2015 ANNUAL REPORT
年度報告

融創中國

融創中國控股有限公司
SUNAC CHINA HOLDINGS LIMITED

（於開曼群島注册成立的有限責任公司）
(incorporated in the Cayman Islands with limited liability)

Stock Code股份代號：1918

About SUNAC

關於 融創

SUNAC China Holdings Limited (the "Company" or "our Company" and its subsidiaries, collectively referred to as the "Group"), is specialised in the integrated development of residential and commercial properties, and the Company is one of the leading real estate developers in the PRC. In line with its regional focus and high-end positioning strategy, the Company has developed or is developing many high-quality property projects ranging from high-rise residences, detached villas, retail properties and offices in first-tier cities and core second-tier cities across the PRC.

The Company focuses on high-end property development and management business. Guided by its brand positioning as "Passion for Perfection", the Company has long been providing high-end products to customers. With the aim of becoming the leader of the real estate industry in China, the Company's pursuit of high-quality products and services never ends. It is always committed to providing a desirable, elegant life experience to its customers through quality products and services. With its accurate judgment of market trends, keen in-sights into consumer demands and emphasis on high product quality, the Company is ready to adopt cutting-edge concepts at the right time to design and develop its projects, and has created an advanced quality control and supervisory system.

融創中國控股有限公司（簡稱：本公司，本公司及其附屬公司統稱為本集團）為中國的領先房地產發展商之一，專業從事住宅及商業地產綜合開發。本公司堅持區域聚焦和高端精品發展戰略，在中國的一線城市和核心二線城市擁有眾多已發展或發展中的優質地產項目，項目涵蓋高層住宅、別墅、商業、寫字樓等多種物業類型。

本公司專注於高端物業的開發和管理，以「至臻，致遠」為品牌方向，持之以恒的為客戶專注打造高端精品物業，立志成為對高端品質不懈追求的中國房地產行業領跑者。本公司用心為客戶提供大氣舒放、貴氣質感、富有品質的高端生活體驗，不懈追求具有恒久價值的優質產品和用心週到的服務。基於對市場發展的精準判斷，對消費者需求的敏鋭洞悉，以及對高品質的不懈追求，公司採用先進的設計理念和嚴格的管理監控體系，致力於不斷提升定位、產品規劃設計、建設和服務能力，提升專案綜合品質，打造精品項目。

Contents

目錄

CORPORATE INFORMATION

Board of Directors

EXECUTIVE DIRECTORS

Mr. Sun Hongbin *(Chairman)*
(resigned as Chief Executive Officer on 7 September 2015)
Mr. Wang Mengde *(Chief Executive Officer)*
(appointed as Chief Executive Officer on 7 September 2015)
Mr. Li Shaozhong
Mr. Chi Xun
Mr. Shang Yu
Mr. Jing Hong

NON-EXECUTIVE DIRECTOR

Mr. Zhu Jia

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Chiu Kwok
Mr. Li Qin
Mr. Ma Lishan
Mr. Tse Chi Wai

Joint Company Secretaries

Mr. Huang Shuping (resigned with effect from 7 September 2015)
Ms. Mok Ming Wai
Mr. Gao Xi (appointed with effect from 7 September 2015)

Authorized Representatives

Mr. Wang Mengde
Ms. Mok Ming Wai

Audit Committee

Mr. Poon Chiu Kwok *(Chairman)*
Mr. Li Qin
Mr. Ma Lishan
Mr. Tse Chi Wai

Remuneration Committee

Mr. Poon Chiu Kwok *(Chairman)*
Mr. Sun Hongbin
Mr. Li Qin
Mr. Ma Lishan
Mr. Tse Chi Wai

Nomination Committee

Mr. Sun Hongbin *(Chairman)*
Mr. Poon Chiu Kwok
Mr. Li Qin
Mr. Ma Lishan

Principal Place of Business in Hong Kong

36/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Headquarters and Principal Place of Business in the PRC

10/F, Building C7, Magnetic Plaza
Binshuixi Road, Nankai District
Tianjin 300381
The PRC

Registered Office

Landmark Square
3rd Floor
64 Earth Close
P.O. Box 30592
Grand Cayman KY1-1203
Cayman Islands

CORPORATE INFORMATION

Principal Share Registrar and Transfer Office

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

Hong Kong Share Registrar

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

Legal Advisers

As to Hong Kong law:
Sidley Austin

As to Cayman Islands law:
Conyers Dill & Pearman

As to PRC law:
Jincheng Tongda & Neal Law Firm

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

Principal Bankers

Industrial and Commercial Bank of China
Agricultural Bank of China
Ping An Bank
HSBC
Hang Seng Bank Limited
Bank of China

Stock Code

1918

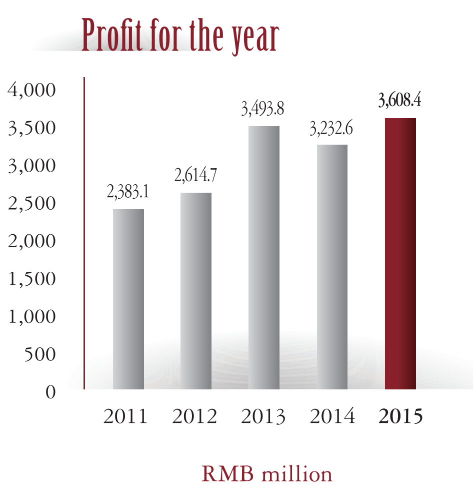
Company's Website

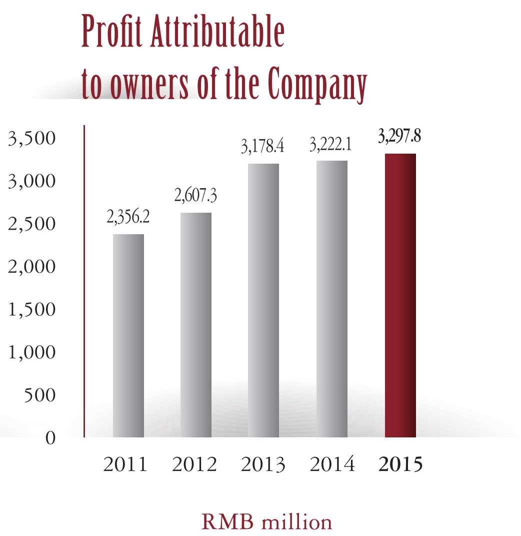
www.sunac.com.cn

FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	2015	2014	2013	2012	2011
Revenue (RMB million)	**23,010.9**	25,072.0	30,836.7	20,842.6	10,604.0
Gross profit (RMB million)	**2,857.3**	4,341.9	7,176.5	5,382.5	3,566.5
Gross margin (%)	**12.4%**	17.3%	23.3%	25.8%	33.6%
Profit for the year (RMB million)	**3,608.4**	3,232.6	3,493.8	2,614.7	2,383.1
Profit attributable to owners of the Company (RMB million)	**3,297.8**	3,222.1	3,178.4	2,607.3	2,356.2
Cash and cash equivalents (including restricted cash) (RMB million)	**27,058.3**	25,041.4	16,008.7	12,262.7	3,867.1





Dear Shareholders,

Despite the challenges from China's economic slowdown in 2015, the real estate industry saw a notable recovery from the fourth quarter in first-tier cities and certain second-tier cities as driven by accommodative monetary policy and incentive de-stocking packages, resulting in an increasingly divergent and consolidated landscape presenting leading players with higher market shares. In view of this, the Company identified and grasped opportunities in the land market to basically complete its business layout in major targeted cities while maintaining stable results and enhancing its position in the industry, thus laying a solid foundation to scale new heights going forward.

Robust Operating Results and Rising Position in the Industry

In 2015, the Company's operating results were improving steadily. Profit attributable to owners of the Company amounted to approximately RMB3,300 million, representing a year-on-year increase of 2.4%. The Company maintained ample liquidity as at 31 December 2015, with its carrying amount of cash reaching RMB27,060 million, nearly two times of short-term debts, and net gearing ratio staying at 75.9%, a low level among peers. In 2015, the Company's contracted sales increased year-on-year by 3.6% to RMB68,200 million, among which interest-based sales reached RMB43,500 million, a year-on-year increase of 10.3%. The Company kept going upward in the industry sales ranking issued by a third-party agency and ranked 9th in 2015, following its entry into the top 10 list for the first time in 2014.

Optimized Debt Structure and Lowered Financing Costs Opportunistically Through Domestic Capital Market

In 2015, the Group timely seized opportunities from opening of the domestic corporate bond market and proactively developed domestic financing platforms to successfully issue RMB6 billion corporate bonds at low costs for replacing previous high-cost financing. Meanwhile, the Company took advantage of the decreasing domestic financing costs to actively manage new and existing financing, substantially reducing financing costs and optimizing debt structure to benefit its long-term profitability.

Active and Prudent Presence in Promising Second-tier Cities for Quality Land Bank While Seizing Opportunities in the Existing Cities

Given the increasingly heated competition in the land markets of first- and second-tier cities and soaring land prices particularly in certain first-tier cities as a result of optimistic industry outlook, the Company has remained prudent and resolutely given up the over-priced land lots. Meanwhile, the Company proactively seized market opportunities to acquire reasonably priced land lots in key promising second-tier cities with balanced supply and demand such as Jinan, Nanjing, Chengdu, Xi'an and Wuhan while bypassing the over-heated open markets in first-tier cities to replenish quality land lots through acquisition and merger there. Such regional layout in key targeted cities has been basically completed, making a major breakthrough in the Company's urban portfolio and creating more room for future development.

Outlook for 2016

In 2016, despite the monetary easing and proactive industry policies conducive for a resilient industry, the Company still needs to remain cautious about land acquisition given China's overall muted economic growth and the changing supply-demand pattern. The Company believes that the divergence and consolidation trend in the industry will go even further in 2016 and thus provides more opportunities for acquisition and merger. The Company will, as always, prudently acquire new quality projects based on sound market judgments while maintaining adequate liquidity. In 2016, with a more solid cornerstone, we are confident in accomplishing the annual business objectives and further improving the Company's operational capability to cater for healthier development in the future.

Sunac China Holdings Limited
SUN Hongbin
Chairman of the Board

28 March 2016

BUSINESS REVIEW AND OUTLOOK

Business Highlights

SUMMARY OF PRINCIPAL PROPERTIES

As at 31 December 2015, the Group is engaging in a total of 92 property development projects. The following table sets forth certain details of the Group's projects based on actual data or estimates of the Group and associated project companies as of 31 December 2015.

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac West Chateau	Beijing	Mid-rise apartments, retail properties and car parks	190,665	447,803	334,892	June 2013	100.0%
Yaao Jinmao Residence	Beijing	High-rise apartments, retail properties and car parks	84,684	253,074	169,941	September 2014	49.0%
Wangjing Jinmao Palace	Beijing	High-rise apartments, retail properties and car parks	54,485	154,156	125,220	July 2017	49.0%
Fontainebleau Chateau	Beijing	High-rise apartments, townhouses, retail properties and car parks	131,629	403,441	340,987	January 2016	49.5%
Glory Chateau	Beijing	High-rise and mid-rise apartments, townhouses, detached villas and car parks	183,531	467,888	345,785	December 2017	51.0%
Beijing One Sino Park	Beijing	Mid-rise apartments and car parks	25,210	100,843	73,592	November 2016	51.0%
Chang'an Image	Beijing	High-rise apartments, serviced apartments, retail properties and car parks	101,831	490,251	370,478	October 2019	48.0%
Mentougou New Town	Beijing	Serviced apartments, retail properties and car parks	33,987	151,815	129,787	June 2017	70.0%
One Central	Beijing	High-rise apartments, offices and car parks	14,297	118,964	109,675	December 2016	40.0%
Fortune Center	Jinan	High-rise and mid-rise apartments, retail properties and car parks	138,351	516,279	506,236	June 2018	60.0%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sino-Singapore	Jinan	High-rise apartments, retail properties and car parks	258,586	772,946	770,648	June 2020	60.0%
Fortune Peak	Jinan	High-rise apartments, retail properties, offices, serviced apartments and car parks	106,913	484,696	482,490	January 2021	60.0%
Cambridge Mansion	Jinan	High-rise apartments, retail properties and car parks	33,421	148,681	136,118	December 2016	60.0%
B3 Project	Jinan	Retail properties, offices, serviced apartments and car parks	17,604	131,695	127,387	July 2021	60.0%
Sunac Magnetic Capital	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	460,840	1,247,860	1,188,902	December 2013	100.0%
Sunac Mind-Land International	Tianjin	High-rise apartments, detached villas, retail properties and car parks	497,501	813,704	751,224	December 2012	100.0%
Sunac Glorious Mansion	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	121,412	307,706	307,706	December 2013	100.0%
Sunac Central Academy	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	268,421	761,621	703,812	December 2016	100.0%
Sunac PL Du Pantheon	Tianjin	High-rise apartments, townhouses, retail properties and car parks	70,600	244,491	227,050	December 2014	100.0%
Horizon Capital	Tianjin	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	111,446	394,481	388,287	October 2018	49.0%
Tianjin Dream of Mansion	Tianjin	Mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	120,059	241,876	220,372	April 2018	50.0%
Sunac Binhai Center	Tianjin	Retail properties, offices, serviced apartments and car parks	17,161	209,687	202,501	December 2017	80.0%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Orchid Garden	Tianjin	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	15,742	86,649	84,841	June 2018	47.0%
R3 Project	Tianjin	Retail properties, offices and car parks	121,214	447,919	447,919	March 2022	47.0%
River and Sea	Tianjin	High-rise apartments, retail properties and car parks	59,660	286,860	282,764	July 2018	47.0%
Bay Island	Tianjin	High-rise and mid-rise apartments, townhouses, retail properties, offices, serviced apartments and car parks	248,119	602,656	567,668	September 2019	54.0%
Sunac Top Mansion of the Dongting	Tianjin	High-rise apartments, mid-rise apartments, retail properties and car parks	109,537	269,124	244,166	December 2015	100.0%
Tiantuo Project	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	370,698	1,323,601	1,299,005	December 2018	40.8%
Tiantuo North Project	Tianjin	High-rise apartments and retail properties	56,791	230,900	230,900	March 2018	40.8%
Tianjin Majestic Mansion	Tianjin	Mid-rise apartments and car parks	60,088	97,634	95,092	December 2016	40.8%
The National Village	Tianjin	High-rise and mid-rise apartments, retail properties, townhouses and car parks	321,417	867,989	866,875	December 2019	39.2%
Sunac City	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	261,350	667,171	622,749	October 2019	100.0%
Master Classic	Xi'an	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	18,634	256,095	251,731	June 2018	54.5%
Xi'an Dream of Mansion	Xi'an	High-rise and mid-rise apartments, retail properties and car parks	95,121	312,363	293,447	October 2018	28.6%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac Olympic Garden	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, offices, serviced apartments and car parks	1,713,641	2,576,975	2,018,944	December 2015	100.0%
Sunac Eton Manor	Chongqing	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	179,204	405,901	303,940	December 2014	100.0%
Sunac Guardian Manor	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	159,793	563,089	382,715	December 2015	100.0%
Versails	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties and car parks	382,783	1,371,242	971,538	December 2018	81.0%
Sunac Asia Pacific Enterprise Valley	Chongqing	High-rise apartments, serviced apartments, retail properties, offices and car parks	118,912	744,236	576,237	June 2014	100.0%
Sunac The European Garden for City - West	Chongqing	High-rise and mid-rise apartments, townhouses, serviced apartments, retail properties and car parks	499,325	1,292,900	944,553	December 2021	100.0%
Powpre Fontainebleau	Chongqing	Townhouses, retail properties and car parks	147,400	147,142	124,342	December 2017	90.0%
Hastin Avenue	Chongqing	High-rise apartments, retail properties and car parks	74,731	482,797	328,286	December 2018	51.0%
The European Garden for City - East	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, serviced apartments and car parks	834,509	2,119,885	1,527,128	December 2024	51.0%
Chongqing Rose Garden	Chongqing	Detached villas, retail properties and car parks	135,167	170,393	136,620	December 2018	90.0%

BUSINESS REVIEW AND OUTLOOK

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
EXPO City	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, serviced apartments, offices, retail properties and car parks	583,136	1,528,232	1,073,076	December 2019	51.0%
Camb Garden	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	138,735	472,258	318,674	December 2018	36.8%
Tegangchang Project	Chongqing	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	95,974	502,783	340,852	December 2020	50.1%
Sunac Sky Villa	Chengdu	High-rise apartments, retail properties and car parks	107,917	454,893	410,003	September 2015	100.0%
Sunac Sky Villa Condominiums	Chengdu	High-rise apartments, retail properties and car parks	30,331	123,210	116,879	September 2015	100.0%
Sunac Guanghua Center	Chengdu	High-rise apartments, retail properties, offices and car parks	76,066	366,892	343,183	May 2015	100.0%
Sunac Villa Royale	Chengdu	Townhouses, detached villas, retail properties and car parks	205,254	271,819	270,127	September 2018	100.0%
Sunac CC Land Plaza	Chengdu	High-rise apartments, retail properties, offices and car parks	16,833	112,590	103,086	December 2018	100.0%
Sunac Residence du Lac	Chengdu	High-rise apartments, retail properties and car parks	99,893	398,797	374,737	September 2018	100.0%
Sunac Tianfu Snugger	Chengdu	High-rise apartments, retail properties and car parks	99,609	814,951	753,955	December 2018	100.0%
Sunac Dayslangjindi	Chengdu	High-rise apartments, retail properties and car parks	11,851	87,032	79,763	November 2015	100.0%
Sunac Dianxin Road Project	Chengdu	High-rise apartments, retail properties and car parks	11,858	91,205	84,100	April 2019	100.0%
Sunac Magnolia Garden	Shanghai	High-rise and mid-rise apartments and car parks	58,163	126,092	116,738	June 2013	100.0%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Magnolia Garden-Glorious Garden	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	72,803	162,914	146,726	June 2015	49.0%
Magnolia Mansion	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	60,206	118,731	98,172	December 2015	50.0%
Sunac Shanghai Rose Garden	Shanghai	Detached villas	803,353	240,040	138,413	November 2014	100.0%
Francais Demeure	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	75,091	182,469	146,413	December 2015	49.0%
Sunac Shanghai One Sino Park	Shanghai	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	105,045	656,865	580,154	May 2019	100.0%
Sunac the Bund 188	Shanghai	Retail properties, serviced apartments and car parks	10,239	57,866	49,823	September 2016	100.0%
Sunac Central Garden	Shanghai	High-rise apartments, retail properties, serviced apartments, offices and car parks	211,626	608,428	529,016	May 2019	100.0%
Sunac Magnolia Mansion	Shanghai	High-rise apartments and car parks	66,170	178,903	151,491	June 2017	100.0%
Rose Mansion	Shanghai	High-rise apartments and car parks	45,710	126,100	81,980	December 2017	50.0%
Fortune Riverside	Shanghai	High-rise apartments, offices and car parks	36,988	159,107	146,894	December 2018	47.0%
Huafeng Project	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	626,200	1,115,947	1,010,100	December 2025	48.6%
Taohuayuan Project	Nanjing	Mid-rise apartments, townhouses, detached villas and car parks	212,900	111,900	70,796	September 2018	51.0%
Sunac G87 Project	Nanjing	Mid-rise apartments, retail properties and car parks	62,234	155,701	133,522	December 2017	100.0%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac Magnolia Square	Changzhou	High-rise and mid-rise apartments, townhouses, retail properties and car parks	413,253	1,031,766	938,600	November 2019	97.0%
Fairy Land	Suzhou	Detached villas	213,852	263,930	126,730	December 2018	56.7%
Sunac Suzhou Majestic Mansion	Suzhou	Mid-rise apartments, detached villas	155,664	215,266	121,472	December 2013	100.0%
Sunac Suzhou Shishan Majestic Mansion	Suzhou	Mid-rise apartments and car parks	104,401	180,514	129,397	December 2016	100.0%
Sunac Wuxi Magnolia Garden	Wuxi	High-rise apartments, retail properties and car parks	180,826	564,911	543,538	December 2015	85.0%
Wuxi Magnolia Garden West	Wuxi	High-rise apartments, retail properties, offices and car parks	171,572	533,068	511,760	December 2018	39.0%
Sunac Royal Garden	Yixing	High-rise apartments, townhouses, detached villas, retail properties and car parks	268,945	465,986	405,259	May 2018	100.0%
Comphorwood Mansion	Wuxi	High-rise and mid-rise apartments, detached villas, retail properties and car parks	203,070	665,694	555,179	November 2019	51.0%
Sunac Swan Lake	Wuxi	High-rise and mid-rise apartments, detached villas, retail properties, serviced apartments and car parks	706,889	1,392,554	1,283,904	December 2016	100.0%
Sunac Dream of City	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	452,384	866,808	788,145	June 2014	100.0%
Sunac Melodious Manor	Hangzhou	Mid-rise apartments, townhouses and car parks	59,360	123,527	82,345	December 2014	100.0%
Above the West Lake	Hangzhou	High-rise apartments, retail properties, offices, serviced apartments and car parks	58,184	280,197	156,589	December 2017	49.0%

Project Summary as of 31 December 2015 *(continued)*

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Wonderful Mansion	Hangzhou	High-rise apartments, retail properties and car parks	20,480	89,184	65,428	May 2015	50.0%
Sunac In Hangzhou	Hangzhou	Retail properties, offices, serviced apartments and car parks	10,418	154,055	108,374	October 2016	60.0%
Sunac Fuchun Chateau	Hangzhou	Mid-rise apartments, townhouses, retail properties and car parks	98,024	167,197	113,493	June 2017	100.0%
Riverside City Ⅰ	Hangzhou	High-rise apartments, retail properties and car parks	62,760	220,617	170,071	June 2016	65.0%
Sunac Riverside City Ⅱ	Hangzhou	High-rise apartments, retail properties and car parks	80,587	256,589	189,091	June 2016	100.0%
Marquis Mansion	Hangzhou	High-rise apartments, retail properties and car parks	32,220	126,765	92,687	June 2017	26.0%
Sunac The Times	Hangzhou	High-rise apartments, retail properties and car parks	61,871	182,592	182,592	October 2018	100.0%
Sunac Zhengwu District Project	Hefei	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	56,747	187,149	187,149	October 2018	100.0%
One Park	Wuhan	High-rise apartments, retail properties, serviced apartments, offices and car parks	251,766	1,175,007	1,155,589	July 2021	46.0%
Riyuewan Project	Hainan	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	364,319	558,517	541,791	December 2021	50.0%
		Total	**16,978,246**	**43,115,096**	**36,732,403**		

BUSINESS REVIEW AND OUTLOOK

Completed Properties for the year ended 31 December 2015

Project	Location	Aggregate GFA (sq.m.)	Saleable/ rentable GFA (sq.m.)	Unsold/held for rental aggregate GFA (sq.m.)	Unsold/held for rental saleable/ rentable GFA (sq.m.)
Sunac West Chateau	Beijing	447,803	334,892	4,004	2,995
Yaao Jinmao Residence	Beijing	253,074	169,941	15,028	10,092
Wangjing Jinmao Palace	Beijing	141,256	115,420	28,162	23,011
Fontainebleau Chateau	Beijing	402,667	340,212	217,238	183,544
Glory Chateau	Beijing	422,998	340,750	403,927	325,388
Chang'an Image	Beijing	23,821	23,478	3,109	3,064
Sunac Magnetic Capital	Tianjin	1,247,860	1,188,902	33,835	32,237
Sunac Mind-Land International	Tianjin	813,704	751,224	21,989	20,301
Sunac Glorious Mansion	Tianjin	307,706	307,706	68,784	68,784
Sunac Central Academy	Tianjin	624,694	577,053	116,509	107,624
Sunac PL Du Pantheon	Tianjin	244,491	227,050	47,581	44,186
Horizon Capital	Tianjin	234,073	233,642	27,349	27,299
Tianjin Dream of Mansion	Tianjin	169,682	152,224	51,380	46,094
River and Sea	Tianjin	94,364	94,364	8,479	8,479
Bay Island	Tianjin	84,745	84,745	0	0
Sunac Top Mansion of the Dongting	Tianjin	269,124	244,166	21,061	19,108
Tiantuo Project	Tianjin	160,472	159,122	45,657	45,273
Sunac Olympic Garden	Chongqing	2,576,975	2,018,944	187,550	144,047
Sunac Eton Manor	Chongqing	405,901	303,940	26,818	20,081
Sunac Guardian Manor	Chongqing	563,089	382,715	122,205	83,059
Versails	Chongqing	670,439	487,788	159,002	115,684
Sunac Asia Pacific Enterprise Valley	Chongqing	744,236	576,237	64,973	50,306

Completed Properties for the year ended 31 December 2015 ***(continued)***

Project	Location	Aggregate GFA (sq.m.)	Saleable/ rentable GFA (sq.m.)	Unsold/held for rental aggregate GFA (sq.m.)	Unsold/held for rental saleable/ rentable GFA (sq.m.)
Sunac The European Garden for City - West	Chongqing	386,125	288,503	163,327	122,033
The European Garden for City -East	Chongqing	300,080	240,601	205,082	164,433
Sunac Sky Villa	Chengdu	454,893	410,003	110,498	99,594
Sunac Sky Villa Condominiums	Chengdu	123,210	116,879	35,349	33,532
Sunac Guanghua Center	Chengdu	366,892	343,183	114,049	106,679
Sunac Villa Royale	Chengdu	214,125	213,162	87,915	87,520
Sunac Residence du Lac	Chengdu	209,728	194,572	59,582	55,276
Sunac Tianfu Snugger	Chengdu	239,225	220,273	75,297	69,331
Sunac Dayslangjindi	Chengdu	87,032	79,763	65,789	60,294
Sunac Magnolia Garden	Shanghai	126,092	116,738	7,427	6,876
Magnolia Garden-Glorious Garden	Shanghai	162,914	146,726	20,357	18,334
Magnolia Mansion	Shanghai	118,731	98,172	36,214	29,943
Sunac Shanghai Rose Garden	Shanghai	240,040	138,413	1,851	1,068
Francais Demeure	Shanghai	182,469	146,413	37,501	30,091
Sunac Shanghai One Sino Park	Shanghai	203,826	187,895	61,399	56,600
Sunac Central Garden	Shanghai	353,751	307,377	24,415	21,214
Taohuayuan Project	Nanjing	12,876	7,555	12,876	7,555
Sunac Magnolia Square	Changzhou	443,072	407,201	168,561	154,914
Fairy Land	Suzhou	86,084	40,635	29,557	13,952
Sunac Suzhou Majestic Mansion	Suzhou	215,266	121,472	26,215	14,793
Sunac Wuxi Magnolia Garden	Wuxi	564,911	543,538	81,601	78,514
Wuxi Magnolia Garden West	Wuxi	181,280	175,162	71,567	69,151
Sunac Royal Garden	Yixing	423,881	366,374	63,372	54,775
Comphorwood Mansion	Wuxi	320,182	244,884	81,107	62,033
Sunac Swan Lake	Wuxi	1,371,906	1,270,904	188,894	174,987
Sunac Dream of City	Wuxi	866,808	788,145	65,498	59,554
Sunac Melodious Manor	Hangzhou	123,527	82,345	5,274	3,516
Above the West Lake	Hangzhou	126,156	88,506	4,254	2,984
Wonderful Mansion	Hangzhou	89,184	65,428	2,793	2,049
Total		**19,497,441**	**16,565,336**	**3,582,261**	**3,042,251**

BUSINESS REVIEW AND OUTLOOK

Properties under Development as at 31 December 2015

Project	Location	Aggregate GFA (sq.m.)	Saleable/ rentable GFA (sq.m.)	Unsold/held for rental saleable/ rentable GFA (sq.m.)
Fontainebleau Chateau	Beijing	775	775	775
Beijing One Sino Park	Beijing	100,843	73,592	70,857
Chang'an Image	Beijing	277,326	177,916	98,500
Mentougou New Town	Beijing	151,815	129,787	129,787
One Central	Beijing	118,964	109,675	96,783
Fortune Center	Jinan	516,279	506,236	323,417
Fortune Peak	Jinan	168,547	167,841	167,841
Cambridge Mansion	Jinan	148,681	136,118	88,886
Sunac Central Academy	Tianjin	136,926	126,759	85,724
Horizon Capital	Tianjin	160,408	154,645	117,141
Tianjin Dream of Mansion	Tianjin	26,818	22,888	9,801
Sunac Binhai Center	Tianjin	106,486	99,300	97,434
Orchid Garden	Tianjin	86,649	84,841	33,215
River and Sea	Tianjin	192,496	188,400	147,380
Bay Island	Tianjin	186,528	182,992	130,185
Tiantuo Project	Tianjin	1,005,829	987,203	692,168
Tianjin Majestic Mansion	Tianjin	97,634	95,092	87,233
The National Village	Tianjin	785,298	784,184	620,253
Master Classic	Xi'an	203,271	199,058	116,716
Xi'an Dream of Mansion	Xi'an	140,325	130,407	73,852
Versails	Chongqing	412,490	293,370	251,314
Sunac The European Garden for City - West	Chongqing	198,163	155,887	155,887
Powpre Fontainebleau	Chongqing	147,142	124,342	87,329

Properties under Development as at 31 December 2015 ***(continued)***

Project	Location	Aggregate GFA (sq.m.)	Saleable/ rentable GFA (sq.m.)	Unsold/held for rental saleable/ rentable GFA (sq.m.)
Hastin Avenue	Chongqing	294,541	214,039	163,110
The European Garden for City - East	Chongqing	145,776	74,698	74,698
Chongqing Rose Garden	Chongqing	170,393	136,620	104,731
EXPO City	Chongqing	772,605	551,374	445,028
Camb Garden	Chongqing	365,072	245,100	210,326
Sunac Villa Royale	Chengdu	50,638	49,910	49,910
Sunac C C Land Plaza	Chengdu	112,590	103,086	103,086
Sunac Residence du Lac	Chengdu	189,068	180,164	168,090
Sunac Tianfu Snugger	Chengdu	317,014	292,829	217,790
Sunac Shanghai One Sino Park	Shanghai	409,030	356,193	267,761
Sunac The Bund 188	Shanghai	57,866	49,823	40,874
Sunac Central Garden	Shanghai	115,663	86,567	86,567
Sunac Magnolia Mansion	Shanghai	178,903	151,491	101,060
Fortune Riverside	Shanghai	60,834	54,284	54,284
Taohuayuan Project	Nanjing	22,494	14,341	9,978
Sunac Magnolia Square	Changzhou	263,056	238,332	166,774
Fairy Land	Suzhou	105,813	49,917	18,521
Sunac Shishan Majestic Mansion	Suzhou	180,514	129,397	34,126
Wuxi Magnolia Garden West	Wuxi	351,788	336,598	216,296
Comphorwood Mansion	Wuxi	205,805	193,694	125,927
Sunac Swan Lake	Wuxi	20,648	13,000	13,000
Above the West Lake	Hangzhou	154,041	68,083	58,929
Sunac In Hangzhou	Hangzhou	154,055	108,374	76,558
Sunac Fuchun Chateau	Hangzhou	167,197	113,493	55,280
Riverside City Ⅰ	Hangzhou	220,617	170,071	123,162
Sunac Riverside City Ⅱ	Hangzhou	256,589	189,091	128,898
Marquis Mansion	Hangzhou	126,765	92,687	62,672
One Park	Wuhan	69,669	68,854	39,740
Total		**10,908,740**	**9,263,419**	**6,899,654**

Properties to be Constructed as at 31 December 2015

Project	Location	Aggregate GFA (sq.m.)	Aggregate saleable GFA (sq.m.)
Wangjing Jinmao Palace	Beijing	12,900	9,800
Glory Chateau	Beijing	44,890	5,035
Chang'an Image	Beijing	189,104	169,084
Sino-Singapore	Jinan	772,946	770,648
Fortune Peak	Jinan	316,149	314,650
B3 Project	Jinan	131,695	127,387
Tianjin Dream of Mansion	Tianjin	45,377	45,260
Sunac Binhai Center	Tianjin	103,201	103,201
R3 Project	Tianjin	447,919	447,919
Bay Island	Tianjin	331,383	299,931
Tiantuo Project	Tianjin	157,300	152,680
Tiantuo North Project	Tianjin	230,900	230,900
The National Village	Tianjin	82,691	82,691
Sunac City	Tianjin	667,171	622,749
Master Classic	Xi'an	52,824	52,673
Xi'an Dream of Mansion	Xi'an	172,038	163,040
Versails	Chongqing	288,313	190,379
Sunac The European Garden for City -West	Chongqing	708,612	500,163
Hastin Avenue	Chongqing	188,256	114,247
The European Garden for City - East	Chongqing	1,674,029	1,211,829
EXPO City	Chongqing	755,626	521,702
Camb Garden	Chongqing	107,186	73,574
Tegangchang Project	Chongqing	502,783	340,852
Sunac Villa Royale	Chengdu	7,055	7,055
Sunac Tianfu Snugger	Chengdu	258,712	240,854
Sunac Dianxin Road Project	Chengdu	91,205	84,100
Sunac Shanghai One Sino Park	Shanghai	44,009	36,066
Sunac Central Garden	Shanghai	139,013	135,072
Rose Mansion	Shanghai	126,100	81,980
Fortune Riverside	Shanghai	98,273	92,610
Huafeng Project	Shanghai	1,115,947	1,010,100
Taohuayuan Project	Nanjing	76,530	48,900
Sunac G87 Project	Nanjing	155,701	133,522
Sunac Magnolia Square	Changzhou	325,638	293,067
Fairy Land	Suzhou	72,033	36,178
Sunac Royal Garden	Yixing	42,106	38,885
Comphorwood Mansion	Wuxi	139,707	116,601
Sunac The Times	Hangzhou	182,592	182,592
Sunac Zhengwu District Project	Hefei	187,149	187,149
One Park	Wuhan	1,105,338	1,086,735
Riyuewan Project	Hainan	558,517	541,791
Total		**12,708,916**	**10,903,649**

Review of 2015

In 2015, the growth in the economy of China continued its downtrend with increasing downside pressure. The economy experienced the pains arising from transformation and upgrading on entering a critical period. During the year, the central government continued to ramp up reforms, eliminated outmoded production capacity and actively cultivated new drives for economic growth. Meanwhile, by stepping up the implementation of monetary policies including cuts in interest rates and reserve requirement ratio to increase the supply of capital in the market to lower the financing costs of the real economy and boost investment and consumption. The effect of the real estate industry in stimulating the economy also received heightened attention from the government, and the government clearly expressed its support for de-stocking and sound development of the real estate industry, and quickly adjusted its past policy of imposing restraints to the policy of offering full support to the industry in most of the cities. Under this backdrop, various changes occurred in the real estate market at the end of 2015: tier 1 cities enjoying a balanced supply and demand or even a shortage of supply took the lead to rebound; and the transaction volume of most tier 2 cities with a balanced supply and demand continued to rise, with significant appreciation in the price of properties. Of course, supply and demand remained the decisive factor for market trends, and the market of most of the tier 3 and tier 4 cities with oversupply was still relatively weak.

