建業地產股份有限公司
Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 0832.HK
www.centralchina.com

根植中原造福百姓
胡葆森

From the land of Henan,
for the people of China.

2015 ANNUAL REPORT

CONTENTS

Xuchang Yanling Eco-City

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Po Sum *(Chairman)*
Ms. Yan Yingchun

Non-executive Directors

Mr. Lucas Ignatius Loh Jen Yuh *(Vice-Chairman)*
Mr. Puah Tze Shyang (appointed on 1 April 2015)
Mr. Leow Juan Thong Jason (resigned on 1 April 2015)
Ms. Wu Wallis (alias Li Hua)

Independent Non-executive Directors

Mr. Cheung Shek Lun
Mr. Xin Luo Lin
Mr. Muk Kin Yau

BOARD COMMITTEES

Audit Committee

Mr. Cheung Shek Lun *(Chairman)*
Mr. Xin Luo Lin
Mr. Lucas Ignatius Loh Jen Yuh

Remuneration Committee

Mr. Xin Luo Lin *(Chairman)*
Mr. Wu Po Sum
Mr. Cheung Shek Lun

Nomination Committee

Mr. Wu Po Sum *(Chairman)*
Mr. Cheung Shek Lun
Mr. Xin Luo Lin

CHIEF EXECUTIVE OFFICER

Mr. Chen Jianye

COMPANY SECRETARY

Mr. Kwok Pak Shing

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block E, Jianye Office Building
Nongye East Road, Zhengzhou City
Henan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 7701B–7702A
77th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

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 BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

Corporate Information (Continued)

PRINCIPAL BANKERS
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China (Asia) Limited

LEGAL ADVISERS
As to Hong Kong Law
Li & Partners

As to Cayman Islands Law
Conyers Dill & Pearman (Cayman) Limited

INDEPENDENT AUDITORS
KPMG
Certified Public Accountants

WEBSITE
www.centralchina.com

SHAREHOLDERS' INFORMATION
Share listing
The company's shares are listed on the Main Board of The Stock Exchange of Hong Kong limited

Ordinary Shares (as at 31 December 2015)
Shares outstanding	:	2,442,270,760 shares
Nominal value	:	HK$0.10 per share

INVESTOR RELATIONS CONTACT
Email address : ir@centralchina.com

HEAD OF INVESTOR RELATION & CHIEF INVESTMENT OFFICER
Mr. Mai Vinh

FINANCIAL CALENDAR
2015 annual results announcement	:	31 March 2016
Book closure period (for determining shareholders' eligibility to attend and vote at the annual general meeting (the "2016 AGM"))	:	13 May 2016 to 17 May 2016 (both days inclusive)
2016 AGM	:	17 May 2016
Book closure period (for determining shareholders' entitlement to the proposed final dividend for 2015 (subject to shareholders' approval at the 2016 AGM)	:	23 May 2016
Payment date of final dividend	:	On or about 6 June 2016

Corporate Profile

Luoyang Huayang Square

Corporate Profile

Central China Real Estate Limited (hereinafter referred to as "CCRE" or the "Company", together with its subsidiaries hereinafter referred to as the "Group") was incorporated in the Cayman Islands on 15 November 2007 as an exempt company with limited liability, the shares of which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 June 2008. The Group has been granted the "First Class Honor of Real Estate Developer" in the People's Republic of China (the "PRC" or "China").

The Company has been committed to the development of branded properties as its principal activity since its establishment. Over 23 years, we have continued to guide residents to new exposures in lifestyle through our articulately crafted architectural masterpieces in honour of our core value of "Taking Root in Central China and Contributing to Society." The Company is of the view that enterprises relate to the society in the same way as trees relate to the earth. When we establish our presence in a city, we cooperate with our local peer developers to contribute to the local community by improving the standards of construction, increasing tax collections for local governments and creating job opportunities. Our relentless efforts in driving the urbanisation process and promoting economic and social growth in Henan Province have won the accolades of government authorities, professionals, peers, investors, customers and our employees.

The Company positions itself as a facilitator of urbanisation and all-round social progress for Henan Province. Having taken root in Henan Province for 23 years, we are resolute as ever in our vision and mission of "building quality houses for the people of Henan". With the development of housing complexes such as "Forest Peninsula", "U-Town", "Code One City", "Sweet-Scented Osmanthus Garden" and "Jianye Eighteen Cities", we have improved the standard of residential housing in various cities in Henan and made important contributions to the urbanisation process of the province. Meanwhile, the Company endeavours to construct a "tailor-made" mega service regime by integrating resources, such as property, education, hotel, football, commerce and green house, with a view to activating the "New Blue Ocean Strategy" and transforming the Company from an urban complex developer to a new lifestyle services provider for urban residents.

The Company is firmly committed to its philosophy of "providing customers with zero-defect products and first-rated services". In addition, we apply concepts of scientific decision-making, management standardisation and operation professionalisation in our business management to ensure the quality of our products and services.

In its persistent professional pursuit of premium residential housing development over the past 23 years, the Company has fostered a "CCRE model" focused on provincial and regional development, created a brand name well trusted for social responsibility, groomed a high calibre management team, given substance to the corporate philosophy of "perseverance for excellence" and embarked on a development cycle of "ongoing profitability and stable growth".

As of now, the Company has established its presence in Henan's 18 prefecture-level cities and 23 county-level cities. As at 31 December 2015, the Company had completed development projects with an accumulated aggregate gross floor area ("GFA") of approximately 16.71 million square metres ("sq.m.") and owned 46 projects/phases under development with GFA of approximately 4.72 million sq.m. under development and land reserves with GFA of 18.63 million sq.m., including equity-owned GFA of 15.51 million sq.m.. During the reporting period, GFA measured approximately 2.58 million sq.m. for newly commenced projects and 2.73 million sq.m. for properties sold.

Zhengzhou The Five Buildings

Corporate Profile (Continued)

In line with its corporate culture underpinned by "honesty, responsibility, integrity and focus", a state of business featuring a high level of integration between "economic and social benefits, material and spiritual pursuits, corporate and staff interests, strategic objectives and execution process" is coming into shape.

On 24 March 2015, the Company ranked 26th in the "2015 Top 500 Chinese Property Developers" in the "2015 Assessment Report on Top 500 Chinese Property Developers" and topped the list of "Top 10 Chinese Property Developers in Regional Operations" for seven consecutive years in a row and repeatedly ranked in top 5 operations performance among the listed property companies in China. On 8 July 2015, the Company was ranked 471st among "China's Top 500 2015" by Fortune Magazine for the first time, and is the only property developer among the enterprises in Henan province which have made it to the list.. On 8 September 2015, the Company ranked 29th in "2015 Best 50 of China Real Estate Developers Brand Value" and Central China Properties Development Co. Ltd. ranked 28th in "2015 Best 50 of Chinese Property Management Enterprises Brand Value" according to the "2015 Assessment Report on Chinese Real Estate Brand Value", securing the leading position of branded property developer in Henan province. On 8 November 2015, the Company was repeatedly on the list of the "2015 Top 100 Private Enterprises in Henan Province" and ranked 17th in the list in 2015. As shown in the sub-indexes of the list, the Company ranked 17th among the top 100 private enterprises in Henan in terms of revenue, ranked 3rd in terms of total assets, ranked 4th in terms of net profit, ranked 2nd in terms of total amount of taxation and ranked 1st among property developers in the list in terms of overall performance as well as all sub-indexes, maintaining its leading position in property development in Henan province.

Turning dreams into reality, golden age coming along. The Company adheres to its corporate philosophy of "Perseverance for Excellence" and its core value of "Taking Root in Central China and Contributing to Society". The Company remains committed to making contributions to the development of the real estate industry and the private economic sector, as well as the strengthening of the nation and the prosperity of the country.

Corporate Profile (Continued)

PROJECTS OVERVIEW

Land reserves with GFA of 18.63 million sq.m.

Owning 112 projects in 18 prefecture-level cities across Henan Province

Zhengzhou
1. Blossom Garden
2. Champagne Garden
3. City Garden
4. Code International Garden
5. Code One City
6. Code Two City
7. Forest Peninsula
8. Gongyi Code One City
9. Huayuan Kou Project
10. Jianye Huaji Brothers Film Culture Town
11. Jinshui Garden
12. Jianye Square
13. Jiuru House
14. Landmark
15. Maple Garden
16. New World • Sweet-Scented Osmanthus Garden
17. Shangjie Forest Peninsula
18. Spring Time
19. St. Andrews Project
20. Suoxu River Garden
21. The Five Buildings
22. Tianzhu
23. Tihome Jianye International City
24. Triumph Plaza
25. U-Town
26. Wisdom Port
27. Wulong City
28. Xiangsheng Garden
29. Yuanyang Pingyuan New City
30. Zhengxi U-Town

Kaifeng
31. Chrysanthemum Garden
32. Dongjingmenghua

Luoyang
33. Code One City
34. Forest Peninsula
35. Gentlest Lake
36. Golf Garden
37. Huayang Square
38. Sweet-Scented Osmanthus Garden
39. Triumph Plaza
40. Wisdom Port
41. Yanshi Forest Peninsula

Pingdingshan
42. Baofeng Forest Peninsula
43. Eighteen Cities
44. Forest Peninsula
45. Sweet-Scented Osmanthus Garden
46. Wugang Forest Peninsula

Anyang
47. Forest Peninsula
48. Guihua House
49. Huaxian Jianye Code One City
50. Sweet-Scented Osmanthus Garden
51. Tangyin Forest Peninsula

Hebi
52. Code One City
53. Forest Peninsula
54. Sweet-Scented Osmanthus Garden

Xinxiang
55. Changyuang Forest Peninsula
56. Code One City
57. Forest Peninsula
58. Green Garden
59. U-Town

Jiaozuo
60. Code One City
61. Forest Peninsula
62. Park Lane
63. Xiuwu Forest Peninsula

Puyang
64. City Garden
65. Code One City
66. Jianye City
67. Sweet-Scented Osmanthus Garden

Xuchang
68. Changge Sweet-Scented Osmanthus Garden
69. Code One City
70. Forest Peninsula
71. Palladio Luxurious House
72. Yanling Eco-City
73. Yuzhou Jundu New World

Luohe
74. Code One City
75. Forest Peninsula
76. Linying Sweet-Scented Osmanthus Garden
77. Moco New World
78. Xicheng Forest Peninsula

Sanmenxia
79. Code One City
80. Forest Peninsula
81. Green Garden
82. Lakeside Square
83. Lingbao Forest Peninsula
84. New World • SOHO

Shangqiu
85. Eighteen Cities
86. Forest Peninsula
87. Green Garden
88. Sweet-Scented Osmanthus Garden
89. U-Town
90. Yongchen U-Town
91. Zhecheng U-Town

Zhoukou
92. Forest Peninsula
93. Huaiyang Sweet-Scented Osmanthus Garden
94. Luyi Forest Peninsula

Zhumadian
95. Eighteen Cities
96. Forest Peninsula
97. Suiping Forest Peninsula
98. Xiping Forest Peninsula

Nanyang
99. Code One City
100. Forest Peninsula
101. Green Garden
102. Taohua Island
103. Triumph Plaza

Xinyang
104. Code One City
105. Forest Peninsula
106. Jianye City
107. South Lake No. 1
108. U-Town

Jiyuan
109. Code One City
110. Forest Peninsula
111. New World • Pedestrian Street
112. U-Town

Corporate Profile (Continued)

CORPORATE HONOURS

March 2015

On 24 March 2015, the Company ranked 26th in the "2014 Top 500 Chinese Property Developers" in the "2015 Assessment Report on Top 500 Chinese Property Developers" and topped the list of "Top 10 Chinese Property Developers in Regional Operations" for seven consecutive years in a row and repeatedly ranked in top 5 operations performance among the listed property companies in China.

July 2015

On 8 July 2015, the Company was ranked 471st among "China's Top 500 2015" by *Fortune Magazine* for the first time, and is the only property developer among the enterprises in Henan province which have made it to the list.

September 2015

On 8 September 2015, the Company ranked 29th in "2015 Best 50 of China Real Estate Developers Brand Value".

November 2015

On 8 November 2015, the Company was repeatedly on the list of the "2015 Top 100 Private Enterprises in Henan Province" and ranked 17th in the list in 2015. As shown in the sub-indexes of the list, the Company ranked 17th among the top 100 private enterprises in Henan in terms of revenue, ranked 3rd in terms of total assets, ranked 4th in terms of net profit, ranked 2nd in terms of total amount of taxation and ranked 1st among property developers in the list in terms of overall performance as well as all sub-indexes, maintaining its leading position in property development in Henan province.

