招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the "Board") of directors (the "Directors") of China Merchants Land Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2014, together with the comparative figures for the year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** **RMB'000**	2013 RMB'000
Revenue	*4*	**7,440,436**	6,927,871
Cost of sales		**(5,367,524)**	(4,125,212)
Gross profit		**2,072,912**	2,802,659
Other income	*6*	**60,613**	106,387
Net foreign exchange gains		**28,835**	73,593
Selling and marketing expenses		**(175,700)**	(131,253)
Administrative expenses		**(89,357)**	(89,235)
Finance costs	*7*	**(273,193)**	(85,596)
Profit before tax	*9*	**1,624,110**	2,676,555
Income tax expense	*8*	**(789,741)**	(1,261,736)
Profit for the year		**834,369**	1,414,819

	NOTE	2014 RMB'000	2013 RMB'000
Other comprehensive expense, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**–**	(1,518)
Profit and total comprehensive income for the year		**834,369**	1,413,301
Profit for the year attributable to:			
Owners of the Company		**380,245**	458,890
Non-controlling interests		**454,124**	955,929
		834,369	1,414,819
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**380,245**	457,372
Non-controlling interests		**454,124**	955,929
		834,369	1,413,301
Earnings per share			
Basic (RMB cents)	*11*	**7.75**	11.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

		At 31 December	
		2014	2013
	NOTES	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**36,873**	31,242
Investment properties		**22,676**	22,281
Goodwill		**160,210**	160,210
Deferred tax assets		**374,386**	362,020
Other receivables		**–**	888,950
		594,145	1,464,703
CURRENT ASSETS			
Properties for sale		**25,659,370**	15,188,406
Deposit paid for acquisitions of land use rights		**536,161**	3,019,783
Trade and other receivables	*12*	**2,372,615**	1,704,386
Tax recoverable		**253,265**	165,587
Bank balances and cash		**4,184,366**	6,618,086
		33,005,777	26,696,248
CURRENT LIABILITIES			
Deposits received in respect of pre-sale of properties		**6,475,013**	5,886,447
Deposit received for partial disposal of a subsidiary		**–**	160,830
Trade and other payables	*13*	**6,066,708**	3,252,384
Loans from equity holders – due within one year		**820,500**	–
Tax payable		**514,751**	258,849
Bank and other borrowings – due within one year		**924,950**	2,000,000
		14,801,922	11,558,510
NET CURRENT ASSETS		**18,203,855**	15,137,738
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,798,000**	16,602,441

	At 31 December	
	2014	2013
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Loans from equity holders – due after one year	**313,118**	339,358
Bank and other borrowings – due after one year	**4,506,572**	1,700,000
Bonds payable – due after one year	**3,018,077**	3,003,383
Deferred tax liabilities	**35,516**	103,389
	7,873,283	5,146,130
NET ASSETS	**10,924,717**	11,456,311
CAPITAL AND RESERVES		
Issued equity	**39,132**	39,132
Reserves	**4,552,764**	5,178,158
Equity attributable to owners of the Company	**4,591,896**	5,217,290
Non-controlling interests	**6,332,821**	6,239,021
TOTAL EQUITY	**10,924,717**	11,456,311

NOTES:

1. GENERAL

China Merchants Land Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are development and sales of properties and property leasing and trading of electronic and electrical products and building related materials and equipment.

On 24 April 2012, a sales and purchase agreement was entered into between Success Well Investments Limited ("Success Well") and Skill China Limited ("Skill China") in connection with the acquisition of approximately 66.18% of the aggregate issued share capital of the Company. On 27 April 2012, a sales and purchase agreement was entered into between Success Well and Greatest Mark Limited ("Greatest Mark") in connection with 4% of the aggregate issued share capital of the Company (the above said acquisitions hereinafter collectively referred to as the "Acquisition"). The Acquisition was completed on 7 May 2012 (the "Completion") and after the Completion, the Company's immediate holding company became Success Well, which is a limited liability company incorporated in the British Virgin Islands (the "BVI") and is indirectly wholly-owned by Eureka Investment Company Limited ("Eureka"), which became the intermediate holding company of the Company. Eureka is directly owned by China Merchants Property Development Co., Ltd ("CMPD"), which is established in the People's Republic of China (the "PRC") and listed on the Shenzhen Stock Exchange Limited and Singapore Stock Exchange Limited. The ultimate holding company of the Company became China Merchants Group Limited ("CMG"). CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and CMG is owned and controlled by the PRC government.

Prior to the Acquisition, Skill China was the immediate and ultimate holding company of the Company.

2. MERGER ACCOUNTING AND RESTATEMENTS

The Group accounts for all its business combinations involving entities under common control using the principles of merger accounting. On 24 April 2013, the Company (as the purchaser), Eureka (as the seller) and CMPD entered into an agreement, which was amended and supplemented on 22 September 2013, pursuant to which the Company has conditionally agreed to acquire, and Eureka has conditionally agreed to sell: (i) 50% of the issued share capital of Harpen Company Limited ("Harpen") and all the issued share capital of Converge Holdings Limited ("Converge"), Sino Action Investments Limited ("Sino Action") and Happy City Investments Limited ("Happy City") (hereinafter, collectively referred to as the "Sales Shares") from Eureka, and (ii) the shareholder's loans outstanding and owing by each of Harpen, Converge, Sino action and Happy City ("Shareholder's Loans") (hereinafter, Harpen, Converge, Sino Actions and Happy City and their subsidiaries are collectively referred to as the "Target Group"). The consideration is approximately RMB5,302,945,000, including approximately RMB2,182,956,000 for the Sales Shares and approximately RMB3,119,989,000 Shareholder's Loans. To satisfy the consideration, the Company issued new shares at issue price of HK$2.05 per share of which 2,897,028,703 consideration new shares were issued to the seller for aggregate consideration of HK$5,938,909,000 (equivalent to RMB4,708,962,000) and 939,760,297 placing shares were issued to new investors for aggregate consideration of HK$1,926,509,000 (equivalent to RMB1,527,529,000) of which 365,428,529 placing shares amounting to RMB593,983,000 was utilised to settle the consideration. The details of the transaction was set out in the Company's circular dated 10 October 2013 (the "Transaction"). The Transaction was completed on 1 November 2013.

As the Company and its subsidiaries (before the completion of the Transaction, hereinafter collectively referred to as the "Existing Group") and the Target Group are under the common control of Eureka both before and after the Transaction and Eureka's control of the Company and Target Group is not transitory. The transaction is considered as combination of business under common control and accounted for under merger basis. In applying merger accounting, the Existing Group is deemed to have been acquired at the date of completion and the consolidated financial statements have been prepared on the following bases:

(i) The assets and liabilities of the Target Group are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Existing Group are recognised and measured initially at their fair values on the date of Completion; and

(iii) The comparative figures are restated to include the Target Group for the whole of the year ended 31 December 2012.