The Company has always upheld its regional-based development strategy, and the cities in which it has a presence are core tier 1 and tier 2 cities with a balanced supply and demand, the overall operating results of the Company remained stable in 2015. In 2015, profit attributable to owners of the Company reached RMB3,297.8 million, a year-on-year increase of 2.4%; contracted sales reached RMB68,210 million, a year-on-year increase of 3.6%; interest-based sales reached RMB43,537 million, a year-on-year increase of 10.3%. With results sustaining a stable growth, the financial position of the Company continued to remain sound. As at 31 December 2015, the carrying amount of cash of the Company reached RMB27,058.3 million and net gearing ratio was 75.9%, remaining at a sound level. In addition, the Company grasped the opportunity of opening up of domestic corporate bonds in a timely manner and proactively built and developed domestic financing platforms, and successfully issued RMB6 billion corporate bonds at low costs, most of which were used for replacing previous financing with high costs, and effectively lowering the overall debt cost and enhancing the debt structure of the Company.

Regarding the land market, the return of many peer companies to tier 1 cities and a few core tier 2 cities resulted in heated competition in the land market of these regions and cities, and prices that escalated too rapidly. The Company has always maintained a prudent attitude, and decided to give up some over-priced land lots; while proactively made judgements to get hold of market opportunities to avoid the over-heated open market of tier 1 cities by replenishing quality land lots through acquisition and merger on the one hand, and proactively acquiring reasonably priced land lots in existing tier 2 cities. In 2015, the Company made relatively good breakthroughs in its regional layout, seizing opportunities to establish its presence in cities including Jinan, Nanjing, Chengdu, Xi'an and Wuhan, cities which the Company has been paying attention to and holds a long-term positive view in their prospects. Expanding into these cities has further enhanced the regional layout of the Company, which will lend strong support to the sustainable and stable development of the Company in future. In 2015, the Company acquired 27 land lots, increasing its land bank by 10.15 million sq.m., with all projects located in core tier 1 and tier 2 cities. As at 31 December 2015, the Company had land bank of approximately 27.2 million sq.m., attributable land bank of approximately 18.05 million sq.m. The breakdown of land bank by city is as follows:

Region	Total Land Bank (sq.m.)	Proportion	Attributable Land Bank (sq.m.)	Proportion
Beijing Region (including Jinan)	3,622,383	14%	2,031,545	11%
Tianjin Region (including Xi'an)	5,862,095	22%	3,342,570	19%
Shanghai Region (including Suzhou, Nanjing, Wuxi, Yixing, Changzhou)	5,285,883	19%	4,198,194	23%
Chongqing and Chengdu Region (including Chongqing, Chengdu)	9,234,707	34%	6,513,580	36%
Hangzhou Region (including Hefei)	1,461,326	5%	1,146,555	6%
Hainan	558,517	2%	279,258	2%
Wuhan	1,175,007	4%	540,503	3%
Total	**27,199,918**	**100%**	**18,052,205**	**100%**

BUSINESS REVIEW AND OUTLOOK

Outlook for 2016

In 2016, it is expected that the economy of China will still face greater pressure, both internally and externally. The Company expects that the central government will continue to render support to the economy to maintain its stability through proactive economic reforms, prudent fiscal policies and more accommodating monetary policies. While the possibility of a substantial slide in the economy is slim, a continued slackening in growth is highly probable, and the short-term pains arising from economic transformation and upgrading will continue to linger for a while in the short run. For the real estate industry, the Company considers that for a long period of time in the future, although to a certain extent some regulation may be imposed on individual cities that are overheated, the major tendency of the policy will still be supporting de-stocking and sound development of the industry in general. Further, with an accommodating monetary environment in place, tier 1 and tier 2 cities with a balanced supply and demand will maintain a decent momentum for development. Meanwhile, as the Company always believes, the market will continue with its differentiation, and the market of individual tier 2 cities that have an imbalanced supply and demand but cannot attract population inflow, as well as that of most tier 3 and tier 4 cities, will continue be under greater pressure.

In 2016, the Company expects that approximately 20 brand new projects will be launched for sale, with an expected value of over RMB35 billion, and adding the property inventories that have not yet been launched for sale by the end of 2015 as well as the property inventories to be newly launched from previous projects, the property inventories available for sale in 2016 will worth over RMB130 billion. These properties are all located in approximately 20 core tier 2 cities with a sound market, and such premium inventories available for sale will offer assurance for the Company to achieve a more rapid growth in its sales in 2016.

In 2016, the Company will continue to adhere to focus on its regional development strategy to consolidate the edge of its existing layout: on the one hand, continuing to consolidate the leading position and competitive edge of the Company in Beijing, Tianjin, Shanghai, Chongqing and Hangzhou and advantage; and on the other hand, identifying more development opportunities in newly tapped Guangzhou and Shenzhen regions as well as cities including Nanjing, Jinan and Wuhan. The Company will remain prudent when investing in new projects, and on the premise of definitely securing sufficient cash flow, the Company will also keep a close watch on the open market and make full play of our edge in the merger and acquisition market, so as to acquire a quality land bank at a reasonable price in a sustainable and flexible manner.

In 2016, the Company will also continue to uphold its high-end and elegant strategy, on the one hand, consolidating its existing product production and quality control systems and further improving accessory systems in the industrial parks; and on the other hand, expediting the implementation of the high-end lifestyle value system "Living a Perfect Lifestyle" featuring whole product cycle and whole life cycle, so as to strive to be comprehensive and systematic in shaping its edge in products and services for continuous enhancement of the Group's brand value.

In 2016, the Company will continue to adhere to its mode of operation featuring high turnover, and better its management of cash flow and gearing ratio to achieve the steady development of the Company on the premise of definitely securing sufficient cash flow. Meanwhile, the Company will also continue to take full advantage of the opportunities in the domestic capital market, and develop and enhance domestic financing platforms to further lower the financing cost and enhance the debt structure of the Company.

Financial Review

REVENUE

Revenue of the Group for the year ended 31 December 2015 was substantially generated from sales of residential and commercial properties. Only a minor portion of the Group's revenue was derived from income from property management services and rental of investment properties located in Tianjin.

For the year ended 31 December 2015, the Group remained focused on the development of real estate properties in five main regions of the PRC, namely, Beijing, Tianjin, Shanghai, Chongqing and Hangzhou. In addition, the Group has actively developed new regions including the cities of Chengdu, Xi'an, Jinan, Nanjing and Wuhan to expand its business.

Total revenue of the Group for the year ended 31 December 2015 amounted to RMB23,010.9 million, representing a decrease of 8.2%, as compared with the total revenue of RMB25,072.0 million for the year ended 31 December 2014.

During the year ended 31 December 2015, total income of the subsidiaries, joint ventures and associates of the Group amounted to RMB54,866.9 million (year ended 31 December 2014: RMB57,334.8 million), among which RMB39,111.7 million was attributable to owners of the Company, increased by RMB2,556.2 million from RMB36,555.5 million for the year ended 31 December 2014.

The following table sets forth certain details of the revenues of the Group:

	For the year ended 31 December			
	2015		2014	
	RMB'000	**%**	RMB'000	%
Sales of properties	**22,508,851**	**97.82**	24,708,739	98.55
Property management service income and others	**499,800**	**2.17**	352,623	1.41
Rental income from investment properties	**2,292**	**0.01**	10,597	0.04
Total	**23,010,943**	**100.00**	25,071,959	100.00
Total gross floor area ("GFA") delivered (square meters "sq.m.")	**1,810,917**		1,647,104	
Average selling prices ("ASP") sold (RMB per sq.m.)	**12,430**		15,001	

For the year ended 31 December 2015, the revenue from sales of real estate properties decreased by RMB2,199.9 million or 8.9%, as compared with that for the year ended 31 December 2014, of which total gross floor area delivered increased by 163,813 sq.m. as compared with that for the year ended 31 December 2014. The decrease in revenue from sales of real estate properties was primarily due to the decrease in average selling price of properties sold from RMB15,001 per sq.m. for the year ended 31 December 2014 to RMB12,430 per sq.m. for the year ended 31 December 2015, representing a year-on-year decrease of 17.1%. This is mainly due to the following:

(i) as compared to the figure for the year ended 31 December 2014, for the year ended 31 December 2015 delivered area of properties with higher unit price such as Tianjin Majestic Capital, Beijing West Chateau and Chongqing Asia Pacific Enterprise Valley decreased as these projects were approaching the closure of sales. As a result, sales revenue from such properties accounted for a lower percentage of the Group's total revenue from sales of real estate properties, which in turn dragged down the Group's overall average selling price of properties sold; and

(ii) for the year ended 31 December 2015, revenue from sales of property products with lower unit price (mainly located in Tianjin, Chongqing and Chengdu) accounted for a higher percentage of the Group's total revenue from sales of properties.

COST OF SALES

Cost of sales comprises the costs that the Group incurred in relation to its direct development activities for the properties delivered, as well as costs for property management operations and leasing.

For the year ended 31 December 2015, cost of sales of the Group amounted to RMB20,153.7 million, representing a decrease of RMB576.4 million, or 2.8%, as compared with RMB20,730.1 million for the year ended 31 December 2014. The decrease in cost of sales was mainly attributable to the drop of average cost of sales of the properties sold. As the same reason mentioned in above Revenue section, due to the change of the sales mix for the year ended 31 December 2015, the Group's overall average cost of sales dropped in alignment with the drop of the overall average selling price.

GROSS PROFIT

For the year ended 31 December 2015, the gross profit of the Group amounted to RMB2,857.3 million, representing a decrease of RMB1,484.6 million, as compared with RMB4,341.9 million for the year ended 31 December 2014. Decrease in gross profit was mainly due to the decrease in sales revenue and gross margin of the Group.

Gross margin was at 12.4% for the year ended 31 December 2015 as compared with 17.3% for the year ended 31 December 2014. Excluding the impact of fair value revaluation and impairment provision for properties, gross profit margin of the Group was 19.0% for the year ended 31 December 2015.

Decrease in gross profit margin was mainly attributable to:

(i) as compared to the figure for the year ended 31 December 2014, delivered area of properties with higher gross margin (mainly including Tianjin Majestic Capital, Beijing West Chateau, Chongqing Olympic Garden and Chongqing Asia Pacific Enterprise Valley) for the year ended 31 December 2015 decreased as these projects were approaching the closure of sales. As a result, sales revenue from such properties accounted for a lower percentage of the Group's total revenue from sales of real estate properties, which in turn dragged down the Group's overall average gross margin of properties sold; and

(ii) Due to the fluctuations in the local real estate market, the average selling price of the delivered properties which accounted for a higher percentage of the total revenue during the current year (mainly located in Tianjin and Chongqing) was lower than the expected level.

In addition during the year ended 31 December 2015, gross profit of the subsidiaries, joint ventures and associates of the Group amounted to RMB10,390.7 million, among which RMB6,780.0 million was attributable to owners of the Company. During the year ended 31 December 2014, gross profit of the subsidiaries, joint ventures and associates of the Group amounted to RMB12,874.9 million, among which RMB8,173.5 million was attributable to owners of the Company.

SELLING AND MARKETING COSTS AND ADMINISTRATIVE EXPENSES

Selling and marketing costs of the Group slightly dropped to RMB661.1 million for the year ended 31 December 2015 from RMB697.3 million for the year ended 31 December 2014.

Administrative expenses of the Group increased by RMB94.3 million (or 13.9%) to RMB775.0 million for the year ended 31 December 2015 from RMB680.7 million for the year ended 31 December 2014, primarily attributable to the increase in administrative expenses incurred due to the expansion of business scale and extension of business scope of the Group for the year ended 31 December 2015.

OTHER INCOME AND GAINS

The Group's other income and gains increased by RMB3,091.5 million from RMB1,020.5 million for the year ended 31 December 2014 to RMB4,112.0 million for the year ended 31 December 2015, primarily due to the following:

(i) the gains of RMB2,180.0 million from disposing certain equity interests of the Group's subsidiaries and certain equity interests and debts of the Group's associates; and

(ii) the gains of RMB829.5 million from business combinations and the acquisition of interests in certain joint ventures.

OTHER EXPENSES AND LOSSES

The Group's other expenses and losses increased by RMB145.8 million from RMB119.8 million for the year ended 31 December 2014 to RMB265.6 million for the year ended 31 December 2015, mainly due to the disposal of the Group's subsidiary, namely Wuxi Sunac Greentown Hubin Real Estate Co., Ltd., resulting in a loss of RMB147.8 million.

OPERATING PROFIT

In light of the foregoing, the Group's operating profit increased by RMB1,403.1 million from RMB3,864.5 million for the year ended 31 December 2014 to RMB5,267.6 million for the year ended 31 December 2015, primarily due to:

(i) a decrease of RMB1,484.6 million in gross profit;

(ii) an increase of RMB3,091.5 million in other income and gains and an increase of RMB145.8 million in other expenses and losses; and

(iii) an increase of RMB58.0 million in operating expenses.

FINANCE COSTS

The Group's finance costs increased by RMB1,253.2 million from RMB1,267.4 million for the year ended 31 December 2014 to RMB2,520.6 million for the year ended 31 December 2015, mainly attributable to:

(i) the impact of market exchange rate fluctuation, leading to a significant increase in the Group's foreign exchange net loss from RMB8.3 million for the year ended 31 December 2014 to RMB800.1 million for the year ended 31 December 2015; and

(ii) the increase in expensed interest by RMB421.7 million from RMB1,259.0 million for the year ended 31 December 2014 to RMB1,680.7 million for the year ended 31 December 2015, mainly due to a lower interest capitalisation ratio.

In addition, the Group's total interest cost decreased from RMB3,036.0 million for the year ended 31 December 2014 to RMB2,908.7 million for the year ended 31 December 2015, given that the weighted-average effective interest rate from 9.1% for the year ended 31 December 2014 to 7.6% for the year ended 31 December 2015, of which the weighted-average effective interest rate of new borrowings decreased from 7.6% for the year ended 31 December 2014 to 6.4% for the year ended 31 December 2015. It was a result of the Group's continuous efforts in optimising its debt structure, controlling its cost of refinancing and replacing previous financing with high cost, which led to the continued decrease in weighted-average effective interest rate.

SHARE OF PROFIT OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET

For the year ended 31 December 2015, the Group recognised a share of profit of RMB1,693.2 million from investments accounted for using equity method, a decrease of RMB488.1 million as compared with RMB2,181.3 million for the year ended 31 December 2014. The decrease was due to the revenue from sales of properties developed by joint ventures and associates with higher gross margin (mainly including Beijing Jinmao Residence, Beijing Jinmao Palace and Tianjin Horizon Capital) accounted for a lower percentage of total revenue from sales of properties developed by joint ventures and associates of the Group for the year ended 31 December 2015, leading to a decrease in the overall operating profit of the Group's joint ventures and associates as compared with that of the year ended 31 December 2014.

PROFIT

Benefited from the rapid growth in the sales results and the high quality balanced development in operation scale of the Group, the Group's profit attributable to owners of the Company for the year ended 31 December 2015 increased to RMB3,297.8 million as compared with RMB3,222.1 million for the year ended 31 December 2014.

The following table shows the profit attributable to owners of the Company and non-controlling interests for the respective year indicated:

	For the year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Profit for the year	**3,608,403**	3,232,629
Attributable to:		
Owners of the Company	**3,297,828**	3,222,070
Non-controlling interests	**310,575**	10,559
	3,608,403	3,232,629

Excluding the impact of the gains from acquisition of equity interests, the fair value change of investment properties, exchange losses and impairment provision for properties, the Group's core profit attributable to owners of the Company for the year ended 31 December 2015 decreased by 9.5% to RMB3,377.1 million as compared with RMB3,729.7 million for the year ended 31 December 2014.

CASH POSITION

The Group operates in a capital intensive industry and has historically financed, and expects to continue to finance, its working capital, capital expenditures and other capital requirements through proceeds from the pre-sale and sale of properties, borrowings from commercial banks and other parties, capital contributions from shareholders and new share issuances. The Group's short-term liquidity requirements relate to servicing its debt and meeting its working capital requirements, and the Group's sources of short-term liquidity include cash balances, proceeds from pre-sales and sales of properties and new loans. The Group's long-term liquidity requirements relate to funding the development of its new property projects and repaying its long-term debt, and the Group's sources of long-term liquidity include loans, capital contributions from shareholders and share issuances.

The Group's cash and cash equivalents (including restricted cash) increased by 8.1% to RMB27,058.3 million as at 31 December 2015 from RMB25,041.4 million as at 31 December 2014. The non-restricted cash increased to RMB22,687.3 million as at 31 December 2015 from RMB20,657.3 million as at 31 December 2014.

The increase in non-restricted cash is principally attributable to:

(i) the net cash inflow of RMB15,942.0 million from operating activities benefited from the increase in the proceeds from pre-sale and sale of properties;

(ii) the net cash outflow of RMB12,531.9 million from investing activities, mainly due to increase in new projects in Shanghai, Chengdu, Xi'an, Jinan and Nanjing obtained by the Group, either through direct investment or through acquisition of equity interests of project companies;

(iii) the net cash outflow of RMB1,623.0 million from financing activities, primarily due to the net inflow of RMB5,603.4 million from borrowings and the payment of interest costs, net inflow of RMB45.5 million from the issuance of additional shares upon exercise of options, net outflow of RMB6,287.6 million from trading with non-controlling interests, net outflow of RMB646.4 million from distribution of dividends and net outflow of RMB337.9 million to restricted cash arising from guarantees for borrowings; and

(iv) increase in cash balance of RMB242.8 million due to the impact of fluctuation in exchange rates.

The Group believes that both the Group's current working capital is safe and sound, and the Group has sufficent financial resources business growth in the foreseeable future.

BORROWING AND COLLATERAL

The Group's total borrowings increased by RMB7,414.8 million from RMB34,383.8 million as at 31 December 2014 to RMB41,798.6 million as at 31 December 2015, among which the new issuance of corporate bonds during the year resulted in an increase of RMB5,967.0 million in the balance of borrowings, the change of consolidation scope of the Group resulted in a net increase of RMB2,074.3 million in the balance of borrowings, and exchange rate fluctuation resulted in an increase of RMB1,007.7 million in the balance of borrowings which were denominated in foreign currencies. Excluding the factors as mentioned above, the borrowings balance as at 31 December 2015 decreased by RMB1,634.2 million compared with that as at 31 December 2014.

As at 31 December 2015, an amount of RMB35,785.6 million among the Group's total borrowings (as at 31 December 2014: RMB34,337.8 million) was secured or jointly secured by the Group's properties under development and completed properties held for sale totalling RMB23,841.5 million (as at 31 December 2014: RMB32,182.7 million), and certain equity interests of the Group's subsidiaries (including those legally transferred as collateral).

NET DEBT TO TOTAL ASSETS RATIO, GEARING RATIO AND NET GEARING RATIO

Net debt to total assets ratio is calculated as net debt divided by total assets. Net debt is calculated as total borrowings (including current and long-term borrowings) less cash and cash equivalents (including restricted cash). As at 31 December 2015, the net debt to total assets ratio of the Group was 12.8%, as compared with 8.3% as at 31 December 2014.

Gearing ratio is calculated as net debt divided by total capital. Total capital is calculated as total equity plus net debt. As at 31 December 2015, the gearing ratio of the Group was 43.2%, as compared with 30.8% as at 31 December 2014.

Net gearing ratio is calculated as net debt divided by total equity. As at 31 December 2015, the net gearing ratio of the Group was 75.9%, as compared with 44.5% as at 31 December 2014.

The Group considers that the above financial ratios are still at a healthy, safe and manageable level and will continue to monitor and manage its financial structure and potential risks during its course of development.

MANAGEMENT DISCUSSION AND ANALYSIS

INTEREST RATE RISK

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially unaffected by changes in market interest rates.

The Group's interest rate risk arises principally from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings at fixed rates expose the Group to fair value interest-rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the tables are the liabilities stated at carrying amounts by maturity date.

	As at 31 December 2015 RMB' million	As at 31 December 2014 RMB' million
Floating rates		
Less than 12 months	**5,751**	5,406
1 to 5 years	**12,182**	9,258
Sub-total	**17,933**	14,664
Fixed rates		
Less than 12 months	**8,833**	8,434
1 to 5 years	**15,033**	11,286
Sub-total	**23,866**	19,720
Total	**41,799**	34,384

As at 31 December 2015, the Group did not use any interest rate swaps to hedge its exposure to interest rate risk. The Group carries out monthly monitoring on its interest rate exposure by considering refinancing, renewal of existing positions and alternative financing.

FOREIGN EXCHANGE RISK

The Group conducts its business principally in RMB, since all of the operating entities are based in the PRC. As the Group has some bank deposits denominated in foreign currencies and senior notes and foreign syndicated loans denominated in US dollars or HK dollars, the Group faces foreign exchange risk. Affected by market exchange rate fluctuations, the Group recorded a net loss on foreign exchange of RMB800.1 million for the year ended 31 December 2015 (as at 31 December 2014: RMB8.3 million). However, the Group's operating cash flow and liquidity are not subject to significant effect from fluctuations in exchange rates. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates and subsequent to 31 December 2015, the Group had made certain currency hedging arrangements in response to the risk of fluctuation in foreign exchange rates.

CONTINGENT LIABILITIES

The Group provided guarantees to banks for mortgage facilities granted to certain purchasers of the Group's properties to secure the obligations of such purchasers for repayment of their mortgage loans. As at 31 December 2015, the amount was RMB4,879.8 million as compared with RMB5,090.8 million as at 31 December 2014. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which generally takes place within an average period of six months of the properties delivery date; or (ii) the satisfaction of the mortgage loans by the property purchasers. The Group's guarantee period starts from the dates of grant of the mortgage.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. SUN Hongbin ("Mr. Sun"), aged 53, is the Group's founder, the chairman of the board of directors of the Company (the "Board") and an executive Director. Mr. Sun is responsible for the Group's overall development strategy and final decisions on daily significant operational matters, including land and equity acquisitions and appointments of senior management. Mr. Sun has over 20 years of ample experience in the property sector in the PRC. Mr. Sun started his real estate business in 1994 and has accumulated extensive experience in the management of the real estate activities over years. Mr. Sun obtained a master's degree in engineering from Tsinghua University in the PRC in 1985 and completed an advanced management program at Harvard Business School in the United States in 2000.

Mr. WANG Mengde ("Mr. Wang"), aged 44, is an executive Director and the chief executive officer of the Company. Mr. Wang has over 16 years of experience in the property sector in the PRC. He joined the Group in 2006 and acted as the chief financial officer and the vice president of the Group since then. He has been the executive president of the Group since 2011. Prior to joining the Group, Mr. Wang was the chief operating officer and chief financial officer of Sunco China Holdings Limited ("Sunco China"), a company engaged in the business of property development in the PRC from 2005 to 2006, and the general manager of a subsidiary of Sunco China in East China region from 2003 to 2005. From 1997 to 1999, he worked at Tianjin Samsung Wool Textile Co., Ltd., where he was in charge of corporate finance and accounting management. Mr. Wang graduated from Nankai University in the PRC with a bachelor's degree in auditing in 1997.

Mr. LI Shaozhong ("Mr. Li"), aged 52, is an executive Director and the vice president of the Company. Mr. Li has over 21 years of extensive experience in property development and civil engineering. He joined the Group in December 2003 and acted as the general manager of Tianjin Sunac Ao Cheng Investment Co., Ltd. ("Sunac Ao Cheng") and the vice president of the Group. Mr. Li has accumulated over 21 years of experience and knowledge through holding different positions in real estate companies in the major cities of the PRC such as Shanghai and Tianjin. Mr. Li graduated from the Graduate School of Tianjin University in the PRC with a master's degree in engineering in 1987 and obtained his doctorate degree in management in March 2007.

Mr. CHI Xun ("Mr. Chi"), aged 42, is an executive Director of the Company and the general manager of Sunac Tianjin Company, with over 16 years of experience in real estate development and sales management. He joined the Group in 2004 and held the position of deputy general manager of Tianjin Sunac Zhidi Co., Ltd. ("Sunac Zhidi") from 2004 to 2005. Since 2005, he has been the general manager of Sunac Zhidi. Prior to joining the Group, Mr. Chi worked at various property companies where he was primarily responsible for project development, design and sales. Mr. Chi graduated from Harbin Institute of Technology in the PRC in 1997 with a bachelor's degree in architecture.

Mr. SHANG Yu ("Mr. Shang"), aged 36, is an executive Director of the Company and the general manager of Sunac Chongqing Company. Mr. Shang has over 15 years of experience in the property sector in the PRC. He joined the Group in 2003 and was the deputy general manager of Sunac Ao Cheng and Chongqing Olympic Garden Real Estate from 2003 to 2004. Since 2006 till now, he has become the general manager of Chongqing Olympic Garden Real Estate. Mr. Shang graduated from Tianjin Institute of Urban Construction in the PRC with a bachelor's degree in property development and management in 2001 and then obtained a master's degree in business administration from the China Europe International Business School in 2008.

Mr. JING Hong ("Mr. Jing"), aged 54, is an executive Director of the Company and the general manager of Sunac Beijing Company. Mr. Jing graduated from the Beijing Jiaotong University (previously known as Northern Jiaotong University) in the PRC in 1984 with a bachelor's degree in engineering. From October 2002 to 2006, Mr. Jing served as a vice president of Sunco China. Mr. Jing has extensive experience in real estate development. He joined the Group in January 2007. Since then, he has been the general manager of Beijing Sunac Hengji Real Estate Co., Ltd. and is responsible for overall business operations.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Mr. ZHU Jia ("Mr. Zhu"), aged 53, a non-executive Director of the Company. Mr. Zhu is a Juris Doctorate degree holder from Cornell Law School in the United States and currently a managing director of Bain Capital Asia, LLC. Mr. Zhu has solid and extensive experience in a broad range of cross border mergers and acquisitions as well as international financing transactions involving PRC companies. Before joining Bain Capital Asia, LLC in 2006, he was the chief executive officer of the PRC business of Morgan Stanley Asia Limited. Mr. Zhu is currently a non-executive director of each of Clear Media Limited (stock code: 100) and Greatview Aseptic Packaging Company Limited (stock code: 468), the shares of which are listed on the Main Board of the Stock Exchange. Meanwhile, he is an independent non-executive director of Youku Tudou Inc., a company listed on the New York Stock Exchange. He served as a non-executive director of SinoMedia Holding Limited (stock code: 623) (whose shares are listed on the Main Board of the Stock Exchange) from November 2006 to May 2013 and GOME Electrical Appliances Holding Limited (stock code: 493) (whose shares are listed on the Main Board of the Stock Exchange) from August 2009 to January 2015.

Independent Non-executive Directors

Mr. POON Chiu Kwok ("Mr. Poon"), aged 53, is an independent non-executive Director of the Company. Mr. Poon possesses many years of accounting and relevant financial management experience. He currently serves as an executive director, vice president and company secretary of Huabao International Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 336), and an independent non-executive director of Yuanda China Holdings Limited (stock code: 2789), Changan Minsheng APLL Logistics Co., Ltd., (stock code: 1292), Tonly Electronics Holdings Limited (stock code: 1249), AUX International Holdings Limited (stock code: 2080), TUS International Limited (stock code: 872) and Sany Heavy Equipment International Holdings Company Limited (stock code: 631) respectively, the shares of which are listed on the Main Board of the Stock Exchange. He served as an independent non-executive director of Guangzhou Shipyard International Company Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 317) and the Shanghai Stock Exchange (stock code: 600685) from 31 May 2011 to 8 May 2014 and an independent non-executive director in Ningbo Port Company Limited, whose shares are listed on the Shanghai Stock Exchange (stock code: 601018) from 1 April 2008 to 26 May 2014. Mr. Poon is a Fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel and Professional Development Committee. He is also a Fellow member and Associate Instructor of Hong Kong Securities and Investment Institute. He obtained a master's degree in international accounting, a post-graduate diploma in laws, a bachelor's degree in laws and a bachelor's degree in business studies. Mr. Poon joined the Group in June 2011.

Mr. LI Qin ("Mr. Li"), aged 75, is an independent non-executive Director of the Company. He is also the chairman of the board of supervisors of Legend Holdings Corporation, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3396). Mr. Li has extensive experience in business management, formulation of comprehensive business plans and strategies and their implementation. Mr. Li graduated from Beijing Institute of Mechanical Engineering (北京機械學院) (presently known as the Xi'an University of Technology (西安理工大學)) in the PRC with a bachelor's degree in Automatic Control Engineering in 1965. From 1965 to 1984, Mr. Li worked for the Technological Research Institute of Chinese Academy of Sciences. Since 1985, Mr. Li joined New Technology Development Company (the predecessor of Legend Holdings), He was the co-founder of the company and held the position of executive vice president of Legend Holdings over a long period of time and retired in 2009. From 2001 to December 2007, Mr. Li was also the chairman of the board of directors of Digital China Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 861). Mr. Li joined the Company in August 2009.

Mr. MA Lishan ("Mr. Ma"), aged 64, is an independent non-executive Director of the Company. Mr. Ma graduated from Beijing Foreign Studies University in the PRC in 1975. Mr. Ma has served various senior management positions such as chairman, executive director and general manager in certain large-scale grain, oil and food processing joint ventures under COFCO (Group) Limited (中國糧油食品(集團)有限公司), as well as Great Wall Wine Industrial Company (長城葡萄酒實業公司). Mr. Ma has extensive experience in corporate operation and management. From January 1996, Mr. Ma served as executive director of China Foods Holdings Limited (中國食品集團有限公司) (stock code: 506). From May 1997 to June 2003, Mr. Ma served as executive director and general manager of the company. He was the managing director of COFCO International Limited (now renamed China Foods Limited) between April 2002 and June 2003. In 2000, Mr. Ma served as the deputy general manager of China Foods Import and Export (Group) Co., Ltd. (中國糧油食品進出口(集團)有限公司). Mr. Ma was the deputy chairman of Top Glory International Holdings Limited (鵬利國際集團有限公司) (controlling shareholder of COFCO PROPERTY (GROUP) CO., LTD. from June 2003 to July 2005. Mr. Ma was executive director of Sino Resources Limited from 7 June 2008 to 16 January 2009, whose shares are listed on the Main Board of Stock Exchange (stock code: 223). From May 2008 to present, he is an independent non-executive director of Silver Base Group Holdings Limited whose shares are listed on the Main Board of the Stock Exchange (stock code: 886). From September 2010 to August 2012, he was also the executive director, managing director and chairman of Hao Tian Resources Group Limited (now renamed Hao Tian Development Group Limited), whose shares are listed on the Main Board of the Stock Exchange (stock code: 474). He is the senior consultant in Hao Tian Development Group Limited from August 2012 to present. Mr. Ma joined the Company in August 2009.