Xuchang Yanling Eco-City

Chairman's Statement

Dear shareholders,

I have the pleasure to present, on behalf of the board (the "Board") of directors (the "Directors" and each a "Director") of the Company, the annual consolidated results (the "Annual Results") of the Group for the year ended 31 December 2015.

Chairman's Statement

During the reporting period, growth in global economy slowed down and economic recovery stumbled. In China, downward pressure on the domestic economy continued to mount, slowing down the growth in economy. Nevertheless, following implementation of the three major national strategic plans (namely Zhengzhou Aviation Port Economic Integration Trial Zone, central China economic zone and food production core zone) and the successful implementation of new urbanisation, the economy of Henan province developed stably and trended positively with annual gross domestic product of approximately RMB3.7 trillion recorded, representing a year-on-year growth of 8.3% and 1.4 percentage point higher than the national average.

Under the backdrop of real estate inventory clearance and steady development of property market in China in 2015, relatively relaxed policy on property market has released demand for home purchase, keeping property prices inflated to a greater degree in tier 1 cities. However, property price has lost rising momentum in tier 2 and tier 3 cities due to excessive inventory, resulting in an increase in quantity but a decrease in price. Given further clearance of inventory, the decrease in prices has been narrowing down and the trend shall change to steady. Sales of commodity housing in nationwide property market amounted to approximately RMB8.73 trillion, representing a year-on-year increase of 14.4%. With accelerating urbanisation in Henan province, sales of commodity housing in Henan province amounted to approximately RMB394.6 billion in 2015, representing a growth of 14.7% which was 0.3 percentage point higher than the national average.

By leveraging the changes in market environment, the Company recorded contracted area sold of 2,731,000 sq.m. in 2015, representing a year-on-year increase of 25%, and contracted sales of approximately RMB15.7 billion by implementing active sale strategies. In addition, our comprehensive strength has been further enhancing, as evidenced by being listed in the Fortune China's 500 list of the Chinese largest corporations for the first time in 2015, and became the only property developer in Henan province on the list. The Company ranked 26th in the "2015 Top 500 Chinese Property Developers" and topped the list of "Top 10 Chinese Property Developers in Regional Operations" for another year, being the only central China-based property developer among the top 30.

During the reporting period, the Company sought to develop various aspects, including the diversification of financing channels, the progress achievement in commercialisation, the launch of light-asset model projects, the completion of Pullman Kaifeng Jianye and the announcement of the New Blue Ocean Strategy, further strengthening and enhancing our capability of operation and management.

The Company continued to be recognised by the capital market for its steady and healthy operational strategy. In April 2015, the issuance of senior notes in an aggregate principal of US$300 million overseas was highly accepted by investors with over-subscription of over 14 times. In July 2015, the Group entered into a strategic cooperation agreement with Zhongyuan Bank in relation to an establishment of the first real estate merger and acquisition funds in Henan province with a size of up to RMB10 billion. In October 2015, the Group entered into a strategic cooperation agreement with Ping An Bank for introducing a new engine for our strategic transformation. Through the support from capital platform both domestic and abroad as well as significant growth in our operational capability, the Company was able to systematically build up its land bank in crucially strategic regions at relatively low costs with approximately 2,650,000 sq.m. of additional land reserves throughout the year.

During the reporting period, the Company, based on the New Blue Ocean Strategy, successfully launched its light-assets expansion model delivering our brand, management and capital, with an aim to maximise our brand value and management advantages and thus provide the Group a new growth driver. Our property commercialisation achieved substantial progress that construction of manufacturing plant for movable pre-fabricated components has commenced jointly with major construction companies. At the end of 2015, our two pilot projects for commercialisation have made progress orderly. In October 2015, the Company announced the grand opening of Pullman Kaifeng Jianye, the first international high-end hotel in Kaifeng, constructed jointly with Accor Group. Pullman Kaifeng Jianye, the fifth international star hotel of the Company, has become the cultural landmark harmoniously blending ancient and modern in such ancient city of thousand years after years of our painstaking efforts.

In the midst of the Internet age, new business models has been presenting challenges and development to the commercial world. During the reporting period, the Company, after careful assessment of the market trend, held a press conference officially announcing "Development and Growth Hand in Hand — New Blue Ocean Strategy of Jianye Group" and the "Jianye + Strategy" in order to build a commercial ecology of the "Great Jianye". With the aim to complete E-strategic transformation and upgrade of our properties, and thus achieve a regeneration of our service regime, the Company puts effort in developing the Great Jianye includes innovation of added-value model for customers, strategic partnerships with soonchina.cn, building of the O2O platform for Jianye community, and "E+Family" community services station, serving as vital links to all of the above. The provision of the new services progressively bore fruitful outcomes that our brand effect has been expanding, and that it interpreted a new way of living of "healthiness, honour, sharing and happiness" as promoted by our Company. Transformation is essential in development of property industry as well as the vision of the Company, though property development is always our principal business.

As the Company has been expanding its business into hotel, culture tourism and ecological agriculture segments for years, we are confident that the Company is well positioned to undergo the transformation. The Company believes its brand reputation will be further enhanced by maximizing value of its service resources and fully optimising its synergy, as a result, a concrete foundation will be laid for our long term development in addition to a progressive increase in revenue from the new projects. We will further make self-improvement for our new vision and our new mission, taking advantages of the present with a focus on the full scenario for our long term sustainability.

2016 is the first year of the 13th Five-year Plan of China, and also the first year of the decisive period China enters to build comprehensive wealthy and healthy society and the challenging year of the Company for its transformation and development. Having taken root in Henan province for 24 years, the Company possesses two major unrivalled advantages to support its long-term development, namely the wide customer base built up for 24 years, and its brand reputation representing "honesty, responsibility, integrity and focus". As such, the Company will launch the "Jianye Junlin Club" for provision of membership-based customer services and "Jianye Tongbao", a payment platform for our customers to settle our services provided in 2016. The Company seeks to adopt reforms of traditional ways of marketing and financing through services upgrade in three years. Such move will catch the attention of the industry and the Company will be the first property developer to achieve a transformation of development model.

You reap the fruits of your efforts of yesterday. As a company accustomed to taking a long-term perspective in formulating development strategies, we will continue to restrain short-sighted actions for long-lasting foundation, and operate the Company in a concrete and effective way for future development. Our staff shall enhance our qualities of vigilance, diligence, persistence and excellence. As such, corporate strategies can be implemented in an extensive as well as intensive manner; CCRE could be steadfast at the age of thirty; our talents can deliver our objectives that we long for, which is creating wealth and earning respect.

APPRECIATION

I would like to take this opportunity to express sincere gratitude to all people for their diligent work and contribution in achieving the goals of the Company. In this era of change, the trust and recognition of shareholders remain the driving force for us to go forward. Law of discipline is the truth, and we shall follow the truth to act with no fear of uncertainty. In search of the keys to survival and growth over the past 24 years from 1992 to 2016, the Company, as a seeker and a cultivator, has been cultivating and harvesting for making progress on a concrete foundation. In the course of business, we are fully aware that satisfying customers demand is always the right direction to run our business. We will reward our shareholders with healthy performance and higher profitability for their trust and expectation by taking good care of our customers through exploration and innovation.

Wu Po Sum
Chairman
31 March 2016

Financial Highlights

SUMMARY OF CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	2015	2014	Changes
Revenue *(RMB'000)*	**12,562,724**	9,228,763	36.1%
Gross profit *(RMB'000)*	**2,788,023**	3,097,463	–10.0%
Gross profit margin	**22.2%**	33.6%	–11.4*
Gross profit from core businesses *(RMB'000)*	**2,647,601**	2,916,815	–9.2%
Net profit *(RMB'000)*	**804,035**	957,592	–16.0%
Net profit margin	**6.4%**	10.4%	–4.0*
Net profit from core businesses *(RMB'000)*	**1,093,304**	1,204,627	–9.2%
Net profit margin from core businesses	**8.9%**	13.4%	–4.5*
Profit attributable to equity shareholders *(RMB'000)*	**801,290**	883,301	–9.3%
Basic earnings per share *(RMB)*	**0.3284**	0.3627	–9.5%
Diluted earnings per share *(RMB)*	**0.3284**	0.3626	–9.4%
Final dividends per share *(HK$)*	**0.1161**	0.1360	–14.6%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	2015	2014	Changes
Total cash (including cash and cash equivalents and restricted bank deposits) *(RMB'000)*	**8,734,071**	6,491,919	34.5%
Total assets *(RMB'000)*	**39,758,004**	37,350,098	6.4%
Total liabilities *(RMB'000)*	**32,440,485**	30,283,182	7.1%
Total equity (including non-controlling interests) *(RMB'000)*	**7,317,519**	7,066,916	3.5%
Total borrowings *(RMB'000)*	**10,591,363**	9,556,997	10.8%
Net borrowings *(RMB'000)*	**3,133,330**	4,538,486	–31.0%
Current ratio	**121.7%**	135.6%	–13.9*
Net gearing ratio	**42.8%**	64.2%	–21.4*
Net asset value per share *(RMB)*	**3.00**	2.90	3.4%
Equity attributable to equity shareholders *(RMB)*	**2.78**	2.65	4.9%

Notes: * change in percentage points

Management Discussion and Analysis

Pullman Kaifeng Jianye Hotel

Management Discussion and Analysis

FINANCIAL REVIEW

Overall performance

The Group measured a progressive growth in property sales in 2015 through our great effort in expediting sales and strategy of accelerated inventory clearance, represented by a year-on-year growth in revenue of 36.1%. Being the icon of the fourth generation of our product, Tianzhu Project led the sale contribution from Zhengzhou increased to 30% of income from sales of properties for the year, which also brought a higher average selling price to the Group. However, the overall gross profit margin was lower in the year as affected by the strategy of accelerated inventory clearance.

Apart from sales of properties, the Group has been expanding its revenue base and spreading over operational risks by diversifying businesses in hotels and cultural tourism projects. The management believes that partial resources injected into these new businesses shall improve the Group's industry value-chain by integrating the properties, hotels, cultural tourism projects and offering "tailor-made" services to our customers.

Our net profit from core business in sales of properties, excluding expenditure in hotels and cultural tourism projects achieved RMB1,093 million in 2015. Nevertheless, our net profit from core business had measured a decrease of 9.2% in 2015 as compared to last year due to the strategy of accelerated inventory clearance.

Revenue: Our revenue increased by 36.1% to approximately RMB12,563 million in 2015 from approximately RMB9,229 million in 2014, primarily due to an increase in income from sales of properties.

- **Income from sales of properties:** Revenue from property sales increased by 36.6% to approximately RMB12,287 million in 2015 from approximately RMB8,996 million in 2014, due to an increase in sold area to 2,037,117 sq.m. in 2015 from 1,680,758 sq.m. in 2014 and an increase in average selling price to RMB5,993 per sq.m. in 2015 from RMB5,408 per sq.m. in 2014. The increase in sold area was stimulated by our strategy of accelerated inventory clearance. The increase in the average selling price was due to the change of the product mix and the increase in the proportion of sales from Zhengzhou.

- **Rental income:** Revenue from property leasing increased by 1.3% to approximately RMB101 million in 2015 from approximately RMB100 million in 2014, which was mainly derived from rental income of the properties held.

- **Revenue from hotel operation:** Revenue from hotel operation increased by 31.3% to approximately RMB175 million in 2015 from approximately RMB133 million in 2014. The increase was mainly due to the continuous improvement in hotel operation in each hotel.

Cost of sales: Our cost of sales increased by 59.4% to approximately RMB9,775 million in 2015 from approximately RMB6,131 million in 2014. The increase in cost of sales was due to the increase in GFA sold in property sales as mentioned above, as well as the increase in land and construction costs resulted by the change of the product mix.

Gross profit: As a result of the aforesaid changes in revenue and cost of sales, our gross profit decreased by 10.0% to approximately RMB2,788 million in 2015 from approximately RMB3,097 million in 2014, while our gross profit margin decreased from 33.6% in 2014 to 22.2% in 2015.

Other revenue: Our other revenue increased by 29.9% to approximately RMB196 million in 2015 from approximately RMB151 million in 2014. This was primarily due to an increase in interest income from advances to related parties and third parties.

