analyzing the investment reports and co-ordinating investment projects financing. Mr. Tsai has over 13 years of investing experience in the Asia Pacific markets and was most recently executive director and responsible officer of VTB Capital (HK) Limited in charge of Greater China investments and financing. Prior to VTB Capital, Mr. Tsai was a director at Deutsche Bank AG's Strategic Investment Group where he was responsible for pan-Asia special situations investing and distressed debt trading. In addition, Mr. Tsai was a financial analyst at Morgan Stanley Private Equity Asia. Mr. Tsai holds a Bachelor of Science in Economics (Finance) from the Wharton School of the University of Pennsylvania and a Bachelor of Arts in International Studies from the University of Pennsylvania.

Mr. He Dong ("Mr. He"), aged 49, was appointed as chief financial officer of the Company on 30 March 2016. Mr. He is responsible for the overall financial budget planning and daily financial management and operation analysis, setting up the financial staff structure for the healthcare section, final management, health products investment and supervising the financing activities of the Group, and monitoring the Group's tax planning strategies. Mr. He has been employed as chief financial/investment officer of various China-based global renowned enterprises in the past 24 years. He possesses relevant experience in real estate, manufacturing, investment, auditing, medical and other industries in Mainland China, USA, United Kingdom, Hong Kong and Australia. Mr. He studied economics in Zhongshan University from 1984 to 1987, majored in international trade. He obtained a bachelor's degree of commerce from University of New South Wales, Australia in 1991, majored in finance. During the period from December 1997 to January 2005, he was the financial controller (Beijing district) of Hutchison Whampoa Limited. During the period from January 2005 to October 2007, Mr. He was the assistant to general manager and financial controller (Beijing district) of Sun Hung Kai Properties (Beijing) Limited. During the period from October 2007 to February 2013, Mr. He was the financial controller-TESCO China Real Estate of TESCO China Real Estate. He then worked as the general manager of China Real Estate of Henderson Global Investors and CFO of D&J China (Warburg Pincus). Mr. He is a fellow member of CPA Australia, former vice president of CPA Australia Beijing Committee and a fellow member of Hong Kong Institute of Certified Public Accountants.

Ms. Seto Ying ("Ms. Seto"), aged 39, was appointed as the company secretary and the financial controller of the Company on 12 December 2013. Ms. Seto resigned as an executive Director of the Company on 12 December 2013. Ms. Seto is responsible for monitoring the Group's daily financial operation and the financial matters in relation to acquisition projects and company secretarial matters. Ms. Seto obtained a bachelor's degree majoring in business administration in accountancy issued by the Chinese University of Hong Kong in 1998. Ms. Seto is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Institute of Chartered Secretaries. Ms. Seto has more than 15 years of experience in the field of finance and accounting and company secretarial matters including working in an international accounting firm.

* *for identification purpose only*

Chairman's Statement

Dear Shareholders,

In 2015, the Group fully kicked off its strategic upgrade. During the year, the Group's businesses transformed from residential real estate development to comprehensive real estate development, from traditional real estate to green building and technology service upgrade, from ordinary residential community to green new towns upgrade, and from green living environment to grand health service upgrade for individual lifecycle.

In 2015, the Group achieved sound operating results. The Group's contracted sales amounted to RMB2,490,000,000, representing an increase of 222% as compared with the same period of last year; and the revenue recognized was RMB2,410,000,000, representing an increase of 215% as compared with the same period of last year.

In 2015, the annual revenue reached RMB2,660,000,000, representing a year-on-year increase of 235%; the Group turned losses into gains in its profit, of which profit attributable to shareholders amounted to RMB1,240,000,000.

In 2016, the Group will adhere the goal of "green + health", explore and layout grand health service business and take life, medical care, internet and finance as its development direction to optimize business layout and speed up its development.

By leveraging on the advantages of the Group in green real estate and green technology service to provide the green, low-carbon, healthy and comfortable environment products for the society, enhance the living and office environment, and participate in the investment in green towns and transformation of communities encouraged by the state to construct green communities and green towns.

The Group will provide people with high-quality and healthy products and services which are closely related to daily life, the Group is expected to build an urban healthy-living recreational center, and embed the concepts of healthy food and beverages, and anti-aging medical beauty-dressing, provide suburban health mild resort, global time-sharing health resort and other services, including food and beverages, sports, healthcare, medical and so on. Which is expected to provide a new healthy-living experience for users.

Chairman's Statement

By acquiring and merging Shenzhen Anke High-Tech Company Limited*（深圳安科高技術股份有限公司）and the investments in the medical sector in future, the Group is expected to form the medical care industry chain layout in checking, diagnosis, treatment and care. In the future, the Group will take Chinese medicine as its core, conduct resource integration upstream and downstream, focusing on disease prevention and treatment. The integration of online internet health management with tens of thousand shops service offline in over hundred cities will become the major development direction of its health industry.

The Group is expected to set up the Healthy Internet O2O (Online to Offline) Platform, integrate quality healthy life, healthy medical beauty, healthy products, healthy financial resources to establish the online and offline service platform between healthy users and healthy institutions.

The Group is expected to ally with domestic and overseas renowned companies and financial institutions to develop and promote healthy financial products featuring the functions of "investment + health", and provide financial support to the entrepreneurs and cooperative partners in the health industry.

In 2016, the Group hopes to leverage on its own education platform, credit platform, career platform and capital platform to let more people realize the importance of health, enable each of our cooperative partners to achieve success and enable the Group to become a respectable healthy brand enterprise.

Ji Changqun
Chairman and executive Director
Hong Kong, 30 March 2016

* *for identification purpose only*

Management Discussion and Analysis

BUSINESS REVIEW

The revenue of the Group for the year ended 31 December 2015 mainly came from sales of real properties, green building services and investment segment.

Property sales

During the year ended 31 December 2015 (the "Period Under Review" or "Year 2015"), the revenue generated from property sales of the Group was approximately RMB2,407,982,000, representing an increase of approximately 215% as compared with the same period of 2014 ("Year 2014"). The Group delivered properties with an aggregate gross floor area ("GFA") of approximately 155,585 sq.m. in Year 2015, representing an increase of approximately 35% as compared with Year 2014. The average selling unit price recognized during the Period Under Review was approximately RMB15,477 per sq.m..

During the Period Under Review, the Group made contracted sales of approximately RMB2,489,438,000, representing an increase of approximately 222% as compared with Year 2014. The Company made contracted sales for an aggregate GFA of approximately 172,317 sq.m., representing an increase of approximately 91% as compared with Year 2014. The increase in contracted sales and GFA was mainly due to the sales of ZhuGong (諸公) and Amber Garden (琥珀花園) Phase II. Average selling price was approximately RMB14,447 per sq.m., representing an increase of approximately 68% as compared with Year 2014.

As of 31 December 2015, the Company's contracted sales for the contracts signed but not yet delivered properties were approximately RMB1,624,931,000, with a total GFA of approximately 107,868 sq.m., providing a prospect for the continuous stable growth of the Group's future revenue.

A breakdown of the major property developments held by the Group as at 31 December 2015 is as follows:

Project name	Address	Project type	Construction Progress of the projects	Expected completion date	Site area *(sq.m.)*	GFA Completed *(sq.m.)*	GFA under Construction *(sq.m.)*	Accumulated contracted sales area *(sq.m.)*	Interests in the projects attributable to the Group
Yuhua Salon (雨花客廳)									
Yuhua Salon (雨花客廳) A1	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office, commercial project	Completed	Completed	33,606	78,165	–	48,131	100%
Yuhua Salon (雨花客廳) A2	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office, commercial project	Under construction	Fourth quarter of 2017	30,416	–	82,670	–	100%
Yuhua Salon (雨花客廳) C South	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office, commercial project	Under construction	Second quarter of 2016	42,639	–	133,831	28,494	100%
Yuhua Salon (雨花客廳) C North	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Residential, commercial project	Under construction	Second quarter of 2017	48,825	–	191,007	–	100%
ZhuGong (諸公)	To the south-west of Yuhuatai Scenic Area, Nanjing, Jiangsu Province, the PRC	Residential project	Under construction	First quarter of 2016	49,220	86,087	10,210	26,366	80%

Project name	Address	Project type	Construction Progress of the projects	Expected completion date	Site area *(sq.m.)*	GFA Completed *(sq.m.)*	GFA under Construction *(sq.m.)*	Accumulated contracted sales area *(sq.m.)*	Interests in the projects attributable to the Group
Amber Garden (琥珀花園)									
Amber Garden (琥珀花園) Phase I	1 and 2 Jiadong, Xishanqiaojiedao, Yuhuatai District, Nanjing Jiangsu Province, the PRC	Residential project	Completed	Completed	43,964	114,807	–	86,989	100%
Amber Garden (琥珀花園) Phase II	1 and 2 Jiadong, Xishanqiaojiedao, Yuhuatai District, Nanjing Jiangsu Province, the PRC	Residential project	Under construction	Second quarter of 2016	35,753	–	99,420	53,738	100%
ShuXiangYuan (書香苑)	Area C, Plot 18–7/02, Yu Zhong Zu Tuan, Yu Zhong District, Chongqing, the PRC	Residential project	Completed	Completed	11,804	52,678	–	47,649	90%
TongJingYueCheng (同景躍城)	To the east of Yudong Street and Dajiang Road in Banan District, Chongqing, the PRC	Residential project	Under construction	Second quarter of 2016	51,172	145,394	60,407	130,259	90%
Total					347,399	477,131	577,545	421,626	

Investment properties

During the Period Under Review, the investment properties of the Group mainly include part of the properties of Yuhua Salon (雨花客廳) A1 and TongJingYueCheng Kindergarten (同景躍城幼稚園).

	Address	usage	Term of contract	GFA *(sq.m.)*	Interests in the projects attributable to the Group
Nanjing					
Yuhua Salon (雨花客廳) A1 (partial unit)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office	Medium-term covenant	17,973	100%
Chongqing					
TongJingYueCheng Kindergarten (同景躍城幼稚園)	To the east of Yudong Street and Dajiang Road in Banan District, Chongqing, the PRC	Commercial	Medium-term covenant	1,223	90%

Green building services

During the Period Under Review, the Group's green building segment includes green building service, green urban design, green urban Engineering-Procurement-Construction (EPC), energy management contract (EMC) services, and related businesses in the PRC.

During the Period Under Review, the revenue generated from green building services was approximately RMB242,188,000, with gross profit of approximately RMB108,757,000 and gross profit margin of approximately 45%.

Investment

The Group commences to develop its investment business in Year 2015. During the Period Under Review, the Group entered into an investment-linked insurance policy with an insurance company for certain key employees of a subsidiary of the Group, under which the Group is the beneficiary and policy holder for a one-off payment of RMB10,000,000. Under the policy, the payment is fully utilized to invest in a group of certain financial assets with fixed returns as regulated and permitted by China Insurance Regulatory Commission, including bank deposits, bonds, funds, and securitized financial products. In addition, during the Period Under Review, the Group acquired certain listed shares of another listed company in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from Mr. Ji, the Chairman, an executive director and the controlling shareholder of the Company, to further expand the sources of investment income and stabilise the direction of the long-term investment strategy of the Group.

During the Period Under Review, this segment recorded a profit before tax of approximately RMB629,099,000 (2014: nil). Interest income and dividend from short-term investments was approximately RMB7,761,000 (2014: nil). The unrealised gain before tax from change in fair value of the investment-linked insurance policy and the listed securities held was approximately RMB419,000 (2014: nil) and approximately RMB620,676,000 (2014: nil) respectively. As at 31 December 2015, the total fair value of investment-linked insurance policy and listed securities investment portfolio held by the Group was approximately RMB1,608,534,000 (2014: nil).

Healthcare

During the Period Under Review, the Group commenced to start grand health industry to promote future development of the Group's healthcare business.

PROSPECT

In 2016, the Group is expected to closely monitor the market conditions and the government's industry policy development. While developing the real estate business steadily, the Group is expected to maintain the development of green building business. The Group is expected to actively enhance the development of Healthcare business. The Group would strive for achieving the income and profitability targets and providing the customers with healthier and more comfortable services.

The Group is expected to continue to adopt sound financial management policy, promote foreign and domestic equity financing and debt financing, optimize financial structure and enhance financial security.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by approximately 235% from approximately RMB793,403,000 in Year 2014 to approximately RMB2,657,931,000 in Year 2015. The revenue for the year is derived from the property development segment of approximately RMB2,407,982,000, the green building segment of approximately RMB242,188,000 and the investment segment of approximately RMB7,761,000 respectively; while the revenue for last year was mainly contributed by the property development segment, which represented 96% of total revenue in year 2014.

The revenue generated from the property development segment in Year 2015 increased by approximately RMB1,643,994,000 or approximately 215% as compared with last year, which was primarily attributable to the delivery of the larger scale Amber Garden Phase I（琥珀花園一期）and ZhuGong（諸公）projects in Year 2015, whereas, in Year 2014, only smaller scale projects such as ShuXiangYuan（書香苑）were delivered. The total delivered GFA of the Group's properties increased from approximately 114,928 sq.m. in Year 2014 to approximately 155,585 sq.m. in Year 2015, with the average selling price increased from approximately RMB6,648 per sq.m. to approximately RMB15,477 per sq.m. Such an increase in the average selling price per unit was resulted from the fact that the property projects delivered in Year 2015 were mainly fully fitted out apartments and garden projects concentrated in the Nanjing region while projects delivered in 2014 were mostly the roughcast housing type in the Chongqing or Yancheng regions with comparatively lower selling prices.

In Year 2015, revenue from the green building segment increased by approximately RMB212,773,000 or approximately 723% as compared to last year, which was mainly due to the Group focused on development of various green building businesses, and expansion of the project clients to tourism and entertainment project developers, governmental and local authorities and real estate developers in Shanghai, Nanjing, Jurong and Weihai, the PRC, and thus further expanded the income source of the Group in green building business, of which revenue from green building construction service and technology design consulting and management service increased by approximately RMB24,482,000 and RMB188,291,000 respectively.

Cost of sales

The cost of sales of the Group increased by approximately 297% from approximately RMB597,136,000 in Year 2014 to approximately RMB2,370,801,000 in Year 2015. The cost of sales for the year derived from the property development segment and the green building segment were approximately RMB2,237,370,000 and approximately RMB133,431,000 respectively.

The cost of sales of the property development segment increased by approximately RMB1,670,040,000 or 294% as compared with the last year. Such increase in costs was mainly due to the increase of 40,657 sq.m. or 35% in the area of properties delivered in Year 2015 as compared with the last year. In addition, at the time of acquiring the Jiangsu Anjiali, most of the units of Amber Garden Phase I（琥珀花園一期）were pre-sold. For accounting purpose, the costs of properties have to be recorded at their fair value, which increased the costs close to its selling price. Hence the extent of increase in the total cost of sales was higher than the increase in revenue. Furthermore, the ZhuGong（諸公）project was higher-end houses with relative higher unit cost, which pushed up the overall cost of sales during the year.

In Year 2015, the cost of sales of the green building segment increased by approximately RMB103,625,000 or approximately 348% as compared to last year. The increase in cost for the year was mainly due to a significant increase in the number and size of business projects, as compared with last year, the Group signed more new green technology design consulting and management service contracts, and thus resulting in higher cost.

Gross profit and gross profit margin

Based on the foregoing, the overall gross profit of the Group increased by approximately 46% from approximately RMB196,267,000 in Year 2014 to approximately RMB287,130,000 in Year 2015. The gross profit and gross profit margin for Year 2015 were mainly derived from the property development segment and the green building segment of approximately RMB170,612,000 and 7% and approximately RMB108,757,000 and 45% respectively. Gross profit and gross profit margin in Year 2014 were mainly from the property development segment of approximately RMB196,658,000 and 26% respectively.

The decrease in gross profit margin in sales of property development segment was mainly due to the profit deriving from the sales of Amber Garden Phase I（琥珀花園一期）, which represented a certain portion of total sales for this year, has been reflected in an one-off gain on bargain purchase when acquiring Jiangsu Anjiali and thus dragged down the overall gross profit margin. If this accounting effect is excluded, the total gross profit of property development segment for Year 2015 should be approximately RMB605,985,000 representing an increase of approximately RMB409,327,000 as compared with the last year and the gross profit margin would be approximately 25%.

The gross profit margin of the green building business increased to 45%, which was mainly attributable to higher gross profit margin of green technology design consulting and management service, and revenue was derived from the green building construction services with high cost and low profit, and thus a positive improvement of the Group's gross profit in Year 2015.

Other income and gains

Other income and gains increased by approximately RMB102,951,000 or 390% from approximately RMB26,366,000 in Year 2014 to approximately RMB129,317,000 in Year 2015. Other income in Year 2015 mainly included in amortization of deferred gain on other borrowings of approximately RMB39,131,000, the investment return from Jurong project of approximately RMB20,712,000, gain on disposal of owner-occupied property of approximately RMB14,048,000, leasing income of approximately RMB12,724,000 and gain on waiver of interest for early repayment of other borrowings of approximately RMB24,486,000; while other income in Year 2014 mainly included leasing income of approximately RMB17,334,000 and the waiver of interest of the convertible bonds of approximately RMB2,922,000.

Management Discussion and Analysis

Change in fair value of convertible bonds

In Year 2014, the Group incurred a loss of approximately RMB1,360,118,000 on fair value assessment of convertible bonds, which was the non-cash accounting loss incurred as a result of the change in the fair value of the convertible bonds in the principal amount of HK$500,000,000. As the convertible bonds were fully converted into the ordinary Shares in Year 2014, there is no such the change in the fair value in respect of such convertible bonds in Year 2015.

Gain on fair value change in transferring properties held for sale to investment properties

The carrying amount of approximately RMB169,536,000 for certain properties held for sale held by the Group was transferred to investment properties during the year, resulting a gain on change in fair value of approximately RMB147,464,000. There was no similar gain in Year 2014.

Gain on change in fair value of financial assets at fair value through profit or loss

In order to balance the Group's business structure and expand its revenue source, the Group begun to engage in new investment business segment, hold and trade all kinds of investment and financial products with potential or strategic use purpose. The Group recorded a gain on change in fair value of financial assets at fair value through profit or loss of approximately RMB621,095,000 during the year. Such gain was mainly derived from an increase of fair value on listed securities held for trading purpose. There was no similar investment in Year 2014.

Gain on disposal of subsidiaries

To effectively manage and optimise investment return, the Group disposed of certain subsidiaries and recorded a gain of approximately RMB194,047,000 in total during the year. In June 2015, the Group completed the disposal of 100% equity interest of Jiangsu Province Fullshare Property Development Limited*（江蘇省豐盛房地產開發有限公司）("Jiangsu Fullshare") at a consideration of RMB467,000,000, and recorded a gain of approximately RMB79,492,000. In November 2015, the Group completed the disposal of 100% equity interest of Jurong Dasheng Property Development Limited*（句容達盛房地產開發有限公司）("Jurong Dasheng") and Jurong Dingsheng Property Development Company Limited*（句容鼎盛房地產開發有限公司）("Jurong Dingsheng") (collectively referred to as "Jurong Dasheng and Dingsheng") at a total consideration of approximately RMB524,000,000, and recorded a gain of approximately RMB67,858,000. In December 2015, the Group completed the disposal of 100% equity of Active Mind Investments Limited and its subsidiaries (together, the "Active Mind Group") and Advance Goal Investments Limited and its subsidiaries (together, the "Advance Goal Group") at a total consideration of approximately RMB859,000,000, and recorded a gain of approximately RMB46,697,000. There was no similar gain in Year 2014.

Gain on bargain purchase recognised in acquisition of subsidiaries

In February 2015, the Group completed the acquisition of 100% equity interest of Jiangsu Anjiali Zhiye Company Limited*（江蘇安家利置業有限公司）("Jiangsu Anjiali") and its subsidiaries Jurong Dasheng and Dingsheng at a consideration of RMB438,000,000. As the fair value of the net assets acquired is higher than the purchase consideration, the Group recorded a gain on bargain purchase recognised in the acquisition of subsidiaries of approximately RMB363,428,000.

In October 2014, the Group completed the acquisition of 80% equity interest of Nanjing Tianyun Real Estate Development Company Limited* (南京天韻房地產開發有限公司) with a consideration of RMB500,000,000. As the fair value of the net assets acquired is higher than the purchase consideration, the Group recorded a gain on bargain purchase recognised in the acquisition of subsidiaries of approximately RMB237,978,000 in Year 2014.

Selling expenses

Selling expenses of the Group increased by approximately RMB42,907,000 or 129% from approximately RMB33,319,000 in Year 2014 to approximately RMB76,226,000 in Year 2015, which was mainly due to the inclusion of the selling expenses of approximately RMB36,823,000 from the subsidiaries which were acquired in the fourth quarter of last year and the first quarter in this year, and the promotion works for the year were mainly concentrated on new projects in the property development segment, such as Yuhua Salon (雨花客廳), ZhuGong (諸公) and Amber Garden Phase II (琥珀花園二期).

Administration expenses

Administrative expenses of the Group increased by approximately RMB41,106,000 or 59% from approximately RMB69,401,000 in Year 2014 to approximately RMB110,507,000 in Year 2015, which was mainly due to the inclusion of the administrative expenses of the subsidiaries acquired or established in the fourth quarter of 2014 and in Year 2015. Such increase was mainly attributable to staff costs incurred in Year 2015 as compared with last year.

Finance costs

The finance costs of the Group increased by approximately RMB94,914,000 or 3,127% from approximately RMB3,035,000 in Year 2014 to approximately RMB97,949,000 in Year 2015. The additional finance costs were mainly generated from the borrowings used for expanding the Group's business during the year and one-off non-cash accounting finance costs arisen from early repayment of the non-interest bearing borrowings.

Profit/loss before tax

The Group recorded a profit before tax of approximately RMB1,465,799,000 for Year 2015. If excluding the gain on bargain purchase recognised in the acquisition of subsidiaries of approximately RMB363,428,000, the gain on disposal of subsidiaries of approximately RMB194,047,000 and the gain on fair value change in transferring properties held for sale to investment properties of approximately RMB147,464,000, profit before tax for the year would amount to approximately RMB760,860,000.

Income tax expense

In Year 2015, the PRC EIT expense, PRC LAT expense and deferred tax expense of the Group amounted to approximately RMB167,538,000, RMB44,464,000 and RMB14,807,000 respectively, and in Year 2014, the PRC EIT expense, the PRC LAT expense and the deferred tax credit amounted to approximately RMB48,198,000, RMB42,809,000 and RMB31,526,000 respectively.

Management Discussion and Analysis

The PRC EIT in Year 2015 increased by approximately RMB119,340,000, which was mainly due to the provision for PRC EIT of approximately RMB90,842,000 and RMB28,650,000 respectively contributed by the profits arising from the sales of Amber Garden Phase I（琥珀花園一期）and the disposal of subsidiaries in Year 2015. The PRC LAT in Year 2015 increased by approximately RMB1,655,000 as compared with Year 2014.

The net deferred tax expenses for the Year 2015 was RMB14,807,000, which included the deferred tax credit from the reversal of deferred tax liabilities of approximately RMB158,810,000 recognised at the date of acquisition of Jiangsu Anjiali upon the delivery of Amber Garden Phase I（琥珀花園一期）. Such credit was set off against the current PRC EIT and PRC LAT provided for this project. Furthermore, the deferred tax expenses of approximately RMB102,363,000 and approximately RMB65,806,000 were provided respectively for the gain on change in fair value of financial assets at fair value through profit or loss and gain on fair value change in transferring properties held for sale to investment properties during the year.

Profit for the Year

For Year 2015, the Group recorded a profit of approximately RMB1,238,990,000. Excluding the gain on bargain purchase recognised in the acquisition of subsidiaries of approximately RMB363,428,000, gain on disposal of subsidiaries of approximately RMB194,047,000, gain on fair value change in transferring properties held for sale to investment properties of approximately RMB147,464,000, net finance costs of approximately RMB21,763,000 incurred to finance the acquisition of subsidiaries and the relevant tax expenses or provision for deferred tax in related to the above gain or loss of approximately RMB93,685,000, the Group recorded a net profit for the year of approximately RMB649,499,000. For Year 2014, the Group recorded a net loss of approximately RMB1,064,743,000, and, excluding the loss on change in fair value of convertible bonds of approximately RMB1,360,118,000 and gain on bargain purchase recognized in the acquisition of a subsidiary of approximately RMB237,978,000, the Group recorded a net profit for the year of approximately RMB57,397,000. Profit for Year 2015 increased by approximately RMB592,102,000 as compared with Year 2014. Such increase in net profit was mainly attributable to the net profit after tax of new investment segment of approximately RMB524,399,000, representing 81% of the adjusted net profit after tax.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group financed its operations and investments mainly by internally generated funds, equity and debt financings.

Cash position

As at 31 December 2015, the Group had cash and bank balances of approximately RMB1,194,328,000 (31 December 2014: approximately RMB325,013,000, excluding pledged bank deposits), representing an increase of approximately 267% from 31 December 2014.

Bank and other borrowings

As at 31 December 2015, bank and other borrowings of the Group amounted to approximately RMB892,530,000, including bank borrowings of approximately RMB592,530,000 and other borrowings of approximately RMB300,000,000. Among total bank and other borrowings, approximately RMB761,280,000 are repayable within one year, approximately RMB15,000,000 are repayable over one year but not exceeding two years, approximately RMB45,000,000 are repayable over two years but not exceeding five years and approximately RMB71,250,000 are repayable over five years. As at 31 December 2014, bank and other borrowings of the Group amounted to approximately RMB910,103,000, including bank borrowings of approximately RMB279,690,000 and other borrowings of approximately RMB630,413,000. As at 31 December 2015, the balance of borrowings decreased by approximately RMB17,573,000 as compared with 31 December 2014.

Leverage

Total cash and bank balances of the Group amounted to approximately RMB1,194,328,000 as at 31 December 2015 (31 December 2014: approximately RMB325,013,000, excluding pledged bank deposits). Balances of bank and other borrowings, amount due to a shareholder, consideration payables and corporate bond in aggregate amounted to approximately RMB921,331,000 as at 31 December 2015 (31 December 2014: approximately RMB1,125,765,000). The gearing ratio of the Group as at 31 December 2015, calculated as a ratio of sum of bank and other borrowings, amount due to a shareholder, consideration payables and corporate bond to total assets, was approximately 11% (31 December 2014: approximately 25%). Total equity of the Group was approximately RMB4,959,637,000 as at 31 December 2015 (31 December 2014: approximately RMB2,168,847,000).

The Group recorded the total current assets of approximately RMB8,150,954,000 as at 31 December 2015 (31 December 2014: approximately RMB3,902,091,000) and total current liabilities of approximately RMB3,165,399,000 (31 December 2014: approximately RMB2,180,061,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 2.6 as at 31 December 2015 (31 December 2014: approximately 1.8).

FOREIGN EXCHANGE EXPOSURE

Sales and purchases by the Group are mainly transacted in RMB and Hong Kong dollar. Save for the financial assets at fair value through profit or loss of approximately RMB1,598,115,000, bank balances and cash of approximately RMB659,625,000 and corporate bond of approximately RMB7,743,000 as at 31 December 2015 (31 December 2014: bank balances and cash of approximately RMB75,066,000, amount due to shareholder of approximately RMB8,815,000 and corporate bond of approximately RMB7,089,000 respectively) which were denominated in Hong Kong dollar, most of the Group's assets and liabilities were denominated in RMB. The Directors are aware that the fluctuations in exchange rate between Hong Kong dollar and RMB may give rise to potential foreign currency risk. The Group currently does not have a foreign currency hedging policy and will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

Management Discussion and Analysis

TREASURY POLICIES

As at 31 December 2015, save for the bank and other borrowings of the Group of approximately RMB490,000,000 denominated in RMB at fixed interest rate and the corporate bond of approximately RMB7,743,000 denominated in Hong Kong dollars at fixed interest rate (31 December 2014: the bank and other borrowings of approximately RMB557,913,000 denominated in RMB at fixed interest rate and the corporate bond of approximately RMB7,089,000 denominated in Hong Kong dollar at fixed interest rate), the Group's remaining bank and other borrowings were mainly denominated in RMB and bore interest at variable interest rates. Bank balances and cash held by the Group were mainly denominated in RMB and Hong Kong dollar. The Group currently does not have foreign currency and interest rate hedging policies. However, the management of the Group monitors foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

As at 31 December 2015, trade receivables and trade and bills payables of the Group were approximately RMB108,489,000 and RMB301,562,000 (31 December 2014: approximately RMB12,758,000 and RMB101,246,000) respectively. The Group has a policy in financial risk management to ensure settlement of all receivables and payables during the credit period.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 31 December 2015 are set out in note 48 to the consolidated financial statements attached to this annual report.