Mr. TSE Chi Wai ("Mr. Tse"), aged 48, is an independent non-executive Director of the Company. Mr. Tse graduated from the University of Hong Kong in 1989 with a bachelor's degree in social science studies. Mr. Tse is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tse previously worked for various international accounting firms and listed companies and has extensive experience in auditing, accounting and finance. Mr. Tse has been an executive director of Jih Sun Financial Holding Co., Ltd, the shares of which are listed on the Taiwan Stock Exchange, since 2010. Mr. Tse has also been the chief financial officer, the company secretary and an executive director of China Information Technology Development Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8178) since 2011. Mr. Tse is an independent non-executive director of China Environmental Technology Holdings Limited (stock code: 646) respectively, the shares of which are listed on the Main Board of the Stock Exchange, and an independent non-executive director of Great Waters Holdings Limited (stock code: 8196), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Tse also served as an independent non-executive directors of Greens Holdings Ltd, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1318) from March 2015 to November 2015. Mr. Tse joined the Company in December 2012.

Senior Management

Ms. MA Zhixia ("Ms. Ma"), aged 43, is the executive president and the chief operation officer of the Company and responsible for the overall management of the business operations of the Group. Ms. Ma joined the Group in 2003, and acted as the general manager of Tianjin Sunac Zhidi Co., Ltd. from 2003 to 2005 and the vice president of the Group from 2005 to 2015. She has been the executive president and the chief operation officer of the Group since 2015. Prior to joining the Group, Ms. Ma joined Sunco China in 1998, and acted as the deputy general manager of Tianjin Sunco Construction Company Limited (天津順馳建設有限公司), a subsidiary of Sunco China, from 2000 to 2003. Ms. Ma graduated from Nankai University with a bachelor's degree in economics in 1995.

Mr. HUANG Shuping ("Mr. Huang"), aged 35, is the executive president of the Company and the general manager of the Guangzhou and Shenzhen regional branch. He joined the Group in 2007 and acted successively as a supervisor and the general manager of the capital operations centre, the deputy general manager of the finance management department and the assistant to chief executive officer. He served as the vice president of the Group from 2011 to 2015, and the chief financial officer and Board secretary of the Group from 2012 to 2015. He has been the executive president of the Group since 2015. Prior to joining the Group, Mr. Huang was an assistant to the president of Sunco China with responsibilities in capital management from 2005 to 2007, and a project manager of the assets management department of the Capital Securities Co., Ltd. from 2004 to 2005. Mr. Huang graduated from Xiamen University with a bachelor's degree in economics in 2003 and received a master's degree from the University of Liverpool in finance in 2004.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. CHEN Hengliu ("Mr. Chen"), aged 61, is the vice president of the Company and the chairman of the Hangzhou regional branch. Mr. Chen joined the Group in 2006 and has been the vice president of the Group. Prior to joining the Group, Mr. Chen worked for Lenovo Group Limited, China Sciences Group (Holding) Co., Ltd. (中科實業集團 (控股) 有限公司) and Sina.com. Mr. Chen graduated from Beijing Normal University in 1982 with a bachelor's degree in physics, and graduated from the Post-graduate School of University of Science and Technology of China in 1985 with a master's degree in science.

Mr. TIAN Qiang ("Mr. Tian"), aged 38, is the executive president of the Company and the general manager of the Shanghai regional branch. Mr. Tian joined the Group in 2007 and acted as a deputy general manager of Tianjin Xiangchi Investment Co., Ltd.. In 2007, he held the position of a general manager of Wuxi Sunac Real Estate Co. Ltd.. He has been the general manager of the Shanghai regional branch since 2012, and has been the executive president of the Group since 2015. Prior to joining the Group, Mr. Tian has been a sales manager, deputy general sales manager and general manager between 2002 and 2007 at Sunco China. Mr. Tian graduated from the Tianjin Institute of Urban Construction in 1999 with a bachelor's degree in engineering specializing in construction project management.

Mr. WANG Hongbin ("Mr. Wang"), aged 47, is an executive president of the Company and the chairman of the regional company in Shanghai. Mr. Wang joined the Group in 2004 and has been chiefly responsible for the development of regional projects in Shanghai. He served various positions successively including an executive general manager of Greentown Real Estate Group Co., Ltd., the general manager of Shanghai Greentown Woods Golf Villas Development Co., Ltd., the general manager of Suzhou Greentown Rose Garden Real Estate Development Co., Ltd., the general manager of Suzhou Greentown Yuyuan Real Estate Development Co., Ltd. and the general manger of Shanghai Greentown Plaza Development Co., Ltd. Mr. Wang graduated from Tongji University in 1989 with a bachelor's degree in civil engineering.

Mr. WANG Peng ("Mr. Wang"), aged 34, is the vice president of the Company and the general manager of the Hangzhou regional branch. Mr. Wang joined the Group in 2004, and served as the legal manager of the Group from 2004 to 2008 and the general manager of Tianjin Sunac Business Management Company (天津融創商業管理公司) and Tianjin Sunac Property Management Co. Ltd. from 2009 to 2011. He also acted as the project general manager of Tianjin Sunac Zhidi Co., Ltd. in 2012. He has been the general manager of the Hangzhou Company of the Group since 2013. He has been the vice president of the Group since 2015. Mr. Wang graduated from Tianjin Polytechnic University in 2003 with a bachelor's degree in law.

Ms. CAO Hongling ("Ms. Cao"), aged 40, is the vice president and chief financial officer of the Company. Ms. Cao possesses more than 15 years of experiences in financial management. Since joining the Group in 2007, she has been working in the positions as manager and general manager of the Group's financial management center. Prior to joining the Group, Ms. Cao was a manager of the accounting department of Sunco Real Estate, a subsidiary of Sunco China since 2002 and was appointed as the manager of the financial management department of Sunco China in 2006, a company engaged in the business of property development in the PRC. Ms. Cao graduated from the Tianjin University of Finance & Economics in 1998 with a bachelor's degree in accounting. Ms. Cao is a member of The Chinese Institute of Certified Public Accountants.

Mr. LU Peng ("Mr. Lu"), aged 39, is the vice president of the Company and responsible for project management of the Company and procurement management of the Group. Mr. Lu joined the Company in 2003, and served successively as the deputy general manager of Sunac Zhidi with responsibilities in research and development, the general manager of Chongqing Olympic Garden Real Estate, the general manager of APEV Project, the general manager of Horizon Capital Project in Tianjin and the general manager of TEDA Project in Tianjin. Mr. Lu graduated from the School of Materials of Tianjin University in 1999, majoring in welding technology and equipment.

Ms. XUE Wen ("Ms. Xue"), aged 43, is the vice president of the Company. Ms. Xue joined the Company in 2004, and has been the general manager of the Legal Affairs Department, the Human Resources Department and the Administration and Management Department of the Company. Prior to joining the Company, Ms. Xue served successively as a professional lawyer at China Hualian Law Firm (中國華聯律師事務所) and Ruining Law Firm (瑞寧律師事務所). Ms. Xue graduated from China University of Political science and Law in 1996 with a bachelor's degree in international economic law.

CORPORATE GOVERNANCE REPORT

The Board recognizes the importance of improving transparency to shareholders, rigorous risk management and accountability and is committed to achieving high standards of corporate governance. The Board believes that corporate governance of high standard and great efficiency will bring the Company a better result and reciprocate the shareholders with long term benefits.

Corporate Governance Practices

COMPLIANCE WITH THE 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") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the guidelines for the directors' dealings in the securities of the Company. Following specific enquiries of all Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2015 in relation to their securities dealings, if any.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Listing Rules as its own code on corporate governance and had, throughout the year ended 31 December 2015, complied with all applicable Code Provisions under the Corporate Governance Code, save and except for the deviations from Code Provisions A.2.1 and E.1.2.

Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2015 to 7 September 2015, the roles of the chairman and chief executive officer of the Company were performed by Mr. Sun Hongbin. Although Mr. Sun Hongbin assumed both the roles of chairman and chief executive officer, the divisions of responsibilities between the two roles were clearly defined. The role of the chairman was to monitor the duties and performance of the Board, whereas the role of chief executive officer was to manage the Group's business. The Board believed that at the current stage of development of the Group, vesting the roles of both chairman and chief executive officer in the same person provided the Company with strong and consistent leadership and allowed for effective and efficient planning and implementation of business decisions and strategies. However, for the purpose of achieving better corporate governance, Mr. Sun Hongbin ceased to be the chief executive officer of the Company and Mr. Wang Mengde, being an executive Director of the Company, was appointed as the chief executive officer of the Company with effect from 7 September 2015. With the resignation of Mr. Sun Hongbin and the appointment of Mr. Wang Mengde as the chief executive officer of the Company, the Company has complied with Code Provision A.2.1 under the Corporate Governance Code.

Code Provision E.1.2 provides that the chairman of the Board and the chairmen of all the Board committees should attend the annual general meeting of the Company and be available to answer questions at the meeting. Mr. Sun Hongbin (chairman of the Board and chairman of the Nomination Committee) was unable to attend the Company's annual general meeting held on 19 May 2015 as he had to attend certain business matters in the PRC on the same day. Accordingly, the Company was unable to fully comply with Code Provision E.1.2 of the Corporate Governance Code.

The Board recognizes and appreciates the importance and benefits of good corporate governance and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on the Listing Rules and other statutory requirements. The Company has established an internal reporting practice within the Group in order to monitor the operation and business development of the Company.

CORPORATE GOVERNANCE REPORT

CHANGES OF DIRECTORS AND INFORMATION OF DIRECTORS

Mr. POON Chiu Kwok, independent non-executive Director of the Company, has been appointed on 1 September 2015 and 18 December 2015 as an independent non-executive director of TUS International Limited (stock code: 872) and Sany Heavy Equipment International Holdings Company Limited (stock code: 631) respectively, the shares of the above companies are listed on the Main Board of the Stock Exchange.

Mr. TSE Chi Wai, independent non-executive Director of the Company, has been appointed on 1 November 2015 as an independent non-executive director of Great Waters Holdings Limited (stock code: 8196), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange and ceased to be the independent non-executive director of Greens Holdings Limited (stock code : 1318, listed on the Main Board of the Stock Exchange) on 19 November 2015.

Save as disclosed in this report, there is no Directors' information required to be disclosed in accordance with Rules 13.51(2) and 13.51(B) (1) of the Listing Rules since the publication of the interim report for the period ended 30 June 2015 by the Company.

TRAININGS OF THE DIRECTORS

The Board recognizes and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on the Listing Rules and regulatory requirements. The Company has established an internal reporting practice throughout the Group in monitoring the operation and business development of the Company.

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

The company secretaries of the Company keep and update records of training received by Directors.

For the year ended 31 December 2015, trainings received by each Director are summarized as follows:

Name of Director	Attending seminar(s)/ program(s)/ conference(s) relevant to the business or Directors' duties	Reading materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements
Mr. Sun Hongbin	√	√
Mr. Wang Mengde	√	√
Mr. Li Shaozhong	√	√
Mr. Chi Xun	√	√
Mr. Shang Yu	√	√
Mr. Jing Hong	√	√
Mr. Zhu Jia	√	√
Mr. Poon Chiu Kwok	√	√
Mr. Li Qin	√	√
Mr. Ma Lishan	√	√
Mr. Tse Chi Wai	√	√

The Board

The Board comprises six executive Directors, one non-executive Director and four independent non-executive Directors, assumes the responsibility of leadership and control of the Company, and supervises and approves significant decisions regarding financial performance, strategic development objectives and operations of the Company. The management is delegated with authorities and responsibilities by the Board for the Company's daily operations and businesses management according to the Board's instructions. The Board has established various Board committees and has delegated various duties to the Board committees, including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), and the nomination committee (the "Nomination Committee") of the Company (collectively, the "Board Committees"). All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

CORPORATE GOVERNANCE REPORT

Board Composition

EXECUTIVE DIRECTORS

Mr. Sun Hongbin *(Chairman)*
Mr. Wang Mengde *(Chief Executive Officer)*
Mr. Li Shaozhong
Mr. Chi Xun
Mr. Shang Yu
Mr. Jing Hong

NON-EXECUTIVE DIRECTOR

Mr. Zhu Jia

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Chiu Kwok
Mr. Li Qin
Mr. Ma Lishan
Mr. Tse Chi Wai

There is no relationship (including financial, business, family or other material relationship) between any members of the Board. The Directors' respective biographical information is set out on pages 29 to 31. The present Board members have extensive experience in corporate finance and management both in Hong Kong and the PRC. Mr. Poon Chiu Kwok possesses appropriate expertise in accounting and financial management. The diversified experiences and backgrounds of Directors contribute to good corporate governance and performance of standards by the Group, and in turn generate long-term benefits for shareholders of the Company.

Duirng the year ended 31 December 2015, the Board had met the requirement of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules). The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are considered to be independent pursuant to the Listing Rules.

BOARD MEETINGS

The Board convened four meetings during the year ended 31 December 2015 to discuss corporate strategies, business plans and other significant issues of the Group. Details of the attendance at the Board meetings convened are set out as follows:

Name of Director	Attendance/ Number of meetings held
Executive Directors	
Mr. Sun Hongbin *(Chairman)*	4/4
Mr. Wang Mengde *(Chief Executive Officer)*	4/4
Mr. Li Shaozhong	4/4
Mr. Chi Xun	4/4
Mr. Shang Yu	4/4
Mr. Jing Hong	4/4
Non-executive Director	
Mr. Zhu Jia	4/4
Independent Non-executive Directors	
Mr. Poon Chiu Kwok	4/4
Mr. Li Qin	4/4
Mr. Ma Lishan	4/4
Mr. Tse Chi Wai	4/4

In addition, all members of the Board have approved the following proposals unanimously by way of written resolutions:

- Acquisition of equity interests and debts in target companies from Kaisa Group Holdings Limited ("Kaisa Group"), and the termination of such transaction
- Sale and purchase agreement with Kaisa Group, involving mandatory cash offers which may be triggered as a result of acquiring 2,529,196,133 shares of Kaisa Group, and the termination of such transaction
- Acquisition of 37.855% equity interests and debts in Shanghai Fengdan Lishe Real Estate Development Co., Ltd. ("Shanghai Fengdan")
- Changing of principal place of business in Hong Kong
- Consent Solicitation in respect of (i) 12.5% senior notes due 2017, and (ii) 9.375% senior notes due 2018
- Entering into framework agreement with Greentown China Holdings Limited ("Greentown China")
- Grant of share options pursuant to the share option scheme of the Company

- Acquisitions of entire equity interests and debt in Chengdu Guojia Zhide Zhiye Co., Ltd. ("Chengdu Guojia Zhide")
- Public offering of the first tranche of domestic corporate bonds in the PRC
- Acquisition of 24.29% equity interests and debts in Shanghai Fengdan
- Public offering of the second tranche of domestic corporate bonds in the PRC
- Formation of joint venture and acquisition of equity interest and debts of target companies with Xian Titan Real Estate Group Co., Ltd. ("Xian Titan")
- (1) Change of chief executive officer; (2) change of chief financial officer; and (3) change of joint company secretary of the Company
- Strategic cooperation agreement with Yurun Holdings Group Company Limited ("Yurun Group")
- Acquisition of the entire equity interest and debt in Shanghai Lingwu Investment Management Co., Ltd. ("Shanghai Lingwu")
- Redemption of senior notes due 2017
- Acquisition of 9.4% interest in Shanghai Huafeng Real Estate Development Co., Ltd. ("Shanghai Huafeng")
- Acquisition of 95% equity interests in Suzhou Xinyou Real Estate Co., Ltd. ("Suzhou Xinyou")
- Facility agreement in relation to term loan facilities in an aggregate amount of up to US$460 million
- Further acquisition of 37.855% equity interests and debts in Shanghai Fengdan

Board Committees

The Company has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of the Board Committees has specific written terms of reference which deal clearly with their authority and duties. The chairmen of the Board Committees will report their findings and recommendations to the Board after each meeting.

Audit Committee

The primary duties of the Audit Committee are to review the completeness of the policies and procedures on internal control and the effectiveness of the risk management system of the Company, and to review the financial statements of the Group. The Audit Committee consists of four independent non-executive Directors, namely Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai. Mr. Poon Chiu Kwok acts as the chairman of the Audit Committee. The terms of reference of the Audit Committee have been adopted by the Board on 27 November 2009 and amended on 29 March 2012 and 24 August 2015 respectively, and have been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunac.com.cn). During the year ended 31 December 2015, the Audit Committee convened two meetings in total, and the individual attendance of each member during the period is set out as follows:

Name of Member	Attendance/ Number of meetings held
Mr. Poon Chiu Kwok *(Chairman)*	2/2
Mr. Li Qin	2/2
Mr. Ma Lishan	2/2
Mr. Tse Chi Wai	2/2

At the above meetings, members of the Audit Committee have reviewed the audited annual results of 2014 and reviewed the interim results of 2015 and have discussed with the auditor of the Company about the tasks they performed. The annual results of the Company for the year ended 31 December 2015 have also been reviewed by the Audit Committee.

The Audit Committee has reviewed the remuneration of the auditor for 2015 and has recommended the Board to re-appoint PricewaterhouseCoopers as the auditor of the Company for 2016, subject to approval by the shareholders of the Company at the forthcoming annual general meeting expected to be held on 19 May 2016.

The Audit Committee has been appointed by the Board to perform the corporate governance duties as stipulated in Code Provision D.3.1 of the Corporate Governance Code on the Board meeting held on 28 March 2016.

The work performed by the Audit Committee during 2015 included, among others, the following:

1. reviewed interim and annual consolidated financial statements of the Group;

2. discussed with external auditors;

3. reviewed the 2015 cash flow projections and monitored the Group's overall financial condition;

4. reviewed the appropriateness and effectiveness of the risk management and internal control systems of the Group and made recommendations to the Board on the improvement of internal control, credit control and risk management of the Group;

5. reviewed the adoption of the relevant accounting principles generally accepted and made recommendations to the Board on the adoption of accounting policies; and

6. met with external auditors in the absence of executive Directors and senior management to discuss matters in relation to the audit.

REMUNERATION COMMITTEE

The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration of the Directors and senior management as well as to evaluate and make recommendations on employee benefit arrangements. The terms of reference of the Remuneration Committee has been adopted by the Board on 27 November 2009 and amended on 29 March 2012 and has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunac.com.cn).

The Remuneration Committee comprises one executive Director, namely Mr. Sun Hongbin, and four independent non-executive Directors, namely Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai. Mr. Poon Chiu Kwok acts as the chairman of the Remuneration Committee.

The Remuneration Committee held two meetings during the year ended 31 December 2015, and the individual attendance of each member during the period is set out as follows:

Name of Member	Attendance/ Number of meetings held
Mr. Poon Chiu Kwok *(Chairman)*	2/2
Mr. Sun Hongbin	2/2
Mr. Li Qin	2/2
Mr. Ma Lishan	2/2
Mr. Tse Chi Wai	2/2

The major work performed by the Remuneration Committee in 2015 included reviewing and making recommendation of the Directors' remuneration for the year ending 31 December 2016.

NOMINATION COMMITTEE

The primary duties of the Nomination Committee are to identify and to nominate suitable candidates for Directors and senior management of the Company. Criteria adopted by the Nomination Committee in considering whether the relevant personnel are suitable for Directors include their qualifications, experience, expertise and knowledge as well as provisions of the Listing Rules. The terms of reference of the Nomination Committee has been adopted by the Board on 27 November 2009 and amended on 29 March 2012 and 26 August 2013, and has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunac.com.cn).

The Nomination Committee comprises one executive Director, namely Mr. Sun Hongbin, and three independent non-executive Directors, namely Mr. Poon Chiu Kwok, Mr. Li Qin, and Mr. Ma Lishan. Mr. Sun Hongbin acts as the chairman of the Nomination Committee.

The work performed by the Nomination Committee during 2015 included the following:

1. identified suitable candidates for directorships and made recommendations to the Board;

2. assessed the independence of independent non-executive Directors; and

3. made recommendations to the Board on the appointment or re-appointment of Directors.

The Nomination Committee has reviewed and recommended to the Board the Board diversity policy ("Board Diversity Policy") and the Board, in the Board meeting held on 25 August 2015, adopted such policy to assess the Board composition. The Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity before making recommendation to the Board.

The Nomination Committee held two meetings during the year ended 31 December 2015, and the individual attendance of each member during the period is set out as follows:

Name of Member	Attendance/ Number of meetings held
Mr. Sun Hongbin *(Chairman)*	2/2
Mr. Poon Chiu Kwok	2/2
Mr. Li Qin	2/2
Mr. Ma Lishan	2/2

ANNUAL REMUNERATION PAYABLE TO THE MEMBERS OF SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the year ended 31 December 2015 is as follows:

Remuneration Bands (RMB)	Number of Individuals
0-1,000,000	3
1,000,001-2,000,000	6
2,000,001-3,000,000	0
3,000,001-4,000,000	0
4,000,001-5,000,000	0
5,000,001-6,000,000	0
6,000,001-7,000,000	0
7,000,001-8,000,000	0
8,000,001-9,000,000	0

AUDITOR'S REMUNERATION

During the year ended 31 December 2015, the remunerations paid or payable to the auditor of the Group, PricewaterhouseCoopers, in respect of its statutory audit services and non-audit services in relation to note issuance are RMB8.8 million and RMB14.6 million, respectively.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2015 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for the period. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group is set out in the section headed "Independent Auditor's Report" on pages 69 to 154 of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company continues to adopt best practices and industry standards for corporate governance, risk management and internal control and draw on our senior management's expertise and experience to facilitate our operations.

The Board is responsible for maintaining effective risk management and internal control systems, and reviews the effectiveness and the operational performance of the Group's risk management and internal control systems to ensure the Group's assets and shareholder's benefit. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system. During the year, the Board conducted a review of the effectiveness of the Group's risk management and internal control systems, and engaged external consultants to evaluate and make recommendations on the risk rearrangement and internal control systems and procedures of the Group. The annual review has considered the adequacy of resources, qualification and experiences of staff of the Company's accounting and financial function, and their training programmes and budget. The Audit Committee and the Board will regularly review the Company's performance and its risk management and internal control systems, further strengthen its internal management and clarify the terms of references of each operating unit, so as to ensure an ordered operation with high efficiency and a rapid response to market conditions.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules and other applicable laws, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure that information disclosure is timely, fair, accurate, truthful and complete, thereby enabling our shareholders, the investors as well as the public to make rational and informed decisions.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to pursue active dialogue with shareholders as well as to provide timely disclosure of information concerning the Company's material developments to its shareholders, investors and other stakeholders. Annual general meeting ("AGM") of the Company serves as an effective forum for communication between the shareholders and the Board. Notice of the AGM together with the meeting materials will be despatched to all shareholders not less than 21 clear days and not less than 20 clear business days before the AGM. As one of the measures to safeguard the shareholders' interests and rights, separate resolutions will be proposed at general meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. In addition, the Company regards the AGM as an important event, and all Directors, the chairmen of all Board Committees, senior management and external auditor will attend the AGM of the Company to address shareholders' inquiries. If the chairmen of the Board, the Audit Committee, the Remuneration Committee or the Nomination Committee fail to attend, the meeting, then other members of each Board Committee will be invited to attend the AGM and answer shareholders' inquiries thereat. All resolutions proposed at general meetings will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunac.com.cn) on the same day of the relevant general meetings.

Mr. Sun Hongbin (chairman of the Board) was unable to attend the AGM held on 19 May 2015 as he had to attend certain business matters in the PRC on the same day.

Mr. Li Shaozhong, Mr. Chi Xun, Mr. Shang Yu and Mr. Jing Hong (executive Directors) were unable to attend the AGM held on 19 May 2015 due to conflicting schedules. Mr. Li Qin and Mr. Ma Lishan (independent non-executive Directors) as well as Mr. Zhu Jia (non-executive Director) were also unable to attend the AGM due to conflicting schedules. However, Mr. Wang Mengde (executive Director) and Mr. Poon Chiu Kwok and Mr. Tse Chi Wai (independent non-executive Directors) attended the 2015 AGM and answered questions from shareholders. Mr. Poon is also the chairman of the Audit Committee, chairman of the Remuneration Committee and member of the Nomination Committee. To promote effective communication, the Company maintains a website at www.sunac.com.cn, where the latest information and updates on its business operation and development, corporate governance practice, contact information of Investor Relations Department and other information are published for the public's access.

Shareholders' Right

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

In accordance with article 58 of the articles of association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to convene such meeting, the requisitionist(s) himself (themselves) may do so 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 GENERAL MEETINGS

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders who wish to propose resolutions may follow article 58 of the articles of association of the Company for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of article 58 are set out above.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department which contact details are as follows:

Investor Relations Department
Sunac China Holdings Limited
10th Floor, Building C7, Magnetic Plaza,
Binshuixi Road, Nankai District
Tianjin
The PRC
Fax: 86-22-23929807
Email: ir@sunac.com.cn

CORPORATE GOVERNANCE REPORT

Joint Company Secretaries

Mr. Huang Shuping resigned as one of the joint company secretaries of the Company and Mr. Gao Xi has been appointed as one of the joint company secretaries of the Company since 7 September 2015.

The Company engages Ms. Mok Ming Wai, director of KCS Hong Kong Limited, as one of its joint company secretaries since 9 October 2013. Her primary corporate contact person at the Company is Mr. Gao Xi, a joint company secretary and the general manager of the Investor Relations Department. In compliance with Rule 3.29 of the Listing Rules, Mr. Gao and Ms. Mok each has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2015.

Constitutional Documents

There was no change in the Company's constitutional documents during the year ended 31 December 2015.

INVESTOR RELATIONS REPORT

The Company's investor relations team aims to ensure shareholders of the Company (including individual and institutional shareholders), investment institutions and related persons to be provided with comprehensive, identical and timely access to easily understandable information about the Company in a timely manner, so as to enhance investors' understanding and recognition of the Company. On one hand, it enables our shareholders to exercise their rights in an informed manner, hence effectively enhancing shareholders' value. On the other hand, it is an effective channel which allows the shareholders and the investment community (including the Company's potential investors and analysts who publish analysis and reports on the Company's performance) to maintain smooth communications with the Company with an aim to establish a long-term, stable and healthy relationship.

The Company's investor relations team has formulated a well-organized and highly-efficient working system for investor relations so as to ensure that the Company, in compliance with the Listing Rules, conveys the latest information regarding its sales performance, major transactions, business operations and new land acquisition to the capital market in a timely and accurate manner. It also publishes as soon as practicable the monthly newsletters, announcements, annual reports, press releases and other information, and maintains close contact with the capital market through various channels including phone calls, conferences, emails and the Company's website, etc..

During the year ended 31 December 2015, the Company's investor relations team proactively organized and participated in a series of activities such as investor meetings and non-deal road shows which were held in Hong Kong, Singapore, Macau, Beijing and Shanghai by securities firms. Meanwhile, it also keeps close ties with the capital market through organizing teleconferences and inviting domestic and foreign investors and analysts to the Group's headquarters and cities where our projects are located to have meetings or on- site visits as well as communication with the Group and the management of various regions and various projects. During the year ended 31 December 2015, the investor relations team organized a total of 417 meetings with investment institutions and analysts and received 159 on-site project visits with investment institutions and analysts.

In the future, the Company's investor relations team will continuously dedicate itself to establishing a highly-efficient communication mechanism between the Company and the capital market, promoting and organizing more investment institutions to establish long-term connections with the Company, which will not only enable the capital market to have an in-depth understanding of the Company, but also enable the Company to understand the requirements of the capital market towards the operations of the Company in a timely manner so as to achieve a win-win situation.

Below are the highlights of some investor relations activities during the year ended 31 December 2015:

Month	Activities	Place
January	China Property Corporate Day	Hong Kong
January	Asia Pacific Property & Financial Conference	Hong Kong
January	Greater China Conference 2015	Shanghai
June	Citi Asia Pacific Property Conference	Hong Kong
November	10th China Investor Conference	Macau
November	CICC Investment Forum (Beijing) 2015	Beijing
November	GS Greater China Summit 2015	Shanghai
December	Asian Property and Financials Corporate Day	Hong Kong
December	Hong Kong/China Property Corporate Day	Hong Kong

REPORT OF THE DIRECTORS

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Group is an integrated residential and commercial property developer with a focus on large-scale, medium to high-end property developments in selected cities in China.

An analysis of the Group's revenue and operating results for the year by principal activities is set out in note 6 to the consolidated financial statements of the Group.

RESULTS

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 of the Group on page 73.

LAND BANK

For the year ended 31 December 2015, the Company acquired 27 land plots in total and increased its land bank by 10.15 million sq.m., with all projects located at tier 1 and core tier 2 cities. An expanded land bank in the main target regions of the Group is indispensable to the Group's future success in property development.

MERGERS AND ACQUISITIONS

On 16 February 2015, (Shanghai Sunac Ruifeng Investment Co., Ltd ("Shanghai Sunac Ruifeng"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with (Beijing Fengdan Investment Management Co., Ltd. ("Beijing Fengdan"), Shenzhen Zhongshan Xingye Trading Co., Ltd. ("Shenzhen Zhongshan"), Shenzhen Hua Shun Digital Technology Co., Ltd. ("Shenzhen HuaShun") and Shenzhen SZITIC Property Development Co., Ltd. ("SZITIC Property") ("vendors") respectively, with respect to the acquisition of an aggregate of 37.855% equity interests and debt in Shanghai Fengdan for a total consideration of RMB1,324,925,000. Pursuant to the equity transfer agreements, Shanghai Sunac Ruifeng has agreed to purchase from the vendors, and the vendors have agreed to sell an aggregate of 37.855% equity interests in Shanghai Fengdan held by the vendors, of which Beijing Fengdan, Shenzhen Zhongshan, Shenzhen Hua Shun and SZITIC Property agreed to sell 12.5%, 5%, 12.5% and 7.855% equity interests in Shanghai Fengdan, respectively. The total consideration payable for the acquisitions is RMB1,324,925,000, including: (i) RMB437,500,000 as the consideration for the acquisition of 12.5% equity interests held by Beijing Fengdan; (ii) RMB175,000,000 as the consideration for the acquisition of 5% equity interests held by Shenzhen Zhongshan; (iii) RMB437,500,000 as the consideration for the acquisition of 12.5% equity interests held by Shenzhen Hua Shun; (iv) RMB274,925,000 as the consideration for the acquisition of 7.855% equity interests held by SZITIC Property.