In preparing these consolidated financial statements, the acquisition method of accounting is applied to account for the acquisition of the Existing Group under the Acquisition. In applying the acquisition method, the consideration of the Acquisition paid by Success Well is the deemed consideration paid to acquire the Existing Group as at the date of Completion. The separately identifiable assets and liabilities of the Existing Group recognised in the consolidated statement of financial position were at their fair value as at the date of Completion. Goodwill arising on the acquisition of the Existing Group was recognised as at the date of Completion. The results of the Existing Group are consolidated to the Company's consolidated financial statements from the date of Completion.

Upon the completion of the Transaction, the functional currency of the Company has changed from Hong Kong Dollars ("HK$") to Renminbi ("RMB") as the primary economic environment of the Company changed to a PRC business environment. Following the change of functional currency of the Company, the Company changed the presentation currency of its consolidated financial statements from HK$ to RMB.

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

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

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

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.

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

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

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application permitted.

HKFRS 15 Revenue from Contracts with Customers

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

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

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

HKFRS 15 Revenue from Contracts with Customers – continued

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

The directors of the Company 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.

4. REVENUE

An analysis of the Group's revenue by major products and service categories for the year is as follows:

	2014	2013
	RMB'000	*RMB'000*
Sales of properties for sale	**7,434,679**	6,838,789
Sales of building related materials and equipment	**1,137**	48,884
Rental income from investment properties	**4,620**	5,539
Sales of electronic and electrical related products	**–**	34,659
	7,440,436	6,927,871

5 SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company's directors.

For the management purpose, the Group is currently organised into the following two operating and reportable segments: (i) Development and sales of properties and property leasing ("Properties Segment"); and (ii) sales of electronic and electrical related products and building related materials and equipment ("Trading Segment").

Segment revenue and results

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

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2014			
Segment revenue – external customers	**1,137**	**7,439,299**	**7,440,436**
Segment results	**50**	**1,729,338**	**1,729,388**
Net foreign exchange gains			**20,237**
Finance costs			**(128,191)**
Interest income			**21,059**
Unallocated corporate expenses			**(18,383)**
Profit before tax			**1,624,110**

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2013			
Segment revenue – external customers	83,543	6,844,328	6,927,871
Segment results	2,268	2,630,343	2,632,611
Net foreign exchange gains			102,953
Finance costs			(8,683)
Interest income			60
Unallocated corporate expenses			(50,386)
Profit before tax			2,676,555

There were no inter-segment sales during the year.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of unallocated corporate costs, finance costs, interest income and certain net foreign exchange gains. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2014			
Segment assets	**16,330**	**32,559,025**	**32,575,355**
Goodwill			**160,210**
Other unallocated assets			**864,357**
Total assets			**33,599,922**
Segment liabilities	**6,287**	**18,331,889**	**18,338,176**
Other unallocated liabilities			**4,337,029**
Total liabilities			**22,675,205**

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2013			
Segment assets	32,192	24,870,799	24,902,991
Goodwill			160,210
Other unallocated assets			3,097,750
Total assets			28,160,951
Segment liabilities	20,189	13,655,416	13,675,605
Other unallocated liabilities			3,029,035
Total liabilities			16,704,640

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

- all assets, other than goodwill and assets of the investment holding companies, are allocated to reportable and operating segments; and

- all liabilities, other than bonds payable, loans from equity holders and bank and other borrowings of the investment holding companies, are allocated to reportable and operating segments.

Other information

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

	Trading Segment *RMB'000*	**Properties Segment** *RMB'000*	**Consolidated** *RMB'000*
For the year ended 31 December 2014			
Addition to non-current assets *(note)*	61	9,443	9,504
Interest income	16	33,224	33,240
Depreciation of property, plant and equipment	25	3,117	3,142
Depreciation of investment properties	–	336	336
For the year ended 31 December 2013			
Addition to non-current assets *(note)*	85	20,948	21,033
Interest income	–	33,569	33,569
Depreciation of property, plant and equipment	10	2,189	2,199
Depreciation of investment properties	–	511	511
Reversal of written down on properties for sale	–	(154,000)	(154,000)

Note: Non-current assets exclude deferred tax assets and financial assets.

The Group's revenue from external customers is derived from the PRC. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

Substantially all of the Group's non-current assets which exclude deferred tax assets of the Group are located in the PRC.

Geographical information

The Group's properties segment are located in Foshan, Guangzhou, Nanjing and Jurong, Chongqing and Xi'an.

Information about the revenue from external customers of Properties Segment and the assets of Properties Segment is presented based on the location of the assets.

	Revenue from external customers		**Segment assets**	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Foshan	**5,014,055**	4,382,964	**9,725,235**	11,027,424
Guangzhou	**1,063,538**	859,480	**4,756,827**	1,936,324
Nanjing and Jurong	**295,497**	1,075,471	**7,632,682**	5,089,187
Chongqing	**1,066,209**	526,413	**9,377,288**	6,817,864
Xi'an	**–**	–	**1,066,993**	–
	7,439,299	6,844,328	**32,559,025**	24,870,799

6. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Bank interest income	**54,299**	31,288
Interest income from an intermediate holding company	**–**	2,341
Gain on disposal of investment properties	**–**	43,213
Others	**6,314**	29,545
	60,613	106,387

7. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank and other borrowings wholly repayable within five years		
– bank and other borrowings	**328,048**	143,380
– loans from an intermediate holding company	**26,683**	38,293
– loans from non-controlling equity holders of subsidiaries of the Group	**56,142**	24,256
– bonds	**155,539**	8,638
Total borrowing costs	**566,412**	214,567
Less: Amount capitalised in the cost of qualifying assets	**(293,219)**	(128,971)
	273,193	85,596

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective specific borrowings.

8. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
The charge (credit) comprises:		
PRC Enterprise Income Tax ("EIT")		
– Current year	**333,839**	558,923
– Under(over)provision in prior years	**5,747**	(1,210)
Dividend withholding tax	**97,502**	–
Land appreciation tax ("LAT")	**432,892**	698,550
	869,980	1,256,263
Deferred tax	**(80,239)**	5,473
	789,741	1,261,736

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by PRC entities that are owned by non-PRC entities within the Group.

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

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit in Hong Kong for both years.