INVESTMENT PROPERTIES

Details of the Group's investment properties as at 31 December 2015 are set out in note 18 to the consolidated financial statements attached to this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

To expand the operation scale and improve the quality of the assets of the Group, the Group conducted the following corporate acquisitions and disposals in Year 2015:

On 19 January 2015, the Group completed the acquisition of 100% equity interests in Nanjing Fullshare Technology at a total consideration of RMB667,000,000, the details of which were set out in the announcements of the Company dated 8 December 2014, 16 January 2015 and 19 January 2015 respectively and the circular of the Company dated 30 December 2014.

On 12 February 2015, the Group completed the acquisition of 100% equity interests in Jiangsu Anjiali and its subsidiaries Jurong Dasheng and Dingsheng at a total consideration of RMB438,000,000, the details of which were set out in the announcements of the Company dated 24 December 2014, 20 January 2015 and 12 February 2015 and the circular of the Company dated 10 February 2015 respectively.

On 17 June 2015, the Group completed the acquisition of 100% equity interests in three subsidiaries and 95% equity interest in another subsidiary of Nanjing Fullshare Energy Science & Technology Company Limited*（南京豐盛新能源科技股份有限公司）at a total consideration of RMB28,000,000, the details of which were set out in the announcement of the Company dated 12 May 2015.

On 25 June 2015, the Group completed the disposal of 100% equity interests in Jiangsu Fullshare at a total consideration of RMB467,000,000, the details of which were set out in the announcements of the Company dated 29 May 2015 and 25 June 2015 and the circular of the Company dated 19 June 2015 respectively.

On 26 June 2015, the Group completed the acquisition of 90% equity interests in Zall Development (Shenyang) Limited*（卓爾發展（沈陽）有限公司）, Zall Trading Development (Xiaogan) Limited（卓爾商貿發展（考感）有限公司）and its wholly-owned subsidiary, Zall Development (Xiaogan) Limited*（卓爾發展（孝感）有限公司）at a total consideration of RMB736,000,000, which was settled by way of the full allotment and issue of 681,480,000 ordinary Shares, the details of which were set out in the announcements of the Company dated 9 April 2015 and 24 June 2015 respectively.

On 23 November 2015, through completing the acquisition of 100% equity interests in Rich Unicorn Holdings Limited at a total consideration of approximately RMB1,307,000,000 which was settled by way of allotment and issue of 937,910,000 ordinary Shares, the Group held 869,130,000 shares of Zall Development Group Ltd. (Stock Code: 2098) representing approximately 8.15% of its then issued share capital, the details of which were set out in the announcements of the Company dated 13 October 2015 and 23 November 2015 respectively and the circular of the Company dated 5 November 2015.

On 27 November 2015, the Group completed the disposal of 100% equity interests in Jurong Dasheng and Dingsheng at a total consideration of approximately RMB524,000,000, the details of which were set out in the announcement of the Company dated 9 November 2015.

On 4 December 2015, the Group completed the disposal of 100% equity interests in Active Mind Group and Advance Goal Group at a total consideration of approximately RMB859,000,000, the details of which were set out in the announcement of the Company dated 6 November 2015.

On 27 November 2015, the Group entered into a sales and purchase agreement with Nanjing Sheng Chuang Investments Company Limited*（南京盛創投資有限公司）and Jiangsu Kean Construction Engineering Company Limited*（江蘇科安建設工程有限公司）to purchase 100% equity interests in Jiangsu Anke Science and Technology Development Co., Ltd.*（江蘇安科科技發展有限公司）at a total consideration of approximately RMB21,000,000. As the date of this report, the transaction has not been completed, the details of which were set out in the announcements of the Company dated 27 November 2015, 18 December 2015, 8 January 2016, 22 January 2016 and 29 February 2016 respectively.

The Company confirms that it has complied with all the disclosure requirements under Chapter 14 and 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In Year 2015, save as disclosed in this report, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

Management Discussion and Analysis

SEGMENT INFORMATION

Details of the segment information of the Group in Year 2015 are set out in note 9 to the consolidated financial statements attached to this annual report.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 31 December 2015 are set out in note 47 to the consolidated financial statements attached to this annual report.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2015 are set out in note 49 to the consolidated financial statements attached to this annual report.

PROPOSED FINAL DIVIDEND

The Board have resolved to recommend a final dividend of RMB1.0 cent (2014: Nil) per share in cash distributed from the share premium account of the Company for the Year 2015 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on 31 May 2016. Such final dividend will not be subject to any withholding tax. As at 31 December 2015, the Company's share premium account was approximately RMB3,434,961,000. After the payment of the final dividend, assuming there are no other changes to the share premium account, the Company's share premium account is expected to be reduced to approximately RMB3,278,580,000. 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 of 1.19 as announced by the Hongkong and Shanghai Banking Corporation Limited as at 30 March 2016.

The proposed final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 20 May 2016 (the "AGM"). The final dividend is expected to be paid on 15 June 2016.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 20 May 2016, the register of members of the Company will be closed from Tuesday, 17 May 2016 to Friday, 20 May 2016, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Monday, 16 May 2016.

For determining the entitlement to the proposed final dividend for Year 2015 (subject to approval by shareholders at the AGM), the register of members of the Company will be closed from Thursday, 26 May 2016 to Tuesday, 31 May 2016, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible for the above proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 25 May 2016.

STAFF AND REMUNERATION POLICIES

As at 31 December 2015, the Group had about 402 employees (31 December 2014: 263 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB54,656,000 for Year 2015 (Year 2014: RMB27,901,000). Employee remuneration is determined according to the operating results of the Group, job requirements, market salary standard and staff's personal competence. The Group regularly reviews its remuneration policy and fringe benefits programs and makes adjustment to bring them in line with industrial level. In addition to basic salaries, the Group has established revenue sharing program and performance appraisal plan to provide rewards with inference to the Group's results and employees' individual performance.

SUBSEQUENT EVENTS

As at 31 December 2015, details of the subsequent events of the Group are set out in note 54 to the consolidated financial statements attached to this annual report.

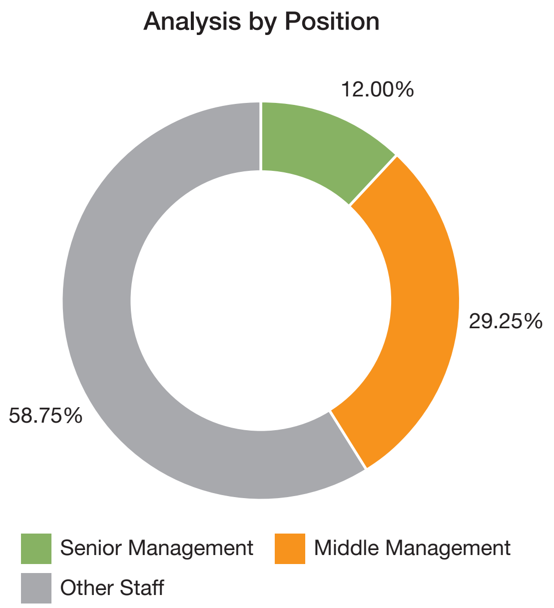
* *for identification purpose only*

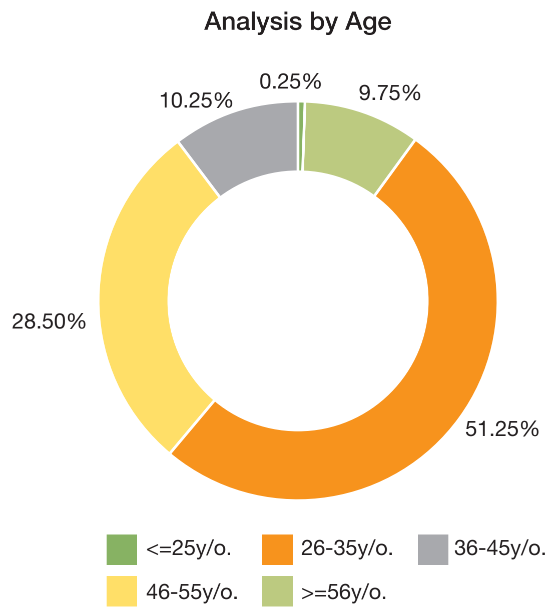
PHILOSOPHY

The Group places emphasis in upholding the cultural philosophy of "growing business and sharing profits together, working joyfully and healthy and happy", and endeavours to provide staff with a happy working environment to maintain a steady business development. The Group believes that working conditions, environmental protection and business operation were the three main focuses of the Group in the 2015 Environmental, Social and Governance Report.

WORKING CONDITIONS

The business operations of the Group are located in different provinces and cities in the PRC, in Hong Kong and overseas. As at 31 December 2015, the Group employed a total of 402 staff, of which 371 staff are employed in mainland China, 17 are in Hong Kong, and 14 are employed overseas and their age and position distributions are as follows:





As an employer providing equal opportunities, the Group provides staff with harmonious and happy working environment, with every staff being respected and fairly treated in works irrespective of their race, colour, gender, age, and religion, and we also care about the dedications and contributions of all staff with different backgrounds. Hence, the Group formulated "Human Rights Policy（人權政策）", "Personal Data (Privacy) Policy（個人資料（私隱）政策）" and "Anti-discrimination Policy（反歧視政策）" to enable every staff to work under more harmonious and equitable working conditions. The Group also complied with the stringent recruitment procedures and eradicated any sort of child labor or forced labor. In addition, the Group set up relevant policies and arrangements for employees such as engagement, re-designation, recruitment, training, promotion and conduct, including measures to encourage all employees and job applicants to enjoy equal opportunities and unbiased treatment. In addition, the Group also set up "Code of Business Industry and Ethics（商業行業及道德準則）", striving to advocate integrity, moral and quality character, and focusing on staff occupational ethics. To facilitate every staff to become the leading role model in integrity and self-discipline, each staff shall require to sign the "Honest Undertaking Letter（廉潔承諾書）".

Staff Welfare

The Group formulated competitive remuneration package and welfare policies to attract and motivate talents. Based on the "Remuneration and Welfare Management System（薪酬福利管理規定）" and "Performance Appraisal Management System（績效考核管理規定）", the Group determines staff remuneration based on those factors such as the operation results of the Group, job requirements, market salary standard and staff's personal competence. The Group regularly reviews the "Remuneration and Welfare Management System（薪酬福利管理規定）" and makes necessary adjustments to conform to industry remuneration standard, so as to achieve co-development and growth between staff and the Group.

Based on the requirements of local government applicable laws and regulations where our businesses are located, the Group participates in various employee welfare plans set up by the governments, which include housing provident fund, pension, medical, maternity and unemployment welfare plans. According to local government regulations, the Group contributes to the employee welfare plans based on the specific percentage of staff's salaries, bonuses and eligible allowances, with the highest contribution amount being the amount specified by respective local governments. The Group did not have any material infringement on any applicable laws and regulations in the 2015 financial year.

Staff Training and Development

The Group endeavours to offer quality development platform and sound growing environment to staff in establishing the healthy cultural sentiment. The Group enhances staff's knowledge in occupational skills, professional information and internal systems through organising various training activities. The Group also encourages communications across businesses, departments and locations within the Group, with the aim to share experiences, knowledge and mutual learning among the staff.

In 2015, the Group's product management centre, legal department, audit department, finance department and external lawyers or professional team organised various staff trainings. Every year, the Group conducts regular professional knowledge and internal training for preventing irregularities. Our internal departments also conduct occasional training activities should there be policies or rules amendments. For example, the Company provided a total of 65 hours of training courses for each relevant management personnel in continuous operation compliance and management to fulfill the regulatory requirements of listed companies. In addition, a total of 362 person-time of the Group participated in the training courses, representing an increase of approximately 25% as compared with the same period last year. To maintain the professionalism of its staff, the Group also encouraged staff's self-training and continuing education, and provided certain expenditures for staff's self-training.

The Group also holds different kinds of cultural activities for staff, providing communication opportunities among staff to enhance their sense of belongings and improves team spirits. In 2015, the Group arranged the domestic and overseas team-building tours and other fraternity activities to achieve a balanced physical and mental development for its staff.

Occupational Health and Safety

The Group complies with the labour and safety laws and regulations in the PRC, which provides safety facilities and ensures that sufficient preventive measures are in place for staff in performing their works. The Group also formulated "Safety Management System（安全管理規定）", so as to set up the safety production responsibility system. While entering into a construction contract with a contractor in construction or real estate development, the contractor is required to enter into a safety production responsibility contract. Furthermore, the Group also conducted the safety technology education for departments to raise their safety and prevention consciousness. The Group did not have any significant labour litigation and claim in the 2015 financial year.

Health Plan

Health plan is the health service package tailor-made by the Group for its staff. The "health plan" welfare kicked start formally on 26 October 2015. The 50 members of the first session received membership manuals and membership cards at the venue and listened to the introduction of health products and services, commencing their "health trip" for a term of one year.

Mr. Ji, our Chairman and Mr. Shi, our Executive Director shared the development philosophy of "To start from love and share healthiness together" of the Group's health brand at the meeting to advocate our members to start from themselves to care about themselves, their family members and the development of the Company. "We are engaged in the health industry business and this is where we want to provide our members with a basket of comprehensive health solutions including customized personal health platform, health service platform, health e-commerce platform and insurance wealth management products; guiding and encouraging everyone to achieve a healthy lifestyle and integrate health behavior into our works and life".

ENVIRONMENTAL PROTECTION

Recycling

During the year, the Group actively engaged in recycling activities, such measures include the use of recycled papers, minimizing the use of papers, reducing energy consumption by switching off idle lightings, computers and electronic appliances, and has installed recycling bins in offices, and encourages employees to go the extra mile for environmental protection. It also achieved 100% recycling rate of ink and toner cartridges.

Efficient Use of Energy

The Group is committed to implementing the principle of efficient use of energy and only uses electrical appliances that bear the energy-efficiency label.

Green Building Services

In 2015, the Group continued to endeavour to identify suitable business expansion opportunities to get involve in the investment, construction, management, operation and services related businesses regarding green building and green cities sectors. It is the Group's strategy to integrate environmental protection and energy saving ideas of green building into the projects through building quality properties, with a view to build energy-saving, environmental-friendly and healthy environment so as to achieve a green society. The Group set up the business segment "Building Services" in 2014. In 2015, for the different aspects such as construction building, project design and development management, the Group fully promoted ecological technology and applied it to our real estate development of the Group and implemented low-carbon building.

In order to protect and improve the living environment and ecological environment, and prevent operational pollution from construction works, the Group also set up a "Construction Work Environment Management System (施工環境管理制度)" after setting up the "Building Services" in 2014, which strictly implements measures to prevent air pollution, water pollution and noise pollution from the construction works and safeguard the nearby community of the construction site and the health of the workers.

The Group is in compliance with various environmental rules and regulations, such as environmental protection laws and regulations governing real estate development in the PRC, including the "Environmental Protection Law of the People's Republic of China" (中華人民共和國環境保護法), the "Environmental Noise Pollution Prevention Law of the People's Republic of China" (中華人民共和國環境噪音污染防治法), the "Environmental Impact Assessment Law of the People's Republic of China" (中華人民共和國環境影響評價法) and the "Regulations Governing Environmental Protection in Construction Projects" (建設項目環境保護管理條例). It has obtained the required licences and environmental protection approvals for all property development projects. Each property development project is required to conduct an environmental assessment. For the year ended 31 December 2015, the Group incurred expenses of approximately RMB440,000 for complying with the applicable environmental rules and regulations in the PRC, represented an increase of approximately 76% as compared with the same period of last year.

In early 2015, Nanjing Fullshare Dazu Technology Company Limited* (南京豐盛大族科技股份有限公司) ("Nanjing Fullshare Technology") duly became a wholly-owned subsidiary of the Group. Yuhua Salon (雨花客廳) (formerly known as FengShengShangHui (豐盛商匯)), the project under that company, has obtained the dual certifications of the US LEED Golden (美國LEED金級證書) and the Certificate of Green Building Design Label – Triple Star Grading in China (中國三星級綠色建築設計標識證書), the highest grade certification for green building in the PRC.

Environmental, Social and Governance Report

"Yuhua Salon（雨花客廳）" is the first project in Nanjing advocating low-carbon environmental protection and adopting the advanced ground source heat pump technical system and roof top garden design, with an aim of enabling the property owners to enjoy a healthy life brought by environmental technology after the busy office life.

"Yuhua Salon（雨花客廳）" is the first-ever domestic innovative PM2.5 removal system to cope with hazy weather through the Fresh Air System（新風系統）, which will greatly enhance the overall project quality. The ground source heat pump system it adopted can ensure modulated temperature, humidity and oxygen inside the property in different seasons, which uses recycling underground water source to control temperature and humidity, thereby always keep the office environment at the most comfortable conditions of human body and also reduced 30% energy consumption.

Fullshare Lujian, a wholly-owned subsidiary of the Group, also promoted actively the green building design consultancy, regional energy planning and energy station investment businesses, and implemented actively the full process management by BIM (Building Information Modeling) technology. In December 2015, Fullshare Lujian was successfully elected as the Vice President (Deputy Chairman) Unit of China Association of Building Energy Efficiency, which is the highest-level of association in the construction energy saving and green building industry in China.

BUSINESS OPERATIONS

The development process for the real estate development projects of the Group generally comprises city and site selection, land acquisition, project design and planning, project financing, construction, quality control and construction project supervision, sales and marketing, delivery and after-sales services.

Quality control

The Group focuses on quality control of its real estate development projects. The Group conducts relentless important measures and procedures that are relevant to quality control:

- Construction contracts that are entered into with construction contractors generally provide warranties regarding the quality of respective construction projects and the completion time;

- Comply with the relevant law and regulations in the PRC, the Group engages certified construction supervision companies to supervise project construction. These construction supervision companies conduct on site quality and safety monitoring inspection for all materials used and technology implemented, and supervised the construction progress, site safety and works schedule;

- Require that construction contractors must use the designated brands for the principal construction materials or equipment or procure such construction materials and equipment from designated qualified suppliers; and

- Conduct on-site inspection for all construction materials purchased.

Suppliers Management

The Group outsources all construction projects to building contractors in the PRC. The Group has established the "Suppliers Management Policy*（供貨商管理辦法）", "Tender Management Regulations*（招標管理規定）", "Non-tender Category Purchasing Management Policy*（非招標類採購管理辦法）" to regulate the suppliers and contractors selection and management procedures. Before selecting suppliers and contractors, the Group will send an investigation form to every potential supplier and contractor for filling in. The form is a carefully designed form to evaluate the technology and quality of the product and service, professional qualifications, reputation and historical records of suppliers and contractors, and their overall performance.

Sponsorship and Awards

The Company

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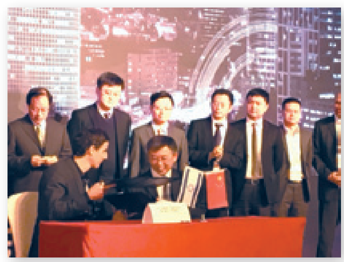

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1. sponsored HK$5,000 for the Playwright Fun Flag Day Activity held by the Playright Children's Play Association in November 2015 and was granted the certificate of appreciation by the organiser;

2. was granted the 2015 "Green China Corporate Social Responsibility Achievement Award (綠色中國企業社會責任成就獎)" of "Green China Environmental Achievement Award (綠色中國環保成就獎)" jointly organised by Wen Wei Po and Overseas Chinese Media Cooperation Organisation in December 2012;

3. was granted the Best Investor Relationship Award of 2015 Listed Companies Award organised by the financial magazine, "China Financial Market" (《中國融資》), in January 2016;

4. sponsored RMB250,000 for the China Israel Technology Innovation & Investment Summit held by Infinity Equity Management Company Limited in January 2016. The industries that participated in the summit involved the design of high-end manufacturing medical devices, agriculture technology, clean technology and so on. The summit expressed an appreciation for the Group's concern on environment, society and governance and others;

5. sponsored RMB20,000 for the New Territories Walk For A Million activity (新界區百萬行活動) held by Hong Kong Community Chest in March 2016, with an aim of raising fund for the family and children welfare services and was awarded the certificate of appreciation by the organiser.

Yuhua Salon (雨花客廳) Project under Nanjing Fullshare Technology

During the year, Nanjing Fullshare Technology, a wholly-owned subsidiary of the Company, was granted the following awards:

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6. 2015 Most Valuable Investment Award (2015年度最具投資價值獎)

7. 2015 Popular Property Development (2015人氣樓盤)

8. 2015 Investment Potential Property Development (2015年度投資潛力樓盤)

9. 2015 Model Property Development for Value in Nanjing Property Market (2015年度南京樓市價值典範樓盤)

Fullshare Lujian

During the year, Fullshare Lujian, a wholly-owned subsidiary of the Group, was granted the following awards:

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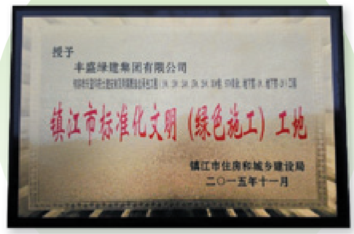

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10. Vice President (Deputy Chairman) Unit of China Association of Building Energy Efficiency

11. the title of Zhenjiang standardized civilization (green construction) construction site in respect of its Jurong Natural & Residential（天璽華府）construction installation and ancillary general contracting projects (Floor 19#, 20#, 24#, 25#, 29#, 30#, Business S7#, Basement – 1#, Basement – 2#)

PROSPECT

In 2016, the Group is expected to continue to create better working conditions and put more resources to create a community environment for every stakeholder, such as employees, business partners, shareholders and society, with the vision of sustainable development.

The Group is expected to continue to mainly focus on the consultation and design of green building, green building and energy saving engineering, construction energy management and health industry development in the future. In actively responding to the ecological civilization construction requirements, the Group adopts the dual-driven strategies to develop the two businesses of green health building and comprehensive health services. Taking green building and energy conservation technology as the core, we aim at transforming traditional real estate to build up green health buildings, communities and new towns. Also, taking comprehensive health services as the core, we aim at continuously improving the added-values of real estate service so as to create the community health operation system.

The Group is expected to also formulate a comprehensive data collection and reporting system to strengthen the analysis of energy consumption and the impact of green building on the environment in order to fully promote our target on environmental and social concerns.

* *for identification purpose only*

Corporate Governance Report

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. It believes that high standard of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standard of accountability and protect interests of the Shareholders and other stakeholders.

The Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of Listing Rules during the Year 2015 except for the following deviations:

1. **Code Provision A.2.1**

   Under the code provision A.2.1 of the CG Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. During the year, the positions of chairman and CEO of the Company were held by Mr. Ji. The Board believed that holding of both positions of chairman and CEO by the same person allowed more effective planning and execution of business strategies. The Board has full confidence in Mr. Ji and believes that his dual roles will be beneficial to the Group.

2. **Code Provision A.4.1**

   Under the code provision A.4.1 of the CG Code, non-executive Directors should be appointed for specific term, subject to re-election. The independent non-executive Directors were not appointed for a specific term, but they were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company ("Articles of Association") at least once every three years.

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 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards as set out in the Model Code throughout the year 2015.

Corporate Governance Report

BOARD OF DIRECTORS

The Board currently consists of a total of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors ("INEDs"). The composition of the Board during the year and up to date of this report are:

Executive Directors

Mr. Ji Changqun *(Chairman and CEO)*	
Mr. Shi Zhiqiang	
Mr. Wang Bo	
Mr. Fang Jian	
Mr. Zhou Yanwei	(resigned on 31 March 2015)

Non-executive Directors

Mr. Eddie Hurip	(re-designated from executive Director to non-executive Director on 31 March 2015)
Mr. Chen Minrui	(appointed on 31 March 2015 and resigned on 30 March 2016)

INEDs

Mr. Lau Chi Keung
Mr. Chow Siu Lui
Mr. Tsang Sai Chung

None of the existing Directors has any personal relationship (including financial, business, family or other material/ relevant relationship), with any other existing Director.

The Board is responsible for approving and monitoring the Group's strategies, policies and business plans, evaluating the performance of the Group and supervising the work of management. The management of the Company is responsible for the daily operations and administration of the Group.

During the year under review, the Chairman of the Board held a meeting with the Non-executive Directors (including INEDs) without the executive Directors present.

Corporate Governance Report

Board Meetings

During the year ended 31 December 2015, the Company held five board meetings, the annual general meeting on 14 May 2015 and three extraordinary general meetings on 16 January 2015, 29 October 2015 and 23 November 2015 respectively, three audit committee meetings on 12 January 2015, 26 March 2015 and 25 August 2015 respectively, one nomination committee meeting on 31 March 2015, one remuneration committee meeting on 31 March 2015. The following is the attendance record of the Directors in the aforesaid meetings:

	Attendance/number of meetings held during the year of 2015					
Name of Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Annual General Meeting	Extraordinary General Meetings
Executive Directors						
Mr. Ji Changqun	5/5	n/a	1/1	1/1	1/1	2/3
Mr. Shi Zhiqiang	5/5	n/a	n/a	n/a	1/1	3/3
Mr. Fang Jian	4/5	n/a	n/a	n/a	1/1	2/3
Mr. Wang Bo	5/5	n/a	n/a	n/a	1/1	3/3
Mr. Zhou Yan Wei (Note 1)	1/1	n/a	n/a	n/a	n/a	n/a
Non Executive Directors						
Mr. Eddie Hurip (Note 2)	5/5	n/a	n/a	n/a	1/1	3/3
Mr. Chen Minrui (Note 3)	4/4	n/a	n/a	n/a	1/1	2/2
INEDs						
Mr. Chow Siu Lui	5/5	3/3	n/a	n/a	1/1	3/3
Mr. Lau Chi Keung	5/5	3/3	1/1	1/1	1/1	3/3
Mr. Tsang Sai Chung	5/5	3/3	1/1	1/1	1/1	3/3

Notes:

1. Mr. Zhou Yanwei resigned as executive Director with effect from 31 March 2015.
2. Mr. Eddie Hurip was re-designated from executive Director to non-executive Director with effect from 31 March 2015.
3. Mr. Chen Minrui was appointed as non-executive Director on 31 March 2015 and resigned with effect from 30 March 2016.

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance duties including:

(a) to develop and review the Company's policies and practices on corporate governance;

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

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

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

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10A, 3.10(1) and (2) of the Listing Rules that requires every board of directors of a listed issuer must include at least three INEDs and at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors. The Company has received from each of its INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all INEDs are independent.

The INEDs were not appointed for specific terms but were subject to retirement by rotation and re-election in accordance with the Articles of Association at least once every three years.

The Company provides Directors with directors' liability insurance coverage to protect them from loss as a result of any legal proceeding against the Company.

The posts of the CEO and Chairman are both held by Mr. Ji. The reasons have been explained in the section headed "Corporate Governance Code" of this annual report.

Professional Continuous Development of Directors

Every newly appointed Director will receive a comprehensive, formal and tailored induction on the first occasion of his appointment to ensure he/she has a proper understanding of the Company's operations and business and full awareness of his/her responsibilities under the Listing Rules, legal and other regulatory requirements, and especially the Company's business and governance policies. The Company Secretary facilitates the induction and professional development of Directors.

Corporate Governance Report

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. Directors also reviewed the regular business and financial updates and other reading materials provided to them concerning latest developments in corporate governance practices and relevant legal and regulatory developments. The records of the Directors' participation in various continuous professional development program is kept with the Company Secretarial Department. A summary of training received by the Directors for the year ended 31 December 2015 according to the records provided by the Directors is as follows:–

Name of Directors	Attending seminars/ conferences/ forums	Reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc.
Executive Directors		
Mr. Ji Changqun	✓	✓
Mr. Shi Zhiqiang	✓	✓
Mr. Fang Jian	✓	✓
Mr. Wang Bo	✓	✓
Mr. Zhou Yan Wei (Note 1)	✘	✓
Non Executive Directors		
Mr. Eddie Hurip (Note 2)	✓	✓
Mr. Chen Minrui (Note 3)	✘	✓
INEDs		
Mr. Chow Siu Lui	✓	✓
Mr. Lau Chi Keung	✓	✓
Mr. Tsang Sai Chung	✓	✓

Notes:

1. Mr. Zhou Yanwei resigned as executive Director with effect from 31 March 2015.
2. Mr. Eddie Hurip was re-designated from executive Director to on-executive Director with effect from 31 March 2015.
3. Mr. Chen Minrui was appointed as non-executive Director on 31 March 2015 and resigned with effect from 30 March 2016.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") on 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of this policy together with the measureable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, experience, cultural and educational background, expertise, skills and know-how.