On 15 May 2015, the Company and Greentown China entered into a framework agreement together with all the underlying documents for the transactions, pursuant to which it is conditionally agreed that the Group would conduct the following proposed transactions with Greentown Group: (a) disposal of 50% equity interests by Shanghai Greentown Forest Golf Villa Development Co., Ltd. ("Shanghai Forest Golf"), and assignment of shareholder's loan by Sunac Zhidi, in Zhejiang Jinying Realty Co., Ltd. ("Zhejiang Jinying") to Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate"); (b) disposal of 45% equity interests in and assignment of shareholder's loan of Beijing Xingye Wanfa Real Estate Development Co., Ltd. ("Beijing Xingye Wanfa") by Beijing Sunac Construction Investment Real Estate Co., Ltd. ("Sunac Construction") to Greentown Real Estate; (c) disposal of the return on investment of 51% equity interests in Shanghai Huazhe Bund Real Estate Co., Ltd. ("Shanghai Huazhe Bund") held by Shanghai Sunac Greentown to Greentown Real Estate; (d) acquisition of 50% equity interests in Shanghai Forest Golf by Sunac Zhidi from Greentown Real Estate; (e) acquisition of 25% equity interests in (Hangzhou Sunac Greentown Real Estate Development Co., Ltd. ("Hangzhou Sunac Greentown") by Zhuo Yue Property from On Centuary Investment Limited ("On Centuary Investment"); (f) development of the Tianjin National Game Village Project on a joint venture basis in the proportion of 49:51 by the Company and Greentown China; (g) acquisition of 50% equity interests in Shanghai Sunac Greentown Investment Holdings Limited ("Shanghai Sunac Greentown") by Shanghai Sunac Real Estate Development Co., Ltd. ("Shanghai Sunac Real Estate") from Greentown Investment; and (h) acquisition of 50% issued share capital of Sunac Greentown Investment Holdings Limited ("SG BVI") by the Company from Greentown China. Pursuant to the framework agreement, (i) Shanghai Forest Golf as vendor shall dispose of and Greentown Real Estate as purchaser shall acquire, 50% equity interests in Zhejiang Jinying at a consideration of RMB200,000,000; and (ii) Sunac Zhidi shall assign and Greentown Real Estate shall acquire the outstanding shareholder's loan in the amount of RMB866,068,429.50 owed by Zhejiang Jinying to Sunac Zhidi at a consideration of RMB679,750,000. The total consideration in the amount of RMB1,062,139,459.50 payable by Greentown Real Estate to Sunac Construction for the disposal of 45% equity interests in Beijing Xingye Wanfa and the outstanding shareholder's loan in the amount of RMB870,765,730 owed by Beijing Xingye Wanfa to Sunac Construction comprises (i) RMB191,373,729.50 for the 45% equity interests in Beijing Xingye Wanfa; and (ii) RMB870,765,730 for the non-interest-bearing shareholder's loan. The total consideration for the transfer of the return on investment of 51% equity interests in Shanghai Huazhe Bund held by Shanghai Sunac Greentown to Greentown Real Estate is RMB1,970,284,911.43. The consideration payable by Sunac Zhidi for the acquisition of 50% equity interests in Shanghai Forest Golf is RMB104,540,000. The consideration payable by Zhou Yue Property for the acquisition of 25% equity interests in Hangzhou Sunac Greentown is US$28,729,000. The Company and Greentown China shall cooperate in the development of the Tianjin National Game Village Project through the Tianjin National Game Village Project Company in the proportion of 49:51 with respect to the 80% equity interests in Tianjin National Game Village Project Company. The remaining 20% equity interests in Tianjin National Game Village Project Company is owned by an independent third party. The total capital commitments to be made by the parties for the development of the Tianjin National Game Village Project are expected not to exceed RMB6,550,000,000, RMB1,400,000,000 of which is expected to be contributed by the aforesaid independent third party, and the remaining amount is expected to be contributed by Sunac Ao Cheng and Greentown Real Estate in the proportion of 49:51. The consideration payable by Shanghai Sunac Real Estate for the acquisition of 50% equity interests in Shanghai Sunac Greentown is RMB1,000,000,000. The consideration payable by the Company for the acquisition of 50% issued share capital in SG BVI is US$1 and approximately RMB1,638,490,610.29 equivalent US dollars.

On 24 July 2015, (i) Ease Success Holdings Limited ("Ease Success"), a wholly-owned subsidiary of the Company, as purchaser, and Marvel Leader Investments Limited ("Marvel Leader"), a wholly-owned subsidiary of C C Land Holdings Limited (C C Land"), as vendor, among others, entered into the first acquisition agreement, pursuant to which Ease Success conditionally agreed to acquire and Marvel Leader conditionally agreed to dispose of the entire issued shares in Joyview Group Limited ("Joyview"), which in turn indirectly owned 80% equity interests in the target company, at a consideration of approximately RMB1,795,009,047.92 and the outstanding shareholder's loan in the aggregate amount of HK$1,215,879,000 (equivalent to approximately RMB960,544,410) owed by Joyview to Marvel Leader as at the date of the first acquisition agreement. The total consideration for the first acquisition is RMB2,755,553,457.92; and (ii) Chongqing Sunac Foundation Real Estate Development Co. Ltd. ("Chongqing Sunac Foundation"), a wholly-owned subsidiary of the Company, as purchaser, and Sichuan Guojia Real Estate Co. Ltd. ("Sichuan Guojia") as vendor, among others, entered into the second acquisition agreement, pursuant to which Chongqing Sunac Foundation conditionally agreed to acquire and Sichuan Guojia conditionally agreed to dispose of 20% equity interests in the target company at a consideration of RMB425,200,000 and the outstanding shareholder's loan and interest accrued thereon in the aggregate amount of RMB24,800,000 owed by the target company to Sichuan Guojia as at the date of the second acquisition agreement. The total consideration for the second acquisition is RMB450,000,000. Accordingly, the total aggregate consideration for the acquisitions amounts to RMB3,205,553,457.92.

On 26 August 2015, Shanghai Sunac Ruifeng Investment Co., Ltd. ("Shanghai Sunac Ruifeng"), an indirect wholly-owned subsidiary of the Company, as purchaser, and China Resources SZITIC Investment Ltd. ("CR SZITIC Investment") and Shenzhen Shenshangzhi Management Co., Ltd. ("SZ Shenshangzhi"), as vendors, entered into the first equity transfer agreement and the second equity transfer agreement, respectively, pursuant to which: (a) Shanghai Sunac Ruifeng agreed to acquire and CR SZITIC Investment agreed to dispose of, (i) 10.29% equity interests in Shanghai Fengdan at a consideration of RMB224,630,700; and (ii) the outstanding shareholder's loan in the amount of RMB17,184,300 owed by Shanghai Fengdan to CR SZITIC Investment, at a total consideration of RMB241,815,000 pursuant to the first equity transfer agreement; and (b) Shanghai Sunac Ruifeng agreed to acquire and SZ Shenshangzhi agreed to dispose of, (i) 14% equity interests in Shanghai Fengdan at a consideration of RMB303,940,000; and (ii) the outstanding shareholder's loan in the amount of RMB25,060,000 owed by Shanghai Fengdan to SZ Shenshangzhi, at a total consideration of RMB329,000,000 pursuant to the second equity transfer agreement. Accordingly, the total consideration for the acquisitions is RMB570,815,000. Upon completion of the acquisitions, Shanghai Sunac Ruifeng's direct equity interests in Shanghai Fengdan will increase from 37.855% to 62.145% and its indirect equity interests in Shanghai Huafeng will increase from 18.9275% to 31.0725%. Shanghai Fengdan will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group, and the remaining 37.855% equity interests in Shanghai Fengdan will continue to be owned by other third parties independent of the Group.

On 2 September 2015, (i) Sunac Ao Cheng; (ii) Sunac Zhidi; (iii) Xian Titan together with other Titan Holding Companies; (iv) the target companies; (v) the other companies; and (vi) the guarantors entered into a cooperative agreement, pursuant to which the parties agreed that Sunac Ao Cheng, a wholly-owned subsidiary of the Company, and Xian Titan shall cooperate to establish a joint venture in Xi'an, the PRC, in which Sunac Ao Cheng will hold 80% equity interest and Xian Titan will hold 20% equity interest. Upon establishment, the joint venture shall (i) acquire the equity interest in the target projects under development in Xi'an for a total consideration of RMB187.9 million; (ii) acquire and develop the projects to be developed in Xi'an; and (iii) cooperate with Xian Titan in the future to acquire and develop the reserve projects in Xi'an. Further, pursuant to the cooperative agreement, Sunac Ao Cheng or its designated company agreed to acquire the 100% equity interest in the projects of Titan Holding Companies located in Jinan, Nanjing and Chengdu for a total consideration of RMB496.17 million. On 30 November 2015, all parties thereto agreed to amend and supplement the cooperative agreement with respect to the acquisition of the target companies in Jinan: the acquisition of 100% equity interest held by Shanghai Titan Technology Investment Development Co. Ltd. ("Shanghai Titan") in Nanjing Titan Technology Investment Development Co., Ltd. ("Nanjing Titan") by Sunac Ao Cheng or its designated company will be terminated, the adjusted consideration for the acquisition of 100% equity interest and debts in Jinan Lihao Properties Co., Ltd. ("Jinan Lihao") from Xian Titan by Shandong Rongjian Properties Co., Ltd. ("Shandong Rongjian") shall be RMB6,111,749.62 and RMB115,048,250.38, respectively; the adjusted consideration for the acquisition of 100% equity interest and debts in Jinan Liyuan Properties Co., Ltd. ("Jinan Liyuan") from Xian Titan by Shandong Rongjian shall be RMB50.1 million and RMBnil, respectively.

On 29 October 2015, Shanghai Sunac Real Estate, a wholly-owned subsidiary of the Company, as purchaser, and Shanghai Yuehua Kangjian Investment Management Co., Ltd ("Shanghai Yuehua"), as vendor, entered into an equity transfer agreement, pursuant to which Shanghai Sunac Real Estate agreed to, or will procure its designated wholly-owned subsidiary to, acquire and Shanghai Yuehua agreed to dispose of, (i) the entire equity interest in Shanghai Lingwu at a consideration of RMB1,112,000,000; and (ii) the outstanding shareholder's loan in the amount of RMB288,000,000 owed by Shanghai Lingwu to Shanghai Yuehua at a consideration of RMB288,000,000. Accordingly, the total consideration for the acquisition is RMB1,400,000,000. As of the date of the relevant announcement, Shanghai Lingwu directly holds 35% equity interests in Shanghai Huaxia Cultural Tourism Development Co., Ltd. ("Shanghai Huaxia"), which in turn directly holds 50% equity interests in Shanghai Huafeng, therefore, the Company will indirectly acquire 17.5% equity interests in Shanghai Huafeng through the acquisition and the Company's indirect equity interests in Shanghai Huafeng will increase from 31.0725% to 48.5725% upon completion of the acquisition.

On 4 January 2016, in view of Shanghai Pudong Development (Group) Company Limited ("Shanghai Pudong Development") proposed acquisition via a separate transaction of a 35% equity interest in Shanghai Huaxia held by (Shanghai Zhongfang Property Development Co., Ltd. ("Shanghai Zhongfang") which includes a 17.5% interest in Shanghai Huafeng, Shanghai Sunac Ruifeng, an indirect wholly-owned subsidiary of the Company, and Shanghai Pudong Development entered into an agreement, pursuant to which (1) Shanghai Sunac Ruifeng shall acquire a 9.4% interest in Shanghai Huafeng out of the aforesaid 17.5% interest at a consideration of RMB752,000,000 and entrust Shanghai Pudong Development to hold the corresponding equity interest on its behalf, and (2) the remaining 8.1% interest in Shanghai Huafeng out of the aforesaid 17.5% interest is owned by Shanghai Pudong Development. Upon completion of the acquisition, the Company will indirectly hold 57.9725% interest in Shanghai Huafeng.

On 13 January 2016, Shanghai Sunac, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Jiangsu Youyi Hesheng Property Development Co., Ltd. ("Jiangsu Youyi") for an aggregate consideration of RMB1,038,234,731, pursuant to which (i) Shanghai Sunac agreed to acquire and Jiangsu Youyi agreed to dispose of, 95% equity interests in Suzhou Xinyou, for a consideration of RMB183,652,145, and (ii) Shanghai Sunac agreed to repay on behalf of Suzhou Xinyou the entire outstanding shareholder's loan in the amount of RMB854,582,586 owed by it to Jiangsu Youyi. Upon completion of the acquisition, Shanghai Sunac will hold 95% equity interests in Suzhou Xinyou with the remaining 5% equity interests in Suzhou Xinyou to be continued to be held by Jiangsu Youyi. Suzhou Xinyou will thus become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

On 15 January 2016, Shanghai Sunac Ruifeng, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with each of the respective vendors with respect to the acquisition of an aggregate of 37.855% equity interests and debts in Shanghai Fengdan for a total aggregate consideration of RMB1,324,925,000, comprising (i) RMB1,173,957,706 as the consideration for the equity interests and (ii) RMB150,967,294 as the outstanding shareholder's loan owed by Shanghai Fengdan to the vendors. Upon completion of the acquisition, the indirect interests of the Company in Shanghai Huafeng will increase from 57.9725% to 76.9%.

On 1 February 2016, the Group entered into agreeements with third parties (the "Sellers"), pursuant to which, the Group agreed to acquire from the Sellers 100% equity interest and debt of Suzhou Der Taihu Bay at the equity consideration of RMB404.46 million and an amount of RMB685.54 million due by Suzhou Der Taihu Bay to the Sellers. The total consideration of which is RMB1,090 million, and 100% equity interest and debt of Suzhou Der Taihu Town at the equity consideration of RMB28.31 million and an amount of RMB51.69 million due by Suzhou Der Taihu Town to the Sellers. The total consideration of which is RMB80 million. Total consideration for the two transactions was RMB1,170 million. Upon completion of the transactions, Suzhou Der Taihu Bay and Suzhou Der Taihu Town will become subsidiaries of the Company.

On 25 February 2016, the Group entered into an equity acquisition agreement with a third party, pursuant to which the Group agreed to acquire 70% equity interest of Zhengzhou Meisheng from the third party at the equity consideration of RMB708.4 million, and an amount of RMB45.52 million due by Zhongmu Meisheng to the seller. The total consideration of which is RMB753.92 million. Upon completion of the transaction, Zhongmu Meisheng will become a subsidiary of the Company.

On 18 March 2016, Shanghai Sunac Property Development Co., Ltd. ("Shanghai Sunac"), a wholly owned subsidiary of the Company, entered into the cooperation agreement with an independent third party Shanghai Moke Real Estate Co., Ltd. ("Shanghai Moke"), pursuant to which, Shanghai Sunac and Shanghai Moke will cooperate in the development of two property projects (the "Target projects") in Shanghai through a new jointly invested project company (the "Project company"). Shanghai Sunac and Shanghai Moke will initially hold 40% and 60% equity interests of the Project company respectively. The Project company will acquire the Target projects from Shanghai Moke at the total consideration of RMB4,031.6 million, which is to be fully financed from Shanghai Sunac and Shanghai Moke on 80%:20% basis in form of shareholders' loans by two equal amount batches, i.e. the total loan amounts to be provided by Shanghai Sunac and Shanghai Moke are RMB3,225.3 million and RMB806.3 million respectively. A 50% of the consideration is to be made within five business days after entering into the cooperation agreement. Within two business days after (i) the expiry of the 270-day period after entering into the cooperation agreement or (ii) within 5 business days before the remaining Target projects have completed the transfer registration (whichever is earlier), the Project company will pay the remaining 50% consideration amount to Shanghai Moke and the Target projects will be transferred to the Project company. Then Shanghai Sunac will acquire an additional 40% equity interest of the Project company from Shanghai Moke at the consideration of RMB40 million plus the interest cost, which is estimated not exceeding RMB72.6 million, being the interest accrued on the payables in the amount of RMB1,612.67 million by Shanghai Sunac in the second shareholder's loan to the Project company, which Shanghai Moke shall receive at an interest rate of 6% per annum for the period commencing from the fifth business day after the date of the cooperation agreement up till the day when Shanghai Sunac has fully paid the second shareholder's loan. In summary, the total investment amount attributable to the Group will be no exceeding RMB3,337.9 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year are set out in note 7 to the consolidated financial statements of the Group.

BORROWINGS

Details of borrowings are set out in note 23 to the consolidated financial statements of the Group.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

As at 31 December 2015, the distributable reserve of the Company amounted to approximately RMB1,121,234,000.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 6 of this annual report.

FINAL DIVIDEND

The Board proposed to declare a final dividend of RMB0.194 per share in cash, approximately RMB660 million in aggregate, for the year ended 31 December 2015, which is expected to be paid on 3 August 2016 to shareholders whose names appear on the register of members of the Company as at 27 May 2016, subject to shareholders' approval in the forthcoming annual general meeting of the Company expected to be held on 19 May 2016 (the "AGM"). The proposed final dividend will be paid in Hong Kong dollars, such amount to be calculated by reference to the central parity rate published by the People's Bank of China for the conversion of RMB to Hong Kong dollars as at 19 May 2016.

There is no arrangement that a Shareholder of the Company has waived or agreed to waive any dividend.

REPORT OF THE DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16 May 2016 to Thursday, 19 May 2016 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on Friday, 13 May 2016.

For the purpose of determining the shareholders' entitlement to the final dividend, the register of members of the Company will also be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016 (both days inclusive), during which period no transfer of shares will be registered. To ensure the entitlement to the final dividend, which will be resolved and voted on at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on Tuesday, 24 May 2016.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, revenue attributable to the largest customer of the Group amounted to approximately 0.5% of the total revenue in the year and the five largest customers of the Group accounted for 1.9% of the Group's revenue in the year.

For the year ended 31 December 2015, purchases attributable to the largest supplier of the Group amounted to approximately 10.4% of the total purchases in the year and the five largest suppliers of the Group accounted for 26.6% of the Group's purchases in the year.

So far as the Board is aware, neither the Directors, their close associates nor any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

EQUITY LINKED AGREEMENTS

Save for the Pre-IPO Share Option Scheme, Post-IPO Share Option Scheme and New Share Option Scheme as set out under the section "Share Option Scheme", as at the year ended 31 December 2015, the Company did not enter into any equity linked agreements.

DEBENTURES ISSUED DURING THE YEAR

The Company did not issue any debentures during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

Details of movements during the year in the share capital of the Company are set out in note 18 to the consolidated financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

EXECUTIVE DIRECTORS

Mr. SUN Hongbin *(Chairman)*
Mr. WANG Mengde *(Chief Executive Officer)*
Mr. LI Shaozhong
Mr. CHI Xun
Mr. SHANG Yu
Mr. JING Hong

NON-EXECUTIVE DIRECTOR

Mr. ZHU Jia

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. POON Chiu Kwok
Mr. LI Qin
Mr. MA Lishan
Mr. TSE Chi Wai

The biographical details of the Directors and senior management are set out under the section "Biographies of Directors and Senior Management."

In accordance with articles 84(1) and 84(2) of the articles of association of the Company, Mr Chi Xun, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai shall retire by rotation, and being eligible, have offered themselves for re-election as Directors at the AGM.

PARTICULARS OF DIRECTORS' SERVICE CONTRACTS

EXECUTIVE DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years. Either party has the right to give not less than three months' written notice to terminate the contract.

Each of the executive Directors is entitled to a salary and bonus payment, allowance and benefits-in-kind, at the discretion of the Board, and social and welfare benefits provided under the relevant PRC laws and regulations. The aggregate amount of annual salary of the six executive Directors is RMB11,357,000.

NON-EXECUTIVE DIRECTOR

The non-executive Director has entered into an appointment letter with the Company for a term of two years. No fees are payable to the non-executive Director under the appointment letter.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of two years. The aggregate amount of annual fees payable to four independent non-executive Directors under the appointment letters is HK$1,200,000.

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers that each of the independent non-executive Directors, namely Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai to be independent.

DIRECTORS' EMOLUMENTS AND (FIVE) HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2015 are set out in note 43(a) to the consolidated financial statements of the Group.

None of the Director waived his/her emoluments nor has agreed to waive his/her emoluments for the year ended 31 December 2015.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as those transactions disclosed in the note of "Related party transactions" to the consolidated financial statements of this Annual Report, no transactions, arrangements or contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2015, none of the Directors of the Company are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Schemes", at no time during the year were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS BY CONTROLLING SHAREHOLDERS AND DIRECTORS

Mr. Sun Hongbin ("Mr. Sun") and Sunac International Investment Holdings Ltd. ("Sunac International") (the "Covenantors") entered into a non-competition deed (the "Deed") dated 9 September 2010 in favor of the Company, pursuant to which each of the Covenantors undertook to the Company (for its own and on behalf of all members of the Group) that he or it may not, and shall use his or its best endeavors to procure that his or its associates will not, directly or indirectly, hold any interest, or be engaged or otherwise involved, whether for profit, reward or otherwise, in any business (the "Restricted Activity") which is in competition with, or is likely to be in competition with, the business carried on by the Group from time to time (the "Business") whether as a shareholder, director, officer, partner, agent, lender, employee, consultant or otherwise, or take any action which interferes with or disrupts, or may interfere with or disrupt, the Business, including, but not limited to, solicitation of any of the customers, suppliers or employees of any member of the Group provided that there shall be no restriction on any of the Covenantors and/or his or its associates holding not more than a 5.26% interest in Sunco Property Holdings Company Limited or a 100% equity interest in APEV Property Management ("APEV Interest") or any shares or other securities in any company which conducts or is engaged in any Restricted Activity (the "Subject Company") if such shares or securities are listed on a stock exchange and the total number of shares held by the Covenantors and/or his or its associates in aggregate does not exceed 5% of the issued share capital of the Subject Company and:

(i) there is a holder (together, where appropriate, with its associates) holding a larger shareholding in the Subject Company than the aggregate shareholding held by the relevant Covenantors and/or his or its associates at all times; and

(ii) the total number of the relevant Covenantors' representatives on the board of directors of the Subject Company is not significantly disproportionate in relation to his or its shareholding in the Subject Company.

The Covenantors further undertake:

(a) not to appoint directly or indirectly any executive director in the Subject Company; and

(b) that if Mr. Sun (through Tianjin Ying Xin Xin Heng Investment Consultancy Limited) decides to dispose of the APEV Interest or if he, it, and/or his or its associates receive any business investment or other business opportunities in relation to the Business (each a "Business Opportunity"), each shall refer any of such Business Opportunities to the Company first on a timely basis, subject to all applicable laws and regulations, and shall give written notice to the Company of the Business Opportunity within seven days for identifying the target company (if relevant) and the nature of the Business Opportunity, the investment or acquisition costs and understanding the details of all information reasonably necessary for the Company to consider whether to pursue the Business Opportunity.

The Deed shall terminate on the earliest of the date on which (i) the Covenantors and/or his or its associates shall cease to hold in aggregate 30 per cent. or more of the entire issued share capital of the Company or otherwise cease to be our controlling shareholder; or (ii) the Shares shall cease to be listed and traded on the Stock Exchange (except for suspension of trading of the Shares on the Stock Exchange due to any reason).

Our independent non-executive Directors have reviewed, for the year ended 31 December 2015, the compliance by the Covenantors with their non-competition undertakings and, in particular, the right of first refusal in relation to the Business Opportunity as provided under the Deed. In this connection, the Covenantors have provided all necessary data, including without limitation, details of any proposed investment constituting the Business Opportunity, to the independent non-executive Directors for their review.

Each Covenantor has undertaken to provide all data necessary for (i) the annual review by the independent non-executive Directors in respect of his or its compliance with the Deed; and (ii) the enforcement of the Deed. Each Covenantor has made an annual declaration on compliance with the Deed for disclosure in this annual report.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2015, certain Directors and their close family members, and companies controlled by certain Directors and/or their close family members entered into transactions with the Group which are disclosed in the note of "Related party transactions" to the consolidated financial statements of the Group. None of these related party transactions constitute as a discloseable connected transaction for the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

During the year ended 31 December 2015, the Group entered into the following transactions with its connected person, the transactions constituted as "connected transactions" for the Company under the Listing Rules, details of which are disclosed as follow:

On 15 May 2015, the Company and Greentown China entered into a framework agreement together with all the underlying documents for the transactions, pursuant to which it is conditionally agreed that the Group would conduct the following proposed transactions with Greentown Group: (a) disposal of 50% equity interests by Shanghai Greentown Forest, and assignment of shareholder's loan by Sunac Zhidi, in Zhejiang Jinying to Greentown Real; (b) disposal of 45% equity interests in and assignment of shareholder's loan of Beijing Xingye Wanfa by Sunac to Greentown Real Estate; (c) disposal of the return on investment of 51% equity interests in Shanghai Huazhe Bund held by Shanghai Sunac Greentown to Greentown Real Estate; (d) acquisition of 50% equity interests in Shanghai Forest Golf by Sunac Zhidi from Greentown Real Estate; (e) acquisition of 25% equity interests in Hangzhou Sunac Greentown by On Centuary Investment; (f) development of the Tianjin National Game Village Project on a joint venture basis in the proportion of 49:51 by the Company and Greentown China; (g) acquisition of 50% equity interests in Shanghai Sunac Greentown by Shanghai Sunac Real Estate from Greentown Investment; and (h) acquisition of 50% issued share capital of Sunac Greentown by the Company from Greentown China. Further details are also disclosed in the section headed "Mergers and Acquisitions" of this report.

As at the date of the Framework Agreement, each of Greentown China, Greentown Real Estate, Greentown Investment and On Centuary Investment is a substantial shareholder of certain subsidiaries of the Company and is therefore a connected person (as defined in the Listing Rules) of the Company at the subsidiary level. Therefore, the Framework Agreement and the transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

For further details, please refer to the announcements of the Company dated 4 May 2015 and 17 May 2015 and the circular of the Company dated 28 June 2015.

SHARE OPTION SCHEMES

The Company adopted the Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme") on 9 September 2010 and the Post-IPO Share Option Scheme (the "Post-IPO Share Option Scheme") on 29 April 2011, which was subsequently being amended, with such amendments being approved and adopted on 17 March 2014. Moreover, the Company has also adopted a new Share Option Scheme ("New Share Option Scheme") on 19 May 2014.

PRE-IPO SHARE OPTION SCHEME

As disclosed in the Company's prospectus dated 24 September 2010, the Company adopted the Pre-IPO Share Option Scheme on 9 September 2010 ("Pre-IPO Option Scheme Adoption Date") and granted a total of 51,080,000 share options in total, being the maximum number of share options that may be granted under the Pre-IPO Share Option Scheme. The purpose of the Pre-IPO Share Option Scheme is to provide an incentive for the employees of the Company, our subsidiaries and associated project companies to work with commitment towards enhancing the value of the Company and its Shares for the benefit of the shareholders of the Company. The principal terms and conditions of the Pre-IPO Share Option Scheme are set out as below:

(a) the exercise price per share is HK$2.784, equivalent to 80% of the final offer price per share in the Company's IPO;

(b) share options offered under the Pre-IPO Share Option Scheme are forbidden to sell within 12 months from the Listing Date;

(c) after listing of the Company, no share options will be offered under the Pre-IPO Share Option Scheme; and

(d) the Pre-IPO Share Options granted to each grantee shall vest in accordance with the following schedule:

Vesting period	**Percentage of the options**
Upon the first anniversary date of the Pre-IPO Option Scheme Adoption Date	30%
Upon the second anniversary date of the Pre-IPO Option Scheme Adoption Date	an additional 30% (i.e. up to 60%)
Upon the third anniversary date of the Pre-IPO Option Scheme Adoption Date	an additional 40% (i.e. up to 100%)

The Pre-IPO Share Options, once vested, shall be exercisable within a period of three years from the first anniversary of the Pre-IPO Share Option Scheme Adoption Date.

As at the date of this annual report, options to subscribe for an aggregate of 51,080,000 Shares, have been conditionally granted to 121 grantees, for nominal consideration of HK$1.00 paid by each grantee, under the Pre-IPO Share Option Scheme. The exercise price per Share shall be equal to HK$2.784, being 80% of the offer price of the Company's Shares in the initial public offering.

No further options can be offered or granted under the Pre-IPO Share Option Scheme upon the completion of the global offering, and none of the share options previously granted under the Pre-IPO Share Option Scheme was outstanding at the beginning and at the end of the financial year end 31 December 2015.

During financial year ended 31 December 2015, no share options were exercised, cancelled nor lapsed under the Pre-IPO Share Option Scheme.

POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was approved and adopted by the shareholders of the Company at the annual general meeting held on 29 April 2011 (the "Post-IPO Share Option Scheme Adoption Date"), the purpose of which is to motivate the employees of the Company and its subsidiaries to diligently enhance the value of the Company and its shares for the benefit of all its shareholders, and to attract and retain the valuable employees who would make a contribution and be or may be beneficial to the growth and development of the Company. All the shareholders of the Company approved and adopted amendments to the Post-IPO Share Option Scheme at the extraordinary general meeting held on 17 March 2014, the amended principal terms and conditions of the Post-IPO Share Option Scheme are set out as follows:

(a) the maximum number of shares in respect of the share options that may be granted (the "Post-IPO Share Options") shall not exceed 99,900,000 shares, or 3.33% of the total issued shares as at the Post-IPO Share Option Scheme Adoption Date;

(b) the total number of shares issued or to be issued upon exercise of the Post-IPO Share Options granted and to be granted to each eligible participant in any 12-month period must not exceed 1% of the total shares in issue, except subject to shareholders' approval;

(c) the Post-IPO Share Option Scheme shall be effective and valid for six years since the Post-IPO Share Option Scheme Adoption Date, unless it is early terminated by any resolution that the Board may make;

(d) the Post-IPO Share Options shall be granted in accordance with the following schedule:

Grant Period		Percentage of the total issued shares as at the Post-IPO Share Option Scheme Approval Date (e.g. 3,000,000,000 shares, the "Total Issued Shares")
The year commencing from the Post-IPO Share Option Scheme Adoption Date	("The 1st Grant Period")	1.33%;
The year commencing from the 1st anniversary of the Post-IPO Share Option Scheme Adoption Date	("The 2nd Grant Period")	1% of the total issued shares plus the Share Options not granted during the 1st Grant Period;
The year commencing from the 2nd anniversary of the Post-IPO Share Option Scheme Adoption Date	("The 3rd Grant Period")	1% of the total issued shares plus the Share Options not granted during the 1st Grant Period and the 2nd Grant Period;

(e) the subscription prices are subject to the absolute discretion of the Board which, however, shall not be lower than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of the offer of the Share Options ("Offer Date"); (ii) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares;

(f) the Share Options granted to each grantee shall vest in accordance with the following schedule:

Vesting Date	Percentage of the Share Options vested/ to be vested on the Vesting Date
(1) The Share Options granted during the 1st Grant Period	
Grant Date	30%
Upon the first anniversary date of the commencement date of the 1st Grant Period	An additional 30% (i.e. up to 60% in total)
Upon the second anniversary date of the commencement date of the 1st Grant Period	An additional 40% (i.e. up to 100% in total)
(2) The Share Options granted during the 2nd Grant Period	
Grant Date	30%
Upon the first anniversary date of the commencement date of the 2nd Grant Period	An additional 30% (i.e. up to 60% in total)
Upon the second anniversary date of the commencement date of the 2nd Grant Period	An additional 40% (i.e. up to 100% in total)
(3) The Share Options granted during the 3rd Grant Period	
Grant Date	30%
Upon the first anniversary date of the commencement date of the 3rd Grant Period	An additional 30% (i.e. up to 60% in total)
Upon the second anniversary date of the commencement date of the 3rd Grant Period	An additional 40% (i.e. up to 100% in total)

The Post-IPO Share Options, once vested, shall be exercisable within a period of six years from the Post-IPO Share Option Scheme Adoption Date or the latest anniversary of the Post-IPO Share Option Scheme Adoption Date.

A Post-IPO Share Option shall be personal to the grantee and shall not be transferable or assignable, and no grantee shall in any way sell, transfer, charge, mortgage any Share Options to any third party, or create any encumbrance or interest in favour of any third party over or in relation to any Share Options (except that the grantee may nominate a nominee, of which the grantee is the sole beneficial owner, in whose name the Shares issued pursuant to the Post-IPO Share Option Scheme may be registered). Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding Share Options or any part thereof to the extent not already exercised.

On 30 September 2011, the Company granted an aggregate of 39,900,000 Share Options under the Post-IPO Share Option Scheme, at an exercise price of HK$1.484 per share. The closing price of the Shares immediately before the date of grant was HK$1.44 per Share.

On 21 May 2012, the Company granted an aggregate of 29,100,000 Share Options under the Post-IPO Share Option Scheme, at an exercise price of HK$2.33 per share. The closing price of the Shares immediately before the date of grant was HK$2.22 per share.

On 2 May 2013, the Company granted an aggregate of 30,900,000 Share Options under the Post-IPO Share Option Scheme, at an exercise price of HK$6.32 per share. The closing price of the Shares immediately before the date of grant was HK$6.26 per share.

Within 5 business days from the relevant Offer Date, each grantee paid the Company HK$1.0 (or its equivalent in RMB) as consideration when accepting the Share Options under the Post-IPO Share Option Scheme.