9. PROFIT BEFORE TAX

	2014	2013
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging (crediting):		
Employee benefits expenses (including directors' remuneration):		
Salaries and other allowances	**131,234**	110,970
Pension scheme contributions	**21,370**	14,904
Total staff costs	**152,604**	125,874
Less: Amount capitalised to properties under development for sale	**(73,488)**	(76,990)
	79,116	48,884
Gross rental income from investment properties	**(4,620)**	(5,539)
Less: Direct operating expenses incurred	**1,066**	1,171
	(3,554)	(4,368)
Cost of inventories recognised as an expense	**1,104**	80,748
Cost of properties for sale recognised as an expense	**5,366,420**	4,198,464
Reversal of written down on properties for sale (included in cost of sales)	**–**	(154,000)
Depreciation of investment properties	**336**	511
Depreciation of property, plant and equipment	**3,142**	2,199
Auditor's remuneration	**4,765**	1,771

Included in revenue and profit before tax of the Group for the year ended 31 December 2014 are RMB106,789,000 and RMB80,092,000 respectively which relate to the sale transactions made in prior periods of car park spaces under Properties Segment which were previously accounted for as operating lease transactions. During the year ended 31 December 2014, it is determined that such transactions should be accounted for as sales under finance leases. The directors of the Company are of the view that the amounts, compared to the net assets and operating results of the Group for the current and prior years are immaterial and hence such amounts have been included in the statement of profit or loss for the year. The effect on the profit attributable to the owners of the Group for the year ended 31 December 2014 amounted to RMB20,423,000.

10. DIVIDENDS

During the year ended 31 December 2014, a final dividend of HK$0.012 per ordinary share in respect of the year ended 31 December 2013 was declared and paid to the shareholders of the Company. The aggregate amount of final dividend declared from share premium of the Company and paid during the current year amounted to approximately RMB46,684,000.

During the year ended 31 December 2014, subsidiaries of the Company declared dividends of RMB2,980,650,000 (2013: RMB288,000,000) to their shareholders, of which RMB1,440,784,000 (2013: RMB144,000,000) were paid to their non-controlling equity holders.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2014 of HK$0.01 (equivalent to approximately RMB0.008) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

11. EARNINGS PER SHARE

The weighted average number of shares used for the purpose of calculating basic earnings per share for the year ended 31 December 2013 has been adjusted as if the issue of the consideration shares was at 1 January 2013, on the basis that the consolidated financial statements are prepared as if the combined entity represented by the Existing Group and the Target Group had existed together from the dates when these groups came under the control of the common controlling party.

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB380,245,000 (2013: RMB458,890,000) and the weighted average number of 4,905,257,860 (2013: 4,122,553,393) ordinary shares in issue during the year.

Diluted earnings per share is not presented for the year ended 31 December 2014 nor for the year ended 2013 as there is no potential ordinary shares outstanding during the year or at the end of reporting periods.

12. TRADE AND OTHER RECEIVABLES

	2014 ***RMB'000***	2013 *RMB'000*
Trade receivables	**5,772**	20,006

The Group's credit terms with its trade customers is generally 0 to 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk.

Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 60 days from the date of agreement. At the end of the both reporting periods, there were no outstanding trade receivables from Properties Segment.

The aging analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2014 ***RMB'000***	2013 *RMB'000*
30 days or less	**3,282**	2,926
31 to 60 days	**–**	19
61 to 90 days	**2,039**	–
Over 90 days	**451**	17,061
	5,772	20,006

13. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables		
– Trading Segment	**6,551**	20,189
– Properties Segment	**1,943,017**	1,653,670
	1,949,568	1,673,859

Trade payables from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group and the average credit period of these trade payables is 60 days. The average credit period on purchase of goods is generally from 30 days extending up to 90 days for major suppliers from Trading Segment. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	2014	2013
	RMB'000	*RMB'000*
0 to 60 days	**888,036**	181,137
61 to 180 days	**632,656**	498,505
181 to 365 days	**168,996**	799,708
Over 365 days	**259,880**	194,509
	1,949,568	1,673,859

FINAL DIVIDEND

The Board recommend the payment of a final dividend of HK$0.01 (equivalent to approximately RMB0.008) per share in respect of the year ended 31 December 2014 (31 December 2013: HK$0.012 (equivalent to approximately RMB0.009) per share). Subject to the passing of the relevant resolution at the annual general meeting (the "Annual General Meeting") of the Company to be held on 23 April 2015, the final dividend will be payable on or about 18 May 2015 to shareholders whose names appear on the register of members of the Company on 4 May 2015.

For the purpose of ascertaining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from 30 April 2015 to 4 May 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 29 April 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

CHINA PROPERTY MARKET REVIEW

In 2014, the global economy was still on the track of recovery. Developed economies performed differently while the growth of emerging economies slowed down. Under the background of "three overlapping periods", namely the period of slowing down of the economic growth rate, the period for structural adjustment and the period for the previous stimulus policy tapering out, the overall economy in the PRC demonstrated a stable declining trend. The government implemented a series of measures to stabilize growth, and strived to strike a balance among growth stabilization, reform facilitation, structural adjustment and better livelihood while preventing exposures to risks under macro-economic policies.

In 2014, the real estate market showed a U-Shaped growth. The saleable area of commodity properties in the PRC amounted to 1,206.49 million sq.m and the sales volume amounted to RMB7,629.2 billion in 2014, representing a decline of 7.6% and 6.3% on a year-on-year basis respectively, which was the first negative growth recorded since the financial crisis in 2008. The real estate market in the first half of 2014 entered an adjusting cycle as a result of the combined effects of factors such as economic downturn, tight credit control, continuous economic regulation and insufficient demand in housing. In the second half of the year, the real estate market revived gradually, thanks to the gradual relief of regulating policies ranging from relaxation of restrictions on property purchasing in a majority of cities to the loosening of monetary policy. The leading real estate enterprises still achieved a significant growth. However, the overall differentiation is obvious. "Differentiation" mainly reflected the imbalance of current sales. The sales of each real estate enterprises for the second half of the year was apparently better than that of the first half of the year, which reflected various performance of each cities. The performance of the real estate market in the first and second tier cities which enjoy strong absorption of population and stable demand, was obviously better than that of the third and fourth tier cities, which suffered oversupply and high pressure on selling the properties. It also reflected the different sales level for different properties.

Thanks for the strong demand and the supportive policies, the sales rates of medium and small size units was higher than that of large size units. This performance is consistent with the characteristics of the Company's sales information. Higher requirement is needed to make market judgment and possess sales ability for property enterprises due to "differentiation".

The sales volume and inventory of real estate reached a record high. Under the circumstances of weak growth in demand, real estate industry will proceed to a relatively stable development stage. More and more real estate developers embarked on an active and meaningful exploration along the full value chain of the real estate sector through various aspects such as effectiveness and efficiency enhancement and business model alternation, in order to respond to the changes in the industry and in pursuit of an appropriate means to survive of its own.