Monitoring and Reporting

The Nomination Committee will review, as appropriate, to ensure the effectiveness of the Board Diversity Policy and monitor the implementation of this policy.

The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skill and experience appropriate for the business of the Company.

A copy of the Board Diversity Policy has been published on the Stock Exchange's website for public information.

ROLE AND FUNCTION OF THE BOARD AND THE MANAGEMENT

The Board is responsible for overall strategic formulation and performance monitoring of the Group. It delegates day-to-day operations of the Company to the management within the control and authority set by the Board. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report.

BOARD MEETINGS AND BOARD PROCEDURAL MATTERS

The Board meets at least four times a year and has formal procedures to include matters to be referred to it for consideration and decisions at the Board meetings. Notice of at least 14 days is served for regular Board meetings. Each director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each director not less than three days before the date of Board meeting to enable the Directors to make informed decision on the matters to be discussed except where a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matters. Between scheduled meetings, management provides information to the directors on the activities of and developments in the businesses of the Group. As and when deemed necessary, additional Board meetings may be convened. In addition, any director may request the Company secretary to arrange for independent professional advice to assist the directors to effectively discharge their duties.

The personnel of Company Secretarial Department is responsible for taking minutes of Board meetings and Board committee meetings, draft and final versions of which would be sent to Directors for comments and records respectively, within a reasonable time after each meeting. Minutes are recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views (if any) expressed. Minutes of Board meetings and Board committees meetings are kept by the Company Secretarial Department and are open for inspection by any director/committee member.

Except for those circumstances permitted by the bye-laws and all applicable laws, rules and regulations, a director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 18 January 2006. The members during the year were:

Mr. Lau Chi Keung *(Chairman)*
Mr. Ji Changqun
Mr. Tsang Sai Chung

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of all executive Directors and senior management of the Company, including benefits-in-kind, pension rights and compensation payments, and making recommendations to the Board on the remuneration of the non-executive Directors. In developing remuneration policies and making recommendation as to the remuneration of the Directors and senior management of the Company, the Remuneration Committee takes into account the performance of the Group as well as individual Directors and senior management of the Company. No Directors can determine their own remuneration package.

The terms of reference of the Remuneration Committee, which described its authority and duties, are available on the Company's website.

During the year, the Remuneration Committee held one meeting. Matters considered at the meeting included revision of the compensation payable to all Directors and senior management of the Group and recommendation to the Board on the Group's remuneration policy and structure. The attendance of each member at the Remuneration Committee meeting held in 2015 had been disclosed earlier in this report.

Remuneration payable to senior management (excluding Directors) for the year ended 31 December 2015 is set out below:

Remuneration bands	Number of persons
Nil to HK$1,000,000	–
HK$1,500,001 to HK$2,000,000	1
HK$2,000,001 to HK$2,500,000	2

Directors' emoluments comprise payments to Directors by the Group in connection with the management of the affairs of the Group and other benefits. The amounts paid to each Director for the year ended 31 December 2015 are shown in note 14(a) to the consolidated financial statements attached to this annual report.

AUDIT COMMITTEE

The Audit Committee was formed to review and supervise the financial reporting process and internal control of the Company. The Audit Committee currently comprises three INEDs and one member possesses the appropriate professional qualifications, business and financial experience and skills. The members during the year were:

Mr. Chow Siu Lui *(Chairman)*
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

Under its terms of reference, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of the system of internal control of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determine is necessary and to perform investigations. The terms of reference of the Audit Committee, which described its authority and duties, are available on the Company's website.

During the year, the Audit Committee held three meetings. Matters considered at the meetings included review of the Group's 2015 annual and interim results, the fees for engaging the external auditors to provide the audit for the relevant years, the independence of the external auditors, the Company's financial control, internal control and risk management system. The attendance of each member at the Audit Committee meetings held in 2015 had been disclosed earlier in this report.

NOMINATION COMMITTEE

The Nomination Committee was established on 9 November 2012. Its members during the year were:

Mr. Ji Changqun *(Chairman)*
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

The Nomination Committee is responsible for establishing formal procedures for the appointments of new Directors and re-nomination and re-election of Directors. In nominating candidates for appointment of Directors, the Nomination Committee will consider their necessary expertise and experience as well as the Board Diversity Policy.

The term of reference of the Nomination Committee, which described its authority and duties, are available on the Company's website.

During the year, the Nomination Committee held one meeting. Matters considered at the meeting included the revision of the structure, size and composition of the Board, qualifications for all Directors and senior management of the Group and independence of the INEDs. The attendance of each member at the Nomination Committee meetings held in 2015 had been disclosed earlier in this report.

COMPANY SECRETARY

The company secretary of the Company, Ms. Seto Ying, undertook not less than 15 hours of relevant professional training during the year ended 31 December 2015.

AUDITORS' REMUNERATION

The fees paid to SHINEWING (HK) CPA Limited ("SHINEWING"), the external auditor of the Company, for audit and non-audit services for the year ended 31 December 2015 amounted to approximately RMB1,413,000 (2014: RMB1,118,121) and approximately RMB1,450,000 (2014: RMB1,559,963) respectively.

Fees payable to SHINEWING for non-audit services for the year amounted to approximately RMB1,450,000 with details as listed below:–

1)	Review and conduct consultancy on the acquisition and disposal projects	RMB1,058,000
2)	Acted as scrutineers in the annual general meeting and general meetings	RMB16,000
3)	Interim review	RMB376,000

In considering the appointment of external auditors, the Audit Committee has taken into consideration the future development of the Company, the relationship of the external auditors with the Company and their independence in the provision of non-audit services. Based on the results of the reviews and after taking into account the opinion of the management of the Group, the Audit Committee recommended the Board to re-appoint SHINEWING as the external auditors of the Company for the year 2016, subject to approval by the Shareholders at the forthcoming 2016 annual general meeting of the Company to be held on 20 May 2016. There is no former partner of the existing firm auditing the accounts of the Company acting as a member of the Audit Committee within one year commencing on the date of his ceasing to be a partner of the firm. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered.

INTERNAL CONTROL

The Board has, through the Audit Committee, conducted interim and annual reviews of the effectiveness of the Group's internal control system covering the financial, operational, compliance and risk management functions. The Group's internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational system and achievements of the Group's objectives.

In order to improve the Group's internal controls, the Company has engaged RSM Consulting (Hong Kong) Limited ("RSM") to perform a review of the procedures, systems and controls for the Group. RSM has submitted its internal control review reports for the Group to the Audit Committee and the Board in August 2015 and March 2016. Findings and recommendations concerning improvements to the Group's internal controls have been reviewed by the Audit Committee and the Board. The Board considered the Group's internal control system to be effective and adequate, and to further enhance the internal control effectiveness, the Company has implemented an ongoing internal control review plan by engaging RSM for the coming year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the audited consolidated financial statements of the Group for the year ended 31 December 2015. The Directors ensure that the audited consolidated financial statements of the Group for the year ended 31 December 2015 have been properly prepared in accordance with the statutory requirements and applicable accounting standards.

A report of the independent auditor of the Group is set out in pages 69 to 70 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Shareholders' communication policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. It will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

Following the change of the Company's name, a new Company's website at www.fullshare.com has been launched with more comprehensive information which enhances the transparency and communication effectiveness between the Company, the Shareholders and the investment community. The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkex.com.hk and the Company's website at www.fullshare.com;

(ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) corporate information and the Memorandum and Articles of Association of the Company are made available on the Company's website;

(iv) Annual general meeting and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management;

(v) the Company's share registrar serves the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters;

(vi) Shareholders and the investment community may at any time make a request to the company secretary or the investor relations contacts of the Company in writing for the Company's information to the extent such information is publicly available. The contact details are set out in the "Enquiry Form" under the "Contact Us" section and in the "IR Enquiries" under the "Investor Relations" section of the Company's website at www.fullshare.com; and

(vii) Publicly available news and information about the Company can also be sent to Shareholders who have subscribed to the service on the Company's website.

The notice to Shareholders is to be sent in the case of an annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered not less than 20 clear business days before the meeting. All other extraordinary general meetings may be called by not less than 10 clear business days' notice. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The chairman of the meeting answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, the Board shall, on the written requisition to the Board or the company secretary of the Company, of the members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene an extraordinary general meeting of the Company for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionist(s) shall convene the meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting forward Proposals at a General Meeting

There are no provisions under the Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Procedures for Proposing a Person for Election as a Director

Shareholders may by ordinary resolution elect any individual ("Candidate") to be a Director. Candidate for election is proposed by separate resolutions put forward for Shareholders' consideration at general meetings.

According to Article 88 of the Articles of Association, any member who wishes to propose a Candidate (other than the member himself/herself) for election as a Director should observe the following nomination procedure:

1. Prepare a signed notice of intention to propose a Candidate for election. The notice has to be signed by a member other than the Candidate being proposed.

2. Obtain a notice signed by the Candidate stating his willingness to be elected.

3. Both notices, completed in accordance with Rule 13.51(2) of the Listing Rules, are to be submitted to the head office or the registration office at least 7 days before the dispatch of the notice of such general meeting.

4. Should the notice of the general meeting appointed for such election has been sent out, the period for lodgement of such notice shall commence on the day after the dispatch of the notice of such general meeting and the last day to do so is 7 days before the date of such general meeting.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the company secretary of the Company whose contact details are set out in the "Contact Us" section of the Company's website at www.fullshare.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

During the year, the Company has not made any changes to its Memorandum and Articles of Association. The updated version of the Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles of Association for further details of their rights.

Report of the Directors

The Board of the Company presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Group are property development, provision of green building services, investment and healthcare products and services business. Details of the principal activities of each principal subsidiaries of the Group are set out in note 51 to the consolidated financial statements attached to this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 to 72 of this annual report.

PROPOSED FINAL DIVIDEND

The Board have resolved to recommend a final dividend of RMB1.0 cent (2014: Nil) per share in cash distributed from the share premium account of the Company for the Year 2015 to the Shareholders whose names appear on the register of members of the Company on 31 May 2016. Such final dividend will not be subject to any withholding tax. As at 31 December 2015, the Company's share premium account was approximately RMB3,434,961,000. After the payment of the final dividend, assuming there are no other changes to the share premium account, the Company's share premium account is expected to be reduced to approximately RMB3,278,580,000. 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 of 1.19 as announced by the Hongkong and Shanghai Banking Corporation Limited as at 30 March 2016.

The proposed final dividend is subject to the approval of the Shareholders at the AGM. The final dividend is expected to be paid on 15 June 2016.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 20 May 2016, the register of members of the Company will be closed from Tuesday, 17 May 2016 to Friday, 20 May 2016, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Monday, 16 May 2016.

For determining the entitlement to the proposed final dividend for Year 2015 (subject to approval by shareholders at the AGM), the register of members of the Company will be closed from Thursday, 26 May 2016 to Tuesday, 31 May 2016, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible for the above proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 25 May 2016.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders of the Company as at 31 December 2014 and 2015 were as follows:–

	2015	2014
	RMB'000	RMB'000
Share premium	**3,434,961**	737,703
Contributed surplus	**82,603**	82,603
Retained profits	**88,724**	–
Total	**3,606,288**	820,306

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium is available for paying distributions or dividends to shareholders of the Company subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Articles of Association provide that an ordinary resolution passed by the shareholders of the Company is required for any distribution out of the share premium account. In the opinion of the Directors, the reserves of the Company available for distribution comprise share premium, contributed surplus and retained profits.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements attached to this annual report.

Report of the Directors

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year ended 31 December 2015 are set out in note 18 to the consolidated financial statements attached to this annual report.

SHARE CAPITAL

Details of share capital of the Company are set out in note 39 to the consolidated financial statements attached to this annual report.

FUND RAISING ACTIVITIES

On 17 December 2015, the Company entered into a subscription agreement (the "Subscription Agreement") with Superb Colour Limited (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 448,717,500 ordinary shares of HK$0.01 each in the share capital of the Company (the "Subscription Share(s)") at the subscription price of HK$1.56 per Subscription Share (the "Subscription"). The aggregate nominal value of the Subscription shares is HK$4,487,175. The closing price of the Company's shares are HK$1.94 per share on the date of Subscription Agreement. On 29 December 2015, the Company issued 448,717,500 Subscription Shares to the Subscriber.

The Group is principally engaged in the property development, provision of green building services and investment. Furthermore, as disclosed in the management discussion and analysis in the Company's annual report for the year ended 31 December 2014, the Group will expedite the development in the healthcare industry.

The Directors are of the view that the Subscription can (i) raise further capital for development in the healthcare sector; (ii) strengthen the financial position of the Group; and (iii) provide general working capital for the Group. The Subscription also represents a good opportunity to broaden the capital base of the Company. The Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole. The gross proceeds from the Subscription are HK$699,999,300. The net proceeds from the Subscription (after deducting the costs, expenses and fees incurred in the Subscription) are HK$699,773,000. The net proceeds raised per Subscription Share are approximately HK$1.56 per Share.

The Company intends to use the net proceeds from the Subscription in the following manners:

1. approximately 65%, or approximately HK$454,500,000, is expected to be used to develop healthcare business, including mature merger and acquisition projects, and to finance any possible acquisitions or investments in the healthcare sector as and when opportunities arise; and

2. approximately 35%, or approximately HK$245,000,000, is expected to be used to supplement the general working capital of the Group and other business expenses.

Details of the Subscription were set out in the announcement of the Company dated 17 December 2015.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, there was no one single external customer and the Group's five largest customers contributing to over 10% of the Group's revenue for the year. The Group's largest supplier and five largest suppliers together accounted for approximately 15% and 31% of the total purchases for the year respectively.

At as 31 December 2015, Mr. Ji, a director and also a substantial shareholder of the Company, had a beneficial interest in one of the Group's five largest customers. All transactions between the Group and the customer concerned were carried out on normal commercial terms.

Save as disclose above, none of the Directors or any of their respective close associates nor any Shareholders who, to the knowledge of the Directors, hold 5% or more of the Company's share capital has any interest in any of the Group's five largest customers and suppliers.

DIRECTORS

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

Executive Directors:

Mr. Ji Changqun *(Chairman and CEO)*
Mr. Shi Zhiqiang
Mr. Wang Bo
Mr. Fang Jian
Mr. Zhou Yanwei (resigned on 31 March 2015)

Non-executive Directors

Mr. Eddie Hurip (re-designated from executive Director to non-executive Director on 31 March 2015)
Mr. Chen Minrui (appointed on 31 March 2015 and resigned on 30 March 2016)

Independent Non-Executive Directors:

Mr. Lau Chi Keung
Mr. Chow Siu Lui
Mr. Tsang Sai Chung

In accordance with the provisions of the Articles of Association, Mr. Ji Changqun, Mr. Shi Zhiqiang and Mr. Tsang Sai Chung will retire by rotation and, being eligible, offer themselves for re-election in the AGM.

Except for the service contracts for Mr. Wang Bo, Mr. Fang Jian and Mr. Chen Minrui (resigned on 30 March 2016), which have a fixed period of three years and can be terminated earlier by either party giving to the other not less than three months prior written notice and Mr. Eddie Hurip, whose service contract is effective from 31 March 2015 and shall expire on 31 December 2016 unless terminated before that date or earlier by either party giving to the other not less than 3 months prior written notice, each of executive Directors and non-executive Directors has entered into a service contract with the Company until the forthcoming general meeting of the Company after his appointment and will be eligible for re-election at that meeting. If he is re-elected, his appointment will continue unless terminated earlier by either party giving to the other not less than three months prior written notice. Each Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association at least once every three years.

Except for the service contracts for Mr. Wang Bo, Mr. Fang Jian and Mr. Chen Minrui (resigned on 30 March 2016), which have a fixed term of 3 years and Mr. Eddie Hurip, whose service contract is effective from 31 March 2015 and shall expire on 31 December 2016 unless terminated before that date, no other existing Directors were appointed for a specific term and none of the Directors has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the existing independent non-executive Directors an annual confirmation of his independence as required under Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors are independent.

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

As at 31 December 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which (i) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or (ii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares or underlying Shares

Name of Director	Nature of interests	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Ji	Beneficial owner and interest in controlled corporation (Note)	10,126,770,454	64.76%
Mr. Shi Zhiqiang	Beneficial owner	2,780,000	0.02%
Mr. Wang Bo	Beneficial owner	6,000,000	0.04%

Note: 937,910,000 Shares are held by Mr. Ji directly as the beneficial owner. In addition, by virtue of the SFO, Mr. Ji is deemed to be interested in the 9,188,860,454 Shares held by Magnolia Wealth International Limited ("Magnolia Wealth"), a company incorporated in the British Virgin Islands whose entire issued share capital is beneficially owned by Mr. Ji. Accordingly, Mr. Ji is interested in 10,126,770,454 Shares.

(ii) Long positions in the shares of the Company's associated corporation

Name of Director	Name of associated corporation	Capacity	Number of issued Shares held	Approximate percentage of the associated corporation
Mr. Ji	Magnolia Wealth	Beneficial owner	1	100%

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2015.

Save as disclosed above, as at 31 December 2015, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying the Shares which disclosure to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO is required.

* *For identification purpose only*

ARRANGEMENTS FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executive of the Company to acquire benefits by means of the acquisition of Shares, or debentures of the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for securities of the Company or had exercised such right during the year 2015.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected and Continuing Connected Transactions" below and in note 50 to the consolidated financial statements attached to this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at the end of the year 2015 or at any time during the year 2015 nor had there been any contract of significance which had been entered into between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries during the year 2015.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as set out in notes 50 to the consolidated financial statements are continuing connected transactions and/or connected transactions under the Listing Rules. Details of the continuing connected transaction of the Company, which is also related party transaction as disclosed in note 50 to the consolidated financial statements, required to be disclosed under Chapter 14A of the Listing Rules are set out below.

Connected Transactions

1. On 8 December 2014, 南京豐利股權投資企業(有限合夥) (Nanjing Fengli Equity Investment Enterprise*) (the "Nanjing Fengli") and Jiangsu Fullshare Property, each being an indirect wholly-owned subsidiary of the Company, entered into a share transfer agreement with 南京豐盛產業控股集團有限公司 (Nanjing Fullshare Industrial Holding Group Co. Limited*) (the "Nanjing Fullshare Holding") and 南京新盟資產管理有限公司 (Nanjing Xinmeng Asset Management Limited*) (the "Xinmeng Asset") (the "NFT Share Transfer Agreement"), pursuant to which Nanjing Fengli and Jiangsu Fullshare have conditionally agreed to acquire from Nanjing Fullshare Holding and Xinmeng Asset 99% and 1% of the issued share capital in Nanjing Fullshare Technology, respectively, and Nanjing Fullshare Holding and Xinmeng Asset have conditionally agreed to sell 99% and 1% of the issued share capital in Nanjing Fullshare Technology to Nanjing Fengli and Jiangsu Fullshare, respectively, at an aggregate consideration of RMB667,000,000 (equivalent to approximately HK$840,420,000) in accordance with the terms and conditions of the NFT Share Transfer Agreement.

On 19 January 2015, the Group completed the acquisition of the 100% equity interests in Nanjing Fullshare Technology at a total consideration of RMB667,000,000. Upon completion, Nanjing Fullshare Technology becomes an indirect wholly-owned subsidiary of the Company. The principal asset of Nanjing Fullshare Technology is the two parcels of land located in 南京市雨花臺區軟件大道119號 (No. 119 Ruanjian Avenue, Yu Hua Tai District, Nanjing, the PRC*) and 南京市雨花臺區寧丹路東側 (eastern side of Ning Dan Road, Yu Hua Tai District, Nanjing, the PRC*) of a total site area of approximately 155,486 square metres for commercial development.

Since Mr. Ji, a controlling Shareholder and an executive Director, holds approximately 79.74% equity interest in Nanjing Fullshare Holding and 99.9% equity interest in Xinmeng Asset as at 8 December 2014, each of Nanjing Fullshare Holding and Xinmeng Asset is an associate of Mr. Ji and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the NFT Share Transfer Agreement and the transactions contemplated thereunder also constitutes a connected transaction under the Listing Rules. Mr. Ji and his associates are required to abstain from voting on the resolutions approving the NFT Share Transfer Agreement at the extraordinary general meeting.

Please refer to the announcements of the Company dated 8 December 2014, 16 January 2015 and 19 January 2015 respectively and the circular of the Company dated 30 December 2014 for further details.

2. On 12 May 2015, Fullshare Lujian entered into an equity transfer agreement (the "Equity Transfer Agreement") with Nanjing Fullshare Energy Science & Technology Company Limited*（南京豐盛新能源科技股份有限公司）(the "Nanjing Fullshare Energy"), pursuant to which the Fullshare Lujian has conditionally agreed to purchase and Nanjing Fullshare Energy has conditionally agreed to sell the entire equity interest of Nanjing Fullshare Energy Management Company Limited*（南京豐盛能源管理有限公司）("NFEM"), Shanghai Far-seeker and Anhui Green Building, and 95% equity interest in Nanjing Far-seeker at an aggregate consideration of RMB28 million in accordance with the terms and conditions of the Equity Transfer Agreement.

   In addition, Fullshare Lujian entered into the intellectual properties rights transfer agreement ("IP Agreement") amongst Fullshare Lujian, Nanjing Fullshare Energy and Hubei Fengshen Purifying Airconditioning Facilities Engineering Company Limited*（湖北風神淨化空調設備工程有限公司）("Hubei Fengshen"), pursuant to which Nanjing Fullshare Energy and Hubei Fengshen conditionally agreed to sell and Fullshare Lujian conditionally agreed to purchase the 14 patents and software copyrights (the "Intellectual Properties Rights") held by Nanjing Fullshare Energy and/or Hubei Fengshen in relation to the green building construction free from all encumbrances at a consideration of RMB1.7 million. Since some of the Intellectual Properties Rights are being used by Hubei Fengshen for its business and daily operation, upon completion of the IP Agreement, Fullshare Lujian will non-exclusively license eight patents among the Intellectual Properties Rights to Hubei Fengshen in the PRC.

Nanjing Fullshare Energy is owned by Mr. Ji (who is the Chairman, CEO and an executive Director and a controlling Shareholder) as to approximately 56.68%. In addition, Nanjing Fullshare Energy is owned by Mr. Fang, who is an executive Director, as to approximately 4.76%. As such, Nanjing Fullshare Energy is a connected person of the Company and the acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the acquisitions constitute a connected transaction of the Company.

As at 31 December 2015, the above transactions has been completed.

Before the date of the Equity Transfer Agreement, NFEM, being one of the target companies has already entered into two energy station operation and maintenance contracts (the "CCT Agreements") with the connected persons of the Company. As such, upon completion of the Equity Transfer Agreement (the "Equity Transfer Completion"), the CCT Agreements and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements if the Group continues to conduct the transaction under the CCT Agreements after the Equity Transfer Completion. When any of the CCT Agreements is renewed or its terms are varied after the Equity Transfer Completion, the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules.

In respect of the licensing of eight patents among the Intellectual Properties Rights to Hubei Fengshen in the PRC upon completion of the IP Agreement, as all of the applicable percentage ratios are less than 0.1%, the transaction will constitute a de minimis continuing connected transaction pursuant to Rule 14A.76(1) of the Listing Rules and is exempt from the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 12 May 2015 for further details.

3. On 29 June 2015, Green Dujian, entered into a construction design contract with Hainan Zhongkun Yuan Investment Co., Ltd.*（海南中坤渝安投資有限公司）("Hainan Zhongkun"), pursuant to which Green Dujian provide design plans and construction drawings for certain properties to Hainan Zhongkun at a contract sum of RMB4,052,510.

   As at 29 June 2015, Mr. Ji is interested in approximately 67.66% of the issued share capital in the Company, the chairman of the Board, the CEO and an executive Director and therefore is a connected person under Chapter 14A of the Listing Rules. Mr. Ji is indirectly interested in approximately 79.74% in Hainan Zhongkun and therefore Hainan Zhongkun is an associate of Mr. Ji and a connected person of the Company under Chapter 14A of the Listing Rules.

   As at 31 December 2015, the above transaction has been completed. Please refer to the Company's announcement dated 29 June 2015 for further details.

4. On 13 October 2015, the Company entered into a sale and purchase agreement with Mr. Ji, pursuant to which the Company conditionally agreed to purchase and Mr. Ji conditionally agreed to sell the entire equity interest in Rich Unicorn Holdings Limited (the "Target Company") at a consideration of HK$1,042,956,000. The consideration shall be satisfied by the issue of 937,910,000 Shares by the Company at the issue price of approximately HK$1.112 per Share.

   As at 13 October 2015, Mr. Ji is a controlling Shareholder and an executive Director, therefore Mr. Ji is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction also constitutes a connected transaction of the Company.

   As at 31 December 2015, the above transaction has been completed. Please refer to the Company's announcement dated 13 October 2015 and 23 November 2015 respectively and the Company's circular dated 5 November 2015 for further details.

5. On 27 November 2015, the Nanjing Fullshare Technology, an indirect wholly-owned subsidiary of the Company, Nanjing Sheng Chuang Investments Company Limited* (南京盛創投資有限公司, "Nanjing Sheng Chuang") and Jiangsu Kean Construction Engineering Company Limited* (江蘇科安建設工程有限公司, "Jiangsu Kean Construction") entered into the sale and purchase agreement (the "JAST Sale and Purchase Agreement") whereby, among other things, Nanjing Fullshare Technology conditionally agreed to purchase, and Nanjing Sheng Chuang and Jiangsu Kean Construction conditionally agreed to sell 90% and 10% of the issued share capital in Jiangsu Anke Science and Technology Development Co., Ltd.* (江蘇安科科技發展有限公司, "Jiangsu Anke Science"), respectively, at an aggregate consideration of RMB21,471,000 (the "JAST Acquisition").

   As at 27 November 2015, Mr. Ji is ultimately interested in approximately 79.74% equity interest in Nanjing Sheng Chuang and 81.73% equity interest in Jiangsu Kean Construction, each of Nanjing Sheng Chuang and Jiangsu Kean Construction is an associate of Mr. Ji and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the JAST Acquisition also constituted a connected transaction under the Listing Rules.

   As at 31 December 2015, the JAST Acquisition has not yet be completed due to the conditions precedent to completion under the JAST Sale and Purchase Agreement have not been fulfilled. The Nanjing Fullshare Technology, Jiangsu Anke Science, Nanjing Sheng Chuang and Jiangsu Kean Construction are under progress to fulfill the conditions precedent under the JAST Sale and Purchase Agreement.

   Please refer to the announcements of the Company dated 27 November 2015, 18 December 2015, 8 January 2016, 22 January 2016 and 29 February 2016 respectively for further details.

Continuing connected transactions

1. As refer to the connected transactions on 12 May 2015 as stated above, before the date of the Equity Transfer Agreement, NFEM, being one of the target companies has already entered into the CCT Agreements with the connected persons of the Company. As such, upon completion of the Equity Transfer Agreement, the CCT Agreements and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules.

Summary of the Principal Terms of the CCT Agreements

(1). Wuhan Jiufeng National Biological Industry Zone Energy Station Operation and Maintenance Contract

In March 2015, Wuhan Far-seeker Energy Technology Development Company Limited*（武漢法斯克能源科技發展有限公司）("Wuhan Far-seeker"), a directly wholly owned subsidiary of Nanjing Fullshare Energy, entered into an operation and maintenance contract (namely, the "Wuhan Jiufeng National Biological Industry Zone Energy Station Operation and Maintenance Contract") with NFEM, being one of the target companies, pursuant to which Wuhan Far-seeker contracted NFEM to conduct operation and maintenance work in respect of the Wuhan Jiufeng National Biological Industry Zone Energy Station.

The consideration details including

(i) utility costs in respect of water, electricity and gas,

(ii) other administrative expenses such as wages and social insurance expense for designed employees and

(iii) a bonus being a sum equal to 50% of the total kwh produced by the energy station in 2015 multiplied by the reduction of average unit energy production cost in 2015 as compared with the average unit cost in 2014. In the event that the sum under item (iii) above exceeds RMB500,000, the sum payable by Wuhan Far-seeker in 2015 will be capped at RMB500,000 and the remaining amount payable will be carried forward to 2016.