For the year ended 31 December 2015, changes in Share Options under the Post-IPO Share Option Scheme are as follows:

Name of Grantee	Number of Share Options granted on 30 September 2011 (Note 1)	Number of Share Options granted on 21 May 2012 (Note 2)	Number of Share Options granted on 2 May 2013 (Note 3)	Number of outstanding Share Options as at 1 January 2015	Number of Share Options exercised during 12 months ended 31 December 2015	Number of Share Options cancelled during 12 months ended 31 December 2015	Number of Share Options lapsed during 12 months ended 31 December 2015	Number of outstanding Share Options as at 31 December 2015
Directors								
Mr. Sun Hongbin*	2,600,000	400,000	–	–	–	–	–	–
Mr. Wang Mengde	2,300,000	1,300,000	1,600,000	5,200,000	–	–	–	5,200,000
Mr. Li Shaozhong	2,300,000	1,200,000	1,300,000	4,800,000	–	–	–	4,800,000
Mr. Chi Xun	2,600,000	1,200,000	1,300,000	4,900,000	–	–	–	4,900,000
Mr. Shang Yu	2,300,000	1,200,000	1,300,000	3,650,000	–	–	–	3,650,000
Mr. Jing Hong	2,600,000	1,200,000	1,300,000	4,650,000	–	–	–	4,650,000
Senior management and employees	25,200,000	22,600,000	24,100,000	42,492,624	14,724,294	223,000#	764,000	26,781,330
Total	39,900,000	29,100,000	30,900,000	65,692,624	14,724,294	223,000	764,000	49,981,330

* Mr. Sun Hongbin is also a substantial shareholder of the Company.

\# The exercise price of Share Options cancelled is HK$2.33 per share.

Notes:

1. After amendment was made to the terms of Share Options granted, the exercise period shall be from 30 September 2011 to 28 April 2017, and the Share Options have been vested in accordance with the following vesting dates: (i) 30% of the Share Options shall be vested on the date of grant (i.e. 30 September 2011); (ii) another 30% of the Share Options shall be vested on 29 April 2012; and (iii) the remaining 40% of the Share Options shall be vested on 29 April 2013. The closing price of the Company's shares listed on the Stock Exchange immediately before the date of grant of the Share Options was HK$1.44 per share.

2. After amendment was made to the terms of Share Options granted, the exercise period shall be from 21 May 2012 to 28 April 2018, and the Share Options shall vest in accordance with the following vesting dates: (i) 30% of the Share Options were vested on the date of grant (i.e. 21 May 2012); (ii) another 30% of the Share Options were vested on 29 April 2013; and (iii) the remaining 40% of the Share Options were vested on 29 April 2014. The closing price of the Company's shares listed on the Stock Exchange immediately before the date of grant of the Share Options was HK$2.22 per share.

3. After amendment was made to the terms of Share Options granted, the exercise period shall be from 2 May 2013 to 28 April 2019, and the Share Options shall vest in accordance with the following vesting dates: (i) 30% of the Share Options were vested on the date of grant (i.e. 2 May 2013); (ii) another 30% of the Share Options were vested on 29 April 2014; and (iii) the remaining 40% of the Share Options were vested on 29 April 2015. The closing price of the Company's shares listed on the Stock Exchange immediately before the date of grant of the Share Options was HK$6.26 per share.

The total number of Shares available for issue under the Post-IPO Share Option Scheme is 49,981,330 shares, representing 1.47% of the issued Shares as at the date of this annual report.

For the year ended 31 December 2015, some senior management officers and employees of the Company exercised a total of 5,160,400 Share Options granted on 30 September 2011 pursuant to the Post-IPO Share Option Scheme at the exercise price of HK$1.484 per share. The weighted average closing price of the Shares immediately before the exercise date was HK$8.244 per share.

For the year ended 31 December 2015, the Directors, some senior management officers and employees of the Company exercised a total of 5,212,000 Share Options granted on 21 May 2012 pursuant to the Post-IPO Share Option Scheme at the exercise price of HK$2.33 per share. The weighted average closing price of the Shares immediately before the exercise date was HK$8.204 per share.

For the year ended 31 December 2015, the Directors, some senior management officers and employees of the Company exercised a total of 4,351,894 Share Options granted on 2 May 2013 pursuant to the Post-IPO Share Option Scheme at the exercise price of HK$6.32 per share. The weighted average closing price of the Shares immediately before the exercise date was HK$8.353 per share.

Except for the Directors listed in the table above, none of the grantees under the Post-IPO Share Option Scheme is a connected person of the Group.

NEW SHARE OPTION SCHEME

The New Share Option Scheme was approved and adopted by the shareholders of the Company at the annual general meeting held on 19 May 2014 (the "New Share Option Scheme Adoption Date"), the purpose of which was to motivate the Directors, senior management and employees of the Group to diligently enhance the value of the Company and its shares for the benefit of the shareholders of the Company, and to attract and retain the valuable employees who would make a contribution and be or may be beneficial to the growth and development of the Group. The principal terms and conditions of the New Share Option Scheme are set out as follows:

(a) the maximum number of Shares in respect of the share options that may be granted (the "New Share Options") shall not exceed 166,374,246 Shares, or 5% of the total issued Shares as at the New Share Option Scheme Adoption Date;

(b) The total number of Shares issued or to be issued upon exercise of the New Share Options granted and to be granted to each eligible participant in any 12-month period must not exceed 1% of the total Shares in issue, except subject to shareholders' approval;

(c) the New Share Option Scheme shall be effective and valid for five years since the New Share Option Scheme Adoption Date, unless it is early terminated by any resolution that the Board may make;

(d) the subscription prices are subject to the absolute discretion of the Board which, however, shall not be lower than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of the offer of the New Share Options ("Offer Date"); (ii) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares;

(e) the Share Options granted to grantees shall be vested in accordance with the following schedule:

- 30% of the New Share Options may be exercisable from the Offer Date;
- another 30% of the New Share Options (i.e. up to 60% of total) may be exercisable from the first anniversary day of the Offer Date; and
- another 40% of the New Share Options (i.e. up to 100% of total) may be exercisable from the second anniversary day of the Offer Date;

New Share Options, once vested, shall be exercised within a period of five years from the Offer Date.

New Share Options shall be personal to the grantee and shall not be transferable or assignable, and no grantee shall in any way sell, transfer, charge, mortgage any Share Options to any third party, or create any encumbrance or interest in favour of any third party over or in relation to any Share Options (except that the grantee may appoint a nominee, of which the grantee is the sole beneficial owner, in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding Share Options or any part thereof to the extent not already exercised.

On 5 June 2014, the Company has granted a total of 33,267,000 Share Options under the New Share Option Scheme, at an exercise price of HK$4.07 per share. The closing price of the Shares immediately before the date of grant was HK$3.96 per share.

On 9 July 2015, the Company granted a total 33,267,000 Share Options under the New Share Option Scheme, at an exercise price of HK$7.27 per share. The closing price of the Shares immediately before the date of grant was HK$6.34 per share.

Within 5 business days from the relevant Offer Date, each grantee paid or shall pay the Company HK$1.0 (or its equivalent in RMB) as consideration when accepting the Share Options under the New Share Option Scheme.

For the year ended 31 December 2015, changes in the Share Options under the New Share Option Scheme are set out as follows:

Name of grantee	Number of Share Options granted on 5 June 2014 (Note 1)	Number of Share Options granted on 9 July 2015 (Note 2)	Number of outstanding Share Options as at 1 January 2015	Number of Share Options exercised for the year ended 31 December 2015	Number of Share Options cancelled for the year ended 31 December 2015	Number of Share Options lapsed for the year ended 31 December 2015	Number of outstanding Share Options as at 31 December 2015
Directors							
Mr. Sun Hongbin*	1,300,000	—	1,300,000	—	—	—	1,300,000
Mr. Wang Mengde	1,200,000	1,300,000	1,200,000	—	—	—	2,500,000
Mr. Li Shaozhong	1,100,000	1,100,000	1,100,000	—	—	—	2,200,000
Mr. Chi Xun	1,100,000	1,200,000	1,100,000	—	—	—	2,300,000
Mr. Shang Yu	1,100,000	1,200,000	1,100,000	—	—	—	2,300,000
Mr. Jing Hong	1,100,000	1,200,000	1,100,000	—	—	—	2,300,000
Senior management and employees	26,367,000	27,267,000	24,830,200	2,528,550	1,388,000#	192,000	47,988,650
Total	33,267,000	33,267,000	31,730,200	2,528,550	1,388,000	192,000	60,888,650

* Mr. Sun Hongbin is also a substantial shareholder of the Company.

\# The exercise price of Share Options cancelled is HK$4.07 per share.

Notes:

1. The exercise period is from 5 June 2014 to 4 June 2019, and the Share Options were vested in accordance with the following vesting dates: (i) 30% of the Share Options were vested on the date of grant (i.e. 5 June 2014); (ii) another 30% of the Share Options were vested on 5 June 2015; and (iii) the remaining 40% of the Share Options shall be vested on 5 June 2016. The closing price of the Company's shares listed on the Stock Exchange immediately before the date on which the Share Options were granted was HK$3.96 per share.

2. The exercise period is from 9 July 2015 to 8 July 2020, and the Share Options were vested in accordance with the following vesting dates: (i) 30% of the Share Options were vested and exercisable on the date of grant (i.e. 9 July 2015); (ii) another 30% (i.e. up to 60% in total) of the Share Options shall be vested and exercisable from the 1st anniversary date of the date of grant (i.e. 9 July 2016); and (iii) the remaining 40% of the Share Options (i.e. up to 100% in total) shall be vested and exercisable from the 2nd anniversary date of the date of grant (i.e. 9 July 2017).

The total number of Shares available for issue under the New Share Option Scheme is 60,888,650 Shares, representing 1.79% of the issued Shares as at the date of this annual report.

For the year ended 31 December 2015, the Directors, some senior management officers and employees of the Company exercised a total of 2,528,550 Share Options granted on 5 June 2014 pursuant to the New Share Option Scheme at the exercise price of HK$4.07 per share. The weighted average closing price of the Shares immediately before the exercise date was HK$7.853 per share.

Except for the Directors listed in the table above, none of the grantees under the New Share Option Scheme is a connected person of the Group.

The weighted average fair value of the Share Options granted during the year ended 31 December 2015 determined using the Binomial valuation model was HK$2.23 per Share Option. The significant input into the model included weighted average share price of HK$7.27 at the date of grant, exercise price of HK$7.27, volatility of 44.91%, dividend yield of 2.1%, an expected Share Option life of 3 years and an annual risk-free interest rate of 1.129%. The expected volatility is determined by calculating the historical volatility of the share price of listed companies with similar business as the Group. The expected dividend yield is determined by the Directors based on the expected future performance and dividend policy of the Group. The amortisation of Share Options of RMB47,395,440 was recognised as staff costs in the consolidated income statements.

Save as disclosed herein, during the year ended 31 December 2015, the Company had not adopted other share option schemes. Save as disclosed in this report, no other Share Options were granted, exercised, cancelled or lapsed during the year ended 31 December 2015.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2015, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or 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 were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules, are set out below:

(i) INTERESTS IN SHARES OF THE COMPANY AND/OR ASSOCIATED CORPORATIONS

Name of Director	Nature of Interest	Relevant company (including associated corporations)	Number of shares of the relevant company(1)	Approximate percentage of interest in the relevant company
Mr. Sun Hongbin	Interest in a controlled corporation(2)	The Company	1,589,549,451 (L)	46.76%
	Beneficial interest	The Company	10,090,000 (L)	0.30%
	Beneficial interest	Sunac International(3)	1 (L)	100%
Mr. Jing Hong	Beneficial interest	The Company	650,000 (L)	0.02%
Mr. Wang Mengde	Beneficial interest	The Company	3,300,000 (L)	0.10%

Notes:

(1) The letter "L" denotes the person's long position in such Shares.

(2) Mr. Sun is the beneficial owner of 100% of the issued share capital of Sunac International and is deemed to be interested in the Shares held by Sunac International.

(3) Sunac International is our holding company and therefore an "associated corporation" of the Company within the meaning of Part XV of the SFO.

(ii) INTEREST IN THE UNDERLYING SHARES OF THE COMPANY

Name of Director	Nature of Interest	Number of underlying Shares (Note)	Approximate percentage of interest in the Company
Mr. Sun Hongbin	Beneficial interest	1,300,000	0.04%
Mr. Wang Mengde	Beneficial interest	7,700,000	0.23%
Mr. Li Shaozhong	Beneficial interest	7,000,000	0.21%
Mr. Chi Xun	Beneficial interest	7,200,000	0.21%
Mr. Shang Yu	Beneficial interest	5,950,000	0.18%
Mr. Jing Hong	Beneficial interest	6,950,000	0.20%

Note:

The interests in the underlying Shares are in relation to the Share Options granted under the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme and the New Share Option Scheme (as appropriate).

Save as disclosed herein, as at 31 December 2015, none of the Directors and chief executives of the Company, or their respective associates, had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Company, as at 31 December 2015, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares of the Company:

Name of Shareholder	Nature of Interest/Capacity	Number of Shares or underlying Shares[1]	Approximate percentage of shareholding
Sunac International	Beneficial interest	1,589,549,451 (L)	46.76%

Note:

(1) The letter "L" denotes the person's long position in such Shares.

Save as disclosed herein, as at 31 December 2015, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares of the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the law of Cayman Islands being the jurisdiction in which the Company was incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE OF THE COMPANY

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman's Statement on page 7 of this Annual Report. Description of possible business risks and uncertainties that the Group may be facing can be found in Business Review and Outlook on pages 21 to 22 and the Chairman's Statement on page 7. Also, the interest rate risk and foreign exchange risk of the Group are elaborated in the Management Discussion and Analysis on page 28, and the financial risk management objectives and policies of the Group can be found in Note 3 Financial Risk Management to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2015 are provided in Note 41 to the consolidated financial statements. The Financial Summary and an analysis of the key financial indicators of the Group are provided on page 6 and pages 23 to 28 of this Annual Report, respectively. In addition, a discussion on the Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Directors' Report on page 65, and our relationship with investors is stated in the Investor Relations Report on page 45.

ENVIRONMENTAL PROTECTION

The Company has long considered environmental protection as one of its key priorities. During its business operation, the Company has used its resources prudently, employed reusable and eco-friendly materials and preserved greenery to fulfil its commitment to protect the environment. With reference to the GRI G4 Guidelines (the international standard formulated by the Global Reporting Initiative) as well as the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide, the Company has implemented measures to update its internal control system and strengthen the regulation and control of environmental protection initiatives. The Group is supportive of environmental protection, committed to comply with environmental protection regulations and dedicated to heighten the environmental awareness of its employees. Meanwhile, it also adheres to the principle of recycling and reducing and carries forward various initiatives to green the office, including replacing paper approval by electronic approval printing and copying double-sided, setting up recycling bins, advocating the use of recycled paper and reducing energy consumption by switching off idling lights and electronic appliances. The Company also encourages its shareholders to receive electronic communications through the websites of the Hong Kong Stock Exchange and the Company in order to save paper.

The Group will review its environmental protection activities from time to time and consider the further implementation of measures and practices on environmental protection in the Group's business operations, thereby enhancing environmental sustainability.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Audit Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time, including but not limited to, contract laws and labour laws.

As far as the Company is aware of, the Group has complied with all relevant rules and regulations promulgated by the relevant regulatory bodies to which the Group operates its business in and holds relevant required licences for the conducting of its business. The Group's management must ensure that the conduct of business is in conformity with the applicable laws and regulations.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company provides a fair and safe workplace, promotes diversity to our staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfy needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to develop good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. We reinforce business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

CONDITION OF SPECIFIC OBLIGATIONS TO BE PERFORMED BY THE CONTROLLING SHAREHOLDER UNDER FACILITY AGREEMENTS

Pursuant to Rule 13.18 of the Listing Rules, on 9 June 2014, the Company (as borrower) and its subsidiaries (as guarantors) entered into a facility agreement with, among others, Bank of China Limited Macau Branch, China CITIC Bank International Limited, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited (as lenders) in relation to term loan facilities in an aggregate amount of approximately US$260 million, which subject to the accession by any banks to the facility agreement pursuant to the terms thereunder will be increased to an aggregate amount of not exceeding US$350 million, for a period of three years after the date of the facility agreement. Pursuant to the facility agreement, among other things, upon the occurrence of any event that results in Mr. Sun Hongbin ceasing to, among others, (i) hold, whether directly or indirectly through any person, 30 per cent. or more of the issued ordinary share capital of the Company; (ii) be the single largest shareholder of the Company; (iii) have the management control over the borrower; or (iv) be the chairman of the board of directors of the Company, following the instructions given by the majority lenders, the facility agent may declare the relevant commitment under the facility agreement to be cancelled and/or declare all outstanding loans under the facility agreement, together with accrued interest, and all other amounts accrued under the finance documents (as defined in the facility agreement) to become due and immediately payable by giving prior notice to the Company. If the accelerated repayment of the relevant loan is not made within the prescribed period, an event of default will be deemed to have occurred under the facility agreement.

Pursuant to Rule 13.18 of the Listing Rules, on 2 December 2015, the Company as the borrower and its subsidiaries as the guarantors entered into a facility agreement (the "Facility Agreement") with, among others, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Ping An Bank Company Limited, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, China Guangfa Bank Co., Ltd. Macau Branch, Luso International Banking Limited as the original lenders (collectively, the "Original Lenders"), and Hang Seng Bank Limited as the facility agent (the "Facility Agent"), pursuant to which term loan facilities (the "Facility") in an aggregate amount of approximately US$277 million, which subject to the accession by any other banks to the Facility Agreement pursuant to the terms thereunder will be increased to an aggregate amount of not exceeding US$460 million, have been granted to the Company for a period of 36 months from the date of the Facility Agreement. Pursuant to the Facility Agreement, among other things, upon the occurrence of any event that results in Mr. Sun Hongbin (the "Controlling Shareholder") ceasing to (i) hold, whether directly or indirectly through any person, beneficially 30 per cent. or more of the issued share capital of the Company or hold beneficially issued share capital having the right to cast at least 30 per cent. of the votes capable of being cast at general meetings of the Company; (ii) be the single largest shareholder of the Company; (iii) have the management control over the Company; or (iv) be the chairman of the board of directors of the Company, following the instructions given by the majority lenders, the Facility Agent will declare the relevant commitment under the Facility Agreement to be cancelled and/or declare all outstanding loans under the Facility Agreement, together with accrued interest, and all other amounts accrued under the Finance Documents (as defined in the Facility Agreement) to become due and immediately payable by giving prior notice to the Company. If the accelerated repayment of the relevant loan is not made within the prescribed period, an event of default will be deemed to have occurred under the Facility Agreement.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2015, the Group had a total of 8,271 employees in Hong Kong and the PRC. For the year ended 31 December 2015, the staff cost of the Group was approximately RMB616.7 million.

The employees' remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal once every year for its employees, the results of which are applied in annual salary review and promotion assessment. The Group's employees are considered for the entitlement of annual bonus according to certain performance conditions and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations. Insurance and mandatory provident fund schemes are also maintained for its Hong Kong staff.

In order to attract and retain excellent talents, the Company adopted the Pre-IPO Share Option Scheme on 9 September 2010 and the Post-IPO Share Option Scheme on 29 April 2011, and Share Options were granted on 30 September 2011, 21 May 2012 and 2 May 2013, and the New Share Option Scheme was adopted at the annual general meeting held on 19 May 2014 for granting Share Options to eligible persons (including employees of the Group) entitling them the right to subscribe for shares of the Company, details of which are disclosed on pages 56 to 63 of this report. Furthermore, the Group also provides continuous learning and training programmes to its employees to enhance their skills and knowledge, so as to maintain their competitiveness. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the year ended 31 December 2015.

The emoluments of the Directors are firstly reviewed by the Remuneration Committee and then approved by the Board, having regard to the Directors' skill, knowledge, involvement in the Group's affairs and the performance of each Director, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, all directors or other key officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur arising from or incidental to the execution of their duties. The Company has taken out liability insurance for directors and senior officers over the years, which provides the directors and officers of the Group with indemnity assurance in respect of the their potential liabilities arising from the Group's business activities.

SUBSEQUENT EVENTS

Details of significant events after 31 December 2015 are set out in note 41 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public.

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the year have been audited by PricewaterhouseCoopers. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor is to be proposed at the forthcoming annual general meeting of the Company.

For and on behalf of the Board
Sunac China Holdings Limited
Sun Hongbin
Chairman

Hong Kong, 28 March 2016

羅兵咸永道

To the shareholders of Sunac China Holdings Limited
(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 71 to 154, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

INDEPENDENT AUDITOR'S REPORT

Opinion

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2016

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	**68,959**	61,815
Investment properties	8	—	239,000
Intangible assets	9	**230,269**	148,905
Investments accounted for using the equity method	10	**15,260,581**	12,048,789
Prepayment for equity investments	15	**4,722,036**	944,991
Deferred income tax assets	11	**1,502,429**	1,451,953
		21,784,274	14,895,453
Current assets			
Properties under development	12	**34,142,659**	35,700,545
Completed properties held for sale	13	**15,727,129**	13,682,451
Trade and other receivables	14	**970,481**	2,474,809
Amounts due from related companies	37(d)	**11,660,049**	17,999,418
Prepayments	15	**4,166,080**	2,568,194
Restricted cash	16	**4,371,010**	4,384,145
Cash and cash equivalents	17	**22,687,280**	20,657,285
		93,724,688	97,466,847
Total assets		**115,508,962**	112,362,300
EQUITY AND LIABILITY			
Equity attributable to owners of the Company			
Share capital	18	**291,329**	289,963
Other reserves	20	**4,104,442**	3,203,001
Retained earnings		**14,609,618**	12,859,974
		19,005,389	16,352,938
Non-controlling interests		**414,781**	4,629,695
Total equity		**19,420,170**	20,982,633

CONSOLIDATED BALANCE SHEET

	Note	2015 RMB'000	2014 RMB'000
		As at 31 December	
Liabilities			
Non-current liabilities			
Borrowings	22	**27,214,240**	20,544,113
Deferred income tax liabilities	11	**4,379,412**	5,886,751
		31,593,652	26,430,864
Current liabilities			
Trade and other payables	21	**10,943,950**	11,615,723
Advanced proceeds from customers		**13,420,386**	12,270,841
Amounts due to related companies	37(d)	**18,212,922**	20,713,919
Current income tax liabilities		**7,333,489**	6,508,638
Borrowings	22	**14,584,393**	13,839,682
		64,495,140	64,948,803
Total liabilities		**96,088,792**	91,379,667
Total equity and liabilities		**115,508,962**	112,362,300

The notes on pages 76 to 154 are an integral part of these consolidated financial statements.

The financial statements on pages 71 to 154 were approved by the Board of Directors on 28 March 2016 and were signed on its behalf.

Sun Hongbin
Director

Wang Mengde
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Note	**2015**	2014
		RMB'000	RMB'000
Revenue	6	**23,010,943**	25,071,959
Cost of sales	23	**(20,153,678)**	(20,730,079)
Gross profit		**2,857,265**	4,341,880
Selling and marketing costs	23	**(661,054)**	(697,299)
Administrative expenses	23	**(775,015)**	(680,743)
Other income and gains	26	**4,111,990**	1,020,451
Other expenses and losses	27	**(265,628)**	(119,817)
Operating profit		**5,267,558**	3,864,472
Finance income	28	**123,521**	123,422
Finance expenses	28	**(2,520,575)**	(1,267,380)
Finance expenses - net	28	**(2,397,054)**	(1,143,958)
Share of post-tax profits of investments accounted for using equity method, net	10	**1,693,207**	2,181,283
Profit before income tax		**4,563,711**	4,901,797
Income tax expenses	29	**(955,308)**	(1,669,168)
Profit for the year		**3,608,403**	3,232,629
Other comprehensive income for the year		**—**	—
Total comprehensive income for the year		**3,608,403**	3,232,629
Profit and total comprehensive income attributable to:			
– Owners of the Company		**3,297,828**	3,222,070
– Non-controlling interests		**310,575**	10,559
		3,608,403	3,232,629
Earnings per share attributable to owners of the Company (expressed in RMB per share):	30		
– Basic earnings per share		**0.97**	0.96
– Diluted earnings per share		**0.96**	0.95

The notes on pages 76 to 154 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the Company					
	Note	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014		285,055	3,113,917	10,206,331	13,605,303	4,606,015	18,211,318
Total comprehensive income		—	—	3,222,070	3,222,070	10,559	3,232,629
Disposal of a subsidiary		—	—	—	—	13,121	13,121
Employees share option schemes:							
– Value of employee services	20, 25	—	35,456	—	35,456	—	35,456
– Proceeds from shares issued	20, 18	4,908	120,882		125,790	—	125,790
Statutory reserve			568,427	(568,427)	—	—	—
Dividends relating to 2013		—	(635,681)		(635,681)	—	(635,681)
		4,908	89,084	(568,427)	(474,435)	13,121	(461,314)
Balance at 31 December 2014		289,963	3,203,001	12,859,974	16,352,938	4,629,695	20,982,633
Total comprehensive income		—	—	**3,297,828**	**3,297,828**	**310,575**	**3,608,403**
Transactions with non-controlling interests	34	—	**(93,853)**	—	**(93,853)**	**(2,556,016)**	**(2,649,869)**
Dividends to non-controlling interests		—	—	—	—	**(1,699,837)**	**(1,699,837)**
Non-controlling interests arising on business combination	35(c)	—	—	—	—	**(30,040)**	**(30,040)**
Disposal of subsidiaries	36(e)	—	—	—	—	**(239,596)**	**(239,596)**
Employees share option schemes:							
– Value of employee services	20, 25	—	**47,395**	—	**47,395**	—	**47,395**
– Proceeds from shares issued	20, 18	**1,366**	**44,129**	—	**45,495**	—	**45,495**
Statutory reserve		—	**1,548,184**	**(1,548,184)**	—	—	—
Dividends relating to 2014	40	—	**(644,414)**	—	**(644,414)**	—	**(644,414)**
		1,366	**901,441**	**(1,548,184)**	**(645,377)**	**(4,525,489)**	**(5,170,866)**
Balance at 31 December 2015		**291,329**	**4,104,442**	**14,609,618**	**19,005,389**	**414,781**	**19,420,170**

The notes on pages 76 to 154 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2015 RMB'000	2014 RMB'000
		Year ended 31 December	
Cash flows from operating activities			
Cash generated from operations	31	**17,670,853**	19,452,340
Income tax paid		**(1,728,822)**	(2,734,976)
Net cash generated from operating activities		**15,942,031**	16,717,364
Cash flows from investing activities			
Cash paid for business combinations, net	35	**(6,491,835)**	—
Disposal of subsidiaries	36	**1,372,011**	(582,419)
Prepayments of consideration for equity acquisitions		**(4,079,258)**	(5,734,526)
Receiving of returned prepayments for equity acquisitions		**2,856,238**	4,789,535
Interest received on prepayments for equity acquisitions		**122,640**	190,333
Proceeds from disposal of an associate	10.2	**191,373**	—
Equity investments in joint ventures and associates		**(2,558,789)**	(3,064,609)
Dividend received from joint ventures		**248,970**	26,667
Loans granted to joint ventures and associates		**(6,448,164)**	(6,065,146)
Loan repayments received from joint ventures and associates		**2,028,725**	1,306,614
Interest received from joint ventures and associates		**65,142**	271,404
Purchases of property, plant and equipment ("PP&E") and intangible assets	7	**(16,133)**	(26,020)
Proceeds from disposals of PP&E		**2,195**	3,184
Proceeds from disposal of investment properties	8	**175,000**	—
Net cash used in investing activities		**(12,531,885)**	(8,884,983)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**45,495**	125,790
Proceeds from issue of senior notes, net		—	2,423,236
Proceeds from issue of corporate bonds	22	**5,964,000**	—
Proceeds from borrowings	22	**28,628,153**	16,762,741
Repayments of borrowings	22	**(26,247,463)**	(13,013,609)
Dividends paid to Company's shareholders	41	**(646,367)**	(635,681)
Dividend paid to non-controlling interests		**(1,713,829)**	—
Loans from non-controlling interests		**631,456**	—
Loan repayments to non-controlling interests		**(2,380,263)**	(1,449,024)
Acquisition of additional interests in subsidiaries	34(b)	**(2,824,927)**	—
Interest paid		**(2,741,312)**	(2,913,717)
Restricted cash guaranteed for bank borrowings		**(337,898)**	(1,882,476)
Net cash used from financing activities		**(1,622,955)**	(582,740)
Net increase in cash and equivalents		**1,787,191**	7,249,641
Cash and cash equivalents at beginning of year		**20,657,285**	13,414,017
Effects of exchange rate difference		**242,804**	(6,373)
Cash and cash equivalents at end of year	17	**22,687,280**	20,657,285

The notes on pages 76 to 154 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 General information

Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in property development and property management services business in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is Landmark Square, 3rd Floor, 64 Earth Close, P.O. Box 30592, Grand Cayman KY1-1203, Cayman Islands. The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 Summary of significant accounting policies

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

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2.1.1 Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's developed properties; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2 Summary of significant accounting policies *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRSs – 2010-2012 Cycle, on HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets' and HKAS 24, 'Related party disclosures'.

Amendments from annual improvements to HKFRSs – 2011-2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'.

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in the segment note. Other than that, the remaining amendments are not material to the Group.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new 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.

2 Summary of significant accounting policies *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

2.1.2 Changes in accounting policy and disclosures *(continued)*

(c) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group, except the following set out below:

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group is assessing the impact of HKAS 15.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 Summary of significant accounting policies *(continued)*

2.2 SUBSIDIARIES

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree 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 at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2 Summary of significant accounting policies *(continued)*

2.2 SUBSIDIARIES *(continued)*

2.2.1 Consolidation *(continued)*

(a) Business combinations (continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint ventures or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statement.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 Summary of significant accounting policies *(continued)*

2.3 ASSOCIATES

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the amount adjacent to "share of profit investments accounted for using equity method" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the income statement.

2 Summary of significant accounting policies *(continued)*

2.4 JOINT ARRANGEMENTS

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

2 Summary of significant accounting policies *(continued)*

2.6 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or expenses'. All other foreign exchange gains and losses are presented in the income statement within 'other gains – net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 Summary of significant accounting policies *(continued)*

2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriately when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Vehicles	5 years
Furniture and office equipment	5 years
Leasehold improvements	Shorter of 5 years or the lease periods

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains - net" in the income statement.

2.8 INVESTMENT PROPERTIES

Investment properties, principally comprising properties that are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related development costs. After initial recognition at cost, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation method such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually at each balance sheet date by independent valuers. Changes in fair values are recorded in the profit or loss as part of a valuation gain or loss in "Other gains - net".

2 Summary of significant accounting policies *(continued)*

2.9 GOODWILL

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.10 LAND USE RIGHTS

All land in the PRC is state-owned and no individual land ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights.

Land use rights which are held for development for sale are inventories and measured at lower of cost and net realisable value.

2.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Summary of significant accounting policies *(continued)*

2.12 FINANCIAL ASSETS

2.12.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, amounts due from related companies, restricted cash and cash and cash equivalent in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

2.12.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 Summary of significant accounting policies *(continued)*

2.13 IMPAIRMENT OF FINANCIAL ASSETS CARRIED AT AMORTIZED COST

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the 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. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the profit or loss.

(b) Assets classified as available-for-sale financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2.14 PROPERTIES UNDER DEVELOPMENT

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and anticipated cost to completion.

Development cost of property comprises construction costs, land use rights cost, capitalised borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

2 Summary of significant accounting policies *(continued)*

2.15 COMPLETED PROPERTIES HELD FOR SALE

Completed properties remaining unsold as at the balance sheet dates are stated at the lower of cost and net realisable value.

Cost comprises development costs 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 applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.16 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.17 CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies *(continued)*

2.20 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.21 BORROWING COSTS

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.22 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 Summary of significant accounting policies *(continued)*

2.22 CURRENT AND DEFERRED INCOME TAX *(continued)*

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Summary of significant accounting policies *(continued)*

2.23 EMPLOYEE BENEFITS

(a) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Retirement benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

2.24 SHARE-BASED PAYMENTS

(a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

2 Summary of significant accounting policies *(continued)*

2.24 SHARE-BASED PAYMENTS *(continued)*

(a) Equity-settled share-based payment transactions *(continued)*

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.25 PROVISIONS

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 Summary of significant accounting policies *(continued)*

2.26 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and recoverability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets as "Advanced proceeds from customers" within current liabilities.

(b) Rental income

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

(c) Property management

Property management services income is recognised when the services are provided, the total amount of revenue and costs arising from provision of the services can be estimated reliably, and it is probable that the economic benefits associated with the transaction will flow in.

(d) Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan or receivables is recognised using the original effective interest rate.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2 Summary of significant accounting policies *(continued)*

2.27 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the year necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

2.28 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the profit or loss on a straight-line basis over the year of the lease.