FINANCIAL REVIEW

For 2014, profit amounted to RMB834,369,000 (2013: RMB1,414,819,000), representing a decrease of approximately 41% as compared with last year. The profit attributable to the owners of the Company was RMB380,245,000 (2013: RMB458,890,000), representing a decrease of approximately 17% as compared with last year. Basic earnings per share was RMB7.75 cents (the 2013: RMB11.13 cents), representing a decrease of 30% as compared with the corresponding year. The Group's aggregate contracted sales amounted to RMB9,145,200,000 (2013: RMB7,339,800,000), representing an increase of 25% over that of last year. Aggregate contracted sales area was 719,687 sq.m. (2013: 516,755 sq.m.), increased by 39% over last year. The average selling price was approximately RMB12,707 per sq.m. (2013: RMB14,204 per sq.m.), representing a decrease of 11% compared with last year.

Equity attributable to owners of the Company was RMB4,591,896,000 as at 31 December 2014 (31 December 2013: RMB5,217,290,000), decrease 12% as compared with that as at the end of last year.

TURNOVER

For 2014, the Group recorded turnover of RMB7,440,436,000 (2013: RMB6,927,871,000), representing an increase of approximately 7% as compared with last year. The increase is mainly due to the increase in the number of completed and delivered properties in 2014. For 2014, projects in Foshan, Guangzhou, Chongqing and Nanjing accounted for 68%, 14%, 14% and 4%, respectively, of the total revenue of the Group.

GROSS PROFIT

Gross profit amounted to RMB2,072,912,000 (2013: RMB2,802,659,000), representing a decrease of approximately 26% as compared with last year. The gross profit margin was 28% (2013: 40%), representing a decrease of approximately 30% over last year. The decrease was primarily due to the structure of recognised items in the year had changed. For 2013, Guangzhou Jinshan Valley and Foshan Evian Water Bank, which were relatively high profit-margin projects due to low land cost, recognised revenue accounted for 52% of the total recognised revenue in that year and such percentage was only 21% in 2014.

FINANCE COSTS

In December 2013, the Company issued a five-year term credit enhanced bonds in an aggregate principal amount of USD500,000,000 bearing coupon rate of 4.021% per annum which interest of approximately RMB98,829,000 (2013: RMB6,865,000) was recognised in the finance costs for the year ended 31 December 2014 and lead to a significant increase in the finance costs compared with 2013.

BUSINESS REVIEW

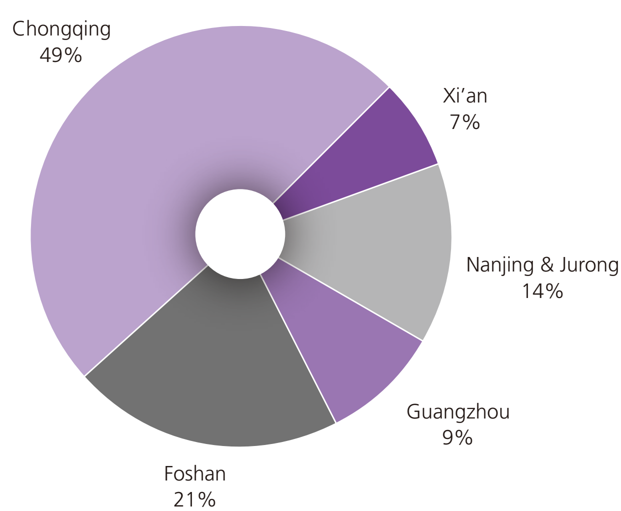
In 2014, although we faced difficulties, the Group made a concerted effort to overcome the adverse situation of the late formation saleable properties. We then put great effort on differentiation, the accumulation of Land in active and the consolidation of business foundation.

Property Development Business

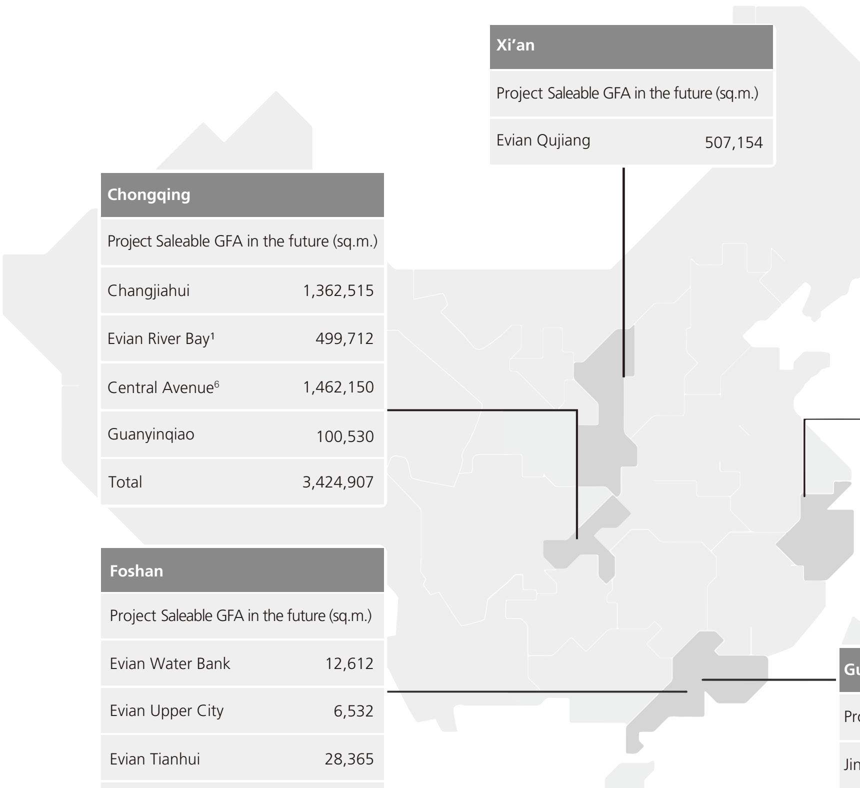
As at 31 December 2014, the Group's portfolio of property development projects consisted of 23 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops etc.

Below are the breakdown of land bank by cities and a map showing the geographic locations and the land bank of the projects of the Group in the PRC. The total land bank of the Group as at 31 December 2014 was 6,998,170 sq. m..