Upon the Equity Transfer Completion, the transactions contemplated under Wuhan Jiufeng National Biological Industry Zone Energy Station Operation and Maintenance Contract will become a continuing connected transaction.

The aggregate transactions under the above contract as at 31 December 2015 amounted to approximately RMB2,610,000.

Further details of such continuing connected transactions were disclosed in the Company's announcement dated 12 May 2015.

* *For identification purpose only*

(2) Kunshan Huaqiao Energy Station Operation and Maintenance Contract

In March 2015, Nanjing Fullshare Energy entered into an operation and maintenance contract (namely, the "Kunshan Huaqiao Energy Station Operation and Maintenance Contract") with NFEM, one of the target companies, pursuant to which Nanjing Fullshare Energy contracted NFEM to conduct operation and maintenance work in respect of the Kunshan Huaqiao Energy Station.

Consideration: RMB200,000 (exclusive of all disbursements) per annum. In addition, NFEM will be entitled to 2% of the service fee payable by users of the facilities in the Kunshan Huaqiao Energy Station to Nanjing Fullshare New Energy. The 2% service fee entitled to NFEM was approximately RMB210,000 for the year ended 31 December 2014. The NFEM's revenue derived from the Kunshan Huaqiao Energy Station Operation and Maintenance Contract was approximately RMB410,000 for the year ended 31 December 2014.

Upon the Equity Transfer Completion, the transactions contemplated under Kunshan Huaqiao Energy Station Operation and Maintenance Contract will become a continuing connected transaction.

The aggregate transactions under the above contract as at 31 December 2015 amounted to approximately RMB475,000.

Further details of such continuing connected transaction were disclosed in the Company's announcement dated 12 May 2015.

2. On 27 May 2015, the Company (as service provider) entered into a service agreement (collectively, the "Service Agreements") with each of Fullshare Group Pte. Ltd.*（豐盛集團私人有限公司）("Fullshare Singapore"), Fullshare International (Australia) Pty. Ltd. ("Fullshare Australia"), Fullshare International (Australia) Cairns Pty. Ltd. ("Fullshare Cairns"), Fullshare Cairns Unit Trust ("Fullshare CUT"), Nanjing Construction Group (Australia) Whisper Bay Pty Atf Nanjing Construction Group (Australia) Unit Trust ("NCGA") and Nanjing Construction Group (Australia) Investment Management Pty Ltd Atf Nanjing Construction Group (Australia) Investment Management Unit Trust ("NCGA Investment") (collectively, the "Overseas Private Group"), to regulate and provide the framework for the provision of the operation, administration and management services by the Group the Overseas Private Group.

As at 27 May 2015, Mr. Ji is interested in approximately 67.66% of the issued share capital in the Company and the chairman of the Board, the CEO and an executive Director, Mr. Ji is a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji directly holds 100% equity interest in Fullshare Singapore and is indirectly interested in approximately 96.15%, 96.15% and 79.74% equity interest in Fullshare Australia, Fullshare Cairns and Fullshare CUT, respectively, and therefore each of Fullshare Singapore, Fullshare Australia, Fullshare Cairns and Fullshare CUT is an associate of Mr. Ji and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Services Agreement constitute continuing connected transactions of the Company.

The annual caps for the continuing connected transactions contemplated under the Services Agreements for the three financial years ending 31 December 2017 are set out as follows:

	For the year ending 31 December		
	2015	**2016**	**2017**
	RMB'000	RMB'000	RMB'000
Fullshare Singapore Service Agreement	9,200	9,660	10,212
Fullshare Australia Service Agreement	2,205	2,450	2,450
Fullshare Cairns Service Agreement	1,470	1,470	1,470
Fullshare CUT Service Agreement	1,470	1,470	1,470
NCGA Service Agreement	2,940	2,940	2,940
NCGA Investment Service Agreement	1,470	1,470	1,470

Further details of such continuing connected transactions were disclosed in the Company's announcement dated 27 May 2015.

The actual amounts of the transactions under Service Agreements incurred up to 31 December 2015 are listed below:

	For the year ending 2015
	RMB'000
Fullshare Singapore Service Agreement	2,182
Fullshare Australia Service Agreement	694
Fullshare Cairns Service Agreement	416
Fullshare CUT Service Agreement	416
NCGA Service Agreement	833
NCGA Investment Service Agreement	416

3. On 17 August 2015, the Company entered into a master agreement (the "Master Agreement") with Nanjing Fullshare Holding, pursuant to which the Company has agreed to provide, or procure its subsidiaries to provide, the green building services to Nanjing Fullshare Holding Group.

   The proposed annual caps for the transactions contemplated under the Master Agreement for the three financial years ending 31 December 2015, 2016 and 2017 were as follows:

	For the year ending 31 December		
	2015	**2016**	**2017**
	RMB'000	RMB'000	RMB'000
Technical design and consultant services	180,000	151,500	160,000
Green management and services	100,000	137,000	137,500
Green construction services	40,000	41,500	42,500
	320,000	330,000	340,000

   Mr. Ji is interested in approximately 64.48% of the issued share capital in the Company and the chairman of the Board, the CEO and an executive Director, Mr. Ji is a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji is directly and indirectly interested in an aggregate of approximately 79.74% of the issued share capital of Nanjing Fullshare Holding, and therefore each of Nanjing Fullshare Holding and its subsidiaries is an associate of Mr. Ji and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Master Agreement constitute continuing connected transactions of the Company.

   Further details of such continuing connected transactions were disclosed in the Company's announcement dated 17 August 2015 and the Company's circular dated 13 October 2015.

   The actual amounts of the transactions under Master Agreement incurred up to 31 December 2015 are listed below.

	For the year ending 31 December 2015 RMB'000
Technical design and consultant services	26,585
Green management and services	9,549
Green construction services	–
	36,134

Opinion from the independent non-executive Directors and auditor on the continuing connected transaction

The Directors (including all independent non-executive Directors) have reviewed the continuing connected transactions and confirmed that these transactions were entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reviewed the continuing connected transactions of the Group during the year as set out in note 50 to the consolidated financial statements and confirmed that these transactions: (i) were approved by the Board of Directors of the Company; (ii) where applicable, were in accordance with the pricing policies of the Company; (iii) had been entered into in accordance with the relevant agreements governing the transactions; and (iv) have not exceeded the caps stated in the relevant announcements.

The Company confirms that it has complied with all the disclosure requirements under Chapter 14 and 14A of the Listing Rules.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 14 to the consolidated financial statements attached to this annual report.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and the chief executive of the Company, as at 31 December 2015, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

(i) Long positions in the Shares or underlying Shares

Name of shareholders	Nature of interests	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Magnolia Wealth	Beneficial owner (Note 1)	9,188,860,454	58.76%
Superb Colour Limited ("Superb Colour")	Beneficial owner (Note 2)	1,410,255,950	9.02%
China Huarong International Holdings Limited（中國華融國際控股有限公司）("China Huarong International") (formerly known as Huarong (HK) International Holdings Limited（華融（香港）國際控股有限公司）)	Interest of controlled Corporation (Note 2)	1,410,255,950	9.02%
Huarong Real Estate Co., Ltd.（華融置業有限責任公司）("Huarong Real Estate")	Interest of controlled Corporation (Note 2)	1,410,255,950	9.02%
China Huarong Asset Management Co., Ltd.（中國華融資產管理股份有限公司）("China Huarong Asset")	Interest of controlled Corporation (Note 2)	1,410,255,950	9.02%
Ministry of Finance of the PRC（中華人民共和國財政部）(the "MFC")	Interest of controlled Corporation (Note 2)	1,410,255,950	9.02%

Note:

1. The entire issued share capital of Magnolia Wealth is beneficially owned by Mr. Ji.

2. Reference is made to the disclosure of interest forms dated 17 December 2015 of Superb Colour, published on the Stock Exchange's website. Superb Colour is interested in 1,410,255,950 Shares. Superb Colour is a wholly-owned subsidiary of China Huarong International, which in turn is owned as to 88.1% by Huarong Real Estate. Huarong Real Estate is a wholly-owned subsidiary of China Huarong Asset, which in turn is owned as to 63.36% by the MFC, a State-owned entity. As such, each of China Huarong International, Huarong Real Estate, China Huarong Asset and the MFC is deemed to be interested in the said Shares under the SFO.

(ii) Short positions in the Shares or underlying Shares

Name of shareholders	Nature of interests	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Superb Colour	Beneficial owner (Note)	961,538,450	6.15%
China Huarong International	Corporate interest (Note)	961,538,450	6.15%
Huarong Real Estate	Corporate interest (Note)	961,538,450	6.15%
China Huarong Asset	Corporate interest (Note)	961,538,450	6.15%
The MFC	Ultimate beneficial owner (Note)	961,538,450	6.15%

Note: Reference is made to the disclosure of interest forms dated 17 December 2015 of Superb Colour, published on the Stock Exchange's website. Super Colour has a short position in 961,538,450 Shares. Superb Colour is interested in 961,538,450 Shares. Superb Colour is a wholly-owned subsidiary of China Huarong International, which in turn is owned as to 88.1% by Huarong Real Estate. Huarong Real Estate is a wholly-owned subsidiary of China Huarong Asset, which in turn is owned as to 63.36% by the MFC, a State-owned entity. As such, each of China Huarong International, Huarong Real Estate, China Huarong Asset and the MFC is deemed to have a short position in the said Shares under the SFO.

Save as disclosed above, no other person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2015.

COMPETING BUSINESS

As disclosed in the circular of the Company dated 28 October 2013 relating to, amongst other things, very substantial acquisition in relation to the acquisition of Nanjing Fullshare Asset Management, a limited liability company incorporated in the PRC on 19 July 2002, which as at the 31 December 2015, is wholly owned by the Company and reverse takeover involving a new listing application (the "RTO Circular"), pursuant to the non-competition undertaking dated 25 October 2013 entered into between the Controlling Shareholders and the Company (the "Non- Competition Undertaking"), save for continuing their engagements in the Excluded Projects (as defined in the RTO Circular) and certain exceptions relating to their holding of and/or being interested in shares and other securities in any member of the Group and any other company listed on recognised stock exchange engaging in the restricted business (please refer to the RTO Circular for details) set out in the non-competition undertaking, the Controlling Shareholders will not be allowed to engage in any residential property (including villas) and mixed-use property (as defined in the section headed Glossary of Technical Terms of the RTO Circular) development business in the PRC and they will be only involved in the commercial property development business. As at the 31 December 2015, the Controlling Shareholders were engaging in the development of the three property projects located in Nanjing, Wenchang and Dujiangyan in the PRC and ten property projects located in Australia and Canada through the Excluded Companies (as defined in the RTO Circular). Nanjing Fullshare Technology, which was an Excluded Company (as defined in the RTO Circular) through which the Controlling Shareholders engage in an Excluded Project (as defined in the RTO Circular) named Yuhua Sahu*（雨花客廳）(formerly known as Feng Sheng Shang Hui*（豐盛商滙）), has become an indirect wholly-owned subsidiary of the Group since 19 January 2015. Save for the Non-Competition Undertaking, as at 31 December 2015, the Controlling Shareholders did not give any other non-competition undertaking to the Company.

As disclosed in the announcements of the Company dated 22 March 2015 and 12 May 2015, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into an equity transfer agreement (the "May 2015 Agreement") dated 12 May 2015 to acquire, amongst other things, the entire equity interest of each of NFEM, Shanghai Far-seeker and Anhui Green Building, and 95% equity interest in Nanjing Far-seeker from Nanjing Fullshare Energy, as vendor. Nanjing Far-seeker is principally engaged in the business of investment in, construction management and operation management of energy station whereas the rest of the aforesaid target companies are principally engaged in the businesses of green building consultancy, regional energy planning, green building technology research and development, EMC in hotel, hospital and office park. Nanjing Fullshare Energy Management, Anhui Green Building and Nanjing Far-seeker became subsidiaries of the Company as at 12 June 2015; Shanghai Far-Seeker became a subsidiary of the Company as at 17 June 2015. Upon completion of the acquisition, the remaining business of Nanjing Fullshare Energy, namely two projects involving investments in, construction of and management of energy station (collectively, the "Energy Station Projects", each a "Energy Station Project") will compete with the principal business of Nanjing Far-seeker. As at the 31 December 2015, Nanjing Fullshare Energy was owned by Mr. Ji as to approximately 77.53% while Mr. Ji was one of the directors

* *For identification purpose only*

of Nanjing Fullshare Energy. Since the Energy Station Projects do not fall within the meaning of the "Restricted Business"under the Non-Competition Undertaking, namely the business in the real estate development of residential properties and the mixed-use properties (as defined in the section headed Glossary of Technical Terms of the RTO Circular) in the PRC, Mr. Ji's interest in Nanjing Fullshare Energy does not constitute any breach of the Non-Competition Undertaking. At the time the May 2015 Agreement was entered into, the Company was not satisfied with the results of the preliminary financial due diligence review on one of the Energy Station Projects and there was limited financial information on the other Energy Station Project as Nanjing Fullshare Energy succeeded in the bid of the other Energy Station Project in March 2015 (the "New Energy Station Project") and therefore the Energy Station Projects were not acquired under the May 2015 Agreement. Depending on the results of the due diligence review to be conducted by the Group and/or the professional advisers engaged by the Group on, among others, the financial and legal aspects of the New Energy Station Project and the negotiations to be conducted between the Group and Nanjing Fullshare Energy, the Group may or may not consider acquiring the New Energy Station Project. No definitive agreement relating to the acquisition of the New Energy Station Project was entered into by the Group as at the 31 December 2015. Further announcement(s) will be made by the Company pursuant to the Listing Rules as and when appropriate.

The Company has received the written declarations on their compliance with the undertaking under the Non-Competition Undertaking from Mr. Ji and Magnolia Wealth for the year ended 31 December 2015. Based on the confirmations received from Mr. Ji and Magnolia Wealth and after review, our independent non-executive Directors considered that Mr. Ji and Magnolia Wealth had complied with the terms set out in the Non-Competition Undertaking for year ended 31 December 2015.

Save as disclosed above, as at 31 December 2015, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

BUSINESS REVIEW

Overview

The overview is set out in the section headed "Management Discussion and Analysis" of this Annual Report.

Financial key performance indicators

For the year 2015, the Group's total revenue increased approximately 235% to approximately RMB2,657,931,000 (2014: RMB793,403,000). The Group recorded a turnaround of its results by recording a net profit of approximately RMB1,238,990,000 in the year 2015.

Revenue from property development segment remained the main contribution to our revenue, its revenue increased by approximately RMB1,643,994,000 as more projects are delivered for the year 2015, the property area delivered increased from approximately 114,928sq.m. for the year 2014 to approximately 155,585 sq.m. for the year 2015 and the average unit price increased from approximately RMB6,648 per sq.m. to approximately RMB15,477 per sq.m..

On the other hand, revenue contribution from green building segment increased from approximately RMB29,415,000 for the year 2014 to approximately RMB242,188,000 for the year 2015. There was a remarkable growth in revenue from green building segment as more green building service contracts were entered in the year 2015 and the principal companies of green building segment were acquired in the fourth quarter of 2014 which contributed relatively less revenue with a shorter financial period in the year 2014.

The Group's financial position remained solid. The Group generated positive operating cash inflows for the year 2015 amounted to approximately RMB1,207,106,000 (2014: RMB578,080,000). The increase of operating cash inflows in the year 2015 as compared to that in year 2014 was mainly attributable to the increase in properties sales.

Future Development

The future development is set out in the Prospect section headed "Management Discussion and Analysis" of this Annual Report.

Principal risks and uncertainties

The Group conducts risk assessment and management measures periodically to ensure its continuous future development. The Group is highly concerned on those factors that might affect its operation situation, and will take actions to mitigate the potential impact. The summary of the potential risks and the relevant risk control measures are set out as follows:

Macro-economic environment

In Year 2015, the gross domestic products ("GDP") growth rate of the PRC decreased from 7.4% to 6.9% due to slowdown of the China economic growth. The Group currently operates real estate business, green building service and holds financial assets for investment purpose in China. Changes in economic environment in the PRC may result unfavorable risks to our operating environment. In addition, the overall investment sentiment may also cause price fluctuation to the financial assets held by the Group.

Management response: The Group will continue to pay attention to the market condition and to increase overseas investments as and when appropriate in accordance with its specific risk management policy and prudent investment strategy. The Group would also evaluate the risk associated with and the performance of financial products and operating businesses periodically, and adjust the investment portfolio according to actual market situation in order to further enhance the profitability of the Group.

Financial environment

In recent years, most of the commercial banks in the PRC have tightened their real estate credit policies, especially for residential units in the third and fourth tier cities in the PRC and commercial real estate in the first and second tier cities in the PRC. Some banks continue to implementing overall control in amount and name-list management in the real estate industry to increase the pledge and mortgage rate. The tightening of housing loan policy may increase the costs of housing-purchase and mortgage financing of customers, and eventually affect enterprise capital needs in the Chinese real estate industry.

Management's response: In early 2016, there is a significant increase in credit supply in the PRC according to the data published by the central bank of China. The government has announced a healthy monetary policy, pursuant to which the growth targets for board money (M2) and balance of scale of social financing are expected to be 13%. The Group will closely monitor the impact of domestic financial market changes and manage the debt assets ratio of the Group to ensure effective control over the financial risk of the Group.

Policy influence

As our businesses are mainly concentrated in China, our results performance is affected by the policies in China. In recent years, the Chinese government implemented home-purchase restriction, adjusted housing mortgage rate, loan cap and other regulatory measures on real estate markets, which aimed at cracking down speculative real estate investments to further stabilize housing price.

Management's response: Since 2015, on one hand, the government promulgated the policies such as cutting down deposit and lending rates and lowering deposit reserve ratio; on the other hand, the government launched the policy on reducing the down payment proportion to stimulate the real estate market, the performance of real estate market in major cities was satisfactory. The Group will continue to monitor the government policy direction in the real estate market, follow the target-oriented marketing policy and further optimize product quality to enhance the Group's product position and demand in the market. In addition to real estate business, the Group has set up green building business and investment business, and intends to develop healthcare business. Through continuously diversified development of business portfolio and regions, the impact of the government policies could be reduced effectively.

Tax law influence

In recent years, Chinese government determined to take the replacement of business tax with value-added tax to deepen the reform of in financial and tax system, and intended to increase the setting-off level in parts of input tax items, and thus will bring a massive tax relief. Such policy may have a positive effect on the tax requirements of the Group's various businesses.

Management's response: The Government Work Report stated the pilot scope of replacement of business tax with value-added tax will expand to the building industry, real estate sector, financial sector, social service sector, and incorporated value-added tax in which all corporates' additional real estate s is involved into the setting-off scope, ensuring to reduce but not increase tax liabilities of all industries, and the reduction of tax and charges will benefit the Group to increase its revenue. The Group will actively keep up with the change in the replacement of business tax with value-added tax to further response the impact of such policy on the Group and optimize tax arrangement of the Group.

Market competition

The real estate market in China is highly competitive. The areas that are in competition include quality, design, brand, cost control and environment ancillary facilities. If the competitors of the Group keep on improving their products, it will bring negative impact to the overall profit performance of the Group.

Management's response: By leveraging on our extensive experience on real estate development and green building service, the Group strives to continue improving its products quality and cost control. The Group expects that at the current industry consolidation stage, through improving product and service quality, the Group can better enhance the market demand for the products and services of the Group.

Investment concentration risk

The investment segment of the Group is mainly involved in holding of shares in a listed company in Hong Kong, and the shares was valued at approximately RMB1.6 billion as at 31 December 2015, representing nearly 30% of the Group's net assets. As such, the price change of such shares may generate a significant impact on the Group's overall profit performance.

Management's response: The Group will closely monitor the operation situation and the change in price of the companies in which it holds shares, and will adjust promptly the proportion of investment portfolio. At the same time, the Group will also actively consider the investment targets and products which are beneficial to the Group to reduce the risk arisen from investment concentration.

Changes in exchange rates

The current operating currency of the Group's is Renminbi, but the financial assets held are mainly denominated in Hong Kong dollars. The Group will consider investing financial assets in currencies other than Renminbi in the future, hence, the respective assets value may be affected due to changes in exchange rates. If there is a significant depreciation in exchange rate in currencies other than Renminbi, the value of financial assets held by the Group will decrease and reduce the profitability in the investment segment.

Management's response: The Group will keep track of the government monetary policy and global economic changes, evaluate the impact of exchange rate to the Group, and consider using the financial instruments on the market that could hedge exchange rate exposure and lower the impact of exchange rate fluctuation to the Group.

Key Relationships

(i) Employees

Human resources are regarded as irreplaceable capital of the Group, therefore the Group places great emphasis on the cultivation of employees and their personal development.

The Group provides a relaxed and harmonious atmosphere for its employees and builds a platform for them to achieve success in career, thereby enable them to grow and harvest together with the Group.

The Group provides its employees on-the-job training and development opportunities. The training includes corporate culture training, general management training and business skill training.

In addition, the Group provides its employees competitive remuneration and comprehensive fringe benefits, giving monetary and spirit reward, to those employees who have made outstanding contributions.

(ii) Suppliers

We have established long-term cooperation relationship with a number of suppliers, strive to ensure that they are in compliance with our undertaking on quality and ethics. We require the suppliers to observe our undertaking on integrity. We have stringent requirements in suppliers selection and that they must satisfy the qualification requirements in qualification, capital, performance, etc. and pass our examination at different levels before entering into our qualified suppliers list.

(iii) Customers

Our diversified products target at different customer bases. From design to emergence of ultimate products, we always consider the demand of our customers. Be it the emerging enterprises, parvenus who need social circles or consumers who focus on shopping experience, they can find strong resonance from our company products. Due to our marketing methods in focusing on the widespread and subdivided channels, we can access to the most accurate population more easily. Through on-site exhibition, we enable each customer to clearly learn about the different complex are brought, thereby achieving a win-win situation in sales.

Environmental Policies

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in the mainland China while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in the mainland China and Hong Kong. During the year ended 31 December 2015 and up to the date of this report, we have complied with all the relevant laws and regulations in the mainland China and Hong Kong.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme maintained by the Group are set out in note 46 to the consolidated financial statements attached to this annual report.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information publicly available to the Company, there was a sufficient public float throughout the year ended 31 December 2015 and as at the latest practicable date prior to the issue of this annual report.

SUBSEQUENT EVENTS

Details of the subsequent events are set out in note 54 to the consolidated financial statements.

Report of the Directors

AUDITORS

Messrs. PKF, who acted as auditors of the Company for the preceding years, retired as auditors of the Company on 19 September 2013. SHINEWING was appointed as auditors on 19 September 2013 to fill the causal vacancy.

The consolidated financial statements for the year ended 31 December 2015 have been audited by SHINEWING, who shall retire and, being eligible, offer themselves for reappointment. A resolution for the re-appointment of SHINEWING as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board
Ji Changqun
Chairman

Hong Kong
30 March 2016

Independent Auditor's Report

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF
FULLSHARE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Fullshare Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 179, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

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

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591

Hong Kong
30 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000 (Restated)
Revenue	8	**2,657,931**	793,403
Cost of sales		**(2,370,801)**	(597,136)
Gross profit		**287,130**	196,267
Other income and gains	10	**129,317**	26,366
Change in fair value of convertible bonds	40	**–**	(1,360,118)
Change in fair value of properties held for sale transferred to investment properties	18	**147,464**	–
Change in fair value of investment properties	18	**8,000**	–
Change in fair value of financial assets at fair value through profit or loss		**621,095**	–
Gain on disposals of subsidiaries	45	**194,047**	–
Gain on bargain purchase recognised in acquisition of subsidiaries	43	**363,428**	237,978
Selling expenses		**(76,226)**	(33,319)
Administrative expenses		**(110,507)**	(69,401)
Finance costs	11	**(97,949)**	(3,035)
Profit (loss) before tax		**1,465,799**	(1,005,262)
Income tax expense	12	**(226,809)**	(59,481)
Profit (loss) for the year	13	**1,238,990**	(1,064,743)
Profit (loss) for the year attributable to:			
Owners of the Company		**1,237,507**	(1,070,988)
Non-controlling interests		**1,483**	6,245
		1,238,990	(1,064,743)
		RMB	RMB (Restated)
Earnings (loss) per share			
Basic and diluted	16	**8.83 cents**	(27.04) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the year ended 31 December 2015

	2015 RMB'000	2014 RMB'000 (Restated)
Profit (loss) for the year	**1,238,990**	(1,064,743)
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	**26,511**	–
Total comprehensive income (expense) for the year	**1,265,501**	(1,064,743)
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**1,264,018**	(1,070,988)
Non-controlling interests	**1,483**	6,245
	1,265,501	(1,064,743)

Consolidated Statement of Financial Position

At 31 December 2015

	Notes	31/12/2015 RMB'000	31/12/2014 RMB'000 (Restated)	1/1/2014 RMB'000 (Restated)
Non-current assets				
Property, plant and equipment	17	**148,466**	148,136	127,767
Investment properties	18	**330,600**	5,600	5,600
Goodwill	19	**1,474**	1,474	–
Intangible assets	20	**1,643**	–	–
Interest in a joint venture	21	**4,900**	–	–
Prepaid land lease payments	22	**1,661**	1,699	1,737
Loan receivable	23	**–**	350,000	–
Financial assets at fair value through profit or loss	24	**10,419**	–	–
Deferred tax assets	42	**13,371**	14,736	523
		512,534	521,645	135,627
Current assets				
Deposit paid for potential acquisition	25	**360,000**	50,000	–
Receivables in respect of disposal of subsidiaries	45	**1,349,936**	–	–
Trade and other receivables	26	**274,127**	394,661	243,798
Inventories	27	**8,964**	–	–
Financial assets at fair value through profit or loss	24	**1,598,115**	30,024	–
Amounts due from customers for contract work	28	**40,549**	20,801	–
Tax prepaid	29	**12,316**	24,820	–
Properties under development	30	**2,379,083**	2,540,309	1,448,807
Properties held for sale	31	**933,536**	504,516	667,908
Pledged bank deposits	32	**–**	11,947	1,445
Bank balances and cash	33	**1,194,328**	325,013	122,777
		8,150,954	3,902,091	2,484,735
Current liabilities				
Trade and other payables	34	**943,540**	344,614	345,149
Receipts in advance and deposits received	35	**1,285,373**	602,994	510,286
Income tax payables		**175,206**	157,535	109,202
Consideration payables	36	**–**	156,000	–
Amount due to a shareholder	37	**–**	8,815	–
Bank and other borrowings – due within one year	38	**761,280**	910,103	174,000
		3,165,399	2,180,061	1,138,637
Net current assets		**4,985,555**	1,722,030	1,346,098
Total assets less current liabilities		**5,498,089**	2,243,675	1,481,725

Consolidated Statement of Financial Position
(Continued)

At 31 December 2015

	Notes	31/12/2015 RMB'000	31/12/2014 RMB'000 (Restated)	1/1/2014 RMB'000 (Restated)
Capital and reserves				
Issued equity	39	**547,775**	530,763	439,307
Reserves		**4,210,562**	1,429,366	108,808
Equity attributable to owners of the Company		**4,758,337**	1,960,129	548,115
Non-controlling interests		**201,300**	208,718	29,473
Total equity		**4,959,637**	2,168,847	577,588
Non-current liabilities				
Convertible bonds	40	**–**	–	683,247
Corporate bond	41	**7,743**	7,089	–
Consideration payables	36	**21,058**	43,758	–
Bank and other borrowings				
– due after one year	38	**131,250**	–	195,000
Deferred tax liabilities	42	**378,401**	23,981	25,890
		538,452	74,828	904,137
Total equity and non-current liabilities		**5,498,089**	2,243,675	1,481,725

The consolidated financial statements on pages 71 to 179 were approved and authorised for issue by the board of directors (the "Board") on 30 March 2016 and are signed on its behalf by:

Ji Changqun
Director

Shi Zhiqiang
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Attributable to owners of the Company											
	Issued equity											
	Ordinary share capital RMB'000 (note 39)	Equity reserve RMB'000 (note i)	Statutory reserves RMB'000 (note ii)	Share premium RMB'000	Merger reserve RMB'000 (note iii)	Exchange reserve RMB'000	Other reserve RMB'000 (note iv)	Reverse acquisition reserve RMB'000	(Accumulated losses) retained profits RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2014, as originally stated	16,474	422,833	25,298	–	–	–	8,533	(390,381)	(305,331)	(222,574)	27,829	(194,745)
Effect of adopting merger accounting for common control combinations (note 44)	–	–	10,022	–	733,852	–	–	–	26,815	770,689	1,644	772,333
At 1 January 2014, as restated	16,474	422,833	35,320	–	733,852	–	8,533	(390,381)	(278,516)	548,115	29,473	577,588
Reduction in share premium (note v)	–	–	–	(1,872,821)	–	–	–	–	1,872,821	–	–	–
Issue of shares upon conversion of convertible bonds (note 40)	79,829	–	–	1,963,536	–	–	–	–	–	2,043,365	–	2,043,365
Issues of shares under placing (note 39)	11,627	–	–	530,359	–	–	–	–	–	541,986	–	541,986
Expenses on placing shares	–	–	–	(2,349)	–	–	–	–	–	(2,349)	–	(2,349)
Acquisition of subsidiaries (note 43(d))	–	–	–	–	–	–	–	–	–	–	173,000	173,000
(Loss) profit and total comprehensive (expense) income for the year	–	–	–	–	–	–	–	–	(1,070,988)	(1,070,988)	6,245	(1,064,743)
Dividend to the shareholder before adopting merger accounting for common control combinations (note 15)	–	–	–	–	–	–	–	–	(100,000)	(100,000)	–	(100,000)
Transfers to statutory reserves	–	–	15,002	–	–	–	–	–	(15,002)	–	–	–
At 31 December 2014, as restated, and 1 January 2015	107,930	422,833	50,322	618,725	733,852	–	8,533	(390,381)	408,315	1,960,129	208,718	2,168,847
At 31 December 2014, as originally stated, and 1 January 2015	107,930	422,833	33,678	618,725	–	–	8,533	(390,381)	449,456	1,250,774	207,624	1,458,398
Effect of adopting merger accounting for common control combinations (note 44)	–	–	16,644	–	733,852	–	–	–	(41,141)	709,355	1,094	710,449
At 31 December 2014 and 1 January 2015, as restated	107,930	422,833	50,322	618,725	733,852	–	8,533	(390,381)	408,315	1,960,129	208,718	2,168,847
Profit for the year	–	–	–	–	–	–	–	–	1,237,507	1,237,507	1,483	1,238,990
Other comprehensive income for the year	–	–	–	–	–	26,511	–	–	–	26,511	–	26,511
Total comprehensive income for the year	–	–	–	–	–	26,511	–	–	1,237,507	1,264,018	1,483	1,265,501
Issues of shares under subscription (note 39)	3,773	–	–	584,925	–	–	–	–	–	588,698	–	588,698
Expenses on placing shares	–	–	–	(190)	–	–	–	–	–	(190)	–	(190)
Acquisition of subsidiaries (note 43(b) & (c))	13,239	–	–	2,112,523	–	–	(485,080)	–	–	1,640,682	86,854	1,727,536
Disposal of subsidiaries (note 45)	–	–	(24,130)	–	–	–	(8,533)	–	32,663	–	(86,210)	(86,210)
Dividend to non-controlling interest	–	–	–	–	–	–	–	–	–	–	(9,545)	(9,545)
Considerations paid for acquisition of subsidiaries under common control combination (note 44)	–	–	–	–	(695,000)	–	–	–	–	(695,000)	–	(695,000)
Transfers to statutory reserves	–	–	85,558	–	–	–	–	–	(85,558)	–	–	–
At 31 December 2015	124,942	422,833	111,750	3,315,983	38,852	26,511	(485,080)	(390,381)	1,592,927	4,758,337	201,300	4,959,637

Notes:

(i) Equity reserve

Equity reserve represented (i) the difference between the paid-in capital of Nanjing Fullshare Asset Management Limited*（南京豐盛資產管理有限公司）("Nanjing Fullshare") and the carrying amount of ordinary share capital of the Company immediately before the completion of the reverse takeover transaction during the year ended 31 December 2013 and (ii) the difference between deemed consideration given by Nanjing Fullshare and the nominal value of ordinary shares of the Company issued in respect of the reverse takeover transaction.