2.29 DIVIDEND DISTRIBUTION

Dividend distributions to the Company's shareholders is recognised as liabilities in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.30 INSURANCE CONTRACTS

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specific uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers and financial guarantee contracts provided to its related parties as insurance contracts.

The Group assesses at each reporting date whether its guarantee insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flow, the entire deficiency is recognised in the profit or loss.

3 Financial risk management

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB since all of the operating entities are based in the PRC. The foreign currency balances as at 31 December 2015 were primarily related to bank deposits, borrowings and the senior notes denominated in United States dollar ("USD") or Hong Kong dollar ("HKD"). The Group currently does not have a foreign currency hedging policy.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities are as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Assets		
HKD	**262,113**	13,025
USD	**1,896,504**	3,195,901
	2,158,617	3,208,926
Liabilities		
HKD	**176,436**	1,599,828
USD	**18,872,365**	11,457,816
	19,048,801	13,057,644

As at 31 December 2015, if RMB strengthened/weakened by 5% against the HK dollar with all other variables held constant, the post-tax profit for the year would have been RMB4 million lower/higher (2014: RMB60 million higher/lower).

As at 31 December 2015, if RMB strengthened/weakened by 5% against the US dollar with all other variables held constant, the post-tax profit for the year would have been RMB849 million higher/lower (2014: RMB310 million higher/lower).

3 Financial risk management *(continued)*

3.1 FINANCIAL RISK FACTORS *(continued)*

(a) Market risk *(continued)*

(ii) Price risk

The Group is not exposed to equity securities price or commodity price risk.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. In 2015, the Group's borrowings were denominated in RMB, HKD and USD. (2014: RMB, USD and HKD).

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the table are the liabilities at carrying amounts, categorised by maturity dates.

RMB million	Floating rates			Fixed rates			Total
	Less than 1 year	1 to 5 years	Sub-total	Less than 1 year	1 to 5 years	Sub-total	
Borrowings							
At 31 December 2015	**5,751**	**12,182**	**17,933**	**8,833**	**15,033**	**23,866**	**41,799**
At 31 December 2014	5,406	9,258	14,664	8,434	11,286	19,720	34,384

As at 31 December 2015, if the interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, the post-tax profit for the year would have been lower/higher by RMB72.2 million (2014: lower/higher by RMB40.5 million) and the capitalised interest for the year would have been higher/lower by RMB69.3 million. (2014: higher/lower by RMB76.2million) respectively.

The Group's management team centrally authorises all loans entered into by operating entities and sets a benchmark interest rate within which the entity management teams can negotiate loans with their local lenders prior to obtaining central approval from the Group management. The interest rate benchmark is reassessed annually by the Group management team.

The Group also analyses its interest rate exposure monthly by considering refinancing, renewal of existing positions and alternative financing.

3 Financial risk management *(continued)*

3.1 FINANCIAL RISK FACTORS *(continued)*

(b) Credit risk

The Group has no significant concentrations of credit risk. The maximum extent of the Group's credit exposure in relation to financial assets is represented by the aggregate balance of cash and cash equivalents, restricted cash, trade and other receivable, amount due from related parties included in the consolidated balance sheets. Cash transactions are limited to high-credit-quality banks. The Group has policies in place to ensure that sales of properties are made to customers with an appropriate financial strength and appropriate percentage of down payment. Credit is granted to customers with sufficient financial strength. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

Certain customers of the Group have arranged bank financing for their purchases of the properties. The Group entities have provided guarantees to secure obligations of such customers for repayments, normally up to the time when the customers obtain the legal certificates of the property ownership. Detailed disclosure of these guarantees is made in Note 33(a).

(c) Liquidity risk

Management aims to maintain sufficient cash to meet funding requirement for operations and monitor rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ending 31 December 2016. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2016 include: (1) proceeds from pre-sales in 2016 is expected to be maintained at the same level as that of 2015; (2) construction payments match receipt of the relevant proceeds from pre-sales; (3) available project loan facility is expected to be no less than that of 2015 and (4) no breach of debt covenants is anticipated in 2016.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include adjusting and further slowing down the construction progress as appropriate to ensure available resources for the development of properties for sale, implementing cost control measures, accelerating sales with more flexible pricing and issuing senior notes. The Group, will base on its assessment of the relevant future costs and benefits, pursue such options as are appropriate. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

Due to the dynamic nature of the underlying businesses, the Group's central treasury department maintains flexibility in funding by its ability to move cash and cash equivalents between different entities through entrusted loan arrangements.

3 Financial risk management *(continued)*

3.1 FINANCIAL RISK FACTORS *(continued)*

(c) Liquidity risk *(continued)*

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

In RMB million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At 31 December 2015				
Borrowings and interest payments	**16,840**	**10,701**	**21,155**	**48,696**
Trade and other payables (Note 21)	**10,272**	—	—	**10,272**
Amounts due to related companies (Note 37(d))	**18,213**	—	—	**18,213**
At 31 December 2014				
Borrowings and interest payments	16,215	6,081	17,559	39,855
Trade and other payables (Note 21)	11,116	—	—	11,116
Amounts due to related companies (Note 37(d))	20,714	—	—	20,714

Note:

– The interest payments on borrowings are calculated based on borrowings held as at 31 December 2015 and 2014 without taking into account future borrowings. Floating-rate interest is estimated using the current interest rate at 31 December 2015 and 2014 respectively.

– Trade and other payables in this analysis do not include the taxes payables and payroll and welfare payables.

3 Financial risk management *(continued)*

3.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents (including restricted cash).

The gearing ratios of the Group as at 31 December 2015 and 2014 were as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Total borrowings (Note 22)	**41,798,633**	34,383,795
Less: Restricted cash (Note 16)	**4,371,010**	(4,384,145)
Cash and cash equivalents (Note 17)	**22,687,280**	(20,657,285)
Net debts	**14,740,343**	9,342,365
Total equity	**19,420,170**	20,982,633
Gearing ratio	**75.9%**	44.5%

The directors of the Company are of the view that the Group's gearing ratio is healthy.

4 Fair value estimation

The carrying value less impairment provisions of trade and other receivables and the nominal value of trade and other payables approximate their fair values due to their short maturities.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. See Note 22 for disclosures of the financial liabilities that are not measured at fair value but fair value disclosures are required.

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(A) PRC CORPORATE INCOME TAXES AND DEFERRED TAXATION

The Group's subsidiaries that operate in the PRC are subject to income tax in the PRC. Significant judgement is required in determining the provision for income tax and withholding tax on undistributed earnings of PRC subsidiaries. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters (including the effect of change in the dividend policies of PRC subsidiaries) is different from the amounts that were initially recorded, such difference is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(B) PRC LAND APPRECIATION TAXES

The Group is subject to land appreciation taxes ("LAT") in numerous jurisdictions. However, since the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these land appreciation taxes based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income taxes and deferred income tax provisions in the years in which such taxes have been finalised with local tax authorities.

5 Critical accounting estimates and judgements *(continued)*

(C) ESTIMATED NET REALIZABLE VALUE OF PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

The Group assesses the carrying amounts of properties under development and completed properties held for sale based on the net realisable value of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates. If the estimated future selling prices had been 5% lower, the Group would have recognised further impairment against properties under development and completed properties held for sale and the net profit for the year ended 31 December 2015 would have decreased by RMB17 million (2014: RMB109 million).

(D) ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of CGUs have been determined based on fair value less costs of disposals calculations method. These calculations require the use of estimates.

6 Segment information

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports. The executive directors assess the performance of property development, property investment business and property management business of the Group respectively. The performance of such operating segments is assessed based on a measure of profit/(loss) before income tax.

Segment assets primarily consist of all assets excluding deferred income tax assets and segment liabilities primarily consist of all liabilities excluding deferred income tax liabilities and current income tax liabilities.

6 Segment information *(continued)*

The analysis of the Group's profit/(loss) before income tax by segment is as follows:

	Year ended 31 December 2015		
	Property development RMB'000	Property management and others RMB'000	Total RMB'000
Total segment revenue	22,511,143	561,416	23,072,559
Inter-segment revenue	—	(61,616)	(61,616)
Revenue from external customers	22,511,143	499,800	23,010,943
Segment gross profit	2,810,857	46,408	2,857,265
Selling and marketing costs	(633,674)	(27,380)	(661,054)
Administrative expenses	(715,095)	(59,920)	(775,015)
Other income and gains	4,109,545	2,445	4,111,990
Other expenses and losses	(258,404)	(7,224)	(265,628)
Finance income	123,521	—	123,521
Finance costs	(2,514,592)	(5,983)	(2,520,575)
Share of profit of investments accounted for using equity method, net	1,693,207	—	1,693,207
Profit/(loss) before income tax	4,615,365	(51,654)	4,563,711

	As at 31 December 2015		
	Property development RMB'000	Property Management and others RMB'000	Total RMB'000
Total segment assets	113,644,985	361,548	114,006,533
Total segment liabilities	83,840,268	535,623	84,375,891

6 Segment information *(continued)*

	Year ended 31 December 2014		
	Property development RMB'000	Property management and others RMB'000	Total RMB'000
Total segment revenue	24,719,336	417,762	25,137,098
Inter-segment revenue	—	(65,139)	(65,139)
Revenue from external customers	24,719,336	352,623	25,071,959
Segment gross profit	4,326,524	15,356	4,341,880
Selling and marketing costs	(671,986)	(25,313)	(697,299)
Administrative expenses	(629,161)	(51,582)	(680,743)
Other income and gains	1,017,918	2,533	1,020,451
Other expenses	(117,859)	(1,958)	(119,817)
Finance income	123,422	—	123,422
Finance costs	(1,267,380)	—	(1,267,380)
Share of profit of investment accounted for using equity method, net	2,181,283	—	2,181,283
Profit/(loss) before income tax	4,962,761	(60,964)	4,901,797

	As at 31 December 2014		
	Property development RMB'000	Property management and others RMB'000	Total RMB'000
Total segment assets	110,725,396	184,951	110,910,347
Total segment liabilities	78,651,367	332,911	78,984,278

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

	31 December 2015 RMB'000	31 December 2014 RMB'000
Total segment assets	**114,006,533**	110,910,347
Deferred income tax assets	**1,502,429**	1,451,953
Total assets per balance sheet	**115,508,962**	112,362,300
Total segment liabilities	**84,375,891**	78,984,278
Deferred income tax liabilities	**4,379,412**	5,886,751
Current income tax liabilities	**7,333,489**	6,508,638
Total liabilities per balance sheet	**96,088,792**	91,379,667

7 Property, plant and equipment

	Vehicles RMB'000	Furniture and office equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2014				
Cost	62,879	31,049	22,331	116,259
Accumulated depreciation	(26,284)	(16,688)	(7,906)	(50,878)
Net book amount	36,595	14,361	14,425	65,381
Year ended 31 December 2014				
At 1 January 2014	36,595	14,361	14,425	65,381
Additions	20,982	1,804	2,837	25,623
Disposal of subsidiaries	(1,118)	(545)	(55)	(1,718)
Disposals	(2,512)	(293)	—	(2,805)
Depreciation charges	(13,389)	(7,182)	(4,095)	(24,666)
At 31 December 2014	40,558	8,145	13,112	61,815
At 31 December 2014				
Cost	72,762	31,387	25,040	129,189
Accumulated depreciation	(32,204)	(23,242)	(11,928)	(67,374)
Net book amount	40,558	8,145	13,112	61,815
Year ended 31 December 2015				
At 1 January 2015	**40,558**	**8,145**	**13,112**	**61,815**
Additions	**5,320**	**4,920**	**5,378**	**15,618**
Acquisition of subsidiaries	**6,462**	**5,130**	**12,470**	**24,062**
Disposal of subsidiaries	**(2,254)**	**(724)**	—	**(2,978)**
Disposals	**(365)**	**(580)**	**(901)**	**(1,846)**
Depreciation charges	**(11,188)**	**(8,934)**	**(7,590)**	**(27,712)**
At 31 December 2015	**38,533**	**7,957**	**22,469**	**68,959**
At 31 December 2015				
Cost	**74,295**	**44,666**	**38,834**	**157,795**
Accumulated depreciation	**(35,762)**	**(36,709)**	**(16,365)**	**(88,836)**
Net book amount	**38,533**	**7,957**	**22,469**	**68,959**

Depreciation expense of RMB4 million (2014: RMB3 million) has been charged to "cost of sales", RMB2 million (2014: RMB1 million) in "selling and marketing costs" and RMB22 million (2014: RMB21 million) in "administrative expenses".

8 Investment properties

Commercial properties and car parks at fair value	**2015** **RMB'000**	2014 RMB'000
Opening balance at 1 January	**239,000**	252,000
Net losses from fair value adjustment	—	(13,000)
Disposals	**(239,000)**	—
Closing balance at 31 December	—	239,000

The Group measures its investment properties at fair value. In February 2015, the Group disposed all investment properties to an independent third party at the price of RMB175 million, resulting in an after tax net loss of RMB81.3 million (Note 27).

9 Intangible assets

	31 December **2015** **RMB'000**	31 December 2014 RMB'000
Goodwill (Note (a))	**228,699**	147,985
Others	**1,570**	920
	230,269	148,905

(A) GOODWILL

	2015 **RMB'000**	2014 RMB'000
At beginning of year	**147,985**	233,694
Acquisition of subsidiaries (Note 35(a))	**80,714**	—
Impairment charges (Note 27)	—	(85,709)
At end of year	**228,699**	147,985

Goodwill was generated from business combination and allocated to each project or a group of projects, which is expected to benefit from the synergies of the combination. Each project or a group of projects is identified as a CGU. Management reviews the business performance and monitors the goodwill on individual CGU basis. The recoverable amount of a CGU is determined based on fair value less costs of disposal calculations. A post-tax discount rate of 14% was used for the analysis of each CGU in the operating entities as at 31 December 2015 (2014: 15%).

There is no individual CGU, for which the carrying amount of goodwill is significant in comparison with the total carrying amount of goodwill. The goodwill mainly attributed to the segment of property development.

10 Investments accounted for using the equity method

The amounts recognised in the balance sheet are as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Joint ventures ("JVs")	10,691,975	7,927,863
Associates	4,568,606	4,120,926
Total	15,260,581	12,048,789

The share of profits/(losses) from investment recognised in the income statement were as follows:

	2015 RMB'000	2014 RMB'000
JVs	1,501,411	1,043,884
Associates	191,796	1,137,399
Total	1,693,207	2,181,283

10.1 INVESTMENTS IN JVs

An analysis of the movement of investments in JVs is as follows:

	2015 RMB'000	2014 RMB'000
At beginning of year	7,927,863	4,925,337
Investments in new JVs (Note (a))	2,225,123	1,985,309
Additional investments in existing JVs	236,000	—
JVs changing to subsidiaries (Note 35)	(1,153,375)	—
Investment in JVs owned by newly acquired subsidiaries (Note 35)	67,840	—
JVs changed from subsidiaries (Note 36)	1,231,459	—
Disposal of interests in a joint venture ("JV")	(49,995)	—
Share of profit of JVs, net	1,501,411	1,043,884
Share of JVs' declared dividends	(1,294,351)	(26,667)
At end of year	10,691,975	7,927,863

10 Investments accounted for using the equity method *(continued)*

10.1 INVESTMENTS IN JVs *(continued)*

Note:

(a) In June 2015, the Group acquired a 51% equity interest of Nanjing Foshouhu Architectural Art Development Co., Ltd. ("Nanjing Foshouhu") at the consideration of RMB77 million. Upon the completion of the acquisition, Nanjing Foshouhu became a JV of the Company, the fair value of the net assets acquired amounted to was RMB131 million and a net gain of RMB54 million was resulted.

According to a new project acquisition plan, the Group targeted to obtain 69% equity interest in a project development company named Wuhan Tazihu Real Estate Co., Ltd. ("Wuhan Tazihu") by equity acquisitions from third parties. As of 31 December 2015, the Group has completed the acquisition of 46% equity interest of Wuhan Tazihu at a consideration of RMB487 million, which lower than the relevant fair value acquired at the transaction date, resulting in a net gain of RMB72 million attributed to the Group, and Wuhan Tazihu has become a JV of the Group.

(b) All joint ventures are non-listed companies. A JV named Summer Sky Investments Limited is incorporated in Hong Kong, all remaining JVs of the Group are incorporated in the PRC.

(c) As at 31 December 2015 and 2014, the Group had interests in the following principal JVs:

Name of JVs	Registered capital (RMB million)	Equity interest % owned by the Group 31 December 2015	31 December 2014	Principal activities
Beijing Franshion Sunac Real Estate Development Co., Ltd.	100	**49%**	49%	Real estate development
Beijing Sunac Hengyu Real Estate Co., Ltd.	2,500	**51%**	51%	Real estate development
Beijing Zhuzong Zhongbang Real Estate Co., Ltd.	1,000	**48%**	48%	Real estate development
Beijing Xiangyuan Da Dao Industrial Co., Ltd.	167	**40%**	40%	Real estate development
*Tianjin Greentown National Game Village Construction and Development Co., Ltd.	2,500	**39.2%**	—	Real estate development
Tianjin TEDA City Development Co., Ltd.	340	**47%**	47%	Real estate development
Shanghai Poly Hongrong Real Estate Co., Ltd.	2,000	**49%**	24.5%	Real estate development
Shanghai Long Xiang Real Estate Development Co., Ltd.	30	**50%**	25%	Real estate development
Hangzhou Wangjiangfu Real Estate Co., Ltd.	650	**50%**	50%	Real estate development
China Energy Conservation Lvjian (Hangzhou) Technology Development Co., Ltd.	600	**65%**	65%	Real estate development
*Wuhan Tazihu Real Estate Co., Ltd.	80	**46%**	—	Real estate development
Summer Sky Investments Co. Ltd.	0	**49%**	49%	Real estate development

* New JVs of the Group acquired in 2015.

10 Investments accounted for using the equity method *(continued)*

10.1 INVESTMENTS IN JVs *(continued)*

(c) *(continued)*

The above table lists the principal JVs of the Group. To give details of other JVs would, in the view of the directors, result in particulars of excessive length.

The Group's control over decisions about the relevant activities requires unanimous consent with other business partners in the JVs in accordance with the JVs' articles of associations.

(d) Summarised financial information of material JVs

Set out below is the summarised financial information for two major JVs.

Summarised balance sheets

	JV - A		JV - B	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Summarised assets and liabilities				
Current assets	**1,767,748**	4,840,497	**3,794,958**	6,733,256
Non-current assets	**97,868**	76,146	**22,620**	24,063
Current liabilities	**1,678,338**	3,290,683	**918,793**	4,828,393
Net assets	**187,278**	1,625,960	**2,898,785**	1,928,926
Included in the above assets and liabilities:				
Cash and cash equivalents	**1,214,027**	775,893	**52,031**	415,489
Financial liabilities, excluding trade and other payables and provisions				
– Current	—	—	—	—
– Non-current	—	—	—	—
Summarised profit or loss and other comprehensive income				
Revenue	**2,725,759**	7,431,265	**5,343,504**	—
Net profit/(loss)	**761,318**	1,617,279	**972,653**	(37,313)
Total comprehensive income	**761,318**	1,617,279	**972,653**	(37,313)
Included in the above profit or loss:				
Depreciation and amortisation	**342**	395	**196**	171
Interest income	**33,451**	14,208	**6,591**	4,280
Interest expense	—	—	—	—
Income tax expense	**439,591**	997,128	**504,108**	(11,944)

The information above reflects the amounts presented in the financial statements of the JVs, adjusted for differences in accounting policies between the Group and the JVs, and not the Company's shares of those amounts.

10 Investments accounted for using the equity method *(continued)*

10.1 INVESTMENTS IN JVs *(continued)*

(e) Reconciliation of summarised financial information

Reconciliation of the above financial information presented to the carrying amount of the Group's interests in the JVs:

	JV - A		JV - B	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Net assets of JVs	**187,278**	1,625,960	**2,898,785**	1,928,926
The Group's equity interest shares	**49%**	49%	**49%**	49%
Carrying amount	**91,766**	796,720	**1,420,405**	945,174

Aggregate information of JVs that are not individually material:

	2015	2014
	RMB'000	RMB'000
Aggregate carrying amount of the Group's interests in these JVs	**9,179,804**	6,185,969
The Group's share of post-tax profits, net	**651,765**	269,701
The Group's shares of total comprehensive income	**651,765**	269,701

As at 31 December 2015, there were no contingent liabilities relating to the Group's interests in the JVs (2014: Nil), except that disclosed in Note 33.

10.2 INVESTMENTS IN ASSOCIATES

An analysis of the movement of equity investments in associates is as follows:

	2015	2014
	RMB'000	RMB'000
At beginning of year	**4,120,926**	2,983,527
Investment in a new associate	**1,593,075**	—
An associate changing to a subsidiary (Note (a), 35)	**(86,975)**	—
Disposal of an associate (Note (a))	**(18,406)**	—
Share of profit of associates, net	**191,796**	1,137,399
Shares of associates' declared dividends	**(1,231,810)**	—
At end of year	**4,568,606**	4,120,926

All associates of the Group are incorporated in the PRC and are non-listed companies. No associate was individually material to the Group for the year.

As at 31 December 2015, there were no contingent liabilities relating to the Group's interests in the associates (2014: Nil), except that disclosed in Note 33.

10 Investments accounted for using the equity method *(continued)*

10.2 INVESTMENTS IN ASSOCIATES *(continued)*

(a) In 2015 the Group completed a series of equity transactions with Greentown China Holdings Limited and its certain subsidiaries ("Greentown Group"), independent third parties of the Company, which included (i) an addition of 50% equity interest of an previously 50% owned associate named Shanghai Forest Golf Villa Development Co., Ltd. ("Shanghai Forest Golf") and (ii) a disposal of a 45% owned associate named Beijing Xingye Wanfa Real Estate Development Co., Ltd. ("Xingye Wanfa").

Details of the above transaction (i) is disclosed in Note 35. For the transaction (ii), on 30 June 2015, the Group disposed its owned 45% equity interest of Beijing Xingye Wanfa at the equity consideration of RMB191.37 million, resulted in a gain of RMB173 million (Note 26).

As at 31 December 2015 and 2014, the Group had interests in the following principal associates:

Name of associates	Registered capital (RMB million)	Equity interest attributable to the Group 31 December 2015	31 December 2014	Principal activities
Beijing Poly Sunac Real Estate Development Co.,Ltd	2,000	**49.5%**	49.5%	Real estate development
Tianjin Poly Sunac Investment Co., Ltd.	2,000	**49%**	49%	Real estate development
Shanghai Fuyuan Binjiang Development Co., Ltd.	1,320	**47%**	—	Real estate development
Shanghai Gezhouba Greentown Sunac Real Estate Co., Ltd.	100	**49%**	24.5%	Real estate development
Wuxi Taihu Greentown Real Estate Co., Ltd.	300	**39%**	19.5%	Real estate development

11 Deferred income tax

	31 December 2015 RMB'000	31 December 2014 RMB'000
Deferred income tax assets (hereafter "DTA"):		
– to be recovered within 12 months	**892,312**	971,309
– to be recovered after more than 12 months	**610,117**	480,644
	1,502,429	1,451,953

11 Deferred income tax *(continued)*

	31 December 2015 RMB'000	31 December 2014 RMB'000
Deferred income tax liabilities (hereafter "DTL"):		
– to be settled within 12 months	**1,327,584**	521,655
– to be settled after more than 12 months	**3,051,828**	5,365,096
	4,379,412	5,886,751
Deferred tax liabilities - net	**2,876,983**	4,434,798

The movement on DTA and DTL during the year, without taking into consideration of offsetting of balance within the same tax jurisdiction, is as follows:

(A) DTA

	DTA on unpaid LAT RMB'000	Deferred expenses for tax purpose RMB'000	Deductible tax loss RMB'000	Impairment provision for properties RMB'000	Total RMB'000
At 1 January 2014	936,397	59,713	227,572	80,872	1,304,554
Credited/(charged) to profit or loss	55,409	(4,829)	62,120	50,844	163,544
Disposal of subsidiaries	—	(2,386)	(13,759)	—	(16,145)
At 31 December 2014	991,806	52,498	275,933	131,716	1,451,953
Credited/(charged) to profit or loss	**46,703**	**(36,644)**	**75,449**	**28,108**	**113,616**
Acquisition of subsidiaries (Note 35)	**77,887**	**4,851**	**79,327**	—	**162,065**
Disposal of subsidiaries (Note 36)	**(41,327)**	**(934)**	**(149,922)**	**(33,022)**	**(225,205)**
At 31 December 2015	**1,075,069**	**19,771**	**280,787**	**126,802**	**1,502,429**

DTA are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise DTA of RMB227 million (2014: RMB127 million) in respect of accumulated losses amounting to RMB907 million (2014: RMB510 million) that can be carried forward against future taxable income. Accumulated losses amounting to, RMB24 million, RMB72 million, RMB35 million, RMB398 million and RMB378 million, as at 31 December 2015 will expire in 2016, 2017, 2018, 2019 and 2020, respectively.

As of 31 December 2015, the Group has deductible temporary differences of RMB370 million (2014: RMB437 million) in respect of which no DTA have been recognised as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

11 Deferred income tax *(continued)*

(B) DTL

	Deferred LAT	Deferred corporate income tax				
	Acquisition of subsidiaries RMB'000	Fair value gains on acquisitions RMB'000	Fair value gains of investment properties RMB'000	Prepaid LAT RMB'000	Dividend tax for PRC entities RMB'000	Total RMB'000
At 1 January 2014	3,991,073	2,156,721	6,683	70,923	257,625	6,483,025
(Credited)/charged to profit or loss	—	(283,086)	(3,250)	29,651	94,907	(161,778)
Transfer to LAT payable	(434,496)	—	—	—	—	(434,496)
At 31 December 2014	3,556,577	1,873,635	3,433	100,574	352,532	5,886,751
(Credited)/charged to profit or loss	—	**(247,385)**	**(3,433)**	**(89,342)**	**94,957**	**(245,203)**
Transfer to LAT payable	**(548,959)**	—	—	—	—	**(548,959)**
Acquisition of subsidiaries	**900,701**	**883,869**	—	**127,491**	—	**1,912,061**
Disposal of subsidiaries	**(2,173,341)**	**(434,163)**	—	**(17,734)**	—	**(2,625,238)**
At 31 December 2015	**1,734,978**	**2,075,956**	—	**120,989**	**447,489**	**4,379,412**

12 Properties under development

	31 December 2015 RMB'000	31 December 2014 RMB'000
Comprising:		
Land use rights costs	**23,865,555**	24,735,044
Other development costs	**5,936,959**	7,433,155
Capitalised finance costs	**4,390,220**	3,637,130
	34,192,734	35,805,329
Less: Provision for loss on realisable value	**(50,075)**	(104,784)
	34,142,659	35,700,545
Including: To be completed within 12 months	**10,910,407**	12,157,060
To be completed after 12 months	**23,232,252**	23,543,485
	34,142,659	35,700,545

The properties under developments ("PUDs") are all located in the PRC.

As at 31 December 2015, PUDs with net carrying amount of RMB17,550 million (2014: RMB23,879 million) were pledged as collateral for the Group's borrowings (Note 22).

13 Completed properties held for sale

	31 December 2015 RMB'000	31 December 2014 RMB'000
Completed properties held for sale	**16,413,728**	14,406,993
Less: Provision for loss on realisable value	**(686,599)**	(724,542)
	15,727,129	13,682,451

The completed properties held for sale are all located in the PRC.

As at 31 December 2015, certain completed properties held for sale with net carrying amount of RMB6,291 million (2014: RMB8,303 million) were pledged as collaterals for the Group's borrowings (Note 22).

14 Trade and other receivables

	31 December 2015 RMB'000	31 December 2014 RMB'000
Receivables from non-controlling interests	**334,024**	1,392,778
Trade receivables (Note (b))	**92,011**	368,868
Notes receivables	**200**	4,110
Receivables from a disposal of PUD	**—**	335,000
Other receivables		
– Deposits	**212,349**	166,587
– Payments on behalf of customers	**132,291**	140,171
– Interests	**22,810**	—
– Others	**204,474**	94,973
	998,159	2,502,487
Less: Bad debt provision for other receivables	**(27,678)**	(27,678)
	970,481	2,474,809

14 Trade and other receivables *(continued)*

Notes:

(a) As at 31 December 2015 and 2014, the carrying amounts of trade and other receivables were all denominated in RMB and approximated their fair value.

(b) At 31 December 2015, the ageing analysis at the trade receivable is performed based on the date of the revenue recognition. The ageing analysis of trade receivables at respective balance sheet dates is as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Within 90 days	**55,160**	243,987
90 - 180 days	**—**	52,477
181 - 365 days	**34,521**	72,404
Over 365 days	**2,330**	—
	92,011	368,868

Trade receivables are analysed as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Fully performing and under credit terms	**79,384**	351,422
Past due but not impaired	**12,627**	17,446
	92,011	368,868

During the year ended 31 December 2015, the Group granted a credit period of 90-365 days to certain customers.

As the Group normally holds collateral of the properties before collection of full contract amount and transfer of the legal titles to the customers, the Directors are of the view that the past due trade receivables would be recovered and no provision was made as at 31 December 2015.

15 Prepayments

	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current -		
Prepayments for equity investment	**4,722,036**	944,991
Current -		
Prepaid taxes		
– LAT	**1,214,360**	985,483
– Business tax and surcharge	**697,978**	699,397
– Corporate income tax	**725,876**	499,671
Prepayments for land use rights acquisition	**1,465,969**	342,109
Prepayments for project development costs	**61,897**	41,534
	4,166,080	2,568,194

As at 31 December 2015 and 2014, the carrying amounts of the Group's prepayments were all denominated in RMB.

16 Restricted cash

	31 December 2015 RMB'000	31 December 2014 RMB'000
Guarantee deposits as reserve for bank loans	**3,070,505**	3,038,476
Restricted cash from property presale proceeds	**1,287,734**	1,276,274
Others	**12,771**	69,395
	4,371,010	4,384,145

17 Cash and cash equivalents

	31 December 2015 RMB'000	31 December 2014 RMB'000
Denominated in RMB	**20,528,663**	17,448,359
Denominated in USD	**1,896,504**	3,195,901
Denominated in HKD	**262,113**	13,025
	22,687,280	20,657,285

The conversion of RMB denominated balances into foreign currencies, and the remittance of foreign currencies-denominated bank balances and cash out of the PRC are subject to restrictive foreign exchange control rules and regulations.

The Group earns interest on cash at bank, at floating bank deposit rates and there was no bank overdraft in the Group.

18 Share capital

		Shares capital	
	Number of shares (thousands)	HK$'000	Equivalent to RMB'000
Ordinary shares of HK$0.1 each, issued and fully paid:	10,000,000	1,000,000	—
As at 1 January 2014	3,320,311	332,032	285,055
Proceeds from shares issued upon exercise of employees' share options	61,885	6,188	4,908
As at 31 December 2014	3,382,196	338,220	289,963
Proceeds from shares issued upon exercise of employees' share options	**17,253**	**1,725**	**1,366**
As at 31 December 2015	**3,399,449**	**339,945**	**291,329**

19 Share option schemes

(I) POST-IPO SHARE OPTION SCHEME

A Post-IPO Share Option Scheme was approved and adopted by all shareholders of the Company on the annual general meeting held on 29 April 2011 (the "Post-IPO Option Scheme Adoption Date"). As at 31 December 2014, all the share options have been granted within the Post-IPO Share Option Scheme. The options are not conditional on the employees' performance target before an option can be exercised. The Post-IPO share options, once vested, shall be exercisable within a period of six years from the Post-IPO Scheme Adoption Date or the most recent anniversary of the Post-IPO Scheme Adoption Date.

(II) 2014 SHARE OPTION SCHEME

A share option scheme ("2014 Share Option Scheme") was approved and adopted by the shareholders of the Company at the annual general meeting held on 19 May 2014 (the "2014 Share Option Scheme Adoption Date").The maximum number of shares in respect of which options ("2014 Options") may be granted should not exceed 166,374,246 shares, representing 5% of the total number of shares in issue as at the 2014 Share Option Scheme Adoption Date. The options are to be granted during a grant period of three years from the 2014 Share Option Scheme Adoption Date. Such options will vest in accordance with the following schedule: 30% upon the grant, an additional 30% upon the first anniversary of the 2014 Share Option Scheme Adoption Date and additional 40% upon the second anniversary. The options are not conditional on the employees' performance target before an option can be exercised. The subscription price for each grant should be at least the higher of (1) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on the grant dates, (2) the average of the closing prices of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date, and (3) the nominal value of the shares of the Company. The 2014 share options, once vested, shall be exercisable within a period of five years from the 2014 Share Option Scheme Adoption Date or the most recent anniversary of the 2014 Share Option Scheme Adoption Date.