Land bank by cities as at 31 December 2014



A map showing the geographical location and land bank of the projects of the Group in the PRC as at 31 December 2014



Xi'an	
Project Saleable GFA in the future (sq.m.)	
Evian Qujiang	507,154

Nanjing and Jurong	
Project Saleable GFA in the future (sq.m.)	
Zijinshan No.1	50,454
Yonghuafu	20,785
Mr. Mountain[7]	51,872
Evian County[8]	172,092
G16	276,351
G74	300,384
China Merchants International E City	74,155
Total	946,093

Chongqing	
Project Saleable GFA in the future (sq.m.)	
Changjiahui	1,362,515
Evian River Bay[1]	499,712
Central Avenue[6]	1,462,150
Guanyinqiao	100,530
Total	3,424,907

Foshan	
Project Saleable GFA in the future (sq.m.)	
Evian Water Bank	12,612
Evian Upper City	6,532
Evian Tianhui	28,365
Evian Xicheng	172,586
Park 1872	260,163
China Merchants Land Centre[2]	191,791
Evian Yongjingwan[3]	189,925
Evian Huafu[4]	337,486
Evian Gongguan[5]	286,045
Total	1,485,505

Guangzhou	
Project Saleable GFA in the future (sq.m.)	
Jinshan Valley	531,077
Huambo	103,434
Total	634,511

[1] formerly known as Evian River Bank
[2] formerly known as Jin Da Square
[3] formerly known as Evian Shangyuan
[4] formerly known as Luocun
[5] formerly known as Jiujiang
[6] formerly known as Central Park
[7] formerly known as G09
[8] formerly known as G14

The table below details the Group's property development projects as at 31 December 2014 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

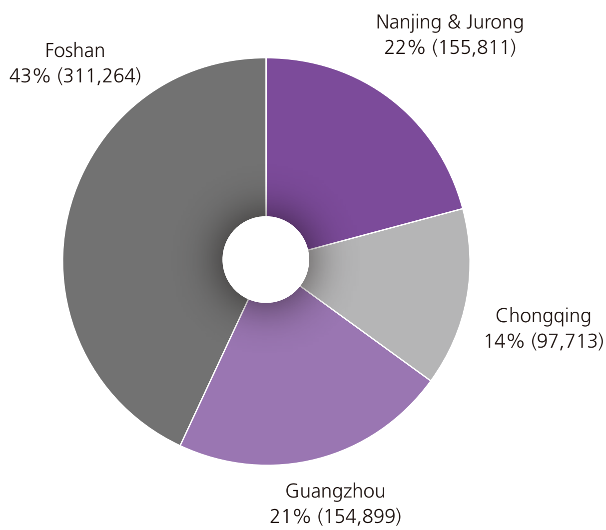
				Completed					Under development			Future development		
Project	The Company's attributable interest in the projects	Total GFA (sq.m.)	Land bank (sq.m.)	GFA completed (sq.m.)	Total GFA saleable/ rentable (sq.m.)	Of which sold and delivered (sq.m.)	Of which pre-sold but not yet delivered (sq.m.)	Of which not pre-sold/ held for investment (sq.m.)	GFA under development (sq.m.)	Total GFA saleable/ rentable (sq.m.)	Of which pre-sold (sq.m.)	Total GFA (sq.m.)	Total GFA saleable (sq.m.)	Contracted GFA (sq.m.)
Foshan														
Evian Water Bank	50.00%	655,716	12,612	655,716	599,477	581,982	4,883	12,612	–	–	–	–	–	6,550
Evian Upper City	50.00%	361,064	6,532	361,064	318,590	300,371	11,687	6,532	–	–	–	–	–	27,782
Evian Tianhui	50.00%	301,818	28,365	301,818	291,678	214,978	48,335	28,365	–	–	–	–	–	100,908
Evian Xicheng	50.00%	432,581	172,586	206,276	195,632	161,769	12,168	21,695	177,806	166,241	63,849	48,499	48,499	106,958
Park 1872	100.00%	302,855	260,163	–	–	–	–	–	302,855	267,320	7,157	–	–	7,157
China Merchants Land Centre	51.00%	223,556	191,791	–	–	–	–	–	223,556	197,148	5,357	–	–	5,357
Evian Yongjingwan	50.00%	233,852	189,925	–	–	–	–	–	120,500	103,523	18,308	113,352	104,710	18,308
Evian Huafu	50.00%	379,563	337,486	–	–	–	–	–	136,214	132,024	17,091	243,349	222,553	17,091
Evian Gongguan	55.00%	313,589	286,045	–	–	–	–	–	123,938	120,830	21,153	189,651	186,368	21,153
Foshan subtotal		**3,204,594**	**1,485,505**	**1,524,874**	**1,405,377**	**1,259,100**	**77,073**	**69,204**	**1,084,869**	**987,086**	**132,915**	**594,851**	**562,130**	**311,264**
Guangzhou														
Jinshan Valley	100.00%	1,341,771	531,077	623,348	504,282	396,387	33,463	74,432	336,515	267,573	111,670	381,908	300,742	154,899
Huambo	51.00%	125,918	103,434	–	–	–	–	–	125,918	103,434	–	–	–	–
Guangzhou subtotal		**1,467,689**	**634,511**	**623,348**	**504,282**	**396,387**	**33,463**	**74,432**	**462,433**	**371,007**	**111,670**	**381,908**	**300,742**	**154,899**
Chongqing														
Changjiahui	50.00%	1,895,748	1,362,515	233,585	224,678	186,061	6,059	32,558	202,095	189,261	14,059	1,460,068	1,154,755	56,537
Evian River Bay	100.00%	533,842	499,712	–	–	–	–	–	165,623	143,838	8,545	368,219	364,419	8,545
Central Avenue	50.00%	1,515,397	1,462,150	–	–	–	–	–	100,485	98,416	32,631	1,414,912	1,396,365	32,631
Guanyinqiao	100.00%	100,940	100,530	–	–	–	–	–	–	–	–	100,940	100,530	–
Chongqing subtotal		**4,045,927**	**3,424,907**	**233,585**	**224,678**	**186,061**	**6,059**	**32,558**	**468,203**	**431,515**	**55,235**	**3,344,139**	**3,016,069**	**97,713**