* For identification purpose only.

Consolidated Statement of Changes in Equity
(Continued)

For the year ended 31 December 2015

(ii) Statutory reserve

In accordance with the People's Republic of China ("PRC") Company Law and the PRC subsidiaries' Articles of Association, a subsidiary registered in the PRC as a domestic company is required to appropriate 10% of its annual statutory net profit as determined in accordance with relevant statutory rules and regulations applicable to enterprises established in the PRC (after offsetting any prior years' losses) to the statutory reserve. When the balance of such reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory reserve can be utilised to offset prior years' losses or to increase capital. However, such balance of the statutory reserve must be maintained at a minimum of 25% of the capital after such usages.

(iii) Merger reserve

The merger reserve of the Group arose as a result of the acquisitions of subsidiaries under common control and represented the difference between the consideration paid for the acquisitions and the carrying amount of the net assets of the subsidiaries at the date when the Group and the acquired subsidiaries became under common control.

(iv) Other reserve

Other reserve represents (i) the gain (losses) arising from transactions with non-controlling interests and (ii) the difference between the fair value of consideration paid for the acquisition of the assets through acquisition of subsidiaries from the owner of the Company and the fair value of the assets acquired at the date of acquisition.

(v) Reduction in share premium

Pursuant to a resolution passed by the shareholders of the Company ("Shareholders") on an extraordinary general meeting held on 17 December 2014, the amount standing to the credit of the share premium account of the Company as at 31 December 2014 was reduced by the Company's accumulated losses.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	2015 RMB'000	2014 RMB'000 (Restated)
OPERATING ACTIVITIES		
Profit (loss) before tax	**1,465,799**	(1,005,262)
Adjustments for:		
Gain on bargain purchase recognised in acquisition of subsidiaries	**(363,428)**	(237,978)
Gain on disposal of subsidiaries	**(194,047)**	–
Amortisation of deferred gain on other borrowings	**(39,131)**	–
Waiver of interest for early repayment of other borrowings	**(24,486)**	–
Change in fair value of convertible bonds	**–**	1,360,118
Change in fair value of financial assets at fair value through profit or loss	**(621,095)**	–
Change in fair value of properties held for sale transferred to investment property	**(147,464)**	–
Change in fair value of investment properties	**(8,000)**	–
Gain on disposal of property, plant and equipment	**(14,048)**	–
Depreciation for property, plant and equipment	**10,925**	10,152
Amortisation of intangible assets	**57**	–
Amortisation of prepaid land lease payments	**38**	38
Written back of other payables	**(1,268)**	(672)
Waiver of interest on convertible bonds	**–**	(2,922)
Finance costs	**97,949**	3,035
Bank interest income	**(1,659)**	(636)
Investment return from loan receivable	**(20,712)**	(2,887)
Operating cash inflows before movements in working capital	**139,430**	122,986
Decrease in properties held for sale	**2,240,329**	567,329
Increase in properties under development	**(1,315,348)**	(422,665)
Increase in inventories	**(8,964)**	–
Increase in financial assets held for trading	**(82,430)**	–
Decrease in trade and other receivables	**62,109**	479,557
Increase in amounts due from customers for contract work	**(19,748)**	(11,871)
Increase (decrease) in trade and other payables	**786,640**	(60,371)
(Decrease) increase in receipts in advance and deposits received	**(337,428)**	13,344
Cash generated from operations	**1,464,590**	688,309
Income tax paid	**(161,214)**	(67,242)
Interest paid	**(96,270)**	(42,987)
NET CASH FROM OPERATING ACTIVITIES	**1,207,106**	578,080

Consolidated Statement of Cash Flows
(Continued)

For the year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000 (Restated)
INVESTING ACTIVITIES			
Net cash outflow from acquisition of subsidiaries not under common control	43	**(351,659)**	(388,437)
Payments for common control business combinations	44	**(695,000)**	–
Repayment of consideration payables		**(183,000)**	–
Net cash inflow from disposal of subsidiaries	45	**913,877**	–
Placement of pledged bank deposits		**–**	(1,947)
Withdrawal of pledged bank deposits		**11,947**	1,445
Acquisition of property, plant and equipment		**(25,773)**	(30,267)
Acquisition of intangible assets		**(1,700)**	–
Capital injection to a joint venture upon incorporation		**(4,900)**	–
Acquisition of financial asset designated as at fair value through profit or loss		**(10,000)**	(30,024)
Proceeds from disposal of financial asset designated as at fair value through profit or loss		**30,024**	–
Investment return from loan receivable		**20,712**	2,887
Interest received		**1,659**	636
Deposit paid for potential acquisition		**(360,000)**	(50,000)
Proceeds from disposal of property, plant and equipment		**31,108**	292
Loan receivable repaid (made)		**350,000**	(350,000)
NET CASH USED IN INVESTING ACTIVITIES		**(272,705)**	(845,415)
FINANCING ACTIVITIES			
Bank borrowings raised		**2,783,000**	333,913
Repayment of bank borrowings		**(3,426,977)**	(319,800)
Advance from a shareholder		**–**	8,815
Repayment to a shareholder		**(8,815)**	–
Dividend paid to the shareholders before adopting merger accounting		**–**	(100,000)
Proceeds on issue of corporate bond		**–**	8,268
Expenses on issue of corporate bond		**–**	(1,262)
Proceeds from placing shares	39	**588,698**	541,986
Expenses on placing shares	39	**(190)**	(2,349)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(64,284)**	469,571
NET INCREASE IN CASH AND CASH EQUIVALENTS		**870,117**	202,236
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**325,013**	122,777
Effect of foreign exchange rate changes		**(802)**	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**1,194,328**	325,013

1. GENERAL

Fullshare Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are set out in the "Corporate Information" section of the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are property development, provision of green building services, investment and healthcare products and services business. In the opinion of the directors of the Company, the parent and the ultimate holding company of the Company is Magnolia Wealth International Limited ("Magnolia"), a limited company incorporated in the British Virgin Islands ("BVI").

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the Company's functional currency.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Adoption of merger accounting and restatement

As disclosed in note 44, several business combinations under common control were effected during the year ended 31 December 2015, as the subsidiaries acquired under these business combinations and the Company are both ultimately controlled by Mr. Ji Changqun ("Mr. Ji"). These business combinations have been accounted for based on the principles of merger accounting in accordance with Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements include the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are restated as if the entities had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is later. The impact on the Group arising from the common control combinations is disclosed in note 44 of the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG COMPANIES ORDINANCE

The Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS"), amendments and Interpretations ("Int"), issued by the HKICPA for the first time in the current year:

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

The application of the 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.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

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

[1] Effective for annual periods beginning on or after 1 January 2016.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of other new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG COMPANIES ORDINANCE *(continued)*

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss ("FVTPL"), HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG COMPANIES ORDINANCE *(continued)*

HKFRS 9 (2014) Financial Instruments *(continued)*

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG COMPANIES ORDINANCE *(continued)*

HKFRS 15 Revenue from Contracts with Customers

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 those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG COMPANIES ORDINANCE *(continued)*

Amendments to HKAS 1 Disclosure Initiative *(continued)*

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

In addition to merger accounting for business combination involving entities under common control as set out in note 2, the principal accounting policies are set out below.

4. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations

Businesses combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 Income Taxes;
- assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Interests in joint ventures

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

The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method, interests in joint ventures are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the joint ventures are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of a joint venture equals or exceeds its interest in the joint venture, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the joint venture's accounting policies conform to those of the Group when the joint venture's financial statements are used by the Group in applying the equity method.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interests in joint ventures *(continued)*

An interest in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the joint venture is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

After application of the equity method, including recognising the joint venture's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its interest in the joint venture. Goodwill that forms part of the carrying amount of an interest in a joint venture is not separately recognised. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the interest in the joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When the investment ceases to be a joint venture upon the Group losing joint control over the joint venture, the Group discontinues to apply equity method and any retained interest is measured at fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

When the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its joint venture are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. The Group's share in the joint venture's gains or losses resulting from these transactions is eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

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

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

The Group transfers a property from properties held for sale to investment properties when there is a change of intention to hold the property to earn rentals or/and for capital appreciation which is evidenced by the commencement of an operating lease to another party rather than for sale in the ordinary course of business. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings (classified as finance leases) held for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and impairment losses, if any.

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Properties under development

Properties under development are stated at the lower of cost and net realisable value.

Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and applicable selling expenses.

On completion, the properties are transferred to properties held for sale.

Properties held for sale

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

Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses at the end of the reporting period, or by management estimates based on prevailing market conditions.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories of items is assigned by using specific identification of their individual costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash.

Retirement benefit costs

Payments to (i) the local government defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the respective jurisdictions and (ii) Mandatory Provident Fund ("MPF") Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Impairment losses on tangible and intangible assets (excluding goodwill)

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

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

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

Financial assets

The Group's financial assets include loan and receivables and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

4. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in separate line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 7(c).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including receivables in respect of disposal of subsidiaries, loan receivable, trade and other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, and an increase in the number of delayed payments in the portfolio past the average credit period.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

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

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

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

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments *(continued)*

Financial liabilities

The Group's financial liabilities are classified into either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are designated as at FVTPL on initial recognition.

A financial liability may be designated as at FVTPL upon initial recognition if:

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

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in a separate line item in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and others payables, consideration payables, amount due to a shareholder, corporate bond and bank and other borrowings, are subsequently measured at the amortised cost, using the effective interest method.

4. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments *(continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Convertible bonds designated as at FVTPL

Convertible bonds issued by the Group (including related embedded derivatives) are designated at FVTPL on initial recognition. At each end of the reporting period subsequent to initial recognition, the entire convertible bonds are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Financial guarantee contracts

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

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(i) the amount of obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit (loss) before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities for such investment property are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the property will be recovered).

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts and sales related taxes.

(i) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of the relevant properties have been completed, the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured.

Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under receipts in advance and deposits received.

(ii) Service income

Service income is recognised when services are provided.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Construction contracts

Where the outcome of a construction contract including construction of buildings can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

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

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

Leasing

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leasehold land and building

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

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income (attributed to non-controlling interests as appropriate) and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

Short-term employee benefits

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

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

Fair value measurement

When measuring fair value except for the Group's net realisable value of inventories and value in use of cash-generating unit and intangible asset for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value measurement *(continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1	–	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	–	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	–	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. On disposal of its investment properties, the Group is subject to land appreciation tax ("LAT") and enterprise income tax ("EIT") in the PRC. Accordingly, deferred taxes on changes in fair value of investment properties are recognised in such manner.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

PRC LAT

The Group is subject to LAT in the PRC. The provision of the LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for its property development projects. The final outcome could be different from the amounts that were initially recorded. At 31 December 2015, the carrying amount of LAT payable included under income tax payables was approximately RMB115,304,000 (2014: RMB125,220,000).

Estimated net realisable value of properties held for sale

The management of the Group determines the net realisable value of properties held for sale by using prevailing market data such as most recent sales transactions and internal estimates of cost based on quotes from contractors. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales), the legal and regulatory framework and general market conditions. At 31 December 2015, the carrying amount of properties held for sale was approximately RMB933,536,000 (2014: RMB504,516,000). No impairment loss was recognised for the year ended 31 December 2015 (2014: nil).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Estimated net realisable value of properties under development

In determining whether allowances should be made to the Group's properties under development, the directors of the Company take into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs to sell) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value of properties under development is less than expected as a result of a change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. At 31 December 2015, the carrying amount of properties under development was approximately RMB2,379,083,000 (2014: RMB2,540,309,000). No impairment loss was recognised for the year ended 31 December 2015 (2014: nil).

Estimated allowance for impairment of trade and other receivables and receivables in respect of disposal of subsidiaries

When there is objective evidence of impairment loss, the directors of the Company take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2015, the carrying amount of trade and other receivables and receivables in respect of disposal of subsidiaries are approximately RMB274,127,000 (2014: RMB394,661,000) and RMB1,349,936,000 (2014: nil), respectively. No impairment loss was recognised for the year ended 31 December 2015 (2014: nil).

Estimated fair value of financial guarantees

In estimating the fair value of the financial guarantees in respect of mortgage facilities for property purchasers, the directors of the Company consider the net realisable value of the relevant properties against the outstanding principal and interest.

In the opinion of the directors of the Company, the fair value of the financial guarantees at 31 December 2015 and 2014 was immaterial. Details of the financial guarantees are set out in note 49.

6. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the amount due to a shareholder, corporate bond, convertible bonds and bank and other borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued equity, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, issuance of new share and debt, share buy-backs as well as the repayment of existing debt.

7. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2015 RMB'000	2014 RMB'000 (Restated)
Financial assets		
Financial assets at FVTPL		
Held for trading	**1,598,115**	–
Designated as at FVTPL	**10,419**	30,024
	1,608,534	30,024
Loans and receivables (including bank balances and cash)	**3,049,560**	796,772
Financial liabilities		
Financial liabilities at amortised costs	**1,838,482**	1,469,195

7. FINANCIAL INSTRUMENTS *(continued)*

b) Financial risk management objectives and policies

The Group's major financial instruments include loan receivable, financial assets at fair value through profit or loss, deposit paid for potential acquisition, receivables in respect of disposal of subsidiaries, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, consideration payables, amount due to a shareholder, convertible bonds, corporate bond and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

The carrying amounts of the Group's monetary assets (mainly cash and bank balances) and monetary liabilities (mainly corporate bond and trade and other payables) denominated in currencies other than the respective functional currencies of the relevant group entities at the reporting date are as follows:

	Assets		Liabilities	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
		(Restated)		(Restated)
Hong Kong dollars ("HK$")	**561,824**	76,582	**14,064**	22,256
United States dollars ("US$")	**12,891**	–	**158**	–

7. **FINANCIAL INSTRUMENTS** *(continued)*

b) **Financial risk management objectives and policies** *(continued)*

Market risk *(continued)*

(i) Foreign currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the currency risk of HK$. For the entities of which their functional currency is HK$ while holding assets and liabilities denominated in US$, the Group believe that the pegged rate between US$ and HK$ will not materially affected by any changes in the value of US$ against other currencies. In this respect, the Group considers its exposure to foreign currency risk in respect of US$ to be insignificant.

The following table details the Group's sensitivity to a 10% (2014: 10%) increase and decrease in RMB against the relevant foreign currencies. 10% (2014: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a decrease in post-tax profit (2014: increase in post-tax loss) and other equity where RMB strengthens 10% (2014: 10%) against the relevant currency. For a 10% (2014: 10%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit (loss) and the balances below would be negative.

	2015 **RMB'000**	2014 RMB'000 (Restated)
HK$	**45,738**	4,536

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

7. FINANCIAL INSTRUMENTS *(continued)*

b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings (note 38), loan receivable (note 23), convertible bonds (note 40) and corporate bond (note 41).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings (note 38). The management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

The Group is also exposed to cash flow interest rate risk relates to pledged bank deposits and bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as these bank balances are all short-term in nature.

The Group's exposures to interest rate risk on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the fixed deposit rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial liabilities at the end of the reporting period. For variable-rate bank and other borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

For variable-rate bank and other borrowings, if the interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2015 would decrease by approximately RMB1,509,000 (2014: loss after tax would increase by approximately RMB1,321,000).

7. FINANCIAL INSTRUMENTS *(continued)*

b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(iii) Other price risk

The Group's price risk is mainly exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange. The Group closely monitors the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the respective equity instruments had been 10% (2014: N/A) higher/lower, the post-tax profit for the year ended 31 December 2015 would increase/decrease by approximately RMB133,443,000 (2014: nil) as a result of the changes in fair value of the equity instruments.

Credit risk

As at 31 December 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in note 49.

In order to minimise the credit risk on receivables in respect of disposal of subsidiaries and deposit paid for potential acquisition, the Group would assess the credit quality of each potential purchaser before accepting any transaction. The Group would also monitor the repayment history of each purchaser with reference to the repayment schedule to determine the recoverability of a receivable.

7. FINANCIAL INSTRUMENTS *(continued)*

b) Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

The Group has no significant concentration of credit risk on its trade and other receivables as the exposures spread over a number of counterparties. In order to further minimise the credit risk on its trade and other receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by authorised credit rating agencies.

For properties that are pre-sold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties, which is approximately RMB1,080,207,000 as at 31 December 2015 (2014: RMB412,804,000). If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. As the mortgage loans are secured by the properties with current market price higher than the guaranteed amounts, the directors of the Company consider that the Group would recover any loss that may arise from the guarantees provided by the Group.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for all of the total trade receivables and loan receivable as at 31 December 2015 and 2014.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of bank and other borrowings and ensures compliance with loan covenants.

7. FINANCIAL INSTRUMENTS *(continued)*

b) Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis, and the undiscounted gross outflows on those derivatives that require gross settlement.

Liquidity risk tables

	Within one year or on demand	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years	Total undiscounted cash flow	Carrying Amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2015						
Trade and other payables	**917,151**	**–**	**–**	**–**	**917,151**	**917,151**
Bank and other borrowings	**802,299**	**22,718**	**62,860**	**83,171**	**971,048**	**892,530**
Consideration payables	**–**	**23,000**	**–**	**–**	**23,000**	**21,058**
Corporate bond	**619**	**619**	**10,122**	**–**	**11,360**	**7,743**
Financial guarantee contracts (note 49)	**1,080,207**	**–**	**–**	**–**	**1,080,207**	**–**
	2,800,276	**46,337**	**72,982**	**83,171**	**3,002,766**	**1,838,482**
As at 31 December 2014 (Restated)						
Trade and other payables	343,430	–	–	–	343,430	343,430
Bank and other borrowings	954,470	–	–	–	954,470	910,103
Consideration payables	156,000	25,000	25,000	–	206,000	199,758
Amount due to a shareholder	8,815	–	–	–	8,815	8,815
Corporate bond	579	579	1,737	8,847	11,742	7,089
Financial guarantee contracts (note 49)	412,804	–	–	–	412,804	–
	1,876,098	25,579	26,737	8,847	1,937,261	1,469,195

7. **FINANCIAL INSTRUMENTS** *(continued)*

b) **Financial risk management objectives and policies** *(continued)*

Liquidity risk *(continued)*

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of each reporting period.

The amount included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee for loans procured by the purchasers of the Group's properties. Based on the expectations at the end of the reporting period, the Group considers that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

c) **Fair values of financial assets and liabilities**

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis are determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The fair value of financial guarantee contracts is determined using discounted cash flow models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

The directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to short-term or immediate maturities.

The directors of the Company consider that the fair value of the non-current interest-free financial assets and liabilities not measured at fair value approximates to their carrying amount as the impact of discounting is not significant.

7. FINANCIAL INSTRUMENTS *(continued)*

c) Fair values of financial assets and liabilities *(continued)*

The directors of the Company also consider that the fair value of the non-current interest-bearing financial assets and liabilities measured at fair value approximates to their carrying amount.

Fair value measurements recognised in the consolidated statement of financial position on a recurring basis

	Level 1	
	2015	2014
	RMB'000	RMB'000
Financial assets at FVTPL		
– Equity securities listed in Hong Kong	**1,598,115**	–

	Level 2	
	2015	2014
	RMB'000	RMB'000
Financial assets at FVTPL		
– Investment-linked insurance policy	**10,419**	–
– Structured deposit	**–**	30,024

The following table gives information about how the fair values of these financial instruments were determined (in particular, the valuation technique and inputs used).

Financial assets	Fair value hierarchy	Valuation technique	Key inputs and significant unobservable input(s)
Equity securities listed in Hong Kong	Level 1	Quoted price in an active market	N/A
Investment-linked insurance policy	Level 2	Income approach: discounted cash flow method was used to capture the presented value of the expected future economic benefits to be derived from the financial assets, based on an appropriate discount rate.	Discount rate (Note)
Structured deposit	Level 2	Income approach: discounted cash flow method was used to capture the presented value of the expected future economic benefits to be derived from the financial assets, based on an appropriate discount rate.	Discount rate (Note)

Note: The fair values of investment-linked insurance policy and structured deposit was determined by using discounted cash flow method with the key inputs of quoted market prices and prevailing observable interest rates discounted at a rate that reflected the credit risk of various counterparties.

7. FINANCIAL INSTRUMENTS *(continued)*

c) Fair values of financial assets and liabilities *(continued)*

Fair value measurements recognised in the consolidated statement of financial position on a recurring basis *(continued)*

There were no transfers into or out of Level 1 and Level 2 during the years ended 31 December 2015 and 2014.

Valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The appropriate valuation techniques and inputs for fair value measurements are determined by the directors of the Company and the independent qualified valuers.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The directors of the Company work closely with the independent qualified valuers to establish the appropriate valuation techniques and inputs to the model. The directors of the Company will review the cause of fluctuations in fair value of the assets and liabilities semi-annually.

8. REVENUE

Revenue represents the net amounts received and receivable from sales of properties, investment income, green construction contracts and green building services provided by the Group, less sales related taxes.

	2015 RMB'000	2014 RMB'000 (Restated)
Sales of properties	**2,407,982**	763,988
Revenue from green building services	**205,153**	16,862
Revenue from green construction contracts	**37,035**	12,553
Interest income and dividend from investments	**7,761**	–
	2,657,931	793,403

9. SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group is principally engaged in the property development and provision of green building services. During the year ended 31 December 2015, the Group commenced to engage in two new segments – Investment and Healthcare. Despite that the healthcare business is still on the startup stage with insignificant contribution to the Group, the Group has formulated a detailed operating and development plan in which the chief operating decision-maker considers that the disclosure of such segment will be meaningful. Specifically, the Group currently organises the reportable and operating segments by differentiations in products and services as follows:

1. Property development – development and sales of properties;

2. Green building – green building services, which principally include green building, green urban Engineering-Procurement-Construction, Energy Management Contract services and other supporting services in relation to the operation of the relevant green building projects in the PRC;

3. Investment – holding and trading of a variety of investments and financial products with potential or for strategic purpose including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products; and

4. Healthcare – healthcare products and services.

9. SEGMENT INFORMATION *(continued)*

Segment revenues and results

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

	2015					2014 (Restated)				
	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Total RMB'000	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Total RMB'000
REVENUE										
External Sales	2,407,982	242,188	7,761	–	2,657,931	763,988	29,415	–	–	793,403
Inter-segment sales	–	215,380	–	–	215,380	–	–	–	–	–
Segment revenue	2,407,982	457,568	7,761	–	2,873,311	763,988	29,415	–	–	793,403
Eliminations					(215,380)					–
Group revenue					2,657,931					793,403
Segment profit/(loss)	61,763	106,304	629,099	(19)	797,147	130,250	(10,229)	–	–	120,021
Unallocated corporate expenses					(39,323)					(23,587)
Unallocated other income and gains					92,985					23,479
Change in fair value of properties held for sale transferred to investment properties					147,464					–
Change in fair value of investment properties					8,000					–
Change in fair value of convertible bonds					–					(1,360,118)
Gain on disposal of subsidiaries					194,047					–
Gain on bargain purchase recognised in acquisition of subsidiaries					363,428					237,978
Finance costs					(97,949)					(3,035)
Profit (loss) before tax					1,465,799					(1,005,262)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of central administration costs, directors' salaries, finance costs and changes in fair value of convertible bonds, changes in fair value of investment properties, changes in fair value of properties held for sale transferred to investment properties, gain on disposal of subsidiaries, gain on bargain purchase recognised in acquisition of subsidiaries and certain other income and gains. This is the measure reported to the chief executive officer, being the chief operating decision-maker, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

	2015					2014 (Restated)				
	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Total RMB'000	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Total RMB'000
Segment assets	3,511,389	245,616	1,608,534	26,241	5,391,780	3,410,546	547,739	30,024	–	3,988,309
Unallocated corporate assets					3,271,708					435,427
Total assets					8,663,488					4,423,736
Segment liabilities	1,882,427	324,855	–	–	2,207,282	796,386	141,664	–	–	938,050
Unallocated corporate liabilities					1,496,569					1,316,839
Total liabilities					3,703,851					2,254,889

9. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities *(continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than investment properties, certain property, plant and equipment, deferred tax assets, certain other receivables, interest in a joint venture, receivables in respect of disposal of subsidiaries, deposit paid for potential acquisition, tax prepaid, pledged bank deposits and bank balances and cash.

- All liabilities are allocated to operating segments other than certain other payables, amount due to a shareholder, consideration payables, bank and other borrowings, income tax payables, corporate bond and deferred tax liabilities.