Other net income: Other net income of approximately RMB183 million in 2015 was primarily attributable to the fair value gain upon acquisition of subsidiaries offset by the net loss on disposals of subsidiaries.

Selling and marketing expenses: Our selling and marketing expenses increased by 18.8% to approximately RMB560 million in 2015 from approximately RMB471 million in 2014. Such increase was primarily due to increased advertising and promotional expenses associated with our new projects and hotel operation, and the raise in salaries, other benefits and commissions paid to our sales and marketing staff.

General and administrative expenses: Our general and administrative expenses increased by 12.8% to approximately RMB721 million in 2015 from approximately RMB639 million in 2014. This increase was primarily due to an increase in salaries and other benefits paid to our administrative staff as well as depreciation of our fixed assets of hotel operation.

Other operating income: Other operating income decreased by 56.2% to approximately RMB48 million in 2015 from approximately RMB110 million in 2014. The decrease was mainly due to lower consulting fee income after the completion of certain joint ventures' projects.

Share of losses of associates: Such amount mainly represents the Group's share of losses on the investment in St. Andrews Golf Club (Zhengzhou) Company Limited.

Share of profits less losses of joint ventures: Our share of profits less losses of joint ventures increased by 85.7% to approximately RMB269 million in 2015 from approximately RMB145 million in 2014, primarily due to an increase in the recognition of revenue of the joint ventures. The revenue of the Group's joint ventures amounted to approximately RMB3,542 million (2014: RMB1,385 million), representing sales of 467,119 sq.m. (2014: 165,928 sq.m.) during 2015, in which revenue of RMB1,931 million (2014: RMB702 million), representing sales of 242,497 sq.m. (2014: 83,753 sq.m.), was attributable to the Group.

Finance costs: Our finance costs decreased by 11.7% to approximately RMB434 million in 2015 from approximately RMB491 million in 2014.

Net decrease in fair value of investment properties: A decrease of approximately RMB25 million in fair value of our investment properties in 2015 was recorded, as compared to an increase of approximately RMB12 million in 2014.

Income tax: Income tax comprises corporate income tax, land appreciation tax ("LAT") and withholding tax payable on dividend declared by PRC enterprises to non-PRC resident enterprises. Our income tax decreased by 6.2% from RMB999 million in 2014 to RMB937 million in 2015 due to a decrease in gross profit. Effective tax rate increased from 51.1% in 2014 to 53.8% in 2015. The effective tax rate increased over this period was primarily due to deferred taxation provided for the fair value gain upon acquisition of subsidiaries.

Profit for the year: As a result of the foregoing, our profit for the year decreased by 16.0% to approximately RMB804 million in 2015 as compared to approximately RMB958 million in 2014.

Financial resources and utilisation: As at 31 December 2015, the Group's cash and cash equivalents amounted to approximately RMB7,422 million (31 December 2014: approximately RMB5,019 million). During the year, the Group distributed a final dividend of approximately RMB267 million to the shareholders of the Company in relation to full-year profit attributable to the year ended 31 December 2014. Final dividend in relation to profit attributable to the year ended 31 December 2015 proposed after the end of reporting period amounts to approximately RMB240 million.

Structure of Borrowings and Deposits

We continue to adopt a prudent financial policy and centralise our funding and financial management. Therefore, we are able to continue to maintain a high cash-on-hand ratio and a reasonable level of gearing. During the year, we successfully issued the senior notes with principal amount of US$300,000,000 at a coupon rate of 8.75% due 2021 (the "US$300m Senior Notes"). As at 31 December 2015, the repayment schedule of the Group's bank and other borrowings was as follows:

Repayment Schedule	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000
Bank loans		
Within one year	**1,045,045**	1,129,562
More than one year, but not exceeding two years	**234,258**	1,494,753
More than two years, but not exceeding five years	**404,985**	166,985
Exceeding five years	**497,490**	226,985
	2,181,778	3,018,285
Other loans		
Within one year	**725,000**	280,000
More than one year, but not exceeding two years	**90,000**	890,000
More than two years, but not exceeding five years	**277,700**	–
Exceeding five years	**30,000**	–
	1,122,700	1,170,000
Senior notes		
Within one year	**771,354**	–
More than one year, but not exceeding two years	**886,916**	798,528
More than two years, but not exceeding five years	**3,756,619**	3,348,624
Exceeding five years	**1,871,996**	1,221,560
	7,286,885	5,368,712
Total borrowings	**10,591,363**	9,556,997
Deduct:		
Cash and cash equivalents	**(7,422,350)**	(5,018,511)
Restricted bank deposits secured bank loans and other loans	**(35,683)**	–
Net borrowings	**3,133,330**	4,538,486
Total equity	**7,317,519**	7,066,916
Net gearing ratio (%)	**42.8%**	64.2%

Pledge of assets: As at 31 December 2015, we had pledged completed properties, properties under development, properties for future development, property, plant and equipment and bank deposits with an aggregate carrying amount of approximately RMB3,615 million (2014: approximately RMB4,374 million) to secure general bank credit facilities and other loans granted to us. We also pledged properties under development and property, plant and equipment with aggregate carrying amount of approximately RMB1,299 million (2014: approximately RMB538 million) to secure bank loans and other loans of joint ventures.

Financial guarantees: As at 31 December 2015, we provided guarantees of approximately RMB14,812 million (2014: approximately RMB11,636 million) to banks in favor of customers in respect of the mortgage loans provided by the banks to these customers for the purchase of the developed properties of our Group as well as those of its joint ventures. We also provided guarantees to bank loans and other loans of joint ventures amounting to approximately RMB3,901 million as at 31 December 2015 (2014: approximately RMB3,798 million).

Capital commitment: As at 31 December 2015, we had contractual commitments undertaken by subsidiaries and joint ventures attributable to our Group, the performance of which was underway or ready, in respect of property development amounting to approximately RMB5,150 million (2014: approximately RMB7,729 million), and we had authorised, but not yet contracted for, a further approximately RMB15,131 million (2014: approximately RMB16,191 million) in expenditure in respect of property development.

Foreign exchange risk: Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 31 December 2015, our major non-RMB assets and liabilities are (i) bank deposits and loans denominated in H.K. dollar and (ii) the senior notes denominated in U.S. dollar and SGD. We are subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB currencies. The majority of our foreign currency transactions and balances are denominated in H.K. dollar, U.S. dollar and SGD. Our foreign currency hedging policy is stated in note 2 to the financial statements.

Interest rate risks: The interest rates for a portion of our loans were floating. Upward fluctuation in interest rates will increase the interest cost of new and existing loans. We currently do not use derivative instruments to hedge its interest rate risks.

Human resources and remuneration policy: As at 31 December 2015, we had 2,153 employees (31 December 2014: 2,241 employees). Staff remuneration is determined on the basis of individual performance, experience and prevailing industry practices. We review our remuneration policy and arrangements on a regular basis and staff may be rewarded with bonuses and cash payments depending on individual performance appraisals. Our policies for insurance and provident fund are in compliance with national and local laws and regulations on labour affairs and social welfare. At the date of this announcement, there was no significant labor dispute which had or might have an adverse impact on our business operations.

REVIEW OF OPERATIONS

(I) Market and Operations Review

1. *The Macro-economic Environment*

In 2015, the downward pressure on the Chinese economy continued to mount. With the key fundamental of seeking progress while securing stability as upheld by the PRC government pursuant to the "Four Comprehensive" strategies, the PRC government adapted to the new normal in China's economic development and pushed forward "supply-side" reforms as new driver of economic growth with an aim to secure a steady annual growth in overall economy of China. In 2015, China's gross domestic product (GDP) amounted to approximately RMB67.67 trillion, representing a year-on-year growth of 6.9%.

The government of Henan province has implemented with determination the strategies developed by the PRC government. By progressive implementation of the three major national strategies, steady growth in provincial economy has been maintained parallel to excellent progress of new urbanisation, rapid development of national Central China urban agglomeration, transformation and upgrade of industry clusters as well as functions enhancement of central business district and commercial district with unique characteristics. The economic growth in Henan province was slightly higher than the average in China, the annual GDP of Henan province increased by 8.3% to approximately RMB3.70 trillion, 1.4 percentage point higher than the growth rate of the GDP in China.

Zhengzhou Le Méridien Hotel – Lobby Bar

2. *The Property Market*

Given rigid demand for housing and demand for housing improvement from residents stimulated by the PRC government in 2015 as well as supportive policies on property sector promoting spending and destocking, residential transaction volume and property price steadily rebounded upon frequent relaxed policies. The policies adopted by the government were favorable to the development of property industry. However, current inventory level remained high and, thus, pace of growth in investment in property development slowed down during the year. In 2015, sales in the nationwide property market amounted to approximately RMB8.73 trillion, a year-on-year growth of 14.4%. Sales of commodity housing in the nationwide property market amounted to approximately 1,284,950,000 sq.m., a year-on-year growth of 6.5%. Investment in property development nationwide was approximately RMB9.60 trillion, a year-on-year growth of 1.0%.

A certain level of rigid demand for housing has been released by the relentless efforts of the PRC government to fully facilitate new urbanisation by encouraging rural-urban migration and launching a subsidy programme for home purchase by farmers, property market in Henan province, as a result, has been developing steadily. In 2015, sales of commodity housing in Henan province was approximately RMB394.6 billion, a year-on-year growth of 14.7%, the GFA of commodity housing sold was approximately 85,560,000 sq.m., a year-on-year growth of 8.6%. Investment in property development in Henan province was approximately RMB481.9 billion, a year-on-year growth of 10.1% which was 9.1 percentage points higher than the average in China.

(II) Project Development

During the reporting period, the Company further improved its industry value-chain by integrating its businesses into interactive segments including property, hotel, cultural tourism and green house. Considerable synergy was created, as a result, by the formation of business segments under the operation of the unified platform of the Company. On the one hand, the property business has been broadening customer base by introducing quality customers to the Company. On the other hand, rapid development of other business segments, such as hotel, cultural tourism and green house, has provided our property customers with featured services as well as "tailor-made" services required by online or offline customers. The major business segments of the Company have established a mutually-beneficial relationship.

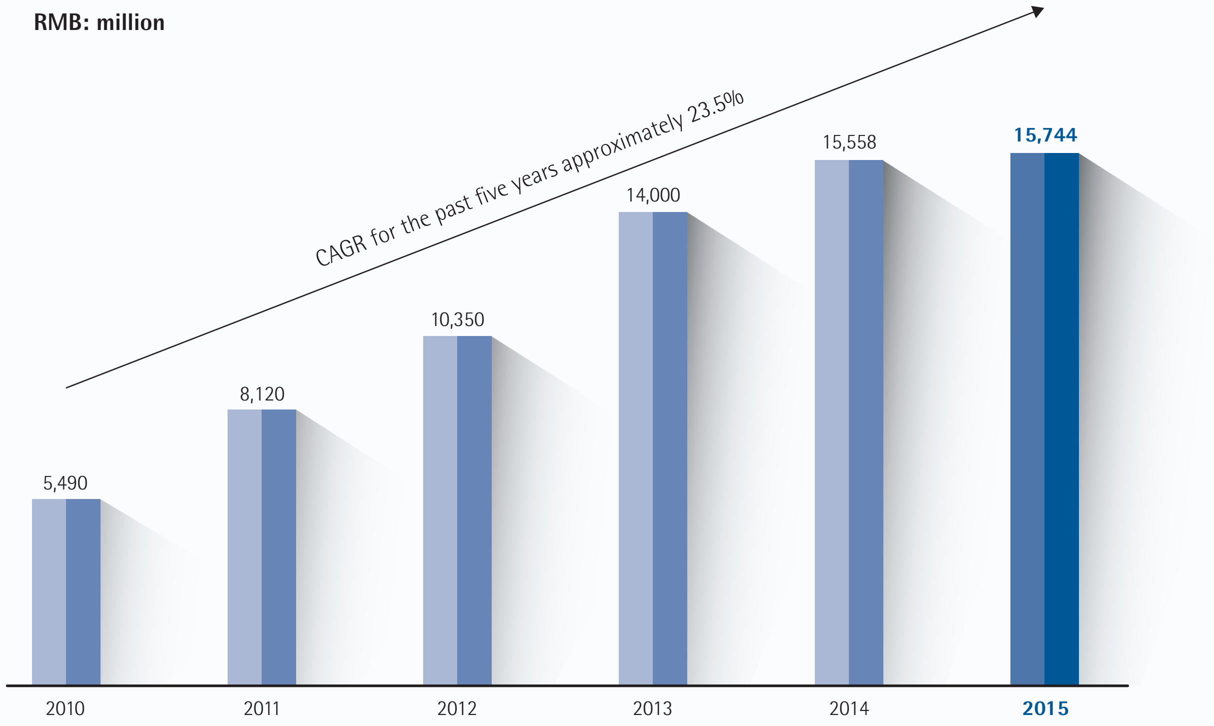
Given the brand advantages of the Company, we have commenced its light-asset business delivering our brand and management. Such business allows the Company to maximise its brand value and enhance profitability of the Company, further consolidating our brand advantages.