Project	The Company's attributable interest in the projects	Total GFA (sq.m.)	Land bank (sq.m.)	Completed GFA completed (sq.m.)	Total GFA saleable/ rentable (sq.m.)	Of which sold and delivered (sq.m.)	Of which pre-sold but not yet delivered (sq.m.)	Of which not pre-sold/ held for investment (sq.m.)	Under development GFA under development (sq.m.)	Total GFA saleable/ rentable (sq.m.)	Of which pre-sold (sq.m.)	Future development Total GFA (sq.m.)	Total GFA saleable (sq.m.)	Contracted GFA (sq.m.)
Nanjing & Jurong														
Zijinshan No.1	51.00%	213,869	50,454	213,869	151,325	96,093	4,778	50,454	–	–	–	–	–	6,826
Yonghuafu	51.00%	179,854	20,785	–	–	–	–	–	179,854	157,828	137,043	–	–	78,436
Mr. Mountain	26.01%	70,468	51,872	–	–	–	–	–	16,733	15,076	12,626	53,735	49,422	12,626
Evian County	26.01%	199,588	172,092	–	–	–	–	–	98,694	94,571	12,399	100,894	89,920	12,399
G16	51.00%	358,011	276,351	–	–	–	–	–	–	–	–	358,011	276,351	–
G74	100.00%	354,091	300,384	–	–	–	–	–	–	–	–	354,091	300,384	–
China Merchants International E City	70.00%	131,308	74,155	–	–	–	–	–	68,681	68,681	45,524	62,627	50,998	45,524
Nanjing & Jurong subtotal		**1,507,189**	**946,093**	**213,869**	**151,325**	**96,093**	**4,778**	**50,454**	**363,962**	**336,156**	**207,592**	**929,358**	**767,075**	**155,811**
Xi'an														
Evian Qujiang	100.00%	535,782	507,154	–	–	–	–	–	240,104	235,040	–	295,678	272,114	–
Xi'an subtotal		**535,782**	**507,154**	**–**	**–**	**–**	**–**	**–**	**240,104**	**235,040**	**–**	**295,678**	**272,114**	**–**
CML total		**10,761,181**	**6,998,170**	**2,595,676**	**2,285,662**	**1,937,641**	**121,373**	**226,648**	**2,619,571**	**2,360,804**	**507,412**	**5,545,934**	**4,918,130**	**719,687**

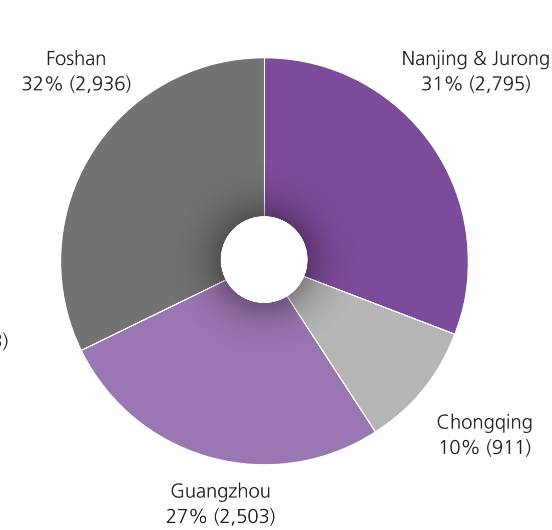
Contracted sales

For the year ended 31 December 2014, the Group recorded contracted sales amount of approximately RMB9,145,200,000 from five cities and the contracted sales area was approximately 719,687 sq.m..

2014 contracted sales in area by region (sq.m.)



2014 contracted sales amount by region (RMB million)



New Acquired Land Bank

8 parcels of land were acquired during the year ended 31 December 2014 as follows:

Projects	Total consideration (RMB million)	Total site area (sq.m.)	Total permissible area (sq.m.)	Average land premium (RMB/sq.m.)
Guangzhou Huambo	1,460	17,779	100,495	14,528
Nanjing Mr. Mountain	305	37,538	56,307	5,417
Nanjing Evian County	578	110,872	159,656	3,620
Xi'an Evian Qujiang	855	135,639	406,916	2,101
Nanjing G16	1,189	57,945	244,528	4,862
Jurong Chain Merchants International E City	104	55,181	121,398	857
Nanjing G74	860	124,809	267,081	3,220
Chongqing Guanyinqiao	354	21,749	76,122	4,650
Total	5,705	561,512	1,432,503	3,983

Foshan

In 2014, contracted sales amount in Foshan were RMB2,936 million and contracted sales area was 311,264 sq.m. As at 31 December 2014, total GFA of the Group's projects in Foshan reached 3,204,594 sq.m. and the saleable GFA in the future was 1,485,505 sq.m.

In 2014, sales of the Group's projects in Foshan mainly comprised of Evian Tianhui, Evian Upper City and Evian Xicheng:

– Evian Tianhui is a residential and commercial complex located in Nanhai District of Foshan, close to the Qiandenghu Park to the west with an attractive natural environment with greenery and lakes. The project site is conveniently adjacent to the Line 1 of Foshan subway and is easily accessible by various transportation routes;

– Evian Upper City is a residential and commercial complex located in Chancheng District in Foshan, with the view of the Dongping River to the south and the Foshan Asia Arts Park to the west. The site is also conveniently accessible by major highways and transportation routes; and

– Evian Xicheng is a residential and commercial complex located in Nanhai District of Foshan, enjoying the view of Bo Ai Lake to the south.

Guangzhou

In 2014, contracted sales amount in Guangzhou were RMB2,503 million and contracted sales area was 154,899 sq.m. As at 31 December 2014, total GFA of the Group's projects in Guangzhou reached 1,467,689 sq.m. and the saleable GFA in the future was 634,511 sq.m.

In 2014, the Group's saleable project in Guangzhou was Jinshan Valley, which is a high-end residential and commercial complex located in Panyu District of Guangzhou. It is conveniently adjacent to various major expressways in the area and is within 15 minutes' driving distance from the Pearl River New City, the central business district of Guangzhou.

Chongqing

In 2014, contracted sales amount in Chongqing were RMB911 million and contracted sales area was 97,713 sq.m. As at 31 December 2014, total GFA of the Group's projects in Chongqing reached 4,045,927 sq.m. and the saleable GFA in the future was 3,424,907 sq.m.

In 2014, sales of the Group's projects in Chongqing mainly comprised of Changjiahui and Central Avenue:

– Changjiahui is an upper-class multi-purpose urban complex located at the Danzishi area in the south central business district of Chongqing, which is one of the key developing areas. Facing the junction of Yangtze River and Jialing River, Changjiahui enjoys a panoramic river view and has high growth potential for property development.

– Located at the Standard Sub-zone F, Lianglu Zone, Yubei District, Chongqing, the Central Avenue is a comprehensive community with residences, retails and office functions covering a total site area of 40 hectares, where New Aerial Port City is situated. The Central Avenue is in proximity to Conference and Convention Centre, Chongqing International Expo Centre. That region is assessable by convenient transportation network. Meanwhile there are several stops of Light Rail Line 3 and 6 in New Aerial Port City and Central Avenue is close to the panoramic Central Park.