Other segment information

For the year ended 31 December 2015

	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets						
Addition to non-current assets (Note)	43,161	25,598	–	–	317,387	386,146
Depreciation and amortisation	3,552	6,813	–	–	655	11,020
Gain on disposal of property, plant and equipment	14,048	–	–	–	–	14,048
Investment return from loan receivable	–	20,712	–	–	–	20,712
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:						
Finance costs	–	–	–	–	97,949	97,949
Bank interest income	–	–	–	–	1,659	1,659
Income tax expense	85,577	20,300	102,363	–	18,569	226,809

9. SEGMENT INFORMATION *(continued)*

Other segment information *(continued)*

For the year ended 31 December 2014 (Restated)

	Property development RMB'000	Green building RMB'000	Investment RMB'000	Healthcare RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets						
Addition to non-current assets (Note)	4,274	26,366	–	–	1,647	32,287
Depreciation and amortisation	2,553	7,257	–	–	380	10,190
Investment return from loan receivable	-	2,887	–	–	–	2,887
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:						
Finance costs	–	–	–	–	3,035	3,035
Bank interest income	–	–	–	–	636	636
Income tax expense	58,991	357	–	–	133	59,481

Note: Non-current assets excluded interest in a joint venture, financial assets at fair value through profit or loss, deferred tax assets and loan receivable. Included in the addition for the year ended 31 December 2015 of RMB5,061,000 (2014: RMB546,000) was made through acquisition of subsidiaries not under common control.

Information about geographical areas

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about its non-current assets is presented based on the geographical location of the assets.

All of the Group's revenue is derived from customers based in the PRC (country of domicile).

Non-current assets

	2015 RMB'000	2014 RMB'000 (Restated)
PRC (country of domicile)	**482,863**	155,724
Hong Kong	**969**	1,185
Singapore	**12**	–
	483,844	156,909

Non-current assets excluded interest in a joint venture, financial assets at fair value through profit or loss, deferred tax assets and loan receivable.

9. SEGMENT INFORMATION *(continued)*

Other segment information *(continued)*

Information about major customers

During the years ended 31 December 2015 and 2014, there was no single external customer contributing over 10% of the Group's revenue.

10. OTHER INCOME AND GAINS

	2015 RMB'000	2014 RMB'000 (Restated)
Bank interest income	1,659	636
Exchange gain	7,132	–
Gain on disposal of property, plant and equipment	14,048	–
Amortisation of deferred gain on other borrowings	39,131	–
Waiver of interest for early repayment of other borrowings	24,486	–
Investment return from loan receivable	20,712	2,887
Property rental income (Note a)	12,724	17,334
Subletting rental income (Note b)	2,420	1,262
Waiver of interest on convertible bonds (note 40)	–	2,922
Written back of other payable	1,268	672
Management services income	4,957	–
Others	780	653
	129,317	26,366

Note a: The direct costs of the property rental income for the year ended 31 December 2015 is approximately RMB2,920,000 (2014: RMB3,633,000).

Note b: The direct costs of the subletting rental income for the year ended 31 December 2015 is approximately RMB1,899,000 (2014: RMB1,077,000).

11. FINANCE COSTS

	2015 RMB'000	2014 RMB'000 (Restated)
Interest expenses on:		
bank and other borrowings (Note)	**159,308**	42,987
convertible bonds	**–**	2,997
corporate bond	**741**	38
consideration payable	**4,300**	–
Less: Interest capitalised in the cost of qualifying assets (note 30)	**(66,400)**	(42,987)
	97,949	3,035

Note:

Borrowing costs capitalised during the years ended 31 December 2015 and 2014 arose from specific bank borrowings for qualifying assets.

12. INCOME TAX EXPENSE

	2015 RMB'000	2014 RMB'000 (Restated)
Current tax:		
PRC EIT	**167,538**	48,198
PRC LAT	**44,464**	42,809
	212,002	91,007
Deferred tax		
Current year (note 42)	**14,807**	(31,526)
	226,809	59,481

12. INCOME TAX EXPENSE *(continued)*

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group has no assessable profits arising from Hong Kong for both years.

(b) Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable tax rate of Company's PRC subsidiaries is 25% for the years ended 31 December 2015 and 2014.

Pursuant to the EIT Law, 10% withholding tax is levied on foreign investor in respect of gain on disposal of a foreign investment enterprise in the PRC.

(c) The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, PRC LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

(d) Tax arising from other jurisdictions is calculated at the rates applicable in the relevant jurisdictions.

	2015 **RMB'000**	2014 RMB'000 (Restated)
Profit (loss) before tax	**1,465,799**	(1,005,262)
Tax at the domestic income tax rate of 25%	**366,450**	(251,316)
Provision for LAT for the year	**44,464**	42,809
Tax effect of expenses not deductible for tax purpose	**5,986**	357,882
Tax effect of PRC LAT deductible for PRC EIT	**(4,328)**	(34,564)
Tax effect of income not taxable for tax purpose	**(103,319)**	(60,393)
Deferred LAT in respect of investment properties	**39,471**	–
Deferred LAT in respect of properties held for sale	**(66,623)**	–
Effect of different tax rate of subsidiaries operating in other jurisdiction	**(55,629)**	–
Tax effect of tax losses not recognised	**337**	5,063
Income tax expense for the year	**226,809**	59,481

Details of the deferred tax are set out in note 42.

13. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2015 RMB'000	2014 RMB'000 (Restated)
(a) Staff costs, excluding directors' and chief executive's emoluments		
Salaries, wages and other benefits	**41,113**	19,281
Retirement benefits scheme contributions	**7,237**	3,318
	48,350	22,599
(b) Other items		
Auditors' remuneration	**1,581**	1,319
Depreciation of plant and equipment	**10,925**	10,152
Minimum lease payments under operating lease rentals of properties	**4,896**	4,504
Costs of properties held for sale recognised as expenses (included in cost of sales)	**2,237,370**	567,330
Amortisation of intangible assets	**57**	–
Amortisation of prepaid land lease payments	**38**	38

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

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the ten (2014: nine) directors and chief executive were as follows:

	For the year ended 31 December 2015			
	Fees RMB'000	Salaries, wages and other benefits RMB'000	Retirement benefits scheme contributions RMB'000	Total RMB'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				
Executive director and chief executive				
Mr. Ji	195	–	–	195
Executive directors				
Mr. Shi Zhiqiang	195	1,813	56	2,064
Mr. Wang Bo	195	2,056	15	2,266
Mr. Fang Jian	195	1,008	17	1,220
Mr. Zhou Yanwei (resigned on 31 March 2015)	49	512	–	561
Non-executive directors				
Mr. Eddie Hurip (re-designated from executive director to non-executive director on 31 March 2015)	195	–	–	195
Mr. Chen Minrui (appointed on 31 March 2015 and resigned on 30 March 2016)	148	526	22	696
Independent non-executive directors				
Mr. Lau Chi Keung	195	–	–	195
Mr. Chow Siu Lui	195	–	–	195
Mr. Tsang Sai Chung	195	–	–	195
Total	1,757	5,915	110	7,782

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

(a) Directors' and chief executive's emoluments *(continued)*

	For the year ended 31 December 2014			
	Fees RMB'000	Salaries, wages and other benefits RMB'000	Retirement benefits scheme contributions RMB'000	Total RMB'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				
Executive director and chief executive				
Mr. Ji	191	–	–	191
Executive directors				
Mr. Shi Zhiqiang	191	1,808	75	2,074
Mr. Wang Bo (appointed on 10 September 2014)	59	155	–	214
Mr. Fang Jian (appointed on 24 December 2014)	4	–	–	4
Mr. Eddie Hurip	191	1,810	13	2,014
Mr. Zhou Yanwei	191	614	–	805
Independent non-executive directors				
Mr. Lau Chi Keung	191	–	–	191
Mr. Chow Siu Lui	191	–	–	191
Mr. Tsang Sai Chung	191	–	–	191
Total	1,400	4,387	88	5,875

No directors and chief executives waived or agreed to waive any emoluments paid by the Group during the years ended 31 December 2015 and 2014. No emoluments were paid by the Group to any directors and chief executives as an incentive payment for joining the Group or as compensation for loss of office during the years ended 31 December 2015 and 2014.

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

(b) Employees' emoluments

Of the five individuals with highest emoluments in the Group, two (2014: three) were the directors of the Company whose emoluments are included in the disclosures in note 14(a). The emoluments of the remaining three (2014: two) individuals were as follows:

	2015 **RMB'000**	2014 RMB'000 (Restated)
Salaries, allowances and other benefits	**4,890**	1,871
Retirement benefits scheme contributions	**112**	23
	5,002	1,894

During the years ended 31 December 2015 and 2014, no emoluments have been paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

Their remuneration was within the following bands:

	2015	2014
Nil to HK$1,000,000 (equivalent to nil to RMB841,000)	**–**	1
HK$1,500,001 to HK$2,000,000 (equivalent to RMB1,262,000 to RMB1,682,000)	**1**	1
HK$2,000,001 to HK$2,500,000 (equivalent to RMB1,682,001 to RMB2,103,000)	**2**	–

15. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2015 (2014: nil). Subsequent to the end of the reporting period, a final dividend of RMB1 cent per share (2014: nil) in respect of the year ended 31 December 2015 has been proposed by the Board and is subject to approval by the Shareholders in the forthcoming general meeting.

During the year ended 31 December 2014, dividend of RMB100,000,000 has been paid to shareholders of Nanjing Fullshare Dazu Technology Company Limited*（南京豐盛大族科技股份有限公司）("Nanjing Fullshare Technology") before the Group adopting merger accounting for common control combinations of Nanjing Fullshare Technology. Further details of the dividend are set out in the Company's circular dated 30 December 2014.

* *For identification purpose only*

16. EARNINGS (LOSS) PER SHARE

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

	2015 RMB'000	2014 RMB'000 (Restated)
Earnings (loss)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share for the year attributable to the owners of the Company	**1,237,507**	(1,070,988)

	2015 '000	2014 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	**14,021,177**	3,960,630

Diluted earnings per share for the year ended 31 December 2015 is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the year.

The computation of diluted loss per share for the year ended 31 December 2014 did not assume the conversion of the Company's outstanding convertible bonds, since their exercise would result in a change from a loss to a profit for the purpose of diluted earnings per share which was anti-dilutive.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building RMB'000	Leasehold improvement RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2014 (Restated)	66,907	1,705	10,905	71,177	1,715	–	152,409
Additions	2,251	1,136	1,935	102	1,137	23,706	30,267
Acquired on acquisition of subsidiaries	–	–	251	–	295	–	546
Disposals	–	–	(127)	–	(346)	–	(473)
At 31 December 2014 and 1 January 2015 (Restated)	69,158	2,841	12,964	71,279	2,801	23,706	182,749
Additions	–	261	3,372	–	–	22,140	25,773
Acquired on acquisition of subsidiaries	–	–	2,329	–	2,732	–	5,061
Disposals through disposal of subsidiaries	–	–	(3,300)	–	(698)	–	(3,998)
Disposals	(17,198)	–	(70)	–	(1,226)	–	(18,494)
At 31 December 2015	51,960	3,102	15,295	71,279	3,609	45,846	191,091
ACCUMULATED DEPRECIATION							
At 1 January 2014 (Restated)	6,726	1,432	3,698	12,288	498	–	24,642
Charge for the year	2,903	413	2,230	4,421	185	–	10,152
Eliminated on disposals	–	–	(55)	–	(126)	–	(181)
At 31 December 2014 and 1 January 2015 (Restated)	9,629	1,845	5,873	16,709	557	–	34,613
Charge for the year	2,686	558	3,753	3,422	506	–	10,925
Eliminated on disposal of subsidiaries	–	–	(1,340)	–	(139)	–	(1,479)
Eliminated on disposals	(1,209)	–	(34)	–	(191)	–	(1,434)
At 31 December 2015	11,106	2,403	8,252	20,131	733	–	42,625
CARRYING VALUES							
At 31 December 2015	40,854	699	7,043	51,148	2,876	45,846	148,466
At 31 December 2014 (Restated)	59,529	996	7,091	54,570	2,244	23,706	148,136

17. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold land and building	the shorter of 40 years or lease terms
Leasehold improvement	the shorter of 3 years or lease terms
Office equipment	3 to 5 years
Plant and machinery	10 years
Motor vehicles	5 years

18. INVESTMENT PROPERTIES

	RMB'000
FAIR VALUE	
At 1 January 2014, 31 December 2014 and 1 January 2015	5,600
Transferred from properties held for sale	169,536
Increase in fair value of properties held for sale transferred to investment properties recognised in profit or loss	147,464
Increase in fair value recognised in profit or loss	8,000
At 31 December 2015	330,600

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and is classified and accounted for as investment properties.

During the year ended 31 December 2015, certain properties held for sales with a carrying amount of approximately RMB169,536,000 were transferred to investment properties as these properties are held for rental income or capital appreciation purpose. The fair value of these properties of RMB317,000,000 at the date of transfer to investment properties were valued by Savills Valuation and Professional Services Limited ("Savills"), an independent qualified professional valuer not connected with the Group, by reference to comparable sales transactions as available in relevant markets and where appropriate, the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary income potential of the properties. Accordingly, a fair value gain of approximately RMB147,464,000 was recognised in profit or loss during the year ended 31 December 2015.

18. INVESTMENT PROPERTIES *(continued)*

At 31 December 2015, the Group's investment properties were valued by Savills and Crowe Horwath (HK) Consulting & Valuation Limited ("Crowe Horwath") (2014: Crowe Horwath), independent qualified professional valuers not connected with the Group. The valuation was determined by reference to comparable sales transactions as available in relevant markets and where appropriate, the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary income potential of the properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2015 and 2014 are as follows:

	Level 2	Fair value as at 31 December 2015
	RMB'000	RMB'000
Commercial property units located in the PRC	330,600	330,600

	Level 2	Fair value as at the date of transfer
	RMB'000	RMB'000
Commercial property units located in the PRC	317,000	317,000

	Level 2	Fair value as at 31 December 2014 and 1 January 2014
	RMB'000	RMB'000
Commercial property units located in the PRC	5,600	5,600

There were no transfers into or out of Level 2 fair value measurement during both years.

18. INVESTMENT PROPERTIES *(continued)*

The following table gives information about how the fair values of the investment properties as at 31 December 2015 and 2014 are determined (in particular, the valuation techniques and inputs used):

	Fair value hierarchy	Fair value as at 31 December 2015 RMB'000	Fair value as at 31 December 2014 RMB'000	Valuation technique and key inputs
Investment properties	Level 2	**RMB330,600**	RMB5,600	Market comparison approach – by reference to recent sales price of comparable properties on a price per square meter basis using market data which is publicly available; Income capitalisation approach – by reference to market monthly rental rate and appropriate yield

19. GOODWILL

	2015 RMB'000	2014 RMB'000
CARRYING VALUE		
At beginning of the year	**1,474**	–
Arising on acquisition of subsidiaries (notes 43b and 43e)	**36,612**	1,474
Derecognised upon disposal of subsidiaries (note 45b)	**(36,612)**	–
At the end of the year	**1,474**	1,474

Note:

a) The goodwill is allocated to the cash generating unit of green building services ("CGU 1").

The recoverable amount of CGU 1 has been determined on the basis of value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management of the Group covering a 5 years period and pre-tax discount rate of 25.8% (2014: 25.8%). Cash flow beyond the 5 years period has been extrapolated using a steady 3% (2014: 3%) growth rate. This growth rate is based on industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The directors of the Company were of the opinion that the recoverable amount exceeded its respective carrying amount as at 31 December 2015, and no impairment loss of goodwill was recognised (2014: nil)

20. INTANGIBLE ASSETS

	Patents RMB'000
COST	
At 1 January 2014, 31 December 2014 and 1 January 2015	–
Additions	1,700
At 31 December 2015	1,700
ACCUMULATED AMORTISATION	
At 1 January 2014, 31 December 2014 and 1 January 2015	–
Charge for the year	57
At 31 December 2015	57
CARRYING VALUES	
At 31 December 2015	1,643
At 31 December 2014	–

The patents are amortised on a straight-line basis over their estimated useful lives not exceeding 10 years.

21. INTEREST IN A JOINT VENTURE

	2015 RMB'000	2014 RMB'000
Cost of interest in an unlisted joint venture	4,900	–
Share of post-acquisition losses and other comprehensive income	–	–
	4,900	–

As at 31 December 2015, the Group had interests in the following joint venture:

Name of entity	Place of registration and operation	Paid up registered capital	Proportion of ownership interests held by the Group 2015	Proportion of ownership interests held by the Group 2014	Proportion of voting power held 2015	Proportion of voting power held 2014	Principal activity
Hangzhou Infrastructure Huarong Investment Partnership (Limited Partnership)* (杭州基建華融投資合伙企業(有限合伙))	The PRC	RMB10,000,000	49%	N/A	50%	N/A	Not yet commenced operation

* *For identification purpose only*

21. INTEREST IN A JOINT VENTURE *(continued)*

The financial information and carrying amount of the Group's interest in an immaterial joint venture accounted for using the equity method are set out below:

	2015 RMB'000
The Group's share of results	–
The Group's share of other comprehensive income	–
The Group's share of total comprehensive income	–

	2015 RMB'000
Carrying amount of the Group's interest in a joint venture	4,900

22. PREPAID LAND LEASE PAYMENTS

	2015 RMB'000	2014 RMB'000 (Restated)
Analysed for reporting purposes as:		
Current asset (included in trade and other receivables)	38	38
Non-current asset	1,661	1,699
	1,699	1,737

23. LOAN RECEIVABLE

Loan receivable represented investment costs incurred for discharging the Company's obligations as the main contractor under an investment construction contract relating to a green building project for the People's Government of Huayang Town, Jurong City*（句容市華陽鎮人民政府）("Jurong Government"), which amounted to RMB350,000,000 with a performance return rate of 9.5% per annum. The balance was unsecured and repayable by Jurong Government on or before 31 December 2016. During the year ended 31 December 2015, the Company and Jurong Government entered into a termination agreement whereby the investment construction contract was terminated and Jurong Government has fully paid the investment amount, together with the corresponding return of approximately RMB20,712,000 (included in other income) up to the date of payment.

* *For identification purpose only*

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 RMB'000	2014 RMB'000 (Restated)
Financial assets held for trading		
Equity securities listed in Hong Kong	1,598,115	–
Financial assets designated as at FVTPL		
Investment-linked insurance policy (Note)	10,419	–
Structured deposit	–	30,024
	1,608,534	30,024

Analysed for reporting purposes as:

	2015 RMB'000	2014 RMB'000
Current assets	1,598,115	30,024
Non-current assets	10,419	–
	1,608,534	30,024

Note:

During the year ended 31 December 2015, the Group has entered into an investment-linked insurance policy with an insurance company to insure certain key employees of a subsidiary of the Group, under which the Group is the beneficiary and policy holder for an one-off payment of RMB10,000,000. The Group designated this insurance policy as financial asset at fair value through profit or loss at initial recognition. During the year ended 31 December 2015, change in fair value of approximately RMB419,000 (2014: nil) has been recognised in profit or loss. As at 31 December 2015, the fair value of this policy is approximately RMB10,419,000. The fair value is quoted by the insurance company with reference to the future cash flow of the investment and is discounted by an appropriate discount rate and is under Level 2 fair value hierarchy as set out in note 7c.

25. DEPOSIT PAID FOR POTENTIAL ACQUISITION

	2015 RMB'000	2014 RMB'000
Deposit paid for potential acquisition	360,000	50,000

On 24 December 2014, the Group entered into a memorandum of understanding with Nanjing Huigu Enterprise Management Consulting Co., Limited*（南京慧谷企業管理諮詢有限公司）("Nanjing Huigu"), an independent third party, for potential acquisition of the entire interests in Jiangsu Anjiali Zhiye Company Limited*（江蘇安家利置業有限公司）("Jiangsu Anjiali") and made a deposit of RMB50,000,000 which was refundable within 3 months. During the year ended 31 December 2015, the acquisition has been completed and the amount has been utilised as part of the consideration of such acquisition (note 43(a)).

25. DEPOSIT PAID FOR POTENTIAL ACQUISITION *(continued)*

On 30 November 2015, the Group entered into a letter of intent with Hainan Zhongkun Yu'an Investment Co., Ltd.*（海南中坤渝安投資有限公司）("Zhongkun Yu'an"), an entity under the control of Mr. Ji, for potential acquisition of commercial and hotel properties in the Hainan Province and made a refundable deposit of RMB360,000,000. The deposit is interest bearing at the prevailing deposit interest rate of banks in the PRC and refundable upon the expiry of a six-month exclusive negotiation period where no formal agreement has been entered into. Details of the potential acquisition were set out in the Company's announcement dated 30 November 2015.

26. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	RMB'000
		(Restated)
Trade receivables (note a)	**108,489**	12,758
Other receivables and deposits (note b)	**36,807**	32,776
Amounts due from related companies (note c)	**–**	14,278
Prepayments for construction works	**45,916**	310,172
Other prepayments	**29,798**	3,519
Other taxes prepaid	**53,117**	21,158
	274,127	394,661

The Group does not hold any collateral over these balances.

Note a: The following is an aging analysis of the Group's trade receivables presented based on invoice dates at the end of the reporting period:

	2015	2014
	RMB'000	RMB'000
		(Restated)
Within 90 days	**106,904**	7,777
91-180 days	**338**	4,533
181-365 days	**869**	–
Over 1 year	**378**	448
	108,489	12,758

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate.

* *For identification purpose only*

26. TRADE AND OTHER RECEIVABLES

Note a: *(continued)*

The following is an aged analysis of the Group's trade receivables which are past due but not impaired:

	2015 **RMB'000**	2014 RMB'000 (Restated)
Within 90 days	**338**	–
91-180 days	**435**	–
181-365 days	**623**	–
Over 1 year	**189**	448
	1,585	448

As at 31 December 2015, trade receivables of approximately RMB1,585,000 (2014: RMB448,000) were past due but not impaired. The Group has individually assessed all the past due but not impaired trade receivables' credit worthiness and past payment history. The directors of the Company are of the opinion that the amounts are still recoverable and no provision for impairment is necessary in respect of these balances.

Note b: Included in the Group's other receivables and deposits are security deposits with an aggregate balance of approximately RMB13,987,000 (2014: RMB29,775,000) which are paid to certain PRC government authorities for the Group's property development business in the PRC. Such security deposits will be released upon completion of construction of the relevant development projects. All other receivables and deposits were neither past due nor impaired.

Note c: The related companies were ultimately controlled by Mr. Ji and the balances were unsecured, interest-free and repayable on demand.

The directors of the Company consider that there has not been a significant change in the credit quality of the trade receivables, other receivables, prepayments and deposits and there is no recent history of default, therefore the amounts are considered recoverable.

27. INVENTORIES

	2015 **RMB'000**	2014 RMB'000
Work in progress	**8,964**	–

28. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	2015 RMB'000	2014 RMB'000
Contracts in progress at the end of the reporting period		
Contract costs incurred plus recognised profits less recognised losses	**235,531**	38,577
Less: progress billings	**(194,982)**	(17,776)
Amounts due from customers for contract work	**40,549**	20,801

29. TAX PREPAID

Pursuant to the PRC tax rule, the local tax authority requires the Group to prepay the PRC LAT and PRC EIT when pre-sales of properties have been occurred. Tax prepaid represented the PRC LAT and PRC EIT prepaid.

30. PROPERTIES UNDER DEVELOPMENT

	2015 RMB'000	2014 RMB'000 (Restated)
At the beginning of the year	**2,540,309**	1,448,807
Additions	**1,315,348**	422,665
Acquisition of subsidiaries (note 43)	**2,830,689**	1,029,787
Interest capitalised (note 11)	**66,400**	42,987
Disposal of subsidiaries (note 45)	**(2,819,932)**	–
Transferred to properties held for sale	**(1,553,731)**	(403,937)
At the end of the year	**2,379,083**	2,540,309

	2015 RMB'000	2014 RMB'000 (Restated)
Represented by:		
Land use rights	**789,544**	1,930,160
Construction costs and capitalised expenditure	**1,589,539**	610,149
	2,379,083	2,540,309

30. PROPERTIES UNDER DEVELOPMENT *(continued)*

According to the accounting policy of the Group, properties under development are classified as current assets as the construction period of the relevant property development projects are expected to be completed in the normal operating cycle.

The carrying amounts of properties under development of approximately RMB430,571,000 as at 31 December 2015 (2014: RMB1,074,565,000) are expected not to be realised within the next twelve months from the end of the reporting period.

31. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated on leasehold land in the PRC. All the properties held for sale are stated at cost.

32. PLEDGED BANK DEPOSITS

The pledged bank deposits carried interest at floating daily bank deposits rate.

33. BANK BALANCES AND CASH

(i) Bank balances and cash comprised of cash on hand and deposits with an original maturity of three months or less.

(ii) Bank balances carried interest at prevailing market interest rate of ranged from 0.001% to 0.35% per annum for the year ended 31 December 2015 (2014: 0.001% to 0.4%).

34. TRADE AND OTHER PAYABLES

	2015 **RMB'000**	2014 RMB'000 (Restated)
Trade payables	**301,562**	89,299
Bills payables	**–**	11,947
	301,562	101,246
Other tax payables	**26,389**	1,184
Other payables	**24,817**	56,879
Dividend payables to a non-controlling interest	**9,545**	–
Amounts due to related companies (Note)	**8,138**	23,641
Accrued expenses	**573,089**	161,664
	943,540	344,614

Note: The related companies are ultimately controlled by Mr. Ji and the balances are unsecured, non-interest bearing and repayable on demand.

34. TRADE AND OTHER PAYABLES *(continued)*

The following is an aging analysis of the Group's trade and bills payables presented based on the invoice dates at the end of the reporting period:

	2015 RMB'000	2014 RMB'000 (Restated)
Within 90 days	**210,890**	72,756
91 – 180 days	**45,419**	14,355
181 – 365 days	**39,606**	2,564
Over 1 year	**5,647**	11,571
	301,562	101,246

The average credit period on trade payables is 180 days. The Group has financial risk management policies in place to ensure that all trade payables are settled within the credit timeframe.

35. RECEIPTS IN ADVANCE AND DEPOSITS RECEIVED

Receipts in advance and deposits received represent sales proceeds received from customers in connection with the Group's pre-sale of properties and deposits received for green building services.

36. CONSIDERATION PAYABLES

	2015 RMB'000	2014 RMB'000
Analysed for reporting purposes as:		
Current liabilities	**–**	156,000
Non-current liabilities	**21,058**	43,758
	21,058	199,758

36. CONSIDERATION PAYABLES *(continued)*

Consideration payables as at 31 December 2014 represented acquisition-date fair value of the outstanding considerations in respect of acquisitions of Nanjing Tianyun Real Estate Development Company Limited*（南京天韻房地產開發有限公司）("Nanjing Tianyun") and Fullshare Lujian Group of which RMB156,000,000, RMB25,000,000 and RMB25,000,000 were payable prior to February 2015, March 2016 and June 2017 respectively. Details of the acquisitions have been set out in notes 43(d) and 43(e).

During the year ended 31 December 2015, the Group repaid RMB183,000,000 and as at 31 December 2015, the outstanding consideration payables stated at amortised cost amounted to approximately RMB21,058,000.

37. AMOUNT DUE TO A SHAREHOLDER

Amount due to a shareholder as at 31 December 2014 represented advance from Magnolia, a substantial shareholder of the Company, which was non-interest bearing, unsecured and was repayable within one year.

38. BANK AND OTHER BORROWINGS

	2015 **RMB'000**	2014 RMB'000 (Restated)
Secured		
Bank borrowings	**592,530**	279,690
Other borrowings	**300,000**	320,000
Unsecured other borrowings	**–**	310,413
	892,530	910,103
Carrying amount repayable:		
On demand or within one year	**761,280**	910,103
More than one year but not exceeding two years	**15,000**	–
More than two years but not exceeding five years	**45,000**	–
More than five years	**71,250**	–
	892,530	910,103
Less: amounts due within one year shown under current liabilities	**(761,280)**	(910,103)
Amounts shown under non-current liabilities	**131,250**	–

* *For identification purpose only*

38. BANK AND OTHER BORROWINGS *(continued)*

The Group's bank and other borrowings are interest-bearing as follows:

	2015 RMB'000	2014 RMB'000 (Restated)
Fixed-rate borrowings		
From independent third parties	**490,000**	415,000
From related parties (Note)	**–**	142,913
	490,000	557,913
Variable-rate borrowings	**402,530**	352,190
	892,530	910,103

Note:

As at 31 December 2014, fixed-rate borrowings from related parties represented unsecured entrusted loans of approximately RMB70,000,000 and an unsecured loan of approximately RMB72,913,000 received from Nanjing Fullshare Industrial Holding Group Co., Limited*（南京豐盛產業控股集團有限公司 ("Nanjin Fullshare Holding")）and Nanjing Fullshare Energy Science & Technology Company Limited*（南京豐盛新能源科技股份有限公司）("Nanjing Fullshare Energy"), companies controlled by Mr. Ji, respectively. The loans carried interest ranging from 5.6% to 7.2% per annum and were repayable within one year.