1. *Property Development*

The Company continued to grow in 2015. The Company orderly commenced all works set out in the annual operating plan. By leveraging our strengths, the Company persistently focused on Henan and developing the cities where we operate, and moderately stocked up a number of high quality projects in those cities with better prospects for development with an aim to ensure stable operation and sound development of the Company.

(a) *Sales Performance*

During the reporting period, a progressive growth in property sales was achieved through our great effort in expediting sales. In 2015, the contracted area sold by the Company was approximately 2,731,000 sq.m., an increase of 25%; and the contracted sales approximately amounted to RMB15,744 million, an increase of 1%. As sales amount of commodity property in Henan province was RMB394.6 billion, the market share of the Company in Henan province was approximately 4%. The compound annual growth rate of the Company's contracted sales in the past five years was approximately 23.5%.



Geographical Breakdown of Contracted Sales in 2015

City	Contracted sales amount *(RMB million)*			Contracted GFA *('000 sq.m.)*		
	2015	2014	*Change %*	**2015**	2014	*Change %*
Zhengzhou	**4,939**	5,471	–10%	**568**	413	38%
Kaifeng	**231**	106	>100%	**29**	4	>100%
Luoyang	**1,321**	1,275	4%	**214**	164	30%
Pingdingshan	**584**	567	3%	**123**	108	14%
Anyang	**338**	223	52%	**95**	58	64%
Hebi	**544**	10	>100%	**126**	4	50%
Xinxiang	**632**	522	21%	**143**	113	26%
Jiaozuo	**558**	542	3%	**111**	93	20%
Puyang	**568**	603	–6%	**118**	127	–7%
Xuchang	**844**	922	–8%	**173**	166	4%
Luohe	**637**	684	–7%	**139**	123	13%
Sanmenxia	**369**	337	10%	**79**	62	27%
Shangqiu	**1,030**	1,073	–4%	**207**	146	42%
Zhoukou	**526**	454	16%	**127**	105	22%
Zhumadian	**772**	693	11%	**172**	156	10%
Nanyang	**1,141**	1,178	–3%	**160**	172	–7%
Xinyang	**348**	477	–27%	**68**	89	–24%
Jiyuan	**362**	421	–14%	**79**	78	2%
Total	**15,744**	15,558	1%	**2,731**	2,181	25%

(b) *Newly Commenced Property Projects*

During the reporting period, the Company commenced construction of 26 projects with newly commenced GFA of 2,575,420 sq.m., which was slight below the figure set out in the plan formulated at the beginning of the year. To better adapt to market adjustment, the Company has increased the effort in market research, adjusted and optimised design and construction plan for some projects in accordance with needs of potential customers as well as carried out additional preparation works in pre-construction phase, and thus construction progress of some newly commenced projects has been below expectations. Dynamic optimisation of product solutions has further improved the competitiveness and market performance of the Company, maintaining an appropriate and reasonable inventory structure of the Company.

Details of Newly Commenced Projects in 2015

City	**Project name**	**Principal use of property**	**Newly commenced GFA** *(sq.m.)*
Zhengzhou	Triumph Plaza	Commercial	215,319
Zhengzhou	Spring Time	Residential	222,241
Zhengzhou	Wisdom Port	Commercial	56,987
Zhengzhou	Tianzhu	Residential	187,069
Zhengzhou	Suoxu River Garden	Residential	158,147
Zhengzhou	Gongyi Code One City	Residential	105,434
Zhengzhou	Tihome Jianye International City	Residential	401,761
Kaifeng	Chrysanthemum Garden	Residential	98,164
Kaifeng	Dongjingmenghua	Commercial	10,733
Luoyang	Wisdom Port	Commercial	66,400
Luoyang	Yanshi Forest Peninsula	Residential	26,601
Luoyang	Poly Champagne International	Residential	138,112
Aiyang	Tangyin Forest Peninsula	Residential	42,831
Hebi	Code One City	Residential	178,110
Xinxiang	Code One City Kindergarten	Commercial	2,355
Xinxiang	Changyuan Forest Peninsula Kindergarten	Commercial	2,291
Xuchang	Code One City	Residential	106,945
Xuchang	Yanling Eco-City	Residential	55,163
Xuchang	Yanling Jianye Hot Spring Hotel	Hotel	20,000
Luohe	Xicheng Forest Peninsula	Residential	158,280
Shangqiu	Eighteen Cities	Residential	70,219
Shangqiu	Zhecheng U-Town	Residential	63,449
Shangqiu	Yongcheng U-Town	Residential	59,423
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Commercial	42,273
Zhumadian	Suiping Forest Peninsula	Residential	22,096
Jiyuan	U-Town	Residential	65,017
Total			2,575,420

(c) Property Projects under Development

As at 31 December 2015, the Company had 46 projects under development with a total GFA of approximately 4,716,494 sq.m., including 7 projects in Zhengzhou and 39 projects in other cities of Henan province.

Details of Projects under Development as at 31 December 2015

City	Project name	Principal use of property	Total GFA *(sq.m.)*
Zhengzhou	Tianzhu	Residential	174,413
Zhengzhou	Zhengxi Forest Peninsula	Residential	8,816
Zhengzhou	Triumph Plaza	Commercial	247,208
Zhengzhou	Gongyi Code One City	Residential	224,912
Zhengzhou	Suoxu River Garden	Residential	158,147
Zhengzhou	Tihome Jianye International City	Residential	616,114
Zhengzhou	Wulong City	Residential	592,938
Xuchang	Changge Sweet-Scented Osmanthus Garden	Residential	52,237
Xuchang	Code One City	Residential	106,945
Xuchang	Yanling Eco-City	Residential	49,774
Xuchang	Yanling Jianye Hot Spring Hotel	Hotel	20,000
Xinyang	Code One City	Residential	3,656
Xinxiang	Changyuan Forest Peninsula Kindergarten	Commercial	2,291
Xinxiang	Code One City	Residential	75,213
Shangqiu	Eighteen Cities	Residential	125,982
Shangqiu	Zhecheng U-Town	Residential	72,748
Sanmenxia	Code One City	Residential	106,781
Puyang	Code One City	Residential	81,298
Puyang	Sweet-Scented Osmanthus Garden	Residential	22,608
Pingdingshan	Eighteen Cities	Residential	101,146
Pingdingshan	Sweet-Scented Osmanthus Garden Kindergarten	Commercial	5,983
Pingdungshan	Wugang Forest Peninsula	Residential	10,036
Nanyang	Triumph Plaza	Residential and commercial	282,019
Nanyang	Forest Peninsula	Commercial	2,556
Luohe	Linying Sweet-Scented Osmanthus Garden	Residential	37,083
Luohe	Xicheng Forest Peninsula	Residential	160,940
Luoyang	Yanshi Forest Peninsula	Residential	31,943
Luoyang	Golf Garden	Residential	10,789
Luoyang	Wisdom Port	Commercial	66,400

Management Discussion and Analysis (Continued)

City	Project name	Principal use of property	Total GFA *(sq.m.)*
Luoyang	Sweet-Scented Osmanthus Garden	Residential	143,295
Luoyang	Poly Champagne International	Residential	138,112
Kaifeng	Dongjingmenghua	Commercial	43,360
Kaifeng	Chrysanthemum Garden	Residential	98,164
Jiaozuo	Park Lane	Residential	42,372
Jiyuan	U-Town	Residential	65,017
Hebi	Code One City	Residential	178,110
Hebi	Sweet-Scented Osmanthus Garden	Residential	112,605
Anyang	Forest Peninsula	Residential	16,698
Anyang	Sweet-Scented Osmanthus Garden	Residential	106,477
Anyang	Tangyin Forest Peninsula	Residential	42,831
Anyang	Huaxian Code One City	Residential	50,073
Zhumadian	Eighteen Cities	Residential	58,505
Zhumadian	Suiping Forest Peninsula	Residential	50,501
Zhumadian	Xiping Forest Peninsula	Residential	45,330
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Residential and commercial	42,273
Zhoukou	Forest Peninsula	Residential	31,795
Total			4,716,494

(d) *Property Projects Completed*

During the reporting period, the Company had 39 projects/phases completed in total with a total completed GFA of approximately 2,908,811 sq.m. which was higher than the figure set out in the plan formulated at the beginning of the year.

Details of Projects Completed in 2015

City	Project name	Principal use of property	Saleable GFA *(sq.m.)*
Zhengzhou	Zhengxi Forest Peninsula	Residential	59,458
Zhengzhou	Zhengxi U-Town	Residential	31,400
Zhengzhou	Tianzhu	Residential	256,296
Zhengzhou	Triumph Plaza	Commercial	22,517
Zhengzhou	Spring Time	Residential	231,201
Zhengzhou	Wisdom Port	Commercial	56,987
Zhengzhou	Tihome Jianye International City	Residential	341,671
Luoyang	Yanshi Forest Peninsula	Residential	41,789
Sanmenxia	Code One City	Residential	68,892
Sanmenxia	Lingbao Forest Peninsula	Residential	14,166
Pingdingshan	Wugang Forest Peninsula	Residential	40,757
Pingdingshan	Eighteen Cities	Residential	136,704
Pingdingshan	Baofeng Forest Peninsula	Residential	15,273
Hebi	Huaxian Code One City	Residential	35,882
Xinxiang	Code One City (1st Batch)	Residential	107,393
Xinxiang	Code One City Kindergarten	Commercial	2,163
Xinxiang	Changyuan Forest Peninsula	Residential	112,580
Jiaozuo	Xiuwu Forest Peninsula	Residential	36,722
Jiaozuo	Code One City Kindergarten	Commercial	2,954
Puyang	Jianye City	Residential	51,349
Puyang	Code One City	Residential	170,245
Puyang	Sweet-Scented Osmanthus Garden	Residential	95,895
Xuchang	Changge Sweet-Scented Osmanthus Garden	Residential	65,450
Xuchang	Yanling Eco-City	Residential	9,293

City	Project name	Principal use of property	Saleable GFA *(sq.m.)*
Luohe	Xicheng Forest Peninsula	Residential	18,534
Luohe	Code One City	Residential	103,259
Luohe	Linying Sweet-Scented Osmanthus Garden	Residential	46,425
Shangqiu	Eighteen Cities	Residential	40,410
Shangqiu	Yongcheng U-Town	Residential	59,423
Zhoukou	Forest Peninsula	Residential	37,653
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Residential	56,129
Zhumadian	Eighteen Cities	Residential	100,322
Zhumadian	Suiping Forest Peninsula	Residential	20,504
Zhumadian	Xiping Forest Peninsula	Residential	28,018
Nanyang	Forest Peninsula	Residential	141,554
Nanyang	Triumph Plaza	Residential and commercial	115,124
Nanyang	Forest Peninsula Primary School	Commercial	11,597
Xinyang	Code One City	Residential	99,308
Jiyuan	U-Town	Residential	23,514
Total			2,908,811

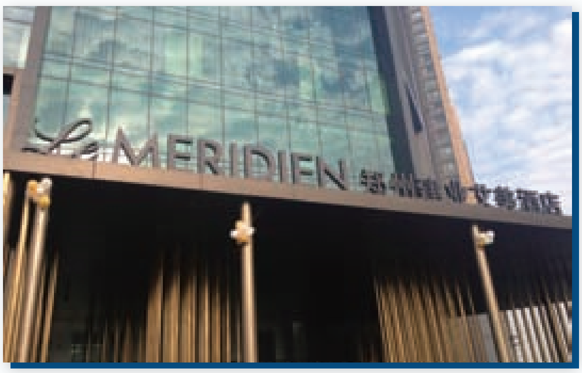
2. *Hotels*

The Company recognises that multiple businesses provide an enterprise with steady revenue, expand its revenue base and diversify operational risks. Through development and successful operation of a series of high-end hotel projects, the Company has equipped itself with comprehensive and matured ability to develop, invest in and operate high-end hotels, and has established sound working relationships with internationally renowned hotel conglomerates such as Starwood, InterContinental and AccorHotels. The Company's hotels are identified with high-quality services and are popular among, and well recognised by, high-income consumers. In addition to generating profit, this enhances the Company's brand and overall reputation, and promotes the image and popularity of the other business segments of the Company, thereby generating higher profitability.