Nanjing and Jurong

In 2014, contracted sales amount in Nanjing and Jurong were RMB2,795 million and contracted sales area was 155,811 sq.m. As at 31 December 2014, total GFA of the Group's projects in Nanjing and Jurong reached 1,507,189 sq.m. and the saleable GFA in the future was 946,093 sq.m.

In 2014, strong sales of the Group's projects in Nanjing and Jurong mainly comprised of Yonghuafu, Zijinshan No. 1 and China Merchants International E City:

– Yonghuafu is a residential complex located in Jianye District of Nanjing which consists of high-rise, middle-to large-size residential apartments; and

– Zijinshan No. 1 is located in Qixia District of Nanjing and close to the scenic area of Zijin mountain. The project connected to the Line 2 of Nanjing subway and is easily accessible by various bus routes in the city of Nanjing.

– China Merchants International E City is a residential and commercial complex located at part of the land to the east of the Jurong Baohuabao Fourth Road and the south of Weijiu Road, Xianlin East, Jurong. It is adjacent to Xianlin Lake and not far away from Baohua Mountain with prestigious environmental conditions. It only takes 8 minutes to transfer to Nanjing Subway Line 2. With convenient transportation network, it offers the young home-buyers relaxing, pleasurable and enjoyable life away from the hustle and bustle of the city.

Xi'an

In 2014, the Group acquired a piece of land in Xi'an with site area of 135,639 sq.m. and permissible area of 406,916 sq.m. at a consideration of RMB855 million. Xi'an is a new city to the Group.

The project will be named as Evian Qujiang, which is located at the second phase of Qujiang New Town, Xi'an. Connected to Nan San Huan, Hangtai Main Road and in proximity to Subway Line 4, the Project is closed to the top three parks in the city. It only takes 10 minutes to directly access to the core of the first phase of Qujiang, which caters diversified needs such as shopping, entertainment and food and beverage.

Electronic Trading Business and Property Related Procurement Business

The Group will balance the synergies in property related procurement business and the main business in property development business to determine the resources to be allocated to the trading procurement business.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2014, the net assets attributable to owners of the Company were approximately RMB4,591,896,000 (2013: approximately RMB5,217,290,000).

In December 2013, the Group completed the issuance of five-year term credit enhanced bonds in the aggregate principal amount of USD500,000,000 bearing coupon rate of 4.021% per annum ("Bond"). The rate of the Bond, which is fixed and unchanged during its subsisting period, bears single interest rather than compound interest and the interest is payable half-yearly. The Bond was listed on the Hong Kong Stock Exchange with effect from 12 December 2013. The fund raised from the issuance of the Bond is for the purpose of general corporate use. On 31 December 2014, total interest-bearing debt of the Group was RMB9,583,217,000 (31 December 2013: RMB7,042,741,000). Bank balances and cash was RMB4,184,366,000 (31 December 2013: RMB6,618,086,000).

In terms of currency denomination, bank balances and cash can be divided into RMB3,128,319,000 in Renminbi, RMB1,051,949,000 in USD and RMB4,098,000 in Hong Kong dollars while the outstanding total interest-bearing debt can be divided into RMB5,377,079,000 in Renminbi and RMB4,206,138,000 in USD.

In terms of maturity, the outstanding total interest-bearing debt (excluding the Bond) can be divided into RMB1,745,450,000 to be repaid within one year, RMB3,707,002,000 to be repaid after one year but within two years and RMB1,112,688,000 to be repaid after two years but within five years. At 31 December 2014, the Group's net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity ratio (including non-controlling interests) (the "net gearing ratio") was 49% (31 December 2013: 4%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio at the industry average level.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, USD and HKD. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimized via balancing the monetary assets versus monetary liabilities. As the Bond was denominated in USD, while the Group conducts its sales, receivables, payables and expenditures in RMB for its PRC property development business, the management will closely monitor the volatility between RMB and USD exchange rates and might consider hedging should the need arises.

MANAGEMENT REVIEW

For ensuring the stable growth of the Group and consolidating the management foundation, the Group continuously strengthens the operation management of project companies from six aspects, namely project progress, quality, safety, customer services, cost and marketing. Through the concerted efforts of all employees, the brand reputation of the Group can achieve a continuous enhancement.

In order to strengthen the effective communication between management level and the staff, the headquarter of the Group and each member companies organize different types face to face communication seminar with the management, our staff can share their ideas and needs to the management directly while they can get responses instantly. On the other hand, it was a good moment for the top management to share their objective and vision to their staff. This activity can strengthen both parties' mutual understandings and break any barriers between them.

Our Group also held various activities to show our deep care to our staff such as「員工集體生日會」,「快樂聖誕員工活動」,「六一親子活動」,「綠色登山活動」,「華南區域籃球賽」,「華南區域足球賽」,「重慶公司夏日送清涼活動」,「綠色低碳日全體健身做早操」,「團結一心, 狼性執行」,「佛山公司2014年度水上運動會」and「員工之家烘焙活動」.

In addition, as the core member unit under CMPD Group, our Group held "i-walk", a charitable fund raising activity, in several of our project cities with the view of celebrating the 30th establishment anniversary for CMPD. One of the aims of this charity activity is to advocate staff leading a green healthy life by driving less and walking more. The more steps our staff take, the more fund our Group donate and donations collected will be used to build schools in rural areas of China called "A dream Center (夢想中心)". With the vision of helping those children who are unable to go to school, 30 "A dream Centers" has currently been established in 2014 and CMPD is planning to build more in 2015. Our Group also take our corporate social responsibility by organizing some public welfare activities like「送暖去」,「義務撿垃圾」,「愛行走」公益活動」,「綠絲帶助學」,「愛行走 • I WALK公益健步活動」and「滴水成涓活動」.

ACCOLADES & AWARDS 2014

Award Name	Awardee	Awarding Organization
Overall performance		
Golden City Complex	China Merchants Land Centre	Southern Metropolis Daily
Branding		
Enterprise with brand recognition	Foshan Company	Southern Metropolis Daily
2014-2015 Real Estate Enterprise in Xi'an with the most widespread brand recognition	Xi'an Company	Held by Shannxi Broadcasting Television Station's prime time programme "Real Estate in the Metropolis"
Best Word of Mouth	Foshan Company	Word of Mouth Billboard Committee in Foshan