The weighted-average fair value of options granted during the period determined using the Binomial valuation model was HK$2.23 per option (2014: HK$1.36). The significant inputs into the model were weighted average share price of HK$7.27 at the grant date (2014: HK$4.07), exercise price of HK$7.27 (2014: HK$4.07), volatility of 44.91% (2014: 44.53%), dividend yield of 2.1% (2014: 1.66%), an expected option life of five years, and an annual risk-free interest rate of 1.129% (2014: 1.272%). The expected volatility is determined by calculating the historical volatility of the price of listed companies with similar business to the Group. The expected dividend yield is determined by the Directors based on the expected future performance and dividend policy of the Group. The total expense recognised in the profit or loss for share options granted to directors and employees for the year ended 31 December 2015 was RMB47.40 million (2014: RMB35.46 million) (Note 25).

The Group has no legal or constructive obligation to repurchase or settle all above mentioned options in cash.

19 Share option schemes *(continued)*

(II) 2014 SHARE OPTION SCHEME *(continued)*

Movement in the share options and their related weighted-average exercise prices are as follows:

	2015		2014	
	Average price in HK$ per share	**Options (thousand)**	Average price in HK$ per share	Options (thousand)
At beginning of year	**3.95**	**99,434**	3.23	130,669
Granted	**7.27**	**33,267**	4.07	33,267
Exercised	**3.34**	**(17,253)**	2.56	(61,885)
Expired	**—**	**—**	2.78	(2,457)
Abandoned	**5.11**	**(4,578)**	2.33	(160)
At end of year	**5.00**	**110,870**	3.95	99,434

As at 31 December 2015, 52,640 thousand shares in Post-IPO Share Option Scheme and 26,214 thousand shares in the 2014 Share Option Scheme were exercisable (2014: 55,004 thousand shares in the Post-IPO Share Option Scheme and 8,782 thousand shares in the 2014 Share Option Scheme).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	**Exercise price in HK$ per share option**	**Number of share options (thousands)**	
		2015	2014
28 April 2017	1.48	**13,058**	18,785
28 April 2018	2.33	**12,611**	18,326
28 April 2019	6.32	**24,313**	30,254
5 June 2019	4.07	**28,042**	32,069
9 July 2020	7.27	**32,846**	—
		110,870	99,434

20 Reserves

	Note	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
Year ended 31 December 2014				
At 1 January 2014		3,070,058	43,859	3,113,917
Employees share option scheme:				
– Value of employee services	25	—	35,456	35,456
– Proceeds from shares issued		120,882	—	120,882
Dividend relating to 2013		(635,681)	—	(635,681)
Statutory reserve (a)		—	568,427	568,427
At 31 December 2014		2,555,259	647,742	3,203,001
Year ended 31 December 2015				
At 1 January 2015		**2,555,259**	**647,742**	**3,203,001**
Transaction with non-controlling interests	34	—	**(93,853)**	**(93,853)**
Employees share option scheme:				
– Value of employee services	25	—	**47,395**	**47,395**
– Proceeds from shares issued		**44,129**	—	**44,129**
Statutory reserve		—	**1,548,184**	**1,548,184**
Dividend relating to 2014	40	**(644,414)**	—	**(644,414)**
At 31 December 2015		**1,954,974**	**2,149,468**	**4,104,442**

(a) Statutory reserves

In accordance with the relevant government regulations in the PRC and the provisions of the articles of association of the PRC companies now comprising the Group, 10% of its net profit as shown in the accounts prepared under PRC accounting regulations is required to be appropriated to statutory reserve, until the reserve reaches 50% of the registered capital. Appropriation of statutory reserve must be made before distribution of dividends to equity holders. This reserve shall only be used to make up losses; to expand the entities' production operation; or to increase the capital of the entities. Upon approval by a resolution of equity holders, the entities may convert this reserve into share capital, provided that the unconverted remaining amount of reserve is not less than 25% of the registered capital.

The PRC entities of the Group directly owned by the Group's entities outside the PRC are required, in accordance with relevant rules and regulations concerning foreign investment enterprise established in the PRC and the Articles of Association of these companies, to make appropriations from net profit to the reserve fund and staff and workers' bonus and welfare fund, after offsetting accumulated losses from prior years, and before profit distributions are made to investors. The percentage of profits to be appropriated to the above funds is solely determined by the board of directors of the PRC entities now comprising the Group. For those which are wholly foreign owned enterprises in the PRC, no less than 10% of the profit of each year to the reserve fund is mandatory. The appropriation of the statutory reserve ceases when the accumulated statutory reserve balance reaches 50% of their registered capital.

21 Trade and other payables

	31 December 2015 RMB'000	31 December 2014 RMB'000
Trade payables (Note (a))	**7,303,339**	6,258,615
Payables for acquisition consideration	**1,031,517**	48,026
Amount due to non-controlling interests	**206,777**	3,217,086
Notes payables	**193,495**	765,284
Interests payable	**416,012**	307,188
Advanced deed tax from customers	**243,707**	284,214
Other taxes payable	**462,031**	312,936
Payroll and welfare payables	**210,160**	186,778
Deposits payable	**386,874**	34,754
Others	**490,038**	200,842
	10,943,950	11,615,723

(a) At 31 December 2015, the ageing analysis at the trade payable is performed based on the date of the liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Within 90 days	**4,628,637**	3,382,318
90-180 days	**581,236**	285,542
180-365 days	**354,035**	744,725
Over 365 days	**1,739,431**	1,846,030
	7,303,339	6,258,615

22 Borrowings

	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current		
Secured,		
– Bank borrowings	23,094,089	16,608,622
– Other borrowings	1,520,000	5,150,000
– Senior notes (Note (a))	8,389,829	7,869,165
	33,003,918	29,627,787
Unsecured,		
– Corporate bonds (Note (b))	5,967,000	—
	38,970,918	29,627,787
Less: Current portion of long-term borrowings (Note (c) (i))	(11,756,678)	(9,083,674)
	27,214,240	20,544,113
Current		
Secured,		
– Bank borrowings	1,481,715	1,514,708
– Other borrowings	1,300,000	3,195,300
	2,781,715	4,710,008
Unsecured,		
– Other borrowings	46,000	46,000
	2,827,715	4,756,008
Current portion of long-term borrowings (Note (c) (i))	11,756,678	9,083,674
	14,584,393	13,839,682
Total borrowings	41,798,633	34,383,795

22 Borrowings *(continued)*

(A) SENIOR NOTES

The Company issued senior notes ("Senior notes") on the Singapore Exchange Securities Trading Limited, payable semi-annually in arrears. The issued dates, principals and interest rates are shown as below:

Issue dates	Principal USD million	Interest rate
19 October 2012	400	12.5%
5 April 2013	500	9.375%
5 December 2014	400	8.75%
	1,300	

According to the terms of the Senior Notes, at any time and from time to time on or after 16 October 2015, 5 April 2016 and 5 December 2017 respectively, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interests, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 16 October, 5 April and 5 December of each of the years indicated below respectively.

The redemption prices are shown as below:

Redemption time		Redemption prices
(i)	USD400 million:	
	Prior to 16 October 2015	112.5%
	16 October 2015 to 15 October 2016 (Note (i))	106.3%
	16 October 2016 and beyond	103.1%
(ii)	USD500 million:	
	Prior to 5 April 2016	
	– Redemption up to 35%	109.4%
	– Redemption in whole but not in part (Note (ii))	100%+ applicable premium
	5 April 2016 to 31 December 2016	104.7%
	2017 and beyond	102.3%
(iii)	USD400 million:	
	Prior to 5 December 2017	
	– Redemption up to 35%	108.75%
	– Redemption in whole but not in part (Note (iii))	100%+ customary make-whole premium
	5 December 2017 to 31 December 2017	104.4%
	2018 and beyond	102.2%

22 Borrowings *(continued)*

(A) SENIOR NOTES *(continued)*

Note (i): The Company announced on 4 December 2015 that it had informed the trustee, DB Trustees (Hong Kong) Limited, that all the outstanding 12.5% senior notes would be redeemed in full on 6 January 2016 (the "Redemption Date") at a redemption price equal to 106.25% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Redemption Date. The Company had reclassified this part to current liabilities in the consolidated balance sheet.

Note (ii): The applicable premium is the greater of (1) 1% of the principal amount and (2) the excess of the present value of 104.7% of the principal plus the scheduled interest cost amount for the period from the redemption date to 5 April 2016 over the principal amount at the redemption date and the fair value of the above early redemption option is not material on initial recognition and as at 31 December 2015.

Note (iii): The customary make-whole premium is the greater of (1) 1% of the principal amount and (2) the excess of the present value of 104.4% of the principal plus the accrued and unpaid interest amount for the period from the redemption date to 5 December 2017 over the principal amount at the redemption date and the fair value of the above early redemption option is not material on initial recognition and as at 31 December 2015.

These early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors are of the view that the fair value of the above early redemption option is not material on initial recognition and as at 31 December 2015.

(B) CORPORATE BONDS

The Company issued corporate bonds (the "Corporate Bond") on the Shanghai Stock Exchange, payable annually in arrears. The issued dates, principals and interest rates are shown as below:

Issue dates	Principal RMB 000	Interest rate
15 August 2015 ("Type 1 Bond")	2,500,000	4.50%
15 August 2015 ("Type 2 Bond")	2,500,000	5.70%
1 September 2015 ("Type 3 Bond")	1,000,000	4.48%
	6,000,000	

According to the terms of the Corporate Bond, Type 1 Bond has a term of five years and after the end of the third year the issuer has the option to raise the coupon rate and the investors are entitled to sell back the bonds, and its coupon rate was fixed at 4.5% with an issue size of RMB2.5 billion, while Type 2 Bond has a term of five years and its coupon rate was fixed at 5.7% with an issue size of RMB2.5 billion. Type 3 Bond has a term of five years with the issuer's option to raise the coupon rate after the end of the third year and the investors' entitlement to sell back the bonds, and its coupon rate was fixed at 4.48% with an issue size of RMB1 billion. The underwriting fee of the Corporate Bond was charged at 0.6% of the issue size. The net proceeds, after deducting the direct issuance costs, amounted to approximately RMB5,964 billion.

The options embedded in the Type 1 Bond and Type 3 Bond host contracts are not closely related to the host contracts, and the fair value of which is not material on initial recognition date and as at 31 December 2015.

22 Borrowings *(continued)*

(C) LONG-TERM BORROWINGS

(i) As at 31 December 2015, included in long-term borrowing, RMB2,766 million (2014: RMB7,081 million) of borrowings for property development projects will be due for repayment upon an aggregated 20% - 80% pre-sale status in term of gross floor area of the respective projects were achieved. Based on the management's sales forecast, RMB491 million (2014: RMB1,756 million) of borrowings will be due for repayment in the year ending 31 December 2016 and are included in current liabilities.

(ii) The Group's long-term borrowings as at 31 December 2015 were repayable as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Between 1 and 2 years	**8,514,824**	4,683,192
Between 2 and 5 years	**18,699,416**	15,860,921
	27,214,240	20,544,113

The weighted-average effective interest rates for the year ended 31 December 2015 was 7.6% (2014: 9.12%).

(iii) Fair value of financial liabilities is not measured at fair value on a recurring basis (but fair value disclosures are required).

The carrying amounts of bank borrowings, borrowings from other financial institution are approximate their fair values. The fair values of senior notes as at 31 December 2015 amounted to RMB8,941 million, which were calculated based on the market price of the traded senior notes at the balance sheet date. The fair values of Corporate bonds as at 31 December 2015 amounted to RMB6,222 million, which were calculated based on the active market price at the balance sheet date. The fair values of senior notes are within level 2 of the fair value hierarchy and the fair values of corporate bonds are within level 1 of the fair value hierarchy.

(D) The exposure of the Group's borrowings with variable interest rates to interest-rate changes and the contractual re-pricing dates are as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
6 months or less	**12,201,428**	11,248,010
6 -12 months	**5,731,950**	3,096,336
Over 12 months	—	320,000
	17,933,378	14,664,346

22 Borrowings *(continued)*

(E) As at 31 December 2015, the Group's borrowings of RMB35,786 million (2014: RMB34,338 million) were secured or joint secured by the Group's properties under development and completed properties held for sale with total carrying amount of RMB23,841 million (2014: RMB32,182 million), and the Group's certain equity interests of certain subsidiaries.

(F) MOVEMENT IN BORROWINGS

	RMB'000
Year ended 31 December 2015	
At 1 January 2015	**34,383,795**
Additions	**34,592,153**
Disposal of subsidiaries (Note 36)	**(7,495,095)**
Acquisition of subsidiaries (Note 35)	**5,420,790**
Repayments	**(26,247,463)**
Amortization of financial costs	**136,753**
Exchange loss	**1,007,700**
At 31 December 2015	**41,798,633**
Year ended 31 December 2014	
At 1 January 2014	28,706,290
Additions	19,185,977
Disposal of subsidiaries	(556,000)
Repayments	(13,013,609)
Amortization of financial costs	59,071
Exchange loss	2,066
At 31 December 2014	34,383,795

22 Borrowings *(continued)*

(G) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31 December 2015 RMB'000	31 December 2014 RMB'000
RMB	**22,749,832**	21,326,151
HKD	**18,872,365**	1,599,828
USD	**176,436**	11,457,816
	41,798,633	34,383,795

23 Expenses by nature

	2015 RMB'000	2014 RMB'000
Costs of completed properties sold	**18,384,161**	18,495,001
Business tax and related surcharges	**1,266,692**	1,389,572
Staff costs (Note 25)	**616,745**	625,892
Impairment provision for properties	**45,433**	533,518
Advertisement and promotion costs	**337,126**	333,366
Consulting expenses	**145,516**	81,613
Depreciation and amortisation	**27,938**	24,684
Auditors' remunerations		
– Audit services	**8,764**	5,100
– Non-audit services	**14,613**	300

24 Business tax and related surcharges

The PRC companies of the Group are subject to business tax on their revenues at the following rates:

Type		Tax rate	Tax base
a)	Business tax	5%	– Sales of properties
		5%	– Rental income
		5%	– Property management services revenue
b)	Urban construction and maintenance tax	7%	– Business tax paid
c)	Education surcharge	3%	– Business tax paid
d)	Local education surcharge	0%-2%	– Business tax paid
e)	Anti-flood fund	0%-2%	– Business tax paid

25 Employee benefit expenses

	2015	2014
	RMB'000	RMB'000
Wages and salaries	**458,109**	486,033
Pension costs	**67,392**	52,199
Staff welfare	**43,849**	52,204
Share options granted to directors and employees (Note 19)	**47,395**	35,456
	616,745	625,892

26 Other income and gains

	2015	2014
	RMB'000	RMB'000
Gains from disposals of subsidiaries (Note 36)	**1,857,061**	1,496
Gains from business combinations (Note 35)	**702,875**	—
Gain on disposal of an associate (Note 10.2)	**172,967**	—
Gain from arrangement of assignment of debt (Note 35(a) (i))	**150,000**	—
Gains from acquisition of JVs (Note 10.1)	**126,622**	2,833
Interest income (Note (a))	**1,000,644**	974,683
Others	**101,821**	41,439
	4,111,990	1,020,451

(a) Details of interest income are as follows:

	2015	2014
	RMB'000	RMB'000
Interest income from related companies (Note 37)	**590,089**	784,350
Other interest income	**410,555**	190,333
	1,000,644	974,683

27 Other expenses and losses

	2015 RMB'000	2014 RMB'000
Loss from disposal of a subsidiary (Note 36)	**147,791**	—
Losses from disposal of investment properties (Note 8)	**81,284**	—
Impairment provision for goodwill	—	85,709
Losses of valuation of investment properties	—	13,000
Others	**36,553**	21,108
	265,628	119,817

28 Finance income and costs

	2015 RMB'000	2014 RMB'000
Interest expenses	**2,908,656**	3,035,959
Other finance costs	**39,763**	—
Less: Capitalised finance costs	**(1,227,932)**	(1,776,914)
	1,720,487	1,259,045
Exchange loss	**800,088**	8,335
	2,520,575	1,267,380
Finance income:		
– Interest income on bank deposits	**(123,521)**	(123,422)
Net finance costs	**2,397,054**	1,143,958

The capitalisation rate used to determine the amount of the interests incurred eligible for capitalisation in 2015 was 7.6% (2014: 9.12%).

29 Income tax expenses

	2015	2014
	RMB'000	RMB'000
Corporate income tax ("CIT")		
– Current income tax	**1,667,990**	1,158,896
– Deferred income tax	**(358,819)**	(325,322)
	1,309,171	833,574
LAT	**(353,863)**	835,594
	955,308	1,669,168

(A) CIT

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted-average tax rate applicable to profits of the consolidated entities as follows:

	2015	2014
	RMB'000	RMB'000
Profit before income tax	**4,563,711**	4,901,797
Income tax calculated at the applicable income tax rates in respective countries or regions	**1,586,767**	1,277,790
LAT	**88,466**	(208,898)
Share of profits of investments accounted for using equity method	**(415,435)**	(524,350)
Other income and gains not subject to tax	**(158,270)**	(1,471)
Tax on losses for which no DTA were recognised	**94,541**	96,127
Tax on temporary differences for which no DTA were recognised	**7,452**	82,536
Utilisation of tax losses with no DTA recognition	—	(4,085)
Tax write-back on temporary differences with no DTA recognition	**(18,388)**	(17,056)
Non-deductible expenses	**29,079**	38,074
Dividends tax for PRC subsidiaries, JVs and associates	**94,959**	94,907
	1,309,171	833,574

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries or regions in which the Group operates.

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25%.

29 Income tax expenses *(continued)*

(A) CIT *(continued)*

In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in the PRC. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

(B) LAT

PRC 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 lease charges for land use rights and all property development expenditures. LAT is included in the income statement as income tax expense.

30 Earnings per share

(A) BASIC

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the year.

	2015	2014
Profit attributable to owners of the parent company (RMB'000)	**3,297,828**	3,222,070
Weighted-average number of ordinary shares in issue (thousand)	**3,394,387**	3,350,372

(B) DILUTED

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015	2014
Profit attributable to owners of the parent company (RMB'000)	**3,297,828**	3,222,070
Weighted-average number of ordinary shares in issue (thousand)	**3,394,387**	3,350,372
Adjusted for share options (thousand)	**34,558**	34,455
Weighted-average number of ordinary shares for diluted earnings per share (thousand)	**3,428,945**	3,384,827

31 Cash used in operations

	Note	2015 RMB'000	2014 RMB'000
Profit before income taxes		**4,563,711**	4,901,797
Adjustments for:			
– Finance costs	28	**2,520,575**	1,267,380
– Gain from disposal of subsidiaries	26	**(1,857,061)**	(1,496)
– Loss from disposal of a subsidiary	27	**147,791**	—
– Gain from disposal of JVs and associates	26	**(172,967)**	—
– Gain from business combination	26	**(702,875)**	—
– Gain from acquisition of JVs and associates	26	**(126,622)**	(2,833)
– Gain on disposal of PP&E		**(349)**	(379)
– Loss of valuation of investment properties	27	**—**	13,000
– Losses from disposals of investment properties	27	**81,284**	—
– Impairment provision for goodwill	27	**—**	85,709
– Amortisation of intangible assets		**226**	17
– Depreciation	7	**27,712**	24,666
– Share of profits from JVs and associates	10	**(1,693,207)**	(2,181,283)
– Interest income	26	**(1,000,644)**	(974,683)
– Value of employee services	25	**47,395**	35,456
Changes in working capital			
– Restricted cash from pre-sale of properties		**45,164**	92,997
– Properties under development and completed properties held for sale, net		**10,939,546**	5,951,656
– Trade and other receivables and prepayments		**1,303,393**	(1,029,139)
– Advanced proceeds from customers		**(3,801,252)**	328,687
– Trade and other payables		**(2,697,565)**	(1,709,915)
– Amount due from/to related companies		**10,046,598**	12,650,703
Cash generated from operations		**17,670,853**	19,452,340

32 Commitments

(A) Property development expenditures at the balance sheet date but not yet incurred is as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Property development expenditures		
– Contracted but not provided for	**4,643,498**	4,673,875
– Authorised but not contracted	**19,770,172**	30,217,687
	24,413,670	34,891,562

(B) INVESTMENTS

	31 December 2015 RMB'000	31 December 2014 RMB'000
Investment in new JVs		
– Contracted but not provided for	**247,228**	1,547,994
	24,660,898	36,439,556

(C) OPERATING LEASE COMMITMENTS

The future aggregate minimum lease rental expense in respect of certain office buildings under non-cancellable operating leases contracts are payable in the following periods:

	31 December 2015 RMB'000	31 December 2014 RMB'000
No later than 1 year	**6,352**	6,310
Later than 1 year and no later than 5 years	**19,749**	15,201
Later than 5 years	—	5,198
	26,101	26,709

33 Contingent liabilities

(A) GUARANTEE ON MORTGAGE FACILITIES

The Group and the Company had the following contingent liabilities in respect of financial guarantees on mortgage facilities:

	31 December 2015 RMB'000	31 December 2014 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	**4,879,760**	5,090,815

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) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of six months of the properties delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting 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 date of grant of the mortgage. The directors consider that the likelihood of default of payments by purchasers is minimal.

In addition, the Group had provided guarantees for approximately RMB10.36 billion (2014: RMB9.57 billion) in its portion of equity interests in certain JVs and associates for their borrowings.

34 Transactions with non-controlling interests

(A) TRANSFER OF EQUITY INTERESTS OF PROJECT ENTITIES AMONG SUBSIDIARIES OF THE COMPANY

On 30 June 2015, Tianjin Sunac Ao Cheng Investment Co., Ltd. ("Tianjin Ao Cheng"), a wholly owned subsidiary of the Company incorporated in the PRC, completed the acquisition from Shanghai Sunac Greentown Investment Holdings Ltd. ("SG Shanghai"), a 50% owned subsidiary of the Company incorporated in the PRC, of the equity interests of a bunch of SG Shanghai's subsidiaries, JVs and associates and certain debts owing by these entities to Shanghai Sunac Greentown at the equity interest consideration of RMB3,654 million.

On the same day, Lead Sunny Investment Ltd. ("Lead Sunny"), another wholly owned subsidiary of the Company incorporated in BVI, completed an acquisition from Sunac Greentown Investment Holdings Ltd. ("SG BVI"), a 50% owned subsidiary of the Company incorporated in BVI, of the entire equity interest of SG BVI's wholly owned subsidiary, Elegant Trend Limited ("Elegant Trend"), and certain debts owing by Elegant Trend to SG BVI at the equity interest consideration of RMB5,676 million.

The total consideration of RMB9,330 million for the above transactions were settled between subsidiaries of the Company and the total carrying value of the related non-controlling interests of RMB8,445 million as at the transaction date effectively resulted in an increase in non-controlling interest of RMB442.5 million and a decrease in the equity attributable to the owners of the Company of RMB442.5 million. Further, SG Shanghai enjoyed a tax benefit from the above mentioned domestic transactions according to the PRC tax laws and regulations, which resulted in an increase of RMB87.5 million to the equity owners of the Company and the non-controlling interests respectively. In summary, these transactions had a result of RMB355 million net decrease of equity attributable to the owners of the Company and a total increase of RMB530 million to the non-controlling interests.

(B) EQUITY TRANSACTIONS WITH GREENTOWN GROUP

In July 2015, the Group completed the acquisitions of 25% equity interest of Hangzhou Sunac Greentown, 50% equity interest of SG BVI and 50% of SG Shanghai, from Greentown Group at total consideration of RMB2,825 million. Upon the completion of these transactions, all the three subsidiaries became wholly owned by the Company. As at the transaction date, the carrying value of the related non-controlling interests was RMB3,086 million. These transactions with non-controlling interests of existing subsidiaries resulted in a total increase of RMB261 million in the equity attributable to the owners of the Company.

Together with the above transactions, the Group also completed certain acquisitions of additional equity interests in existing associates from, and disposal of subsidiaries, to Greentown Group. Further details are disclosed in Note 10, Note 35 and Note 36, respectively.

35 Business combination

	2015 RMB'000	2014 RMB'000
Gain from business combinations		
– Step-acquisitions (Note (a))	218,325	—
– Acquisition of subsidiaries (Note (b))	484,550	—
	702,875	—

(A) STEP-ACQUISITIONS

During the year ended 31 December 2015, the Group completed the step-acquisitions in Shanghai Forest Golf, Beijing Zhongtou Sunac and another three entities (the "Three Entities") as follows:

	Shanghai Forest Golf (Note (i))	Beijing Zhongtou Sunac & Three Entities (Note (ii))	Total
Cash consideration for the additional equity interest	991,582	368,269	1,359,851
Re-measurement of previously held interests	454,730	991,365	1,446,095
	1,446,312	1,359,634	2,805,946
Less: Fair value of net identifiable assets and liabilities of the acquirees	(1,380,046)	(1,357,766)	(2,737,812)
	66,266	1,868	68,134
Breakdown into: Goodwill	66,266	14,448	80,714
Acquisition gains	—	12,580	12,580
Re-measurement:			
Re-measurement of previously held interests	454,730	991,365	1,446,095
Less: Book value of previously held interests (Note 10.1 & 10.2)	(316,848)	(923,502)	(1,240,350)
Gains/(losses) on re-measurement	137,882	67,863	205,745
Gains credited to income statement	137,882	80,443	218,325

35 Business combination *(continued)*

(A) STEP-ACQUISITIONS *(continued)*

Notes:

(i) On 30 June 2015, the Group completed the acquisition from Greentown Group of the 50% equity interest in Shanghai Forest Golf, previously which was an 50% owned associate of the Group, at a consideration of RMB104.54 million, together with a series of assets transfers and debt assignments among Shanghai Forest Golf, the Group and Greentown Group (Note 26). Upon completion of this transaction, Shanghai Forest Golf became a wholly owned subsidiary of the Company (Note 10.2).

Prior to the transaction, Shanghai Forest Golf held 39.82% equity interest in Shanghai Haochuan Property Co., Ltd. ("Shanghai Haochuan"), the remaining 60.18% equity interest was held by the Group and which was treated as a JV of the Company. Upon the completion of the acquisition of Shanghai Forest Golf, Shanghai Haochuan became a wholly owned subsidiary of the Company. The directors of the Company are of the view that the consideration for the acquisition of Shanghai Forest Golf has also taken into account the value of the control take-over in Shanghai Haochuan, the assessment of the financial impact from the business combination was made for Shanghai Forest Golf and Shanghai Haochuan on a combination basis.

(ii) On 23 October 2015, the Group acquired an additional 50% equity interest of a previously 50% owned JV of the Company, Beijing Zhongtou Sunac Real Estate Co., Ltd. ("Beijing Zhongtou Sunac"), at a consideration of RMB5 million. Upon completion of the transaction, Beijing Zhongtou Sunac became a wholly owned subsidiary of the Company.

On 31 December 2015, the Company acquired an additional 49% equity interest of three previously 51% owned jointly controlled entities of the Company, namely Shanghai Ronglv Huiyi Real Estate Co., Ltd. Shanghai Ronglv Qiwei Real Estate Co., Ltd. and Suzhou Rongding Real Estate Co., Ltd. (collectively the "Three Entities") from third parties, at a respective consideration of RMB100 million, RMB233.81 million and RMB29.456 million, respectively. Upon completion of these transactions, the Three Entities became wholly owned subsidiaries of the Company.

(B) ACQUISITIONS OF SUBSIDIARIES

In 2015, the major acquisitions of new subsidiaries are summarized as follows:

	Subsidiaries acquired related to projects in Chengdu RMB'000 (Note (i))	Subsidiaries acquired from Titan Group RMB'000 (Note (ii))	Subsidiaries acquired relating to a new project in Shanghai RMB'000 (Note (iii))	Total RMB'000
Fair value of total interests acquired	3,479,589	280,514	3,375,740	7,135,843
Cash considerations for acquisition of				
– equity interest	2,225,200	10,000	2,894,528	5,129,728
– debt due to shareholders	980,353	60,000	481,212	1,521,565
	3,205,553	70,000	3,375,740	6,651,293
Gains from acquisition of new subsidiaries	274,036	210,514	—	484,550

35 Business combination *(continued)*

(B) ACQUISITIONS OF SUBSIDIARIES *(continued)*

Note:

(i) Subsidiaries acquired related to projects in Chengdu

In October 2015, the Group acquired the entire equity interests of a company named Chengdu Guojia Zhidi Co., Ltd. ("Chengdu Guojia") and its respective debts due to shareholders at a total amount equivalent to RMB3,205.55 million. Chengdu Guojia is incorporated in Chengdu, the PRC and is engaged in property project development business.

(ii) Subsidiaries acquired from Titan Group

In September 2015, the Group acquired the entire equity interest of Sichuan Hongling Sichuan Hongling Investment Co., Ltd. ("Sichuan Hongling"), respectively from Xian Titan Real Estate Group Co., Ltd. ("Xian Titan") and its subsidiaries (together "Titan Group"), which are independent third parties of the Company, at the consideration of RMB10 million.

In December 2015, the Group acquired entire equity interest of Tianmao Property (Nanjing) Co., Ltd. from Titan Group and its respective amounts due to the shareholders at a total amount of RMB60 million.

(iii) Subsidiaries acquired relating to a new project in Shanghai ("Target Project")

In September 2015, the Group acquired of 62.145% equity interest of Shanghai Fengdan Lishe Real Estate Development Co., Ltd. ("Fengdan") at the consideration of RMB1,976 million. Fengdan owned a 50% equity interest in a JV named Shanghai Huafeng Real Estate Development Co., Ltd. ("Huafeng") which has the development right of the Target Project.

Further, in November 2015, the Group completed an acquisition of entire equity interest of Shanghai Lingwu Investment Management Co., Ltd. ("Lingwu"), which owns a 35% equity interest in Shanghai Huaxia Cultural Tourism Development Co., Ltd. ("Huaxia"), at the consideration of RMB1,400 million. Huaxia owns the remaining 50% interest in Huafeng. According to the agreement with the seller of Lingwu, the Group only takes the rights and obligations in Lingwu in relation to its interest share in the Target Project owned by Huaxia.