As at 31 December 2015, the Company had 5 hotels completed and 1 hotel under development with a total GFA of approximately 240,000 sq.m.. Revenue from hotel operation in the reporting period increased by 31.3% as compared with that in the same period last year, demonstrating a sustainable and steady revenue from the hotel segment.

Le Méridien Zhengzhou

Le Méridien Zhengzhou is located at the junction of Zhengbian Road and Zhongzhou Avenue, Zhengzhou and its launch was on 31 October 2013. It is a five-star hotel with a site area of approximately 5,391 sq.m. and a total GFA of 65,007 sq.m.. Le Méridien Zhengzhou inherits the European traditional elegance blending with modern culture and luxury design. It has 350 guest rooms or suites and is currently managed by Starwood Hotels Management Group.



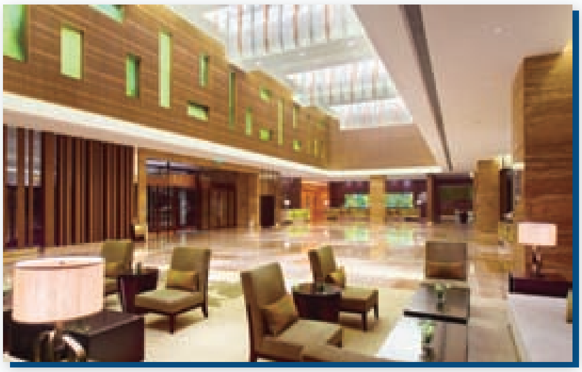
Aloft Zhengzhou Shangjie

Aloft Zhengzhou Shangjie is located at No. 101, Zhongxin Road, Shangjie District, Zhengzhou and it commenced operation on 6 August 2011. It is a four-star hotel with a site area of approximately 12,701 sq.m. and a total GFA of 19,457 sq.m.. Aloft Zhengzhou Shangjie is an intelligent composite hotel comprising food & beverage, accommodation, conference and entertainment in fashionable and simplistic design. It has 172 guest rooms or suites and is currently managed by Starwood Hotels Management Group.

Management Discussion and Analysis (Continued)

Holiday Inn Nanyang

Holiday Inn Nanyang is located at the junction of State Road 312 and Binhe Road in Nanyang which is in close proximity to Baihe River Tourist Attraction and it commenced operation on 8 August 2012. It is a five-star garden design style hotel with a site area of approximately 66,700 sq.m. and a total GFA of 50,574 sq.m.. Holiday Inn Nanyang is the first multi-functional hotel in Nanyang for the purposes of commerce, holiday, administration and conference. It has 360 guest rooms or suites and is currently managed by InterContinental Hotels Group.



Four Points by Sheraton Luohe

Four Points by Sheraton Luohe is located at No. 6, Songshan Road West Branch, Yancheng District, Luohe, Henan and it commenced operation on 23 November 2012. It is a five-star hotel with a site area of 35,326 sq.m. and a total GFA of 37,398 sq.m.. Four Points by Sheraton Luohe is an intelligent composite hotel comprising business conference, food & beverage, accommodation, leisure and entertainment in classic and fashionable design. It has 244 guest rooms or suites and is a perfect choice for business conference as well as leisure and entertainment. It is currently managed by Starwood Hotels Management Group.

Pullman Kaifeng Jianye

Pullman Kaifeng Jianye is located at No. 16, Longting North Road, Longting District, Kaifeng and it commenced operation on 8 October 2015. It is a five-star hotel with a site area of 58,349 sq.m. and a total GFA of approximately 43,836 sq.m.. Pullman Kaifeng Jianye is a resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. The building is a post-modern architecture in Northern Song style. It has 186 guest rooms or suites and is currently managed by Accor Hotels Group.

Xuchang Yanling Jianye Hot Spring Hotel (under development)

Xuchang Yanling Jianye Hot Spring Hotel is planned to be the first hotel under independent operation of the Group with a site of 26,000 sq.m. and a total GFA of 19,940 sq.m.. Xuchang Yanling Jianye Hot Spring Hotel will be a hot spring resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. It has 51 guest rooms or suites upon completion of construction. Its soft launch is planned to be in April 2018.

3. *Cultural Tourism*

Henan is one of the birthplaces of the Chinese nation and Chinese civilisation with numerous antiquities and heritage as well as enormous tourist resources. Cultural tourism is a low-carbon and sunrise industry as well as one of businesses for development under our strategic transformation. During the reporting period, the Company extended its business value-chain to adapt to a new trend of the property market by obtaining low-price lands and enhancing property value through development of cultural tourism. Tourism and property development have been complementary to each other, bolstering healthy development of the Company. Currently, the Company is principally engaging in the development of Jianye Huayi Brothers Film Culture Town (建業華誼兄弟電影文化小鎮), Zhengping Fang Cultural and Creativity Park (正平坊文化創意園) in Luoyang and Jianye Ivi 1895 (建業•艾美1895).

Jianye Huayi Brothers Film Culture Town The Group entered into a strategic cooperation agreement with Huayi Brothers (Tianjin) Real Scene Entertainment Company Limited ("Huayi Brothers") and Zhongmou County People's Government* (中牟縣人民政府) on 19 May 2015, pursuant to which a joint venture established jointly by the Group and Huayi Brothers would develop a film real scene and entertainment project in Zhongmou County in Zhengzhou. As planned, the project occupies a site area of approximately 1,330,000 sq.m., in which 530,000 sq.m. for cultural tourism and approximately 800,000 sq.m. for development and construction. The gross floor area of the project will be approximately 1.80 million sq.m..

Zhengping Fang Cultural and Creativity Park in Luoyang It is a real scene cultural performance and leisure park co-developed with director Wang Chaoge (王潮歌). The Luoyang Municipal People's government considers the project of great importance and it will be one of the top attractions in Luoyang and even Central China.

Jianye Ivi 1895 It is a new format of movie and cultural interactive theatre by using the latest internet cloud platform technology, providing consumers comprehensive cultural and entertaining space with "exclusive and tailor-made" products. The Company will open 15 Ivi theatres in Henan province in 3 years as set out in our development plan.

4. *Yanling Green House*

Yanling Jianye Green House is located in Yanling County, Xuchang City, Henan province, less than 100 km from Zhengzhou city, and has easy accessibility. The project occupies a total site area of approximately 3,330,000 sq.m.. The construction of Yanling Jianye Green House commenced in July 2012 and it has become a sizable green house after three-year construction. The project has been progressively developing into a competitive and influential industrial base covering "seedling base", "high-end floral arrangement", "supply of green products" and "leisure, tourism and food and beverage".

Visitors of the green base was approximately 100,000 in 2015. With increasing customer base of the Company and synergistic effect of the service resources, such as community services, call center and the Supreme Card, the Company has provided its customers and people in Henan with green and safe foods as well as tourist attractions.

5. *Light-asset Model Projects*

Having taken root in Henan province for 23 years, the Company has launched light-asset model projects to deliver management in exchange for royalty fee by making good use of its advantages of strong brand, management and resource consolidation. As such move has allowed the Company to achieve expansion amid adverse economic conditions and reduce operational risks, the projects will be a "win-win cooperation" between the Company and our partners. In 2015, the Group entered into three contracts for light-asset model projects. The Company has anticipated a royalty fee of approximately RMB150 million to be received upon the completion of construction and sales of the three projects. The Group received an amount of RMB9 million of royalty fee in 2015 in accordance with the terms of the contracts.

(III) Land Reserves

During the reporting period, the Company acquired land reserves with a GFA of approximately 2.65 million sq.m. through public land auctions. As at 31 December 2015, the Company had land reserves with a total GFA of 18.63 million sq.m. and obtained the state-owned land use rights certificates in respect of sites with total GFA of 14.76 million sq.m..

1. *Public Land Auctions*

On 19 January 2015, the Group acquired the land use rights of four land parcels located at the north of State Road 311 in Chenhuadian Town, Yanling County in a listing for sale process held by Yanling County Tendering and Bidding Transaction Management Centre* (鄢陵縣招標投標交易管理中心) for transfer of land use rights. The purchase prices for the acquisitions were approximately RMB25 million, RMB26 million, RMB29 million and RMB12 million, respectively. Land parcel No. YC-14-30 has a site area of 38,689 sq.m., land parcel No. YC-14-31 has a site area of 44,903 sq.m., land parcel No. YC-14-32 has a site area of 49,408 sq.m., and mandatory detailed planned plot ratio of the three land parcels is 1.0–2.0; land parcel No. YC-14-33 has a site area of 17,087 sq.m., and mandatory detailed planned plot ratio of the land parcel is 0.4–1.0.

On 22 January 2015, the Group acquired the land use rights of two land parcels located at the west of Zhongyuan Road, the south of Tuobin Road South, the north of Yongsu Road and the east of Tieshan Road in Yongcheng City in a listing for sale process held by Yongcheng City Land and Resources Bureau* (永城市國土資源局) for transfer of state-owned land use rights. The purchase prices for the acquisitions were approximately RMB88 million and RMB90 million, respectively. Yonggua land parcel No. 2014-29 has a site area of 64,411 sq.m. and Yonggua land parcel No. 2014-30 has a site area of 64,412 sq.m., and mandatory detailed planned plot ratio of the two land parcels is 1.0–2.0.

On 13 February 2015, the Group acquired the land use rights of four land parcels located at the east of Huafei Road East, the south of Xiwang Road, the north of Xiwang Road and the east of Yulin Road, Zhengzhou City in a tendering (listing) for sale process at Land Transaction Hall (土地交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer of land use rights. The purchase prices for the acquisitions were approximately RMB7 million, RMB69 million, RMB143 million and RMB362 million, respectively. Zhengzhengchu No. [2015] 5 land parcel has a site area of 5,084 sq.m.; Zhengzhengchu No. [2015] 6 land parcel has a site area of 13,968 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.21; Zhengzhengchu No. [2015] 7 land parcel has a site area of 19,386 sq.m. with a mandatory detailed planned plot ratio of 1.0-5.54; Zhengzhengchu No. [2015] 8 land parcel has a site area of 55,720 sq.m. with a mandatory detailed planned plot ratio of 1.0–4.76.

On 24 April 2015, the Group acquired the land use rights of seven land parcels located at the south of Sanhuan South, the west of Zhengping Expressway, the north of Sihuan South and the east of Songshan South Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer of state-owned land use rights. The purchase prices for the acquisitions were approximately RMB111 million, RMB98 million, RMB21 million, RMB126 million, RMB118 million, RMB129 million and RMB69 million, respectively. Zhengzhengchu No. [2015] 24 land parcel has a site area of 27,794 sq.m.; Zhengzhengchu No. [2015] 27 land parcel has a site area of 29,262 sq.m.; Zhengzhengchu No. [2015] 28 land parcel has a site area of 29,739 sq.m.; Zhengzhengchu No. [2015] 29 land parcel has a site area of 32,826 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.5; Zhengzhengchu No. [2015] 25 land parcel has a site area of 17,869 sq.m. with a mandatory detailed planned plot ratio of 1.0-4.9; Zhengzhengchu No. [2015] 26 land parcel has a site area of 5,997 sq.m.; Zhengzhengchu No. [2015] 30 land parcel has a site area of 19,122 sq.m. with a mandatory detailed planned plot ratio of 1.0–3.0.

On 17 September 2015, the Group acquired the land use rights of one land parcel located at the south of Kaiyuan Road and the east of Tianyuan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB234 million. Zhengzhengchu No. [2015] 48 land parcel has a site area of 34,608 sq.m. with a mandatory detailed planned plot ratio of 1.1-3.3.

On 25 September 2015, the Group acquired the land use rights of two land parcels located at the west of Zhongzhou Avenue and the south of Jinda Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB287 million and RMB231 million respectively. Zhengzhengchu [2015] 50 land parcel has a site area of 49,834 sq.m. with a mandatory detailed planned plot ratio of less than 3.0; Zhengzhengchu [2015] 51 land parcel has a site area of 44,876 sq.m. with a mandatory detailed planned plot ratio of 1.1-2.5.