Award Name	Awardee	Awarding Organization
Green and Cozy housing for the year 2014	Park 1872	Foshan Shunde Real Estate Chamber of Commerce, Foshan Shunde property market website
Golden Apartment Design	Evian Gongguan Evian Huafu	Southern Metropolis Daily Southern Metropolis Daily
Golden Luxurious Houses	Evian Yongjingwan	Southern Metropolis Daily
The most sought-after housing unit among netizens	Evian Huafu	2014 Top List of the Leading Enterprises in China
Golden award for the anticipated housing unit for the Year 2014	Evian Yongjingwan	2014 Pearl River Delta Real Estate (Foshan) Network Fest Organizing Committee
Project with the highest investment value in Foshan in 2014	Evian Xicheng	Pearl River Times
The most anticipated green residence model in Xi'an	Evian Qujiang	Held by Shannxi Broadcasting Television Station's prime time programme "Real Estate in the Metropolis"
Certification of the national green buildings with two star design	Jinshan Valley Innovation Commercial Project	Housing and Construction Department of Guangdong Province
Corporate Social Responsibility		
Community caring and charitable Enterprise	Foshan Company	Service Team of Beibuwan of Guangdong Lions Club

NON-COMPETITION DEED

To minimize actual and potential competition, the Group and CMPD entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the "Non-Competition Deed"), pursuant to which (i) CMPD and its subsidiaries (excluding the Group) ("CMPD Group") will not compete with the Group in the cities of Foshan, Guangzhou, Chongqing and Nanjing ("Target Cities") except for certain operation transitional assets ("Operation Transitional Assets") located in three out of the four Target Cities ("Overlapping Target Cities") which would be retained by CMPD Group but managed by the Group under certain operation agreement entered into between the Group and CMPD; (ii) the Group will not compete with CMPD in 21 other cities in the PRC ("CMPD Cities"); (iii) and the Group will have a right of first refusal to conduct property business in any city in which neither CMPD nor the Group has any property business as at the date of the Non-Competition Deed. For details of the Non-Competition Deed, the Overlapping Target Cities, Operation Transitional Assets and the CMPD Cities, please refer to the section headed "Relationship with the Controlling Shareholders" in the circular of the Company dated 10 October 2013.

Pursuant to the Non-Competition Deed, the Company and CMPD had carried out an annual review for the year ended 31 December 2014 jointly of the respective portfolios of property projects of the Company and CMPD in the Target Cities and the CMPD Cities. As a result of such review, the Company and CMPD noted that there had not been any material change in their respective properties portfolios or in the geographical delineation between the Company and CMPD and had determined that no adjustment or amendment to the Non-Competition Deed was necessary.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the quarterly reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMPD Group and the Group; (ii) carried out a review on the implementation of and compliance with the Non-Competition Deed by CMPD Group and the Group during the year ended 31 December 2014; and (iii) confirmed that the terms of the Non-Competition Deed had been complied with by CMPD Group and the Group during the year ended 31 December 2014.

During the year ended 31 December 2014, the Group seized the business opportunities in Xi'an and Jurong which are new cities to the Group and chose not to take up projects in Huizhou, Dongguan, Hefei, Shenyang and Zhengzhou pursuant to the right of first refusal mentioned above. The Group will continue focusing on property development business in the 4 Target Cities and those 2 new cities and will also select other new cities carefully for investment and development should appropriate opportunities arise.

OUTLOOK AND PROSPECTS

Looking forward, the PRC economy will continue to transform from extensive growth with an emphasis on scale and speed to intensive growth with an emphasis on quality and efficiency. It will change from a quantity increment oriented economic structure to a structure with inventory adjustment plus quality and quantity increment. The driving force of the economic development will shift from traditional to a new growth point. There will be a slowdown in the growth of the sales amount with a downward profit margin in respect of the property industry. The urban development approach will be altered from an orientation of reckless external expansion to internal inventory optimization and a sufficient use of existing resources. The transformation and upgrade of the city become a new normality of the industry development, with the upgrade of the functions, industries, products and life styles in the city treated as the pivotal sources of the new business opportunities for real estate enterprises.

In 2015, the Group will closely keep abreast of the new development trend of the property industry under the "new normality" of the PRC economy, grasp the new opportunities in the industry, capitalise on the now opportunities of Qianhai Shekou Free Trade Zone in an appropriate manner and continue its efforts on refinement and innovative development. This year, it is expected that construction of an aggregate area of 2,556,000 sq.m. with 22 saleable projects will commence and aggregate contracted sales target is RMB12,500 million.

As the only offshore listing platform for China Merchants Group's property business, the Group will fully utilize the strength of resources as a central state-owned enterprise, continue to improve the professionalism of real estate, and proactively make use of the function as an offshore financing platform in the future in order to boost the business scale and strength.

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 December 2014, the Group had 491 (2013: 343 employees in the PRC and Hong Kong) employees in the PRC and Hong Kong.

The Group's total expenses on salaries and allowances (including directors' remuneration) for the year ended 31 December 2014 was approximately RMB152,604,000 (2013: RMB125,874,000). Apart from basic salaries, fringe benefits such as contributions to the state-managed retirement benefit schemes and MPF scheme and group medical insurance also offered to the employees. A share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the "2011 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 December 2014.

CONTINGENT LIABILITIES

The Group has contingent liabilities amounted to RMB1,715,534,000 as at 31 December 2014 (31 December 2013: RMB464,153,000).

PLEDGE OF ASSETS

As at 31 December 2014 and 31 December 2013, the Group did not have any charges on its property, plant and equipment.

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

During the year ended 31 December 2014 and 31 December 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive directors and one non-executive director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). This committee is authorized by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee has reviewed the Group's consolidated financial statement for the year ended 31 December 2014, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures above in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, save as mentioned below, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2014.

During the year ended 31 December 2014, the Company had the following deviations from the CG Code:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment which was a deviation from Code Provision A.4.1. However, all of them are subject to the requirement to retire by rotation at least once every 3 years at annual general meetings under the Company's articles of association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. He Jianya, a non-executive Director, and Mr. He Qi, an independent non-executive Director, could not attend the annual general meeting held on 12 May 2014 and the extraordinary general meeting held on 12 September 2014 due to other business engagement which was a deviation from Code Provision A.6.7. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. He Jianya, chairman of the Board, could not attend the annual general meeting held on 12 May 2014 due to other business engagement which was a deviation from Code Provision E.1.2. However, he has appointed Ms. Wu Zhenqin, a non-executive Director, to be his alternate director and acted as chairman of the annual general meeting.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2014.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Thursday, 23 April 2015. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 23 April 2015, the register of members of the Company will be closed from 21 April 2015 to 23 April 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 20 April 2015.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the year ended 31 December 2014 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at ir.cmland.hk.

On behalf of the Board
He Jianya
Chairman

Hong Kong, 13 February 2015

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Xian Yaoqiang, Mr. Liu Zhuogen and Mr. Yu Zhiliang as Executive Directors; Mr. He Jianya, Ms. Wu Zhenqin and Ms. Liu Ning as Non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as Independent Non-executive Directors.