The ranges of effective interest rates per annum on the Group's borrowings at the end of the reporting period are as follows:

	2015	2014
Fixed-rate borrowings	**5.35%~7.895%**	5.60%~7.995%
Variable-rate borrowings	**5.61%~7.20%**	6.00%~7.50%

As at 31 December 2015, bank and other borrowings of approximately RMB842,530,000 (2014: RMB599,690,000) was secured by certain assets of the Group as disclosed in note 48.

As at 31 December 2014, bank and other borrowings of approximately RMB40,000,000 (2015: nil) were guaranteed by China City Construction Second Engineering Bureau Group Co, Limited*（中城建第二工程局集團有限公司）, an independent third party to the Group.

As at 31 December 2015, the Group's unutilised banking facilities were approximately RMB130,000,000 (2014: RMB190,000,000).

* *For identification purpose only.*

39. ISSUED EQUITY

(a) Issued capital of the Group

	RMB'000
At 1 January 2014	439,307
Issuance upon conversion of convertible bonds (note 40)	79,829
Issuance under placing (Note i)	11,627
At 31 December 2014 and 1 January 2015	530,763
Issuance upon acquisition of subsidiaries (note 43(b)&(c))	13,239
Issuance under placing (Note ii)	3,773
At 31 December 2015	**547,775**

Notes:

(i) On 13 November 2014, the Company issued 680,000,000 ordinary shares of HK$0.01 each for HK$0.45 each, raising proceeds of HK$306,000,000 (equivalent to approximately RMB241,649,000), before issue costs of RMB374,000.

On 23 December 2014, the Company issued 780,000,000 ordinary shares of HK$0.01 each for HK$0.48 each, raising proceeds of HK$374,400,000 (equivalent to approximately RMB300,337,000), before issue costs of RMB1,975,000.

(ii) On 29 December 2015, the Company issued 448,717,500 ordinary shares of HK$0.01 each for HK$1.56 each, raising proceeds of approximately HK$699,999,000 (equivalent to approximately RMB588,698,000), before issue costs of RMB190,000.

(b) Share Capital of the Company

	Number of shares	Nominal value of ordinary shares	
		HK$'000	RMB'000
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	20,000,000,000	200,000	
Issued and fully paid:			
At 1 January 2014	2,110,000,000	21,100	16,474
Issuance upon conversion of convertible bonds (note 40)	10,000,000,000	100,000	79,829
Issuance under placing (note 39(a)(i))	1,460,000,000	14,600	11,627
At 31 December 2014 and 1 January 2015	13,570,000,000	135,700	107,930
Issuance upon acquisition of subsidiaries (note 43(b)&(c))	1,619,390,000	16,194	13,239
Issuance under placing (note 39(a)(ii))	448,717,500	4,487	3,773
At 31 December 2015	**15,638,107,500**	**156,381**	**124,942**

40. CONVERTIBLE BONDS

On 12 December 2013, the Company issued 2% convertible bonds with principal amount of HK$500,000,000 (equivalent to approximately RMB390,381,000), in which HK$420,000,000 (equivalent to approximately RMB327,920,000) was issued to Magnolia and HK$80,000,000 (equivalent to approximately RMB62,461,000) was issued to a former director, Mr. Kan Che Kin, Billy Albert. The convertible bonds can be converted up to 10,000,000,000 ordinary shares at a conversion price of HK$0.05 each. The convertibles bonds entitled their holders to convert them into ordinary shares of the Company at any time from the date of the issue up to and including the date which is 5 business days prior to the maturity date (i.e. 12 December 2018) of the convertible bonds. During the year ended 31 December 2014, various conversions took place between 2 April 2014 and 31 December 2014 and all the convertible bonds were fully converted into ordinary shares of the Company and interests on convertible bonds amounted to RMB2,922,000 was waived. In addition, change in fair value of convertible bonds of approximately RMB1,360,118,000 has been recognised in profit or loss during the year ended 31 December 2014.

The movements in the convertible bonds during the reporting periods were as follows:

	RMB'000
Convertible bonds issued by the Company:	
At 1 January 2014	683,247
Conversion to ordinary shares	(2,043,365)
Change in fair value of convertible bonds	1,360,118
At 31 December 2014, 1 January 2015 and 31 December 2015	–

The fair value of the convertible bonds at the dates of conversion were calculated using the market value basis. Major parameters adopted in the calculation of the fair value are summarised below:

	At the dates of conversion
Share price	HK$0.241-0.55
Conversion price	HK$0.05
Expected volatility (note i)	42.2-44%
Expected life (note ii)	47.4-56.4 months
Discount rate (note iii)	13.78-16.42%

Notes:

(i) Expected volatility was determined by the average volatility of the comparable companies as the proxy to derive the expected volatility of the underlying share.

(ii) Expected life was the expected remaining life of the convertible bonds.

(iii) Discount rate is derived based on yield of comparable bonds with similar credit ratings applicable for the Company, after adjustments for country risk premium, illiquidity, etc.

41. CORPORATE BOND

On 8 December 2014, the Company issued a six-year semi-annual coupon corporate bond with principal amount of HK$10,400,000 (equivalent to approximately RMB8,268,000) carrying interest at 7% per annum, before direct issue cost of approximately RMB1,262,000. The effective interest rate as at 31 December 2015 is 9.6% (2014: 9.6%).

	RMB'000
At 1 January 2014	–
Issued during the year	8,268
Transaction costs	(1,262)
Imputed interest	38
Exchange difference recognised in profit or loss	83
At 31 December 2014 and 1 January 2015	7,127
Imputed interest	741
Interest paid	(579)
Exchange difference recognised in profit or loss	505
At 31 December 2015	7,794

	2015 **RMB'000**	2014 RMB'000
Analysed for reporting purposes as:		
Current liabilities (included in trade and other payables)	**51**	38
Non-current liabilities	**7,743**	7,089
	7,794	7,127

42. DEFERRED TAX ASSETS (LIABILITIES)

The analysis of deferred tax assets and deferred tax liabilities for financial reporting purposes is as follows:

	2015 RMB'000	2014 RMB'000 (Restated)
Deferred tax assets	13,371	14,736
Deferred tax liabilities	(378,401)	(23,981)
	(365,030)	(9,245)

As at 31 December 2015, deferred tax asset and deferred tax liability of RMB15,967,000 (2014: RMB18,875,000) has been offset for presentation purpose.

The followings are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods:

	Deferred income RMB'000	LAT RMB'000	Tax losses RMB'000	Total RMB'000
Deferred tax assets				
At 1 January 2014 (Restated)	–	–	523	523
Acquisition of a subsidiary	–	–	1,231	1,231
Credited to profit or loss	–	31,305	552	31,857
At 31 December 2014 and 1 January 2015 (Restated)	–	31,305	2,306	33,611
Acquisition of subsidiaries	9,435	–	2,531	11,966
Disposal of subsidiaries	(9,435)	–	(5,084)	(14,519)
(Charged) credited to profit or loss	–	(2,479)	759	(1,720)
At 31 December 2015	–	28,826	512	29,338

42. DEFERRED TAX ASSETS (LIABILITIES) *(continued)*

	Properties under development/ properties held for sale RMB'000	Change in fair value of investment properties RMB'000	Change in fair value of financial asset held for trading RMB'000	LAT RMB'000	Total RMB'000
Deferred tax liabilities					
At 1 January 2014 (Restated)	(25,559)	(331)	–	–	(25,890)
Acquisition of a subsidiary	(16,635)	–	–	–	(16,635)
Credited (charged) to profit or loss	1,855	–	–	(2,186)	(331)
31 December 2014 and 1 January 2015 (Restated)	(40,339)	(331)	–	(2,186)	(42,856)
Acquisition of subsidiaries	(328,409)	–	(43,033)	–	(371,442)
Disposal of subsidiaries	33,109	–	–	2,188	35,297
Transfer from properties held for sale to investment properties	6,729	(6,729)	–	–	–
Credited (charged) to profit or loss	157,796	(68,469)	(102,412)	(2)	(13,087)
Exchange realignment	–	–	(2,280)	–	(2,280)
At 31 December 2015	(171,114)	(75,529)	(147,725)	–	(394,368)

At the end of reporting period, the Group has unused tax losses of approximately RMB6,619,000 (2014: 12,448,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB2,048,000 (2014: RMB9,224,000) of such loss. No deferred tax asset has been recognised in respect of the remaining losses of approximately RMB4,571,000 (2014: RMB3,224,000) due to the unpredicitability of future profit streams. At 31 December 2015, approximately nil, RMB313,000, nil, RMB635,000 and nil (2014: nil, RMB791,000, RMB364,000, RMB350,000 and RMB5,637,000) included in the above unused tax losses will expire after the year of assessment of 2016, 2017, 2018, 2019 and 2020 (2014: 2015, 2016, 2017, 2018 and 2019) respectively. Other estimated tax losses may be carried forward indefinitely.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL

For the year ended 31 December 2015

(a) Jiangsu Anjiali and its wholly-owned subsidiaries, Jurong Dingsheng Property Development Company Limited*（句容鼎盛房地產開發有限公司）("Jurong Dingsheng") and Jurong Dasheng Property Development Company Limited*（句容達盛房地產開發有限公司）("Jurong Dasheng") (collectively referred to as "Anjiali Group")

On 20 January 2015, the Group entered into an agreement with an independent third party, Nanjing Huigu to acquire the entire equity interests in Jiangsu Anjiali, a company engaged in property development in the PRC, for a cash consideration of approximately RMB438,000,000. The acquisition was completed on 12 February 2015.

Acquisition-related costs amounting to approximately RMB634,000 have been excluded from the consideration transferred and have been recognised as an expense during the year ended 31 December 2015, within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The directors of the Company consider that the acquisition of Anjiali Group will benefit the Group through synergies and economies of scale. The acquisition of Anjiali Group had been accounted for using the acquisition method.

Consideration transferred

	RMB'000
Cash consideration	388,000
Deposit paid for potential acquisition	50,000
	438,000

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2015 *(continued)*

(a) *(continued)*

The fair values of the identified assets acquired and liabilities assumed in the above acquisition as at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	4,459
Properties under development	1,597,900
Properties held for sales	1,421,435
Tax prepaid	49,773
Other receivables	9,687
Bank balances and cash	26,013
Trade and other payables	(135,708)
Receipts in advance	(1,370,796)
Deferred tax liabilities	(303,071)
Other borrowings – due after one year	(498,264)
Total identifiable net assets	801,428
Gain on bargain purchase	(363,428)
Total consideration	438,000
Analysis of net cash flow of cash and cash equivalents arising on acquisition	
Cash consideration paid	(388,000)
Less: cash and cash equivalents acquired	26,013
Net cash outflow arising on acquisition	(361,987)

The Group recognised a gain on a bargain purchase of RMB363,428,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015. In the opinion of the directors of the Company, the gain on bargain purchase is mainly attributable to the immediate cash realisation and business risk mitigation opportunity offered to the vendors and the Group's capability in negotiating the terms of the transaction in favor of the Group with the vendors.

The fair value and the gross contracted amount of other receivables at the date of acquisition amounted to approximately RMB9,687,000. No estimated uncollectible contractual cash flows were expected at the acquisition date.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2015 *(continued)*

(a) *(continued)*

From the date of the acquisition to 31 December 2015, Anjiali Group contributed net profit and revenue of approximately RMB292,426,000 and RMB310,865,000 respectively to the Group.

Had the above acquisition been completed on 1 January 2015, the directors of the Company estimate that the consolidated revenue and consolidated net profit for the year ended 31 December 2015 would have been approximately RMB2,657,931,000 and approximately RMB1,237,934,000 respectively.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

(b) Zall Development (Shenyang) Limited*（卓爾發展（瀋陽）有限公司）(“Zall Development Shenyang”), Zall Trading Development (Xiaogan) Limited*（卓爾商貿發展（孝感）有限公司）(“Zall Trading Xiaogan”) and its wholly-owned subsidiary, Zall Development (Xiaogan) Limited*（卓爾發展（孝感）有限公司）(collectively referred to as the “Zall Trading Group”) (together with Zall Development Shenyang, hereinafter collectively referred to as the “Zall Group”).

On 24 June 2015, the Group entered into two agreements with an independent third party, Zall Development (HK) Holding Company Limited, to acquire 90% equity interest in each of Zall Development Shenyang and Zall Trading Xiaogan by issuing 543,517,500 and 137,962,500 ordinary shares of HK$0.01 each of the Company respectively. The fair values of the consideration shares were approximately RMB652,638,000 and RMB165,661,000 respectively, which was determined by reference to the closing market price of HK$1.50 of the Company’s share at the date of completion. The acquisition was completed on 26 June 2015.

Acquisition-related costs of acquiring Zall Development Shenyang amounting to approximately RMB624,000 have been excluded from the consideration transferred and have been recognised as an expense during the year ended 31 December 2015, within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The directors of the Company consider that the acquisition of the Zall Group will benefit the Group through synergies and economies of scale and increase the land banks. At the date of acquisition, Zall Development Shenyang is engaged in property development whilst the Zall Trading Group had not commenced business whose principal asset is a piece of undeveloped land in the PRC. Accordingly, the acquisition of Zall Development Shenyang had been accounted for using the acquisition method and the acquisition of the Zall Trading Group has been accounted for as acquisition of assets through acquisition of subsidiaries.

* *For identification purpose only.*

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2015 *(continued)*

(b) *(continued)*

Since acquisition, Zall Development Shenyang has contributed no revenue and net loss of RMB7,490,000 to the profit before tax of the Group for the year ended 31 December 2015.

The fair value of the identified assets acquired and liabilities assumed in the above acquisition as at the date of acquisition were as follows:

	Zall Development Shenyang	Zall Trading Group
	RMB'000	RMB'000
Property, plant and equipment	456	146
Properties under development	1,126,000	106,789
Other receivables	108,741	116,695
Tax prepaid	1,604	–
Bank balances and cash	9,369	959
Deferred tax assets	–	10,385
Trade and other payables	(211,722)	(3,728)
Receipts in advance and deposit received	(165,208)	–
Deferred income – government grant	–	(37,739)
Income tax payable	–	(9,439)
Deferred tax liabilities	(23,757)	–
Bank and other borrowings	(161,010)	–
Total identifiable net assets	684,473	184,068
Less: non-controlling interests (at proportionate share of net assets)	(68,447)	(18,407)
Goodwill	36,612	–
Consideration shares at fair value	652,638	165,661

Analysis of net cash flow of cash and cash equivalents arising on acquisition

Consideration paid	–	–
Add: cash and cash equivalents acquired	9,369	959
Net cash inflow arising on acquisition	9,369	959

The goodwill arising on the acquisition is not deductible for tax purposes.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2015 *(continued)*

(b) *(continued)*

Zall Development Shenyang

The fair value and the gross contracted amount of other receivables of Zall Development Shenyang at the date of acquisition amounted to approximately RMB108,741,000. No estimated uncollectible contractual cash flows were expected at the acquisition date.

Goodwill which arose on the acquisition of Zall Development Shenyang included a control premium. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Zall Development Shenyang. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Had the acquisition of Zall Development Shenyang been completed on 1 January 2015, the directors of the Company estimate that the consolidated revenue and consolidated net profit for the year ended 31 December 2015 would have been approximately RMB2,657,931,000 and approximately RMB1,235,498,000 respectively.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

Zall Trading Group

On acquisition of Zall Trading Group, the Group allocates the consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2015 *(continued)*

(c) Rich Unicorn Holdings Limited ("Rich Unicorn")

On 13 October 2015, the Group entered into an agreement with Mr. Ji to acquire the entire equity interest of Rich Unicorn by issuing 937,910,000 ordinary shares of HK$0.01 each of the Company. The fair value of the consideration shares at the date of completion was approximately RMB1,307,463,000, which was determined by reference to the closing market price of HK$1.68 of the Company's share at the date of completion. The acquisition was completed on 23 November 2015.

At the date of acquisition, Rich Unicorn holds only financial assets at fair value through profit or loss, which is certain equity securities listed in Hong Kong. Accordingly, the acquisition of Rich Unicorn had been accounted for as acquisition of assets through acquisition of a subsidiary.

The assets acquired and liabilities assumed in the above acquisition as at the date of acquisition were as follows:

	RMB'000
Financial assets at fair value through profit and loss	865,416
Deferred tax liabilities	(43,033)
Total identifiable net assets	822,383
Loss recognised in other reserve under equity (Note)	485,080
Total consideration	1,307,463

Note: The difference between the fair value of consideration paid for the acquisition of the assets through acquisition of a subsidiary from the owner of the Company and the fair value of the assets acquired at the date of acquisition is charged to other reserve as deemed distribution to the owner of the Company.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014

(d) Nanjing Tianyun

On 5 September, 2014, the Group entered into an agreement with independent third parties, Nanjing Tonglu Asset Management Limited*（南京通路資產管理有限公司）and Nanjing Changfa Dushi Real Estate Development Company Limited*（南京長發都市房地產開發有限公司）to acquire an aggregate of 80% equity interests in Nanjing Tianyun, a company engaged in property development in the PRC, for a consideration of approximately RMB500,000,000 of which RMB156,000,000 was payable in February 2015 and carried as consideration payable at 31 December 2014 under current liabilities in the consolidated statement of financial position. The acquisition was completed on 15 October 2014.

	RMB'000
Consideration transferred	
Cash consideration paid	344,000
Consideration payable (under current liabilities)	156,000
	500,000

Acquisition-related costs amounting to approximately RMB2,360,000 have been excluded from the consideration transferred and have been recognised as an expense during the year ended 31 December 2014, within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The directors of the Company consider that the acquisition of Nanjing Tianyun will benefit the Group through synergies and economies of scale. The acquisition of Nanjing Tianyun had been accounted for using the acquisition method.

* *For identification purpose only.*

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014 *(continued)*

(d) Nanjing Tianyun *(continued)*

The fair value of the identified assets acquired and liabilities assumed in the above acquisition as at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	2
Properties under development	1,029,787
Other receivables	424,457
Tax prepaid	252
Bank balances and cash	104,790
Trade and other payables	(26,552)
Receipts in advance and deposit received	(79,364)
Deferred tax liability	(15,404)
Bank and other borrowings	(526,990)
Total identifiable net assets	910,978
Less: non-controlling interests (at fair value) (Note)	(173,000)
	737,978
Gain on bargain purchase	(237,978)
Total consideration	500,000

Analysis of net cash flow of cash and cash equivalents arising on acquisition

Cash consideration paid	(344,000)
Less: cash and cash equivalents acquired	104,790
Net cash outflow arising on acquisition	(239,210)

The Group recognised a gain on a bargain purchase of approximately RMB237,978,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014. In the opinion of the directors of the Company, the gain on bargain purchase is mainly attributable to the immediate cash realisation and business risk mitigation opportunity offered to the vendors and the Group's capability in negotiating the terms of the transaction in favor of the Group with the vendors.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014 *(continued)*

(d) ***Nanjing Tianyun*** *(continued)*

The fair value and the gross contracted amount of other receivables at the date of acquisition amounted to approximately RMB424,457,000. No estimated uncollectible contractual cash flows were expected at the acquisition date.

From the date of the acquisition to 31 December 2014, Nanjing Tianyun contributed net loss of approximately RMB1,153,000 and no revenue to the Group for the year ended 31 December 2014.

Had the above acquisition been completed on 1 January 2014, the directors of the Company estimate that the consolidated revenue and consolidated net loss for the year ended 31 December 2014 would have been approximately RMB793,403,000 and approximately RMB1,067,306,000 respectively.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is it intended to be a projection of future results.

In determining the "pro-forma" revenue and loss of the Group had Nanjing Tianyun been acquired at the beginning of the current year, the directors of the Company have determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

Note: In accordance with the terms of the equity-transfer agreement (the "Agreement"), the non-controlling interests are not entitled to profit sharing of Nanjing Tianyun until its accumulated profits reach RMB300,000,000 within two years from the completion of the acquisition. Accumulated profits over RMB300,000,000 but less than RMB600,000,000 will be fully distributable to the non-controlling shareholders. Accumulated profits exceeding RMB600,000,000 will be distributable to all the equity interests proportionally according to the respective equity interests.

The non-controlling interests in Nanjing Tianyun recognised at the acquisition date was measured by reference to the fair value of the non-controlling interests and amounted to RMB173,000,000. The fair value of the non-controlling interests as at acquisition date is determined by the directors of the Company with reference to a valuation performed by an independent valuer, AVISTA by using asset valuation approach.

The valuation of the non-controlling interest is categorised into Level 3 of the fair value hierarchy. In estimating the fair value of the non-controlling interest, the directors of the Company have considered the significant unobservable inputs including the estimated future profit streams of Nanjing Tianyun and the contractual profit sharing arrangement in the Agreement.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014 *(continued)*

(e) Fullshare Lujian Group

On 20 November, 2014, the Company entered into an agreement with independent third parties Jiangsu Sufeng Investment Company Limited*（江蘇蘇豐投資有限公司）to acquire the entire equity interests in Fullshare Lujian, a company with a wholly-owned subsidiary which is principally engaged in green buildings services in the PRC, for a cash consideration of approximately RMB200,000,000, of which RMB25,000,000 and RMB25,000,000 were payable in March 2016 and June 2017 respectively. Aggregate consideration of RMB50,000,000 remained unsettled at 31 December 2014 and was carried as consideration payables in the consolidated statement of financial position. The acquisition was completed on 15 December 2014.

	RMB'000
Consideration transferred	
Cash consideration paid	150,000
Consideration payables, at fair value (under non-current liabilities)	43,758
	193,758

Acquisition-related costs amounting to approximately RMB713,000 have been excluded from the consideration transferred and have been recognised as an expense during the year ended 31 December 2014, within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The directors of the Company consider that the acquisition of Fullshare Lujian Group will benefit the Group through expected synergies and future market development. The acquisition of Fullshare Lujian Group had been accounted for using the acquisition method.

* *For identification purpose only.*

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014 *(continued)*

(e) Fullshare Lujian Group *(continued)*

The fair value of the identified assets acquired and liabilities assumed in the above acquisition as at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	544
Trade and other receivables	205,963
Amounts due from customers for contract work	8,930
Pledged bank deposit	10,000
Bank balances and cash	773
Trade and other payables	(33,926)
Total identifiable net assets	192,284
Goodwill (note 19)	1,474
Total consideration	193,758
Analysis of net cash flow of cash and cash equivalents arising on acquisition	
Cash consideration paid	(150,000)
Less: cash and cash equivalents acquired	773
Net cash outflow arising on acquisition	(149,227)

The goodwill arising on the acquisition is not deductible for tax purposes.

Goodwill arose in the acquisition of Fullshare Lujian Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Fullshare Lujian Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

43. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL *(continued)*

For the year ended 31 December 2014 *(continued)*

(e) Fullshare Lujian Group *(continued)*

The fair value and gross contracted amount of trade and other receivables at the date of acquisition amounted to approximately RMB205,963,000. No estimated uncollectible contractual cash flows were expected at the acquisition date.

From the date of the above acquisition to 31 December 2014, Fullshare Lujian Group contributed net loss and revenue of approximately RMB41,000 and RMB12,553,000 respectively to the Group for the year ended 31 December 2014.

Had the above acquisition been completed on 1 January 2014, the directors of the Company estimate that the consolidated revenue and consolidated net loss for the year ended 31 December 2014 would have been approximately RMB801,503,000 and approximately RMB1,064,617,000 respectively.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is it intended to be a projection of future results.

44. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS

The Group adopts merger accounting for common control combinations in respect of the following transactions which occurred during the year ended 31 December 2015:

a) On 8 December 2014, the Group entered into an equity transfer agreement to acquire a 99% and 1% equity interest of Nanjing Fullshare Technology from Nanjing Fullshare Holding and Nanjing Xinmeng Asset Management Limited*（南京新盟資產管理有限公司）(“Xinmeng Asset”) respectively for an aggregate cash consideration of RMB667,000,000. The acquisition was completed on 19 January 2015. Mr. Ji is the ultimate controlling shareholder of the Company, Nanjing Fullshare Holding and Xinmeng Asset.

44. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS *(continued)*

b) On 12 May 2015, the Group entered into an equity transfer agreement with Nanjing Fullshare Energy to acquire the entire equity interests in Nanjing Fullshare Energy Management Company Limited*（南京豐盛能源管理有限公司）, Shanghai Far-seeker Energy Technology Company Limited*（上海法斯克能源科技有限公司）and Anhui Green Building Company Limited*（安徽省綠色建築有限公司）and a 95% equity interest in Nanjing Far-seeker Energy Technology Company Limited*（南京法斯克能源科技發展有限公司）(collectively referred to as the "New Energy Group") at an aggregate cash consideration of RMB28,000,000. The acquisition was completed on 17 June 2015. Mr. Ji is also the ultimate controlling shareholder of Nanjing Fullshare Energy.

The effects of the application of merger accounting for business combinations under common control occurred during the year ended 31 December 2015 on the Group's financial position as at 31 December 2014 and 1 January 2014 and the results for the year ended 31 December 2014 are summarised as follows:

For the year ended 31 December 2014

	As originally stated RMB'000	Nanjing Fullshare Technology and New Energy Group RMB'000	Adjustments RMB'000	As restated RMB'000
Revenue	643,793	149,610	–	793,403
Cost of Sales	(514,170)	(73,356)	(9,610)	(597,136)
Gross Profit	129,623	76,254	(9,610)	196,267
Other income and gains	8,580	17,786	–	26,366
Change in fair value of convertible bonds	(1,360,118)	–	–	(1,360,118)
Gain on bargain purchase recognised in acquisition of subsidiaries	237,978	–	–	237,978
Selling expenses	(22,241)	(11,078)	–	(33,319)
Administrative expenses	(49,378)	(19,959)	(64)	(69,401)
Finance costs	(3,035)	–	–	(3,035)
(Loss) profit before tax	(1,058,591)	63,003	(9,674)	(1,005,262)
Income tax expense	(44,268)	(19,319)	4,106	(59,481)
(Loss) profit and total comprehensive (expense) income for the year	(1,102,859)	43,684	(5,568)	(1,064,743)
(Loss) profit and total comprehensive (expense) income attributable to:				
Owners of the Company	(1,109,654)	43,684	(5,018)	(1,070,988)
Non-controlling interests	6,795	–	(550)	6,245
(Loss) profit and total comprehensive (expense) income for the year	(1,102,859)	43,684	(5,568)	(1,064,743)

44. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS *(continued)*

b) *(continued)*

As at 31 December 2014

	As originally stated RMB'000	Nanjing Fullshare Technology and New Energy Group RMB'000	Adjustments RMB'000 (Note)	As restated RMB'000
Non-current assets				
Property, plant and equipment	4,080	141,869	2,187	148,136
Investment properties	5,600	–	–	5,600
Goodwill	1,474	–	–	1,474
Prepaid land lease payments	–	1,699	–	1,699
Loan receivable	350,000	–	–	350,000
Deferred tax assets	14,045	17,952	(17,261)	14,736
	375,199	161,520	(15,074)	521,645
Current assets				
Deposit paid for potential acquisition	50,000	–	–	50,000
Trade and other receivables	327,018	67,643	–	394,661
Financial assets at fair value through profit or loss	–	30,024	–	30,024
Amounts due from customers for contract work	20,801	–	–	20,801
Tax prepaid	23,219	1,601	–	24,820
Properties under development	1,802,040	676,626	61,643	2,540,309
Properties held for sale	307,336	166,194	30,986	504,516
Pledged bank deposits	11,947	–	–	11,947
Bank balances and cash	251,082	73,931	–	325,013
	2,793,443	1,016,019	92,629	3,902,091
Current liabilities				
Trade and other payables	224,378	120,236	–	344,614
Receipts in advance and deposits received	435,442	167,552	–	602,994
Income tax payables	60,035	97,500	–	157,535
Consideration payables	156,000	–	–	156,000
Amount due to a shareholder	8,815	–	–	8,815
Bank and other borrowings – due within one year	757,190	152,913	–	910,103
	1,641,860	538,201	–	2,180,061
Net current assets	1,151,583	477,818	92,629	1,722,030
Total assets less current liabilities	1,526,782	639,338	77,555	2,243,675
Capital and reserves				
Issued equity	530,763	606,000	(606,000)	530,763
Reserves	720,011	33,338	676,017	1,429,366
Non-controlling interests	207,624	–	1,094	208,718
Total equity	1,458,398	639,338	71,111	2,168,847
Non-current liabilities				
Corporate bond	7,089	–	–	7,089
Consideration payables	43,758	–	–	43,758
Deferred tax liabilities	17,537	–	6,444	23,981
	68,384	–	6,444	74,828
Total equity and non-current liabilities	1,526,782	639,338	77,555	2,243,675

44. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS *(continued)*

b) *(continued)*

As at 1 January 2014

	As originally stated RMB'000	Nanjing Fullshare Technology and New Energy Group RMB'000	Adjustments RMB'000 (Note)	As restated RMB'000
Non-current assets				
Property, plant and equipment	2,898	124,869	–	127,767
Investment properties	5,600	–	–	5,600
Prepaid land lease payments	–	1,737	–	1,737
Deferred tax assets	–	523	–	523
	8,498	127,129	–	135,627
Current assets				
Trade and other receivables	53,608	190,190	–	243,798
Properties under development	880,104	507,060	61,643	1,448,807
Properties held for sale	405,484	221,828	40,596	667,908
Pledged bank deposits	1,445	–	–	1,445
Bank balances and cash	116,358	6,419	–	122,777
	1,456,999	925,497	102,239	2,484,735
Current liabilities				
Trade and other payables	188,563	156,586	–	345,149
Receipts in advance and deposits received	476,702	33,584	–	510,286
Income tax payables	41,399	67,803	–	109,202
Bank and other borrowings				
– due within one year	155,000	19,000	–	174,000
	861,664	276,973	–	1,138,637
Net Current assets	595,335	648,524	102,239	1,346,098
Total assets less current liabilities	603,833	775,653	102,239	1,481,725
Capital and reserves				
Issued equity	439,307	606,000	(606,000)	439,307
Reserves	(661,881)	89,653	681,036	108,808
Non-controlling interests	27,829	–	1,644	29,473
(Capital deficiency) total equity	(194,745)	695,653	76,680	577,588
Non-current liabilities				
Convertible bonds	683,247	–	–	683,247
Bank and other borrowings				
– due after one year	115,000	80,000	–	195,000
Deferred tax liabilities	331	–	25,559	25,890
	798,578	80,000	25,559	904,137
Total equity and non-current liabilities	603,833	775,653	102,239	1,481,725

44. BUSINESS COMBINATIONS UNDER COMMON CONTROL AND RESTATEMENTS *(continued)*

b) *(continued)*

Note:

The adjustments represented:

(i) Elimination of the issued capital of the acquired subsidiaries.