On 15 October 2015, the Group acquired the land use rights of two land parcels located at the east of Wenying Road, the south of Jinshui Avenue (the south of relief road), the west of Wenchuang, the north of Haoyue Road in Greenery Theme Park, Zhongmu County, Zhengzhou in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Zhongmu County, Zhengzhou City for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB63 million and RMB75 million respectively. Muzhengchu [2015] 124 land parcel has a site area of 36,482 sq.m. with a mandatory detailed planned plot ratio of less than 1.5; Muzhengchu [2015] 125 land parcel has a site area of 43,667 sq.m. with a mandatory detailed planned plot ratio of less than 1.5.

On 21 October 2015, the Group acquired the land use rights of one land parcel located at the south of Kaiyuan Road and the east of Tianyuan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB128 million. Zhengzhengchu No. [2015] 59 land parcel has a site area of 19,077 sq.m. with a mandatory detailed planned plot ratio of 1.1-3.3.

On 17 November 2015, the Group acquired the land use rights of one land parcel located at the west side of Zhiyuan Avenue and the north side of Bode Road West in Luyi County, Zhoukou City in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Luyi County, Zhoukou City for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB71 million. Luyi County LY2014-29 land parcel has a site area of 65,944 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.0.

On 19 November 2015, the Group acquired the land use rights of one land parcel located at the south of Guangwu Road, the east of Chezhan Road and the west of Gongye Road in Nanyang City in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Nanyang City for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB262 million. Nanyang G2015-19 land parcel has a site area of 49,520 sq.m. with a mandatory detailed planned plot ratio of 3.0-4.5.

2. *Equity Interest Acquisitions*

On 28 February 2015, the Group acquired 50% equity interest in Xinyang Central China Tianming Real Estate Company Limited* (信陽建業天明住宅建設有限公司) held by Tianming City Construction and Development Company Limited* (天明城鄉建設開發集團有限公司). Upon the completion of the equity transfer, Xinyang Central China Tianming Real Estate Company Limited* (信陽建業天明住宅建設有限公司) was wholly-owned by the Group.

On 28 February 2015, the Group acquired 50% equity interest in Xinyang Tianheng Real Estate Company Limited* (信陽天恒置業有限公司) held by Tianming City Construction and Development Company Limited* (天明城鄉建設開發集團有限公司). Upon the completion of the equity transfer, Xinyang Tianheng Real Estate Company Limited* (信陽天恒置業有限公司) was wholly-owned by the Group.

3. *Land reserves acquired after the reporting period*

On 27 January 2016, the Group acquired the land use rights of two land parcels located at the south of Kaiyuan Road and the west of Xiangshan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB99 million and RMB203 million respectively. Zhengzhengchu [2015] 125 land parcel has a site area of 15,746 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.2; Zhengzhengchu [2015] 126 land parcel has a site area of 28,888 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.5.

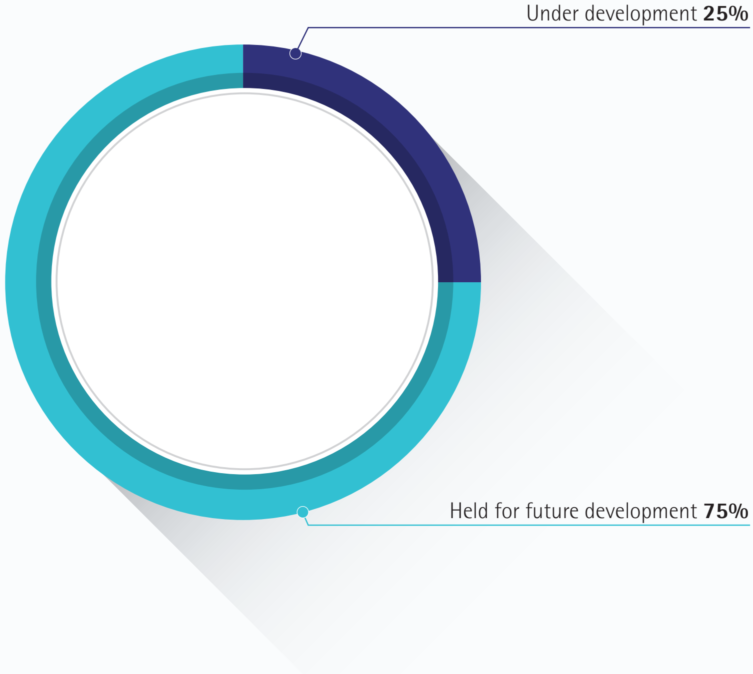
On 28 January 2016, the Group acquired the land use rights of one land parcel located at the south of Heluo Road and the west of Chuncheng Road in Luoyang City in a tendering (listing) for sale process held by Luoyang City Public Resources Trading Centre* (洛陽市公共資源交易中心) for transfer of state-owned land use rights. The purchase price for the acquisition was approximately RMB172 million. Luoyang land parcel No. LYTD-2015-64 has a site area of 37,416 sq.m. with a mandatory detailed planned plot ratio of 1.0-4.18.

On 2 February 2016, the Group acquired the land use rights of one land parcel located at the south of South Bank of the Yellow River, the north of Beihuan Road, the east of National Highway 209 and the west of West Gate of Yellow River Park in the north of urban district, Sanmenxia City in a tendering (listing) for sale process held by Sanmenxia City Public Resources Trading Centre* (三門峽市公共資源交易中心) for transfer of state-owned land use rights. The purchase price for the acquisition was approximately RMB139 million. Sanmenxia land parcel No. 1-8-8 has a site area of 44,223 sq.m. with a mandatory detailed planned plot ratio of 1-1.8.

Distribution of land reserves

1. *Distribution of the Company's land reserves by current development status*

Fig: percentage of land under development and land held for future development in the Company's land reserves (as at 31 December 2015)

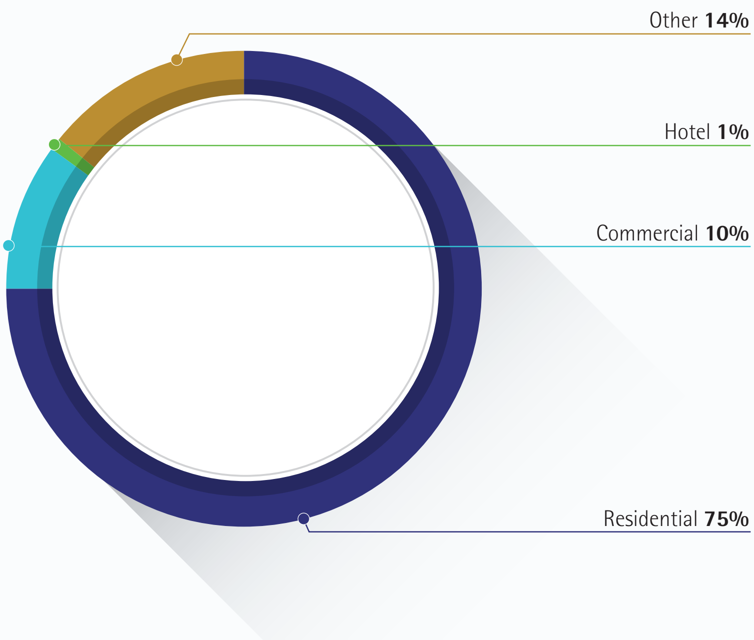


2. *Distribution of the Company's land reserves by land use right certificates*

Fig: percentage of the Company's land reserves for which land use right certificates had been granted and those had not been granted (as at 31 December 2015)

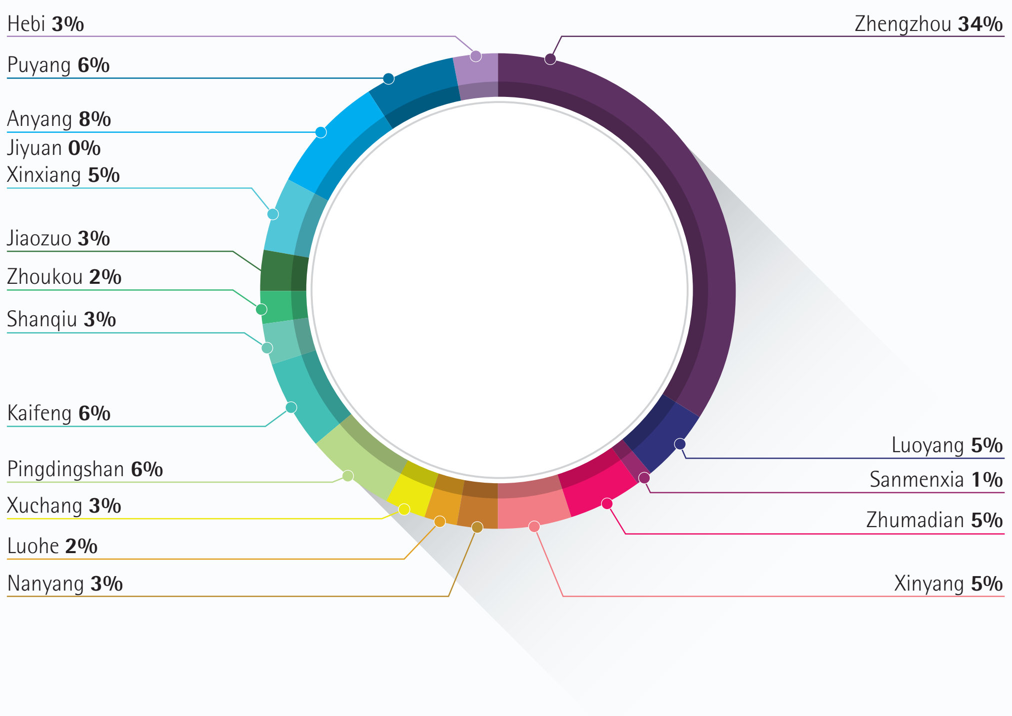
3. *Distribution of the Company's land reserves by property types*

Fig: Distribution of the Company's land reserve by property types (as at 31 December 2015)



4. *Distribution of the Company's land reserves by cities*

Fig: Distribution of the Company's land reserves by cities (as at 31 December 2015)



(IV) Product Research and Development

The Company as always, adheres to the general principles of serialisation, standardisation and commercialisation for product development, and progressively scale up its products to commercialised scale on a concrete foundation of serialisation and standardisation the Company laid for years. For product development of the Group, customers' experience has been considered as the essence, "green, low-carbon and energy-saving" as the notion as well as technology and intelligence as the direction for research and development of product.

1. *Architectural design*

During the reporting period, the Company continued to carry out in-depth research on architectural design, improve the design for enhanced control and management of standardised construction and impose cost control on every stage of architectural design with an aim to achieve optimised balance between product quality and costs. In addition to our residential projects, the application of the technology for "green, low-carbon and energy-saving" has been expanded to our commercial projects for development. Meanwhile, intelligent technology has been infused into product design for further providing our guests comfort and warmth.

2. *Serialisation, standardisation and commercialisation*

During the reporting period, the Company continued to carry out in-depth research on product serialisation and standardization, and launch serialised and standardised products that responding to changing demand from our customers in different stages of product development by leveraging internet and adopting customer-oriented measures that requesting customers to comment on pre-construction and design work of our products, so as to secure liveliness and vigorousness of our products in substance.

With an aim to advancing product serialisation and standardisation as well as exploiting technology for long-term commercialisation in relation to the commercialisation for residential properties, the Company has applied technology for commercialisation to design and construction of its two projects available for sale jointly with a major domestic constructor. As a result, product quality has been greatly enhanced, taking a considerable step towards large-scale commercialisation of its products.

(V) Customer Service and Customer Relations

In 2015, the Company established a novice added-value services model for customers, including a full-scale development of the Online-to-offline (O2O) platform and the golden 1-km services model for community. Meanwhile, we have continued to strengthen the development of our customer services regime and elevate our customer service standards, in a bid to further enhance satisfaction of our customers.

In 2015, the Company focused on the development of O2O platform for community by fully taking the advantages of property communities, commencing the development of online Jianye APP smart service terminal as well as offline "E+home" community services for the benefit of residents in our communities. By openly consolidating corporate, community and its surrounding resources, we have provided our customers interactive and convenient services listed on our menu, such as daily groceries purchase, property management, family information, hotel spending, football fans interaction and parent-child education, through internet platform, smart palm platform and community smart service terminal. The establishment of O2O platform for community has set a higher standards for the hardware of our products, more importantly, it has provided our customers a brand new model of service experience, giving them a strong sense of safety, happiness and belonging in the community and satisfying different demands from our customers, significantly enhancing, as a result, their better life index.