35 Business combination *(continued)*

(C) The fair value of the identifiable assets and liabilities and cash and cash equivalent impact arising from the acquisitions of subsidiaries in above transactions are summarized as follows:

	Shanghai Forest Golf& Shanghai Haochuan RMB'000	Other step acquisitions RMB'000	Chengdu Guojia RMB'000	New subsidiaries acquired from Titan Group RMB'000	Fengdan& Shanghai Lingwu RMB'000	Total RMB'000
(1) Fair value of net assets						
Non-current assets						
Property, plant and equipment	19,230	1,396	2,875	506	55	**24,062**
Intangible assets	312	—	51	—	—	**363**
Investments in JVs (Notes 10.1)	—	54,340	—	—	13,500	**67,840**
Deferred income tax assets	90,324	30,541	20,095	21,105	—	**162,065**
Current assets						
Properties under development	3,495,000	6,372,000	4,507,373	1,558,115	476	**15,932,964**
Completed properties held for sale	1,655,774	—	4,422,427	—	—	**6,078,201**
Trade and other receivables	650,065	313,194	256,161	322,459	2,302	**1,544,181**
Amounts due from related companies	2,446,595	2,176,525	2,807,587	—	300,000	**7,730,707**
Prepayments	—		—	—	3,497,962	**3,497,962**
Restricted cash	86	20,602	13,439	—	—	**34,127**
Cash and cash equivalents	122,080	74,477	499,065	11,795	35,335	**742,752**
Non-current liabilities						
Borrowings	(2,400,000)	(2,520,000)	(112,000)	(172,790)	—	**(5,204,790)**
Deferred income tax liabilities	(893,184)	(49,451)	(820,377)	(149,049)	—	**(1,912,061)**
Current liabilities						
Trade and other payables	(2,252,897)	(190,629)	(1,461,141)	(790,121)	(145,581)	**(4,840,369)**
Advanced proceeds from customers	(296,042)	(3,950,855)	(3,397,990)	(489,506)	—	**(8,134,393)**
Amounts due to related companies	(1,073,256)	(450,100)	(1,827,168)	(32,000)	(358,343)	**(3,740,867)**
Borrowings	—	(520,000)	(1,196,000)	—	—	**(1,716,000)**
Current income tax liabilities	(184,041)	(4,274)	(234,808)	—	(6)	**(423,129)**
Net assets	1,380,046	1,357,766	3,479,589	280,514	3,345,700	**9,843,615**
Less: Non-controlling interests	—	—	—	—	30,040	**30,040**
Fair value of the net assets acquired	1,380,046	1,357,766	3,479,589	280,514	3,375,740	**9,873,655**
(2) Cash effect						
Consideration settled by cash	(991,582)	(21,212)	(3,205,553)	(70,000)	(2,946,240)	**(7,234,587)**
Cash and cash equivalents in the subsidiaries acquired	122,080	74,477	499,065	11,795	35,335	**742,752**
Net cash impact on acquisition	(869,502)	53,265	(2,706,488)	(58,205)	(2,910,905)	**(6,491,835)**

36 Disposal of subsidiaries

During the year ended 31 December 2015, the Group disposed four subsidiaries as follows:

	Shanghai Huazhe Bund RMB'000 (Note (a))	Tianjin Sunac Huikai RMB'000 (Note (b))	Wuxi Hubin Real Estate RMB'000 (Note (c))	Suzhou Rongding RMB'000 (Note (d))
Consideration	1,970,285	209,600	—	24,500
Carrying value of the respective equity interest disposed by the Group	(840,895)	(77,588)	—	(24,476)
Gains/(losses) on the disposal	1,129,390	132,012	—	24
Fair value of the remaining equity interest held by the Group at disposal	—	905,985	—	325,474
Carrying value of the remaining equity interest held by the Group at disposal	—	(310,350)	(147,791)	(325,474)
Gains/(losses) on re-measurement	—	595,635	(147,791)	—

The following table set out a summary of the financial impacts:

	Shanghai Huazhe Bund RMB'000	Tianjin Sunac Huikai RMB'000	Wuxi Hubin RMB'000	Suzhou Rongding RMB'000	Total RMB'000
Gains from disposal of subsidiaries	1,129,390	727,647	—	24	1,857,061
Loss from disposal of a subsidiary	—	—	(147,791)	—	(147,791)

Note:

(a) On 30 June 2015, the Group disposed its entire 51% equity interest of Shanghai Huazhe Bund Real Estate Co., Ltd. ("Shanghai Huazhe Bund") to Greentown Group at a consideration of RMB1,970.29 million.

(b) In October 2015, Sunac Real Estate Group Co., Ltd transferred 20% equity interest in Tianjin Sunac Huikai Property Management Co., Ltd. ("Tianjin Sunac Huikai"), a previously wholly owned subsidiary of the Company, to an independent third party at the consideration of RMB209.6 million. Upon the completion of the transaction, Tianjin Sunac Huikai became a JV of the Company according to the updated Articles of Association.

(c) On 9 November 2015, the board of directors of Wuxi Sunac Greentown Hubin Real Estate Co., Ltd. ("Wuxi Hubin"), which is a previously 51% owned subsidiary of the Company, resolved to change the rules of voting rights over the decisions in Wuxi Hubin to unanimous consent by shareholders. Wuxi Hubin was changed from a subsidiary of the Company to a JV.

(d) In February 2015, the Group transferred its 49% equity interest of Suzhou Rongding Real Estate Co., Ltd ("Suzhou Rongding") to an independent third party, at the consideration of RMB24.5 million. Upon the completion of the disposal, Suzhou Rongding became a 51% owned JV of the Company according to its Articles of Association.

36 Disposal of subsidiaries *(continued)*

Note: *(continued)*

(e) The cash impact arising from the disposals in above transactions are summarized as follows:

	Shanghai Huazhe Bund RMB'000	Tianjin Sunac Huikai RMB'000	Wuxi Hubin RMB'000	Suzhou Rongding RMB'000	**Total RMB'000**
Non-current assets					
Property, plant and equipment	1,623	—	1,355	—	**2,978**
Deferred income tax assets	85,793	—	139,412	—	**225,205**
Current assets					
Properties under development	7,101,570	—	3,214,611	640,262	**10,956,443**
Completed properties held for sale	103,123	—	753,193	—	**856,316**
Trade and other receivables	338,877	—	186,319	60	**525,256**
Amounts due from related companies	57,912	6,369,962	440,550	—	**6,868,424**
Restricted cash	234,492	—	105,504	—	**339,996**
Cash and cash equivalents	495,384	200	128,605	8,585	**632,774**
Non-current liabilities					
Borrowings	(1,616,095)	(4,990,000)	(419,000)	—	**(7,025,095)**
Deferred income tax liabilities	(2,399,302)	—	(225,936)	—	**(2,625,238)**
Current liabilities					
Trade and other payables	(669,761)	(31,054)	(685,491)	(3,853)	**(1,390,159)**
Advanced proceeds from customers	(2,299,738)	—	(883,859)	—	**(3,183,597)**
Amount due to related parties	—	(831,523)	(2,270,134)	(295,104)	**(3,396,761)**
Borrowings	—	—	(470,000)	—	**(470,000)**
Current income tax liabilities	(160,724)	(129,647)	(60,001)	—	**(350,372)**
Net assets/(liabilities)	1,273,154	387,938	(44,872)	349,950	**1,966,170**
Less: Non-controlling interests	(432,259)	—	192,663	—	**(239,596)**
The carrying value of assets and liabilities deconsolidated at the date of disposal	840,895	387,938	147,791	349,950	**1,726,574**
Cash effect					
Cash consideration received	1,970,285	10,000	—	24,500	**2,004,785**
Cash disposed	(495,384)	(200)	(128,605)	(8,585)	**(632,774)**
	1,474,901	9,800	(128,605)	15,915	**1,372,011**

37 Related party transactions

(A) NAME AND RELATIONSHIP WITH RELATED PARTIES

Name	Relationship with the Company
Sunac International	Largest shareholder of the Company
Mr. Sun Hongbin	The controlling shareholder of Sunac International and the chairman of the Board of Directors of the Company

(B) TRANSACTIONS WITH RELATED PARTIES

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions entered into the ordinary course of business between the Group and the related parties:

(1) Cash advance

	Years ended 31 December	
	2015	2014
	RMB'000	RMB'000
– Cash paid to JVs and associates	**(16,704,027)**	(8,538,358)
– Cash received from JVs and associates	**22,231,186**	16,430,529
	5,527,159	7,892,171

(2) Interest income

	Years ended 31 December	
	2015	2014
	RMB'000	RMB'000
Interest income from JVs	**578,520**	775,516
Interest income from associates	**11,569**	8,834
	590,089	784,350

37 Related party transactions *(continued)*

(C) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Years ended 31 December	
	2015	2014
	RMB'000	RMB'000
Salaries and other short-term benefits	**24,177**	21,528
Share-option scheme	**19,142**	35,456
	43,319	56,984

(D) RELATED PARTIES BALANCES

	31 December 2015	31 December 2014
	RMB'000	RMB'000
(1) Amounts due from related parties -		
JVs		
– Amounts with interest free	**5,763,589**	8,420,552
– Amounts bearing interest	**4,536,783**	7,337,671
– Interest receivable	**978,818**	746,931
	11,279,190	16,505,154
Associates		
– Amounts with interest free	**260,304**	1,420,043
– Amounts bearing interest	**34,765**	—
– Interest receivable	**85,790**	74,221
	380,859	1,494,264
	11,660,049	17,999,418
(2) Amounts due to related parties -		
JVs	**13,513,680**	14,070,108
Associates	**4,699,242**	6,643,811
	18,212,922	20,713,919

The amounts due from JVs and associates have no fixed repayment date, bearing interest rate at 4.35% to 12% per annum for the period ended 31 December 2015.

The amounts due to JVs and associates are unsecured, interest-free and repayable on demand.

38 Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2015 and 2014:

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	Indirectly	Directly	Indirectly	
Incorporated in the British Virgin Islands:							
Sunac Real Estate Investment Holdings Ltd.	2 January 2007	USD10,000	**100%**	—	100%	—	Investment holding
Qiwei Real Estate Investment Holdings Ltd.	6 June 2007	USD1	**100%**	—	100%	—	Investment holding
Yingzi Real Estate Investment Holdings Ltd.	31 August 2007	USD1	**100%**	—	100%	—	Investment holding
Jujin Real Estate Investment Holdings Ltd.	6 September 2007	USD1	**100%**	—	100%	—	Investment holding
Zhuoyue Real Estate Investment Holdings Ltd.	13 September 2007	USD1	**100%**	—	100%	—	Investment holding
Dingsheng Real Estate Investment Holdings Ltd.	6 September 2007	USD1	**100%**	—	100%	—	Investment holding
Elegant Trend Limited	17 July 2013	HKD15.6	—	**100%**	—	50%	Investment holding
Sunac Greentown Investment Holdings Limited	25 April 2013	RMB3,277 million	**100%**	—	50%	—	Investment holding
Ease Success Holdings Limited	2 January 2013	USD50,000	**100%**	—	100%	—	Investment holding
Lead Sunny Investments Limited	27 February 2013	USD50,000	**100%**	—	100%	—	Investment holding
Incorporated in Hong Kong:							
Jujin Property Investment Holdings Ltd.	14 September 2007	HKD1	—	**100%**	—	100%	Investment holding
Dingsheng Property Investment Holdings Ltd.	14 September 2007	HKD1	—	**100%**	—	100%	Investment holding
Zhuoyue Property Investment Holdings Ltd.	20 September 2007	HKD1	—	**100%**	—	100%	Investment holding
Pacific Max Investment Limited	14 February 2013	HKD1	—	**100%**	—	100%	Investment holding
World Lucky Investment Limited	27 February 2013	HKD1	—	**100%**	—	100%	Investment holding
Wisdom Collection Holdings (Hong Kong) Limited	13 July 2013	HKD10,000	—	**100%**	—	50%	Investment holding

38 Subsidiaries *(continued)*

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	**Indirectly**	Directly	Indirectly	
Incorporated in the Liberta:							
Wisdom Collection Holdings (International) Inc.	17 July 2013	HKD780	—	**100%**	—	50%	Investment Holding
Incorporated in the Cayman Islands:							
Titan Inernational Investment Group Limited	29 November 2015	USD1	—	**100%**	—	—	Investment Holding
Incorporated in the PRC:							
Tianjin Sunac Real Estate Investment Management Co Ltd.	6 February 2007	RMB460 million	—	**100%**	—	100%	Investment holding
Tianjin Qiwei Real Estate Investment Management Co Ltd.	20 July 2007	RMB225 million	—	**100%**	—	100%	Investment holding
Tianjin Yingzihuijin Property Management Ltd.	26 September 2007	RMB220 million	—	**100%**	—	100%	Investment holding
Tianjin Jujin Property Management Ltd.	31 October 2007	RMB200 million	—	**100%**	—	100%	Investment holding
Tianjin Dingsheng Juxian Property Management Ltd.	31 October 2007	RMB200 million	—	**100%**	—	100%	Investment holding
Tianjin Zhuoyue Property Management Ltd.	31 October 2007	USD15 million	—	**100%**	—	100%	Investment holding
Sunac Real Estate Group Co.,Ltd.	31 January 2003	RMB 10,000 million	—	**100%**	—	100%	Real estate development
Tianjin Sunac Ao Cheng Investment Co., Ltd.	25 February 2003	RMB222 million	—	**100%**	—	100%	Real estate development
Tianjin Sunac Mingxiang Investment Development Co., Ltd.	6 April 2010	RMB1,421 million	—	**100%**	—	100%	Real estate development
Tianjin Xiangchi Investment Co., Ltd.	25 September 2006	RMB160 million	—	**100%**	—	100%	Real estate development
Tianjin Sunac Dingsheng Zhidi Co., Ltd.	4 January 2011	HKD1,700 million	—	**100%**	—	100%	Real estate development
Tianjin Sunac Huijie Zhidi Co., Ltd.	21 January 2011	HKD700 million	—	**100%**	—	100%	Real estate development
Sunac Property Management Service Group Co., Ltd.	21 March 2010	RMB10 million	—	**100%**	—	100%	Property management

38 Subsidiaries *(continued)*

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	Indirectly	Directly	Indirectly	
Incorporated in the PRC: (continued)							
Sunac Zhidi (Tianjin) Business Operation Management Co., Ltd.	21 March 2010	RMB5 million	—	**100%**	—	100%	Property management
Tianjin Rongxing Investment Limited	7 February 2013	RMB100 million	—	**90%**	—	90%	Real estate development
Tianjin Changsheng Real Estate Co., Ltd.	5 May 2014	RMB30 million	—	**100%**	—	100%	Real estate development
Tianjin Mingze Real Estate Co., Ltd.	5 May 2014	RMB30 million	—	**100%**	—	100%	Real estate development
Tianjin Tengyao Real Estate Co., Ltd.	6 May 2014	RMB30 million	—	**100%**	—	100%	Real estate development
Tianjin Rongyao Investment limited	7 March 2013	RMB500 million	—	**54%**	—	54%	Real estate development
Tianjin Rongzheng Investment Limited	12 July 2013	RMB504 million	—	**100%**	—	100%	Real estate development
Tianjin Yijun Investment Co., Ltd.	1 July 2012	RMB30 million	—	**80%**	—	40%	Real estate development
Wuxi Sunac Real Estate Co., Ltd.	27 February 2004	RMB204million	—	**100%**	—	100%	Real estate development
Wuxi Sunac City Construction Co., Ltd.	11 May 2005	RMB448 million	—	**100%**	—	100%	Real estate development
Suzhou Chunshen Lake Property Development Co., Ltd.	8 February 2005	RMB140 million	—	**100%**	—	100%	Real estate development
Yixing Sunac Dongjiu Real Estate Co.,Ltd.	9 March 2010	RMB1,100 million	—	**100%**	—	100%	Real estate development
Wuxi Greentown Real Estate Development Co., Ltd.	1 July 2012	RMB175 million	—	**85%**	—	42.5%	Real estate development
Wuxi Sunac Investment Co. Ltd.	28 July 2010	RMB 5 million	—	**100%**	—	100%	Real estate development
Chongqing Sunac Jiye Real Estate Limited	24 April 2004	RMB180 million	—	**100%**	—	100%	Real estate development
Chongqing Yatai Shiye Real Estate Co., Ltd.	2 January 2011	RMB280 million	—	**100%**	—	100%	Real estate development

38 Subsidiaries *(continued)*

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	Indirectly	Directly	Indirectly	
Incorporated in the PRC: (continued)							
Chongqing Sunac Shangfeng Real Estate Co., Ltd.	21 February 2011	RMB1,200 million	—	**100%**	—	100%	Real estate development
Chongqing Sunac Shijin Real Estate Co., Ltd.	12 December 2012	HKD1,229 million	—	**100%**	—	100%	Real estate development
Chongqing Sunac Property Management Co., Ltd.	21 March 2010	RMB5 million	—	**100%**	—	100%	Property management
Chongqing APEV Property Management Co., Ltd.	30 September 2012	RMB0.5 million	—	**100%**	—	100%	Property management
Chongqing Sunac Business Operation Management Co., Ltd.	21 March 2010	RMB0.5 million	—	**100%**	—	100%	Property management
Chongqing Sunac Qiyang Real Estate Co., Ltd.	18 September 2013	HKD2,280 million	—	**100%**	—	100%	Real estate development
Chongqing Jiandao Culture Media Co., Ltd.	29 September 2014	RMB5 million	—	**100%**	—	100%	Media
Sichuan Hongling Investment Co., Ltd.	7 September 2015	RMB10 million	—	**100%**	—	—	Real estate development
Chengdu Guojia Zhide Real Estate Co., Ltd.	22 October 2015	RMB1,375 million	—	**100%**	—	—	Real estate development
Chengdu Yongping Real Estate Co., Ltd.	22 October 2015	RMB20 million	—	**100%**	—	—	Real estate development
Chengdu Zhongyi Real Estate Co., Ltd.	22 October 2015	RMB200 million	—	**100%**	—	—	Real estate development
Chengdu Guojia Zhongyu Real Estate Co., Ltd.	22 October 2015	RMB50 million	—	**100%**	—	—	Real estate development
Chengdu Hejia Real Estate Co., Ltd.	22 October 2015	RM8 million	—	**100%**	—	—	Real estate development
Wuhan Sunac Jiye Investment Holdings Limited	13 August 2015	RMB10 million	—	**100%**	—	—	Real estate development
Xian Xixu Real Estate Co., Ltd.	6 September 2015	RMB80 million	—	**100%**	—	—	Real estate development
Tianmao Real Estate (Nanjing) Co., Ltd.	4 December 2015	RMB1	—	**100%**	—	—	Real estate development

38 Subsidiaries *(continued)*

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	Indirectly	Directly	Indirectly	
Incorporated in the PRC: (continued)							
Beijing Sunac Hengji Real Estate Co., Ltd.	27 September 2011	RMB100 million	—	**100%**	—	100%	Real estate development
Beijing Sunac Construction Investment Real Estate Co., Ltd	16 August 2010	RMB10 million	—	**100%**	—	100%	Real estate development
Beijing Sunac Jiye Real estate Co., Ltd.	1 June 2011	RMB400 million	—	**100%**	—	100%	Real estate development
Beijing Ruifeng Xingye Real Estate Development Co., Ltd.	26 March 2014	RMB10 million	—	**100%**	—	100%	Real estate development
Beijing Zhongtou Sunac Real Estate Co., Ltd.	23 October 2015	RMB 10 million	—	**100%**	—	—	Real estate development
Shanghai Sunac Greentown Investment Holdings Limited	9 August 2012	RMB2,000 million	—	**100%**	—	50%	Investment holding
Shanghai Lvshun Real Estate Development Co., Ltd.	1 July 2012	RMB1,000 million	—	**100%**	—	50%	Real estate development
Shanghai Ronglv Ruijiang Real Estate Co.,Ltd.	28 August 2014	RMB50 million	—	**100%**	—	75.5%	Real estate development
Shanghai Sunac Ruifeng Investment Co., Ltd.	10 February 2015	RMB100 million	—	**100%**	—	—	Real estate development
Shanghai Fengdan Lishe Real Estate Development Co., Ltd.	25 September 2015	RMB10 million	—	**62%**	—	—	Real estate development
Shanghai Mingsheng Investment Limited	26 August 2015	RMB100 million	—	**100%**	—	—	Investment Holding
Shanghai Gurong Real Estate Co., Ltd.	26 June 2015	RMB10 million	—	**90%**	—	—	Real estate development
Shanghai Mingxiang Investment Co., Ltd.	10 September 2015	RMB10 million	—	**100%**	—	—	Investment Holding
Shanghai Lingwu Investment Mangement Co., Ltd.	23 November 2015	RMB12 million	—	**100%**	—	—	Investment Holding
Shanghai Sunac Real Estate Development Co., Ltd.	18 December 2014	RMB2,000 million	—	**100%**	—	100%	Real estate development

38 Subsidiaries *(continued)*

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/registered capital	Equity interests held				Principal activities
			31 December 2015		31 December 2014		
			Directly	Indirectly	Directly	Indirectly	
Incorporated in the PRC: (continued)							
Shanghai Forest Golf Villa Development Co., Ltd.	18 December 2002	RMB196 million	—	**100%**	—	50%	Real estate development
Shanghai Haochuan Property Co., Ltd.	19 June 2002	RMB50 million	—	**100%**	—	50%	Real estate development
Hangzhou Sunac Greentown Real Estate Development Co., Ltd.	20 December 2012	USD102 million	—	**100%**	—	75%	Real estate development
Hangzhou Yingzi Investment Limited	27 August 2013	RMB10 million	—	**100%**	—	100%	Real estate development
Hangzhou Guorong Zhidi Co., Ltd.	9 August 2013	RMB460 million	—	**60%**	—	60%	Real estate development
Hangzhou Fuyang Sunac Real Estate Co., Ltd.	7 March 2014	RMB630 million	—	**100%**	—	100%	Real estate development
Hangzhou Rongxinheng Investment Limited	27 August 2013	RMB10 million	—	**100%**	—	100%	Investment Holding
Hangzhou Dinghui Investment Management Co., Ltd.	30 June 2014	RMB2 million	—	**100%**	—	100%	Investment Holding
Suzhou Greentown Yuyuan Real Estate Development Co., Ltd.	1 July 2012	RMB250 million	—	**100%**	—	50%	Real estate development
Suzhou Rongding Real Estate Co., Ltd.	26 December 2014	RMB8million	—	**100%**	—	100%	Real estate development
Suzhou Ronglv Fanting Real Estate Co., Ltd.	5 December 2014	RMB50 million	—	**100%**	—	50%	Real estate development
Changzhou Greentown Real Estate Co., Ltd.	15 January 2013	RMB838 million	—	**97%**	—	48.5%	Real estate development
New Richport Property Development Shanghai Co., Ltd.	17 July 2013	RMB2,250 million	—	**100%**	—	50%	Real estate development
Everbright Property Development Shanghai Co., Ltd.	17 July 2013	RMB135 million	—	**100%**	—	50%	Real estate development
Fung Seng Estate Development (Shanghai) Co., Ltd.	17 July 2013	RMB85 million	—	**100%**	—	50%	Real estate development
Sunac (Shenzhen) Real Estate Co., Ltd.	9 March 2015	RMB10 million	—	**100%**	—	—	Investment Holding
Shenzhen Chuangrun Real Estate Co., Ltd.	13 March 2015	RMB10 million	—	**100%**	—	—	Investment Holding

39 Financial instruments by category

	31 December 2015 RMB'000	31 December 2014 RMB'000
Loans and receivables		
Trade and other receivables	**970,481**	2,474,809
Restricted cash	**4,371,010**	4,384,145
Cash and cash equivalents	**22,687,280**	20,657,285
Amounts due from related companies	**11,660,049**	17,999,418
	39,688,820	45,515,657

	31 December 2015 RMB'000	31 December 2014 RMB'000
Financial liabilities at amortized costs		
Borrowings	**41,798,633**	34,383,795
Amounts due to related companies	**18,212,922**	20,713,919
Trade and other payables	**10,271,759**	11,116,009
	70,283,314	66,213,723

Note: Trade and other payables in this analysis do not include the taxes payables and payroll and welfare payables.

40 Dividends

The dividends paid in 2015 and 2014 were RMB646.4 million (RMB0.19 per share) and RMB635.7 million (RMB0.191 per share) respectively. A dividend in respect of the year ended 31 December 2015 of RMB0.194 per share, amounting to a total dividend of RMB660 million, is to be proposed at the annual general meeting. These financial statements did not reflect this dividend payable.

	Year ended 31 December	
	2015 RMB'000	2014 RMB'000
Interim dividend paid of RMB0 (2014: Nil) per ordinary share	—	—
Proposed final dividend of RMB0.194 (2014: RMB0.190) per ordinary share	**659,566**	644,414

41 Events after the balance sheet date

(1) ACQUISITION OF INTERESTS IN HUAFENG

Subsequent to the equity transaction as disclosed in Note 35(b) (iii), the Group completed the following equity acquisitions relating to the Target Project which is developed by Huafeng:

(a) On 4 January 2016, the Group effectively acquired an 9.4% interest in Huafeng at a consideration of RMB752 million from Shanghai Pudong Development (Group) Company Limited ("Shanghai Pudong Development"), another ultimate equity owner of Huafeng. According to the agreement, Shanghai Pudong Development is entrusted to hold this acquired equity interest in Huafeng on behalf of the Group.

(b) On 15 January 2016, the Group proposed to acquire the remaining 37.855% equity interest and debts in Shanghai Fengdan Lishe Estate Development Co., Ltd. ("Fengdan") at a consideration of RMB1,324.9 million. This transaction has yet to be approved by the shareholders of the Company in compliance with relevant rules and regulation.

In summary, upon completion of the above trasnaction, the Group will have an effective totaling 76.9% interest in Huafeng.

(2) ACQUISITION OF EQUITY INTEREST AND DEBTS IN SUZHOU XINYOU REAL ESTATE CO., LTD. ("SUZHOU XINYOU")

On 13 January 2016, the Group acquired 95% equity interest of Suzhou Xinyou from a third party at the equity consideration of RMB183.65 million and an amount of RMB854.58 million due by Suzhou Xinyou to the seller. The total consideration of which is RMB1,038.23 million. Upon completion of the acquisition, Suzhou Xinyou became a subsidiary of the Company.

(3) ACQUISITION OF EQUITY INTERESTS AND DEBTS IN SUZHOU DER TAIHU BAY PROPERTIES CO., LTD. ("SUZHOU DER TAIHU BAY") AND SUZHOU DER TAIHU TOWN REAL ESTATE CO., LTD. ("SUZHOU DER TAIHU TOWN")

On 1 February 2016, the Group entered into agreeements with third parties (the "Sellers"), pursuant to which, the Group agreed to acquire from the Sellers 100% equity interest of Suzhou Der Taihu Bay at the equity consideration of RMB404.46 million and an amount of RMB685.54 million due by Suzhou Der Taihu Bay to the Sellers. The total consideration of which is RMB1,090 million, and 100% equity interest of Suzhou Der Taihu Town at the equity consideration of RMB28.31 million and an amount of RMB51.69 million due by Suzhou Der Taihu Town to the Sellers. The total consideration of which is RMB80 million. Total consideration for the two transactions was RMB1,170 million. Up to the date of this report, the acquisitions have yet to be completed. Upon completion of the transactions, Suzhou Der Taihu Bay and Suzhou Der Taihu Town will become subsidiaries of the Company.

41 Events after the balance sheet date *(continued)*

(4) ACQUISITION OF 70% EQUITY INTERESTS AND DEBTS IN ZHONGMU MEISHENG REAL ESTATE CO., LTD. ("ZHONGMU MEISHENG")

On 25 February 2016, the Group entered into an equity acquisition agreement with a third party, pursuant to which the Group agreed to acquire 70% equity interest of Zhengzhou Meisheng from the third party at the equity consideration of RMB708.4 million, and an amount of RMB45.52 million due by Zhongmu Meisheng to the seller. The total consideration of which is RMB753.92 million. Up to the date of this report, the acquisition has yet to be completed. Upon completion of the transaction, Zhongmu Meisheng will become a subsidiary of the Company.

(5) ENTERED INTO THE COOPERATION AGREEMENT IN SHANGHAI PROJECTS

On 18 March 2016, Shanghai Sunac Property Development Co., Ltd. ("Shanghai Sunac"), a wholly owned subsidiary of the Company, entered into the cooperation agreement with an independent third party Shanghai Moke Real Estate Co., Ltd. ("Shanghai Moke"), pursuant to which, Shanghai Sunac and Shanghai Moke will cooperate in the development of two property projects (the "Target projects") in Shanghai through a new jointly invested project company (the "Project company"). Shanghai Sunac and Shanghai Moke will initially hold 40% and 60% equity interests of the Project company respectively. The Project company will acquire the Target projects from Shanghai Moke at the total consideration of RMB4,031.6 million, which is to be fully financed from Shanghai Sunac and Shanghai Moke on 80%:20% basis in form of shareholders' loans by two equal amount batches, i.e. the total loan amounts to be provided by Shanghai Sunac and Shanghai Moke are RMB3,225.3 million and RMB806.3 million respectively. A 50% of the consideration is to be made within five business days after entering into the cooperation agreement. Within two business days after (i) the expiry of the 270-day period after entering into the cooperation agreement or (ii) within 5 business days before the remaining Target projects have completed the transfer registration (whichever is earlier), the Project company will pay the remaining 50% consideration amount to Shanghai Moke and the Target projects will be transferred to the Project company. Then Shanghai Sunac will acquire an additional 40% equity interest of the Project company from Shanghai Moke at the consideration of RMB40 million plus the interest cost, which is estimated not exceeding RMB72.6 million, being the interest accrued on the payables in the amount of RMB1,612 million by Shanghai Sunac in the second shareholder's loan to the Project company, which Shanghai Moke shall receive at an interest rate of 6% per annum for the period commencing from the fifth business day after the date of the cooperation agreement up till the day when Shanghai Sunac has fully paid the second shareholder's loan. In summary, the total investment amount attributable to the Group will be no exceeding RMB3,337.9 million.

42 Balance sheet and reserve movement of the Company

		31 December 2015 RMB'000	31 December 2014 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries		**12,930,894**	8,419,621
Current assets			
Amounts due from subsidiaries		**8,096,001**	5,463,734
Other receivables		**345**	1,905
Cash and cash equivalents		**3,245,867**	28,728
		11,342,213	5,494,367
Total assets		**24,273,107**	13,913,988
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**291,329**	289,963
Other reserves	Note (a)	**3,572,997**	4,125,887
Accumulated losses	Note (a)	**(2,451,763)**	(1,309,349)
Total equity		**1,412,563**	3,106,501
Liabilities			
Non-current liabilities			
Borrowings		**8,778,815**	9,262,956
Current liabilities			
Borrowings		**5,726,528**	1,378,905
Other payables		**192,303**	156,435
Amounts due to subsidiaries		**8,162,898**	9,191
		14,081,729	1,544,531
Total liabilities		**22,860,544**	10,807,487
Total equity and liabilities		**24,273,107**	13,913,988

Sun Hongbin
Director

Wang Mengde
Director

42 Balance sheet and reserve movement of the Company *(continued)*

Note (a) Reserve movement of the Company

	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Year ended 31 December 2014				
At 1 January 2014	3,070,058	1,535,172	(600,520)	4,004,710
Loss for the year	—	—	(708,829)	(708,829)
Employees share option scheme:				
– Value of employee services	—	35,456	—	35,456
– Proceeds from shares issued	120,882	—	—	120,882
Dividends relating to 2013	(635,681)	—	—	(635,681)
At 31 December 2014	2,555,259	1,570,628	(1,309,349)	2,816,538
Year ended 31 December 2015				
At 1 January 2015	**2,555,259**	**1,570,628**	**(1,309,349)**	**2,816,538**
Loss for the year	—	—	**(1,142,414)**	**(1,142,414)**
Employees share option scheme:				
– Value of employee services	—	**47,395**	—	**47,395**
– Proceeds from shares issued	**44,129**	—	—	**44,129**
Dividends relating to 2014	**(644,414)**	—	—	**(644,414)**
At 31 December 2015	**1,954,974**	**1,618,023**	**(2,451,763)**	**1,121,234**

43 Benefits and interests of directors

(A) DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The Directors' and senior management's emoluments are set out below:

Name of Director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Share options expenses RMB'000	Employer's contribution retirement benefit scheme RMB'000	Other benefits RMB'000	Compensation for loss of office as director RMB'000	Total RMB'000
Year ended 31 December 2015:								
Directors:								
Sun Hongbin	—	1,200	1,053	473	—	—	—	2,726
Wang Mengde	—	932	967	1,851	34	51	—	3,835
Li Shaozhong	—	757	416	1,592	34	51	—	2,850
Chi Xun	—	819	1,095	1,690	34	51	—	3,689
Shang Yu	—	736	620	1,690	34	51	—	3,131
Jing Hong	—	894	1,429	1,690	44	55	—	4,112
Zhu Jia	—	—	—	—	—	—	—	—
Poon Chiu Kwoh	242	—	—	—	—	—	—	242
Li Qin	242	—	—	—	—	—	—	242
Ma Lishan	242	—	—	—	—	—	—	242
Tse Chi Wai	242	—	—	—	—	—	—	242
Year ended 31 December 2014:								
Directors:								
Sun Hongbin	—	1,200	638	847		—	—	2,685
Wang Mengde	—	881	602	1,494	34	55	—	3,066
Li Shaozhong	—	552	357	1,299	18	28	—	2,254
Chi Xun	—	720	568	1,299	31	48	—	2,666
Shang Yu	—	734	516	1,299	37	52	—	2,638
Jing Hong	—	801	819	1,299	40	48	—	3,007
Zhu Jia	—	—	—	—		—	—	—
Hu Xiaoling (i)	—	—	—	—		—	—	—
Poon Chiu Kwoh	237	—	—	—		—	—	237
Li Qin	237	—	—	—		—	—	237
Ma Lishan	237	—	—	—		—	—	237
Tse Chi Wai	237	—	—	—		—	—	237

For the year ended 31 December 2015 and 2014, no housing allowance, estimated money value of other benefits, remunerations paid or receivable in respect of accepting office as director, emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking were provided by the Group to directors or chief executive.

Notes:

(i) Resigned on 12 August 2014.

(B) The five individuals whose emoluments were the highest in the Group included five directors (2014: Five) for the year ended 31 December 2015, whose emoluments are reflected in the analysis presented above.

WWW.SUNAC.COM.CN