(ii) Fair value adjustments on assets and liabilities of Nanjing Fullshare Technology at the date when Mr. Ji has gained effective control of Nanjing Fullshare Technology on 10 December 2010.

The effects of application of merger accounting for common control combinations on the Group's basic and diluted loss per share for the year ended 31 December 2014:

	RMB
As originally stated	(28.02) cents
Adjustment arising on common control combinations	0.98 cents
As restated	(27.04) cents

45. DISPOSAL OF SUBSIDIARIES

(a) Jiangsu Fullshare Property Limited*（江蘇省豐盛房地產開發有限公司）("Jiangsu Fullshare")

On 29 May 2015, the Group entered into a sale and purchase agreement with Nanjing Shanbao Investment Management Limited*（南京善寶投資管理有限公司）("Nanjing Shanbao"), an independent third party, for the disposal of its entire equity interest in Jiangsu Fullshare at a cash consideration of approximately RMB467,000,000. Upon completion of the transaction, an amount due to the Group by Jiangsu Fullshare of RMB126,864,000 is borne and paid by Nanjing Shanbao. The transaction was completed on 25 June 2015.

The assets and liabilities of Jiangsu Fullshare at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	670
Properties under development	539,203
Properties held for sales	136,281
Tax prepaid	25,611
Trade and other receivables	45,137
Bank balances and cash	16,694
Trade and other payables	(79,637)
Amount due to immediate holding company	(126,864)
Receipts in advance	(167,399)
Deferred tax liabilities	(2,188)
Net assets disposed of	387,508
Gain on disposal of a subsidiary	79,492
Cash consideration for disposal	467,000
Add: Debt borne by Nanjing Shanbao	126,864
Total receivables in respect of disposal of a subsidiary	593,864
Net cash inflow arising on disposal	
Total cash received	593,864
Cash and cash equivalents disposed of	(16,694)
	577,170

During the year ended 31 December 2015, Jiangsu Fullshare incurred a loss and cash outflows from operating activities of approximately RMB6,839,000 and RMB6,600,000 to the Group's profit and net operating cash flows respectively.

45. DISPOSAL OF SUBSIDIARIES *(continued)*

(b) Active Mind Investments Limited and its subsidiaries, Active Mind Hong Kong Limited and Zall Development Shengyang (collectively referred to as "Active Mind Group") and Advance Goal Investments Limited and its subsidiaries, Advance Goal Hong Kong Limited and Zall Trading (collectively referred to as "Advance Goal Group")

On 6 November 2015, the Group entered into two sales and purchase agreements with Sun Field Property Holdings Limited (the "Sun Field"), an independent third party, for the disposal of its entire equity interests in Active Mind Group and Advance Goal Group at a cash consideration of RMB685,270,000 and RMB173,944,000 respectively. Upon completion of the transaction, an amount due to the Group by Zall Development Shenyang of RMB9,000,000 is borne by Sun Field. The transactions were completed on 4 December 2015.

The assets and liabilities of Active Mind Group and Advance Goal Group at the date of disposal were as follows:

	Active Mind Group RMB'000	Advance Goal Group RMB'000
Property, plant and equipment	374	134
Goodwill	36,612	–
Properties under development	1,138,404	108,661
Other receivables	125,000	114,632
Tax prepaid	3,006	–
Bank balances and cash	8,241	577
Deferred tax assets	–	10,385
Trade and other payables	(306,234)	(3,952)
Amount due to a fellow subsidiary	(9,000)	–
Receipts in advance and deposit received	(226,180)	–
Deferred income – government grant	–	(37,739)
Income tax payable	–	(9,439)
Deferred tax liabilities	(21,885)	–
Bank and other borrowings	(32,870)	–
Less: non-controlling interests	(67,885)	(18,325)
Net assets disposed of	647,583	164,934
Gain on disposal of subsidiaries	37,687	9,010
Cash consideration for disposal	685,270	173,944
Add: Debt borne by Sun Field	9,000	–
Total receivables in respect of disposal of subsidiaries	694,270	173,944

Satisfied by:	
Total cash received	118,282
Receivables in respect of disposal of subsidiaries (Note)	749,932
	868,214
Net cash inflow arising on disposal	
Total cash received	118,282
Cash and cash equivalents disposed of	(8,818)
	109,464

45. DISPOSAL OF SUBSIDIARIES *(continued)*

(b) Active Mind Investments Limited and its subsidiaries, Active Mind Hong Kong Limited and Zall Development Shengyang (collectively referred to as "Active Mind Group") and Advance Goal Investments Limited and its subsidiaries, Advance Goal Hong Kong Limited and Zall Trading (collectively referred to as "Advance Goal Group") *(continued)*

Note: Pursuant to the agreements, the receivables in respect of disposal of subsidiaries will be settled in installments. Included in the receivables an amount of RMB186,943,000 and RMB4,500,000, representing the deferred consideration for disposal and the unsettled debt borne by Sun Field respectively, will be settled within 80 business days after the completion of transactions and the remaining unsettled deferred consideration for disposal amounting to RMB558,489,000 will be settled within 180 business days after the completion of transactions. Accordingly, the amounts are classified as current assets.

The receivables are secured by the shares of Active Mind Group and Advance Goal Group and non-interest bearing up to the credit period. In the event that the receivables are not repaid on time, the outstanding balance is charged at an interest rate of 15% per annum until full repayment is made.

During the year ended 31 December 2015, the Active Mind Group and Advance Goal Group contributed a loss and cash inflows from operating activities of approximately RMB6,456,000 and RMB117,655,000 to the Group's profit and net operating cash flows respectively.

(c) Jurong Dingsheng and Jurong Dasheng

On 9 November 2015, the Group entered into two sales and purchase agreements with Nanjing Dongzhou Property Development Limited*（南京東洲房地產開發有限公司）("Nanjing Dongzhou"), an independent third party, for the disposal of its entire equity interests in Jurong Dasheng and Jurong Dingsheng at a cash consideration of RMB269,104,000 and RMB254,496,000 respectively. Upon completion of the transactions, amounts due to the Group by Jurong Dasheng and Jurong Dingsheng of approximately RMB194,558,000 and RMB129,206,000 are borne by Nanjing Dongzhou. The transactions were completed on 27 November 2015.

* *For identification purpose only*

45. DISPOSAL OF SUBSIDIARIES *(continued)*

(c) Jurong Dingsheng and Jurong Dasheng *(continued)*

	Jurong Dasheng RMB'000	Jurong Dingsheng RMB'000
Property, plant and equipment	1,341	–
Properties under development	681,570	352,094
Other receivables	7,525	1,254
Tax prepaid	2,278	–
Bank balances and cash	19,912	205
Deferred tax assets	6,427	–
Trade and other payables	(156,736)	(98)
Receipts in advance and deposit received	(122,618)	–
Amount due to immediate holding company	(194,558)	(129,206)
Income tax payable	–	(131)
Deferred tax liabilities	(10,531)	(2,986)
Net assets disposal of	234,610	221,132
Gain on disposal of subsidiaries	34,494	33,364
Cash consideration for disposal	269,104	254,496
Add: Debts borne by Nanjing Dongzhou	194,558	129,206
Total receivables in respect of disposal of subsidiaries	463,662	383,702
Satisfied by:		
Total cash received		247,360
Receivables in respect of disposal of subsidiaries (Note)		600,004
		847,364
Net cash inflow arising on disposal		
Total cash received		247,360
Cash and cash equivalents disposed of		(20,117)
		227,243

45. DISPOSAL OF SUBSIDIARIES *(continued)*

(c) Jurong Dingsheng and Jurong Dasheng *(continued)*

Note: Pursuant to the agreements, an amount of RMB276,240,000 and RMB323,764,000 included in the receivables, representing the deferred consideration for disposal and the unsettled debt borne by Nanjing Dongzhou respectively, will be settled within 120 business days after the completion of transactions and within 120 business days after signing of the agreements respectively. Accordingly, the amounts are classified as current assets.

The receivables are secured by the shares of Jurong Dingsheng and Jurong Dasheng and non-interest bearing up to the credit period. In the event that the receivables are not repaid on time, the outstanding balance is charged at an interest rate of 15% per annum until full repayment is made.

During the year ended 31 December 2015, Jurong Dingsheng and Jurong Dasheng contributed a loss and cash outflows from operating activities of approximately RMB8,026,000 and RMB120,686,000 to the Group's profit and net operating cash flows respectively.

46. RETIREMENT BENEFIT SCHEMES

The Group enrolled all Hong Kong employees in the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs, capped at HK$1,500 (HK$1,250 prior to June 2014 (per month)) to the MPF scheme, which contribution is matched by the employees.

The Group's subsidiaries operating in the PRC, Singapore and Australia participate in defined contribution retirement schemes, CPF Scheme and superannuation scheme organised by the relevant local government authorities in the PRC, Singapore and Australia respectively. These subsidiaries are required to contribute a specified percentage of its payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions under these schemes.

The total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately RMB7,347,000 (2014: RMB3,406,000) represents contributions payable to these schemes by the Group during the year ended 31 December 2015.

There is no provision under the schemes as specified which whereby forfeited contributions may be used to reduce future contributions.

47. COMMITMENTS

a) Operating lease commitments

The Group as lessee

The Group leases certain of its offices under operating lease arrangements. The leases typically run for an initial period of one to five years (2014: one to five years). Lease payments are usually increased annually to reflect market rentals. No provision for contingent rent and terms of renewal was established in the leases.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015 RMB'000	2014 RMB'000 (Restated)
Within one year	**3,628**	4,400
In the second to fifth years inclusive	**–**	4,594
	3,628	8,994

The Group as lessor

Gross property rental income earned during the year was approximately RMB15,144,000 (2014: RMB18,596,000). The Group leases its investment properties under operating lease arrangement. Lease is negotiated for a term of one to fifteen years (2014: one to fifteen years) with fixed rentals throughout the rental period.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2015 RMB'000	2014 RMB'000 (Restated)
Within one year	**16,276**	19,663
In the second to fifth years inclusive	**35,226**	46,189
Over five years	**10,305**	18,720
	61,807	84,572

47. COMMITMENTS *(continued)*

b) Capital commitments

At the end of the reporting period, the Group had the following capital commitments:

Contracted for but not provided in the consolidated financial statements

	2015	2014
	RMB'000	RMB'000
		(Restated)
For properties under development	**2,002,582**	2,196,724
For acquisition of a subsidiary	**21,471**	667,000
Capital injection to a non-wholly-owned subsidiary	**103,797**	–

48. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

	2015	2014
	RMB'000	RMB'000
		(Restated)
Properties under development	**288,596**	1,523,508
Property, plant and equipment	**–**	12,753
Properties held for sales	**649,503**	153,629
Investment properties	**313,000**	–
Pledged bank deposits	**–**	11,947
	1,251,099	1,701,837

49. CONTINGENT LIABILITIES

Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units

	2015	2014
	RMB'000	RMB'000
		(Restated)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	**1,080,207**	412,804

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration and receipt of such certificate by the bank; or (ii) the satisfaction of mortgaged loan by the purchasers of 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. The Group's guarantee period starts from the dates of grant of the mortgages.

The directors of the Company consider that the likelihood of default in payments by purchasers is minimal and, in case of default in payments, the net realisable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interests and penalty. Therefore the financial guarantees measured at fair value are immaterial, no provision has been made.

50. RELATED PARTIES TRANSACTIONS

(a) Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties during the years ended 31 December 2015 and 2014:

Nature of transaction		2015 RMB'000	2014 RMB'000 (Restated)
1.	Purchase of construction materials from Jiangsu Fullshare Trading Development Company Limited* (江蘇豐盛貿易發展有限公司)	**23,428**	2,876
2.	Purchase of construction materials from Nanjing Fullshare Energy-saving Materials Company Limited* (南京豐盛節能材料有限公司)	**793**	8,181
3.	Construction services provided by Hubei Fengshen Construction Company Limited* (湖北風神淨化空調設備工程有限公司) ("Hubei Fengshen")	**8,022**	6,151
4.	Consultancy service provided by Jiangsu Fullshare Green Building Design Research Center Co., Limited* (江蘇豐盛綠色建築設計研究院有限公司)	**2,624**	400
5.	Finance cost incurred from Nanjing Fullshare Energy	**–**	4,933
6.	Subletting rental income from Fullshare Group Limited	**2,420**	1,196
7.	Waiver of interests on convertible bonds by Magnolia	**–**	2,922
8.	Green building service income from Zhongkun Yu'an	**38,702**	–
9.	Green building service income from Wuhan Far-seeker Energy Technology Development Company Limited* (武漢法斯克能源科技發展有限公司)	**2,610**	250
10.	Green building service income from Nanjing Fullshare Energy	**475**	–
11.	Green building design and consultancy service income from Jiangsu Chinshanhu Ecological Industry Company Limited* (江蘇赤山湖生態產業有限公司)	**1,255**	–
12.	Management service income from Fullshare Group Pte Ltd	**2,182**	–

50. RELATED PARTIES TRANSACTIONS *(continued)*

(a) *(continued)*

Nature of transaction	2015 RMB'000	2014 RMB'000 (Restated)
13. Management service income from Fullshare International (Australia) Pty Ltd	**694**	–
14. Management service income from Fullshare International (Australia) Cairns Pty Ltd	**416**	–
15. Management service income from Fullshare Industrial Holding Group (Australia) Cairns Pty Ltd	**416**	–
16. Management service income from Nanjing Construction Group (Australia) Whisper Bay Pty Ltd	**833**	–
17. Management service income from Nanjing Construction Group (Australia) Investment Management Pty Ltd	**416**	–
18. Rental income received from Jiangsu Fullshare Green Building Design Research Center Co., Limited* (江蘇豐盛綠色建築設計研究院有限公司)	**–**	1,769
19. Purchase of intangible assets from Nanjing Fullshare Energy and Hubei Fengshen	**1,700**	–

The above transactions are carried out at terms agreed by the Group and the respective counterparties, all of which are ultimately controlled by Mr. Ji, a substantial shareholder and a director of the Company. Save as disclosed elsewhere in the financial statements and "Report of Directors" section of the annual reports, subject to the identifications requirement, the transactions (4) and (6) of the above transactions fall within the definition of "connected transactions" or "continuing connected transactions" in Chapter 14A of the Listing Rules but these are de minius transactions which are exempt from the reporting, annual reviews, announcement and independent shareholders' approval requirements.

(b) **Compensation of key management personnel**

The remuneration of directors and other members of key management during the year are as follows:

	2015 RMB'000	2014 RMB'000
Short-term benefits	**9,506**	7,373
Post-employment benefits	**118**	186
	9,624	7,559

The remuneration of directors of the Company and key executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

a) General information of subsidiaries

Details of the principal subsidiaries held by the Company as at the end of reporting period is as follows:

Name of Subsidiary	Place of incorporation/ registration and operation	Paid up issued/ ordinary share capital RMB'000	Percentage of equity attributable to the Company indirectly 2015	2014 (Restated)	Principal activities
Jiangsu Fullshare#	The PRC	400,000	**N/A**	100%	Property development
Chongqing Tongjing Changhao Property Limited* (重慶同景昌浩置業有限公司)#	The PRC	240,000	**90%**	90%	Property development
Nanjing Tianyun#	The PRC	865,000	**80%**	80% (note iii)	Property development
Nanjing Fullshare Technology#	The PRC	560,000	**100%**	100%	Property development
Jiangsu Anjiali#	The PRC	350,000	**100%**	N/A	Property development
Fullshare Lujian#	The PRC	200,000	**100%**	100%	Green building service
Rich Unicorn@	BVI	604,611	**100%**	N/A	Investment

\# Limited liability company registered in the PRC
@ Limited liability company registered in the BVI

Notes:

(i) The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

(ii) None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

(iii) In accordance with the terms of the equity-transfer agreement (the "Agreement"), the non-controlling interests are not entitled to profit sharing of Nanjing Tianyun until its accumulated profits reach RMB300,000,000 within two years from the completion of the acquisition. Accumulated profits over RMB300,000,000 but less than RMB600,000,000 will be fully distributable to the non-controlling shareholders. Accumulated profits exceeding RMB600,000,000 will be distributed to the equity holders according to the respective equity interests.

* *For identification purpose only*

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

a) General information of subsidiaries *(continued)*

At the end of the reporting period, the Company has other subsidiaries that are immaterial to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/ establishment	Number of subsidiaries 2015	2014 (Restated)
Investment holdings	The PRC	**8**	9
	Hong Kong	**7**	4
	BVI	**9**	3
	Singapore	**2**	–
	Australia	**1**	–
Healthcare	Singapore	**1**	–
Green building services	The PRC	**7**	6

b) Details of non-wholly owned subsidiaries that have material non-controlling interests

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

Name of subsidiary	Place of registration and operation	Paid up capital	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
			As at 31 December 2015	As at 31 December 2014	**Year ended 31 December 2015**	Year ended 31 December 2014	**As at 31 December 2015**	As at 31 December 2014
		RMB'000			**RMB'000**	RMB'000	**RMB'000**	RMB'000
Chongqing Tongjing	The PRC	240,000	**10%**	10%	**2,159**	6,795	**27,238**	34,624
Nanjing Tianyun	The PRC	865,000	**20%**	20%	**–**	–	**173,000**	173,000

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

b) Details of non-wholly owned subsidiaries that have material non-controlling interests *(continued)*

The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests before intragroup eliminations:

Chongqing Tongjing	2015 RMB'000	2014 RMB'000
Current assets	551,359	509,108
Non-current assets	17,453	20,357
Current liabilities	296,127	182,895
Non-current liabilities	331	331
Equity attributable to owners of the Company	245,116	311,615
Non-controlling interests	27,238	34,624

	2015 RMB'000	2014 RMB'000
Revenue and other income	78,759	411,787
Expenses	(57,174)	(343,842)
Profit for the year	21,585	67,945
Profit and other comprehensive income attributable to owners of the Company	19,426	61,150
Profit and other comprehensive income attributable to the non-controlling interests	2,159	6,795
Profit and other comprehensive income for the year	21,585	67,945
Dividends to non-controlling interests	(9,545)	–
Net cash (outflow) inflow from operating activities	(2,857)	90,790
Net cash (outflow) inflow from investing activities	(29,095)	5,199
Net cash outflow from financing activities	–	(42,500)
Net cash (outflow) inflow	(31,952)	53,489

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

b) Details of non-wholly owned subsidiaries that have material non-controlling interests *(continued)*

Nanjing Tianyun	2015 RMB'000	2014 RMB'000
Current assets	**1,629,663**	1,567,111
Non-current assets	**2**	1,616
Current liabilities	**688,308**	708,802
Equity attributable to owners of the Company	**768,357**	686,925
Non-controlling interests	**173,000**	173,000

	Year ended 31 December 2015 RMB'000	From 15 October to 31 December 2014 RMB'000
Revenue and other income	**756,839**	86
Expenses	**(675,673)**	(1,239)
Profit (loss) for the year/period	**81,166**	(1,153)
Profit (loss) and other comprehensive income (expense) attributable to owners of the Company	**81,166**	(1,153)
Profit (loss) and other comprehensive income (expense) for the year/period	**81,166**	(1,153)
Net cash inflow from operating activities	**568,450**	201,215
Net cash outflow from investing activities	**(443,781)**	(230,000)
Net cash outflow from financing activities	**(138,696)**	(47,369)
Net cash outflow	**(14,027)**	(76,154)

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2015 RMB'000	2014 RMB'000
Non-current assets			
Investments in subsidiaries, unlisted	a	822,383	–
Plant and equipment		969	1,186
		823,352	1,186
Current assets			
Receivables in respect of disposal of subsidiaries	b	745,432	–
Prepayment		871	507
Deposits		945	1,003
Amounts due from subsidiaries	c	1,135,108	874,501
Bank balances and cash		560,615	73,303
		2,442,971	949,314
Current liabilities			
Other payables		6,479	6,360
Amount due to a shareholder	d	–	8,815
Amount due to a subsidiary	c	1,862	–
Income tax payable		4,089	–
		12,430	15,175
Net current assets		2,430,541	934,139
Total assets less current liabilities		3,253,893	935,325
Capital and reserves			
Share capital	e	124,942	107,930
Reserves	e	3,121,208	820,306
Total equity		3,246,150	928,236
Non-current liability			
Corporate bond		7,743	7,089
Total equity and non-current liabilities		3,253,893	935,325

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

Notes:

(a) Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

(b) Details of the terms for receivables in respect of disposal of subsidiaries are set out in note 45(b).

(c) The amounts due from (to) subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a shareholder was unsecured, non-interest bearing and repayable within one year.

(e) Movement in share capital and reserves

	Ordinary share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Other reserve RMB'000	(Accumulated losses) Retained earnings RMB'000	Total equity RMB'000
At 1 January 2014	16,474	118,978	82,603	–	(506,365)	(288,310)
Issue of shares upon conversion of convertible bonds	79,829	1,963,536	–	–	–	2,043,365
Issues of shares under placing	11,627	530,359	–	–	–	541,986
Expenses on placing shares	–	(2,349)	–	–	–	(2,349)
Loss and total comprehensive expenses for the year	–	–	–	–	(1,366,456)	(1,366,456)
Reduction of share premium	–	(1,872,821)	–	–	1,872,821	–
At 31 December 2014 and 1 January 2015	107,930	737,703	82,603	–	–	928,236
Issues of shares under placing	3,773	584,925	–	–	–	588,698
Expenses on placing shares	–	(190)	–	–	–	(190)
Acquisition of subsidiaries	13,239	2,112,523	–	(485,080)	–	1,640,682
Profit and total comprehensive income for the year	–	–	–	–	88,724	88,724
At 31 December 2015	124,942	3,434,961	82,603	(485,080)	88,724	3,246,150

53. MAJOR NON CASH TRANSACTION

During the year ended 31 December 2014, all the convertible bonds have been converted into the ordinary shares of the Company. Details have been set out in note 40.

54. EVENTS AFTER THE REPORTING PERIOD

On 5 January 2016, the Group entered into two letters of intent with Mr. Ji and entities controlled by Mr. Ji and his associate, for potential acquisition of the entire equity interest of certain entities in Australia and made an aggregate refundable deposits of approximately RMB44,554,000. The deposits are interest bearing at the prevailing deposit interest rate of banks in the PRC and refundable upon the expiry of a six-month exclusive negotiation period where no formal agreement has been entered into. Details of the potential acquisitions were set out in the Company's announcement dated 5 January 2016.

On 3 February 2016, the Group entered into a share transfer agreement with Nanjing Fullshare Holding and Mr. Ji, pursuant to which, the Group conditionally agreed to buy, and Nanjing Fullshare Holding and Mr. Ji conditionally agreed to sell in aggregate approximately 72.19% of the issued share capital in Shenzhen Anke High-Tech Company Limited*（深圳安科高技術股份有限公司）("Anke High-Tech"), at an aggregate cash consideration of RMB140,000,000. Anke High-Tech is principally engaged in the manufacture and sale of medical equipment and machinery and provision of related technical services. The above acquisition has not been completed at the date of these financial statements. Further details regarding the transaction are set out in the Company's announcement and circular dated 3 February 2016 and dated 24 March 2016 respectively.

* *For identification purpose only*

Financial Summary

RESULTS

	2011 RMB'000 (restated)	2012 RMB'000 (restated)	2013 RMB'000	2014 RMB'000 (restated)	**2015 RMB'000**
Revenue	310,933	399,140	859,393	793,403	**2,657,931**
Profit (loss) before tax	125,500	107,391	(113,255)	(1,005,262)	**1,465,799**
Income tax expense	(47,610)	(73,994)	(88,083)	(59,481)	**(226,809)**
Profit (loss) for the year from continuing operations	77,890	33,397	(201,338)	(1,064,743)	**1,238,990**
Loss for the year from discontinued operation	–	–	(32,042)	–	**–**
Profit (loss) for the year	77,890	33,397	(233,380)	(1,064,743)	**1,238,990**
Attributable to:					
Owners of the Company	76,693	30,466	(241,746)	(1,070,988)	**1,237,507**
Non-controlling interests	1,197	2,931	8,366	6,245	**1,483**
	77,890	33,397	(233,380)	(1,064,743)	**1,238,990**

ASSETS AND LIABILITIES

	2011 RMB'000 (restated)	2012 RMB'000 (restated)	2013 RMB'000	2014 RMB'000 (restated)	**2015 RMB'000**
Total assets	1,744,279	1,681,096	1,465,497	4,423,736	**8,663,488**
Total liabilities	(1,513,701)	(1,291,387)	(1,660,242)	(2,254,889)	**(3,703,851)**
Total equity (capital deficiency)	230,578	389,709	(194,745)	2,168,847	**4,959,637**
Attributable to:					
Owners of the Company	188,455	370,246	(222,574)	1,960,129	**4,758,337**
Non-controlling interests	42,123	19,463	27,829	208,718	**201,300**
	230,578	389,709	(194,745)	2,168,847	**4,959,637**

Notes:

(i) The financial figures for the year ended 2015 were extracted from the consolidated financial statements.

(ii) The financial figures for the year ended 2014 has been restated due to application of merger accounting for business combination under common control in respect of the acquisition of Nanjing Fullshare Technology and New Energy Group as disclosed in note 44 to the consolidated financial statement.

(iii) The financial figures for the years 2011 to 2013 were extracted from 2014 annual report and have been prepared as a continuation of the consolidated financial statements of Nanjing Fullshare, being the acquirer of the Company for accounting purpose in a very substantial acquisition and reverse takeover completed on 12 December 2013. No retrospective adjustment for the common control combinations during the year were made on the financial figures for the years 2011 to 2013.