To express our gratitude for our customers by creating them a new life style brought about by CCRE mega service regime, the Company has integrated its internal resources in 2015 for, in particular, addressing the demands from our customers. Good neighbor interactive network has been constructed by organizing a series of activities in relation to "CCRE Green Base Tours" and "Juvenile Football Summer Camp" with an aim to create unrivalled experience for our customers, enhance their satisfaction and build up a sense of pride as a customer of CCRE.

In addition, the Company has established comprehensive workflow for customer services regime by prioritizing our works in customer services and assessing every workflow, such as design, sales, engineering, properties and customer services, in order to prevent all problems frequently faced by customers in the course of property development, thus enhancing the standards of our comprehensive customer services. In 2015, the Company tightened its joint acceptance standards for housing construction, improved its quality of housing upon delivery and launched a system for pre-construction research and a risk pre-alarm system upon housing delivery. Further, the Company stepped up the functions of 9617777 service hotline by expanding the community service channels through internet, such as 9617777 wechat and mobile APP, providing our customers a luxury and convenient lifestyle and further enhancing satisfaction of our customers.

BUSINESS OUTLOOK

(I) Market Outlook

(1) The Macro-economic Landscape

The Company anticipates that Chinese economic environment in 2016 will remain arduous. The PRC government will step up "supply-side" reforms that benefit the development of a regime for innovation, ensuring the market will play a decisive role in resources allocation. The PRC government will carry out the "supply-side" reforms by boosting mass entrepreneurship and innovation as well as supporting the Internet Plus initiative which will inject more dynamism into the economy and enhance productivity of the society, and thus secure a steady growth in economy.

Henan province actively participates in "The Belt and Road Initiative" by closely combining the implementation of the three major national strategic plans, namely "networking with the eastern and the western regions, connecting the globe and constructing the hub". With industry transfers from coastal areas to the central region in China, the industrial structure and industry transfers in Henan province will be upgraded, providing a strong engine for economic development in Henan province.

(2) The Property Market

Against the backdrop of on-going fine-tuning of monetary policy and implementation of stabilisation policy by the PRC government in 2016, the property market basically shows improvement. However, the difference in property demand among the tiers of city are increasingly noticeable that considerable demand for housing in tier 1 and tier 2 cities while housing glut in most of tier 3 and tier 4 cities.

(II) Business Planning

In 2016, the Company will formulate its construction plans in a reasonable manner, ensuring those plans are in coordination with its sales plans and construction completion plans. In addition, the Company will put efforts to facilitate product upgrades and regenerations and optimise strategies for standardization, so as to gather stronger competitiveness. Concurrently, the Company will accelerate the implementation of light-asset projects for increasing its revenue.

1. Construction Plans#

In 2016, the Company expects to commence construction of a total of 28 projects or phases, with a GFA of 3,272,610 sq.m., an increase of 27% as compared with the actual scale of construction in 2015. The construction works of the Company will expand in its major cities for development.

City	Project name	Principal use of property	GFA planned for construction (sq.m.)
Zhengzhou	Blossom Garden Phase I	Residential	581,988
Zhengzhou	Suoxu River Garden Phase II	Residential	128,692
Zhengzhou	Huayuan Kou Project	Residential	156,200
Zhengzhou	Wulong City	Residential	210,000
Zhengzhou	Jiuru House	Residential	169,154
Zhengzhou	Jianye Tihome International City	Residential	276,975
Luoyang	Poly Champagne International	Residential	200,914
Luoyang	Huayang Fengdu Phase I	Residential	138,963
Kaifeng	Dongjingmenghua	Residential and commercial	31,100
Pingdingshan	Wugang Forest Peninsula Phase III	Residential	41,240
Pingdingshan	Eighteen Cities Phase III	Residential	91,932
Anyang	Tangyin Forest Peninsula Phase II	Residential	23,786
Anyang	Sweet-Scented Osmenthus Garden Phase I	Commercial	11,021
Anyang	Sweet-Scented Osmenthus Garden Phase II	Residential	74,522
Hebi	Code One City Phase II	Residential	195,818
Xinxiang	Code One City Phase III (1st Batch)	Residential	89,899
Xinxiang	U-Town Phase II	Residential	26,218
Jiaozuo	Park Lane Phase I	Residential	65,977
Jiaozuo	Park Lane Phase II	Residential	71,711
Jiaozuo	Xiuwu Forest Peninsula Phase III	Residential	40,501
Luohe	Code One City Phase V	Residential	104,488
Sanmenxia	Code One City Phase V	Residential	18,541
Shangqiu	Eighteen Cities Phase IV	Residential	99,568
Shangqiu	Yongcheng U-Town Phase II	Residential	30,000
Zhoukou	Forest Peninsula Phase VI	Residential	55,998
Zhoukou	Luyi Forest Peninsula Phase I	Residential	60,711
Zhumadian	Eighteen Cities Phase IV	Residential	183,223
Nanyang	Code One City Phase I	Residential	93,470
Total			3,272,610

2. *Completion Plans#*

The Company expects to complete 32 projects (phases) with an expected completed GFA of 2,082,388 sq.m. in 2016.

City	Project name	Principal use of property	Expected completed GFA *(sq.m.)*
Zhengzhou	Tihome Jianye International City	Residential	77,030
Zhengzhou	Gongyi Code One City Phase I	Residential	119,144
Zhengzhou	Suoxu River Garden Phase I	Residential	145,348
Zhengzhou	Spring Time	Residential	49,045
Zhengzhou	Jiuru House	Residential	169,154
Kaifeng	Dongjingmenghua	Commercial	72,189
Luoyang	Wisdom Port	Commercial	50,936
Pingdingshan	Eighteen Cities Phase I	Residential	16,649
Pingdingshan	Eighteen Cities Phase II	Residential	21,250
Anyang	Tangyin Forest Peninsula Phase II	Residential	39,011
Anyang	Sweet-Scented Osmanthus Garden Phase II	Residential	88,395
Hebi	Code One City Phase I	Residential	79,031
Hebi	Huaxian Code One City Phase I	Residential	56,076
Xinxiang	U-Town Phase II	Residential	26,218
Jiaozuo	Park Lane Phase I	Residential	68,719
Jiaozuo	Forest Peninsula Phase III	Residential	3,386
Jiaozuo	Code One City Kindergarten	Commercial	2,954
Puyang	Code One City Phase III	Residential	76,758
Xuchang	Changge Sweet-Scented Osmanthus Garden Phase II	Residential	50,020
Xuchang	Yanling Eco-City Phase II	Residential	52,267
Luohe	Xicheng Forest Peninsula Phase I	Residential and commercial	78,481
Luohe	Linying Sweet-Scented Osmanthus Garden Phase I (2nd Batch)	Residential	27,652
Sanmenxia	Code One City Phase IV	Residential	40,643
Shangqiu	Eighteen Cities Phase II	Residential and commercial	120,728
Shangqiu	Eighteen Cities Phase III	Residential	26,154
Shangqiu	Zhecheng U-Town Phase II	Residential	36,195
Shangqiu	Yongcheng U-Town Phase I	Commercial	11,454
Zhoukou	Forest Peninsula Phase V	Residential	8,652
Zhumadian	Eighteen Cities Phase III	Residential and commercial	101,920
Nanyang	Triumph Plaza Phase II	Residential and commercial	250,407
Xinyang	Jianye City Phase I	Residential	36,092
Jiyuan	U-Town Phase II	Residential	80,430
Total			2,082,388

Note:

Construction plans and completion plans may be adjusted in accordance with the approval progress by the government toward projects and other environmental factors.

RISK MANAGEMENT

The Company are committed to improve our risk management capability for ensuring on-going profitability and steady growth of our business.

Risk Management Philosophy of CCRE:

Risk is inherent in CCRE's business and the markets in which it operates. The challenge is to identify risks and then manage these so that they can be reduced, transferred or avoided. We recognises that risk management is the responsibility of everyone within the Group. Rather than being a separate and standalone process, risk management is integrated into business processes including strategy development, business planning, capital allocation, investment decisions, internal control and day-to-day operations.

Material Risks of the Group

During 2015, our business planning process has identified the following as material risks of the Company:

Risk Description	Risk Changes in 2015	Key Measures for Risk Management
Financial Risks		
The Company's credit ratings may be downgraded. A downgrade may trigger higher costs of corporate financing of the Company in the future.	CCRE's outlook was cut to "negative" from "stable" by Standard & Poor's, a credit-rating agency.	1. Evaluate business strategies, review capital structure and lock in long-term funding to ensure liquidity; and 2. Maintain sufficient undrawn credit facilities to fulfill the liquidity demand of the Company.
Senior notes of the Company are denominated in USD and SGD, and source of revenue of the Company is in RMB. RMB exchange rate volatility may expose the Company to foreign currency risk.	RMB exchange rate volatility has become a market norm.	1. Hedge currency exposures in line with the Company's business strategy; and 2. Closely monitor the effects of RMB exchange rate volatility on the Company.
Product Risks		
There is uncertainty in requirements by the government on project planning. Changes requested by the government at stage of approval may increase our development costs.	Uncertainty in requirements by the government increases due to the changing urban planning and every kind of new policies.	Keep abreast of relevant local policies and planning adjustments, enhance communication with governmental departments for minimising repeated reporting on construction for approval.

Risk Description	Risk Changes in 2015	Key Measures for Risk Management
Market Risks		
Collective complaint on deemed property devaluation by customers caused by market price volatility.	Certain projects have received collective complaints by customers on property price volatility.	Enhance training provided to sales staff. Allow customers to fully understand the terms of transaction as well as the rights and obligations of seller and buyer.
Investment Risk		
Government's progress of land clearance or adjustment on urban planning of individual projects may be below expectation and affect the development progress.	Risk level remains broadly the same.	Enhance communication and coordination with governmental departments for satisfying criteria of commencement of construction of the projects promptly.
Procurement Risk		
Massive impact of changes in oil price made on petroleum products.	Impact of changes in oil price by nearly 50% during the year on prices of materials, such as pipes and fittings, waterproof coating and warmth keeper.	1. Introduce a mechanism for price adjustment included in central procurement tendering for eliminating continual impact of subsequent oil price volatility on prices of materials; and 2. Shorten procurement cycle.
Policy Risks		
In 2015, the PRC government launched a series of policies, such as repeatedly lowering ratio and reducing interest rates, relaxing home purchase curb, 90/70 policy and control on mortgage, reduction of minimum down payment and provident fund and adoption of two-child policy, effectively facilitating property sales.	Risk level has been decreasing.	1. Closely monitor the changes in policies; 2. Adjust product structure promptly; and 3. Flexibly adjust the sales rhythm and strategy.

Investor Relations Report

Xuchang Yanling Green House

Investor Relations Report

The Group has always attached importance to good relations with investors, media and other stakeholders. The investor relations department of the Group strictly complies with a non-selective disclosure principle to ensure fairness in its dealings with investors, analysts and media. Transparency and fairness in disclosure of corporate information is key to good and close relationships with all the parties. The Group strives to maintain candid and transparent investor relations through effective communication.

In 2015, the Group's investor relations department continued to proactively hold and participate in various investor relations activities, including results announcements, site visits in Henan province with investors or analysts, domestic and foreign investor forums and seminars, as well as post-results roadshows, non-deal roadshows (NDRs) and reverse roadshows in Hong Kong, Singapore, London and Tokyo, etc. The department also proactively maintained open communication with investors and analysts daily and update them about the Group's latest business performance and developments through various means, including company visits, phone conferences, replying questions by email, distributing monthly corporate newsletters and press releases and issuing voluntary announcements. All these also provided investors with comprehensive knowledge and understanding of the Group's operating strategies, financial performance, business development and prospects. Interim and annual results reports, press releases, monthly corporate newsletters, monthly sales figures and announcements can be conveniently accessed at the Group's website.

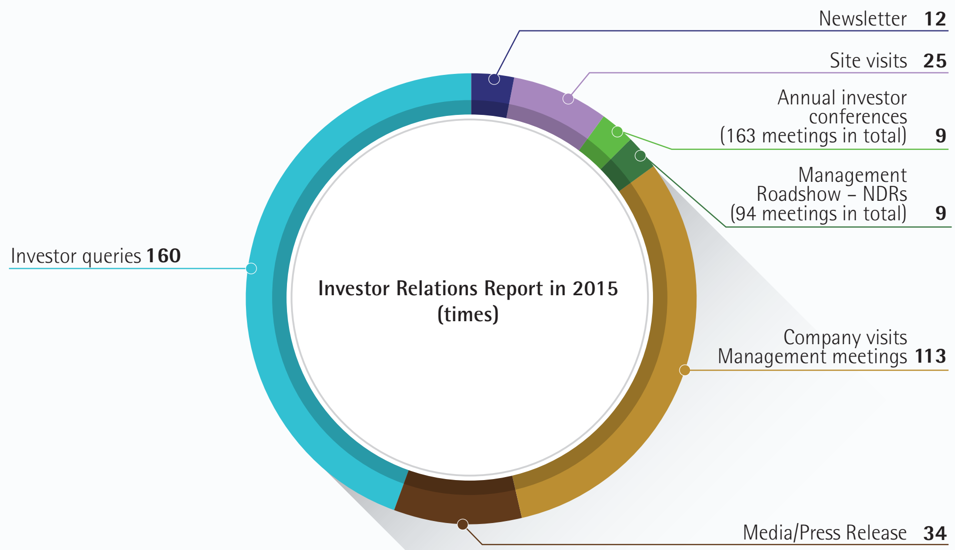
The investor relations department's initiatives to maintain effective investor relations have earned the Group a number of accolades from the internationally respected *IR Magazine* for Grand prix for best overall investor relations in the category of small-cap listed companies in Greater China in 2015. Previously, the Group also won a number of honors at IR Awards – Greater China 2014.

Over the years, the Group strives to enhance transparency and maintain high standards in corporate governance, thus gaining growing attention of the capital market. For the year ended 31 December 2015, the Group was ranked 471st among "China's Top 500" by *Fortune Magazine* for the first time, and is the only property developer among the 13 enterprises in Henan province which have made it to the list.

Investor Relations Report (Continued)

MAJOR INVESTOR RELATIONS ACTIVITIES OF THE GROUP IN 2015

Date	Conference	Organiser	Location
8 January 2015	BNP Paribas Asia Pacific Financial & Property Conference	BNP Paribas	Hong Kong
12 January 2015	DB 13th Annual dbAccess China Conference 2015	Deutsche Bank	Beijing
24 March 2015	2014 Annual Results Investor Briefing	The Group	Hong Kong
25–26 March 2015	2014 Post-Annual Results Management NDR	DBS Vickers	Hong Kong
30 March 2015	2014 Post-Annual Results Management NDR	Standard Chartered Bank	Singapore
31 March 2015	2014 Post-Annual Results Management NDR	BNP Paribas	Singapore
25 June 2015	Citi Asia-Pacific Property Conference 2015	Citibank	Hong Kong
8 July 2015	DBS The Pulse of Asia Conference July 2015	DBS Vickers	Singapore
9 July 2015	Fixed Income NDR	Standard Chartered Bank	Singapore
9 July 2015	Fixed Income NDR	Barclays	Singapore
2 September 2015	2015 Interim Results Investor Briefing	The Group	Hong Kong
7 September 2015	2015 Post-Interim Results Management NDR	DBS Vickers	Hong Kong
8 September 2015	2015 Post-Interim Results Management NDR	Bank of America Merrill Lynch	Hong Kong
9 September 2015	2015 Post-Interim Results Management NDR	DBS Vickers	Singapore
24 September 2015	Standard Chartered Reverse Roadshow Meeting (Fixed Income)	Standard Chartered Bank	Hong Kong
6–7 October 2015	JP Morgan Credit and Equities Emerging Markets Conference	JP Morgan	London
8 October 2015	Equity NDR	Mizuho Bank	London
2–3 November 2015	BoAML 2015 China Conference	Bank of America Merrill Lynch	Beijing
5 November 2015	Citi 10th China Investor Conference	Citibank	Macau
12 November 2015	2015 Nomura Asian High Yield Corporate Day	Nomura Securities	Hong Kong
19 November 2015	Morgan Stanley 14th Annual Asia Pacific Summit	Morgan Stanley	Singapore
26 November 2015	Equity NDR	Mizuho Bank	Tokyo



PROSPECTS

In the future, the Group will continue to be receptive to the market's views candidly and humbly. It will endeavor to maintain effective communication with stakeholders. As a way to gauge capital markets' perception of the Group, CCRE will continue to collect relevant research reports actively and will ponder on investors' concerns and advices in order to further enhance the Group's operating management and cooperate governance. Its investor relations department will maintain professionalism at its work so that shareholders will be able to gain a thorough understanding of the Group's business. This will help the Group attain fair value so as to benefit its development for the long term.


Pullman Kaifeng Jianye Hotel


Luoyang Huayang Square


Luoyang Triumph Plaza


Linying Sweet Osmanthus Garden

Environmental, Social and Governance Report

As the largest private enterprise in Henan province, CCRE not only has an ambition to cultivate a top real estate brand in China, but also strives to become a reliable life partner for Henan community and its public. Since its establishment 23 years ago, the Company has been seeking for a balance between business development and social responsibility. To this end, it strikes a balance among environment, society and governance while enhancing its corporate value in a dedicated effort to become a good corporate citizen honoring its social responsibility.

WORKING ENVIRONMENT

The Company is committed to forging a strong and competitive brand and serving as a cradle of talents in the real estate industry. From salaries and benefits, promotion mechanism to personnel training and to after-work activities, the Company has never removed the wellbeing of its employees from its top agenda, and has always been doing its best to create a harmonious and amicable working atmosphere to continuously promote the employees' sense of belonging to the organization.

Overview

As at 31 December 2015, the Group had 2,153 employees with an annual turnover rate of approximately 10%. The numbers of employees by age, education level and function are set out as below:

By age

Age	Number of employees
20–30	1,013
31–40	846
41–50	238
51–60	47
61 or above	9
Total	2,153

By education level

Education level	Number of employees
Master degree or above	169
Bachelor degree	1,241
Associate degree	690
Middle school or below	53
Total	2,153

By function

Function	Number of employees
Finance and accounting	355
Engineering	349
Management	214
Design	99
Investment	87
Sale, marketing and customer service	683
Administrative	208
Others	158
Total	2,153

In order to promote healthy competition among employees and motivate them to enhance work performance, the Company has introduced a performance appraisal and rating system and determines individual bonus, salary adjustment and redeployment based on the appraisal results. Employees that meet certain performance criteria in the annual performance appraisal will have the opportunity for bonus, pay rise or promotion. Moreover, the Company also pays great attention to employees' career development, assists them in making career development plans according to their specialties and skills, and prioritises promotion of outperforming employees pursuant to the Internal Competent Appointment Rules of CCRE in light of the fair promotion principle of "competence prevails".

Apart from employees' salaries and benefits, CCRE also places emphasis on internal workplace culture and thus always encourages employees to help and inspire each other so as to build a united and cohesive "Big CCRE Family". To this end, the Company founded the "Family Relief Foundation" with internal resources to offer support to employees in urgent financial needs, which fully embodies our spirit of solidarity.

Occupational Safety

Occupational safety has always been one of the Company's priorities in governance. To make safety standards for construction projects, the Company has formulated a series of guidelines including the Engineering Management System of CCRE, the Construction Site Safety and Civilisation Standards of CCRE, the Required Inspection Items for Construction of CCRE and the Worker Protective Supplies Management Measures of CCRE, which detail the codes of practice at construction sites and operational instructions for machinery and equipment to prevent industrial accidents and ensure personal safety of the front-line staff.

Besides seminars at construction sites, the Company also arranges occupational safety training for employees at all levels and regularly invites personnel of the fire services department to lecture on safety knowledge, thereby increasing the safety awareness of our employees. Meanwhile, the Company organises its employees to take a medical check-up annually to prevent occupational diseases due to daily work.

Skill Training

We believe that a well-established training system can enhance skills and performance of employees, which will in turn boost business development of the Company. The Company arranges professional training courses for employees based on their respective rank and position, and constantly improves and updates the training contents to help employees understand industry trends and master work skills. In addition, employees have the opportunities to regularly participate in outbound exchange activities, and can improve their expertise anytime through the Company's proprietary online learning platform.

Labour Standards

Since its establishment, the Company has been upholding core principles featuring fairness and compliance, and its personnel policies, salaries and benefits and business operation are in full compliance with PRC laws and regulations as well as industry standards. The Company has formulated transparent recruitment rules in accordance with the Recruitment Management System of CCRE in an effort to provide equal employment opportunities and create a fair and harmonious working environment. Moreover, the Company bases its welfare policy upon state regulations to ensure that female employees are entitled to their legitimate rights and interests including maternal leave, breastfeeding leave and Women's Day holiday, and in combination with strict workplace code of conduct, to eliminate gender discrimination and other injustices.

As to labor standards, the Company's employment policy is in full compliance with the Labour Law, the Labour Contract Law, the Enterprise Labour Union Regulations and local labour regulations in China, stipulating the code of conduct for the management in recruiting employees and entering into employment contracts and forbidding recruitment of child labor, forced labor and other illegal acts.

ENVIRONMENTAL PROTECTION

In recent years, the worsening environmental pollution problems across the world lead to growing awareness of environmental protection in all sectors. As a leading real estate enterprise in Henan Province, CCRE always takes the lead in environmental protection by advocating the concept of green architecture, actively promoting green life culture and leading all its employees to earnestly protect the ecological environment.

Waste and Emission Reduction

The waste generated in the course of the Company's daily operation mainly includes construction waste, household trash and wastewater, and the emission of such waste always abides by national standards. For the disposal of waste, the Company always, pursuant to the requirements of relevant local authorities, conducts concentrated collection of construction and household waste and takes appropriate measures for recycling or disposal according to the waste category while household wastewater will undergo a precipitation process before discharged into municipal sewage network and the underground wastewater will be used for irrigation or be discharged into the municipal rainwater pipe network.

CCRE fully understands that preventing waste from the source is essential for alleviating environmental pollution in the long run. To this end, the Company vigorously advances the industrialisation of property development and streamlines the originally complex construction procedures, thus reducing waste emission and mitigating noise pollution. Meanwhile, the Company has established an environmental impact assessment mechanism in accordance with state regulations to assess the environmental impacts at all construction phases, and formulated the Emergency Response Measures to minimize the negative impact of construction projects on the surrounding environment. Next year, the Company will continue to step up its emission reduction initiatives and amend the waste management policy where needed in a bid to improve the effectiveness of waste reduction.

Environmental Protection and Energy Conservation

To facilitate the development of green architecture and promote green life culture, the Company has formulated the Green Architecture Measures of CCRE in accordance with the Evaluation Standards for Green Buildings issued by the Ministry of Housing and Urban-Rural Development of PRC, and issued the Green Manifesto of CCRE in 2010. We earnestly implement green building development plans by gradually using power-saving lighting, water-saving spray irrigation, rainwater collection system, geothermal heat pump and other tools and technologies, thereby comprehensively improving the effectiveness of environmental protection and energy conservation for our property projects. Since the implementation of the Green Manifesto of CCRE, eight projects including Zhengzhou Tianzhu, Nanyang Triumph Plaza and Hebi Code One City have successively passed the National Green Building Certification, demonstrating the recognition of the Company's development strategy.

In addition, the Company follows and fully practices the call of "Saving Energy, Land, Water and Material and Environmental Protection" from Chinese government by improving construction and prefabricating procedures, which not only alleviate noise pollution but also significantly reduce the demand for water, electricity, wood and other resources. The Company also published a proposal in April 2015 to promote the operation principle of "maximized conservation" and formulated an instruction manual for office facilities to encourage employees to proactively save power. The resulting power consumption reduction year-on-year of 12% in 2015 evidenced the marked effect of the Company's energy conservation measures.

OPERATIONAL GOVERNANCE

As a bellwether in the real estate industry in Henan Province, the Company is dedicated to consolidating its long-established leadership, considers operational governance as a reform priority and focuses on improving management effectiveness and maintaining competitive advantage while actively diversifying from real estate to live up to its service commitment of "From the land of Henan, for the people of China".

Supply Chain Management

As the Company extends its reach from property development to hotels, public facilities and other sectors, we have to partner with producers and suppliers from different sectors in our daily operation, thus making supply chain management quite challenging. As at 31 December 2015, the numbers of suppliers by type of work are set out as below. *(illustrated by charts)*

Type of work	Number of suppliers
Land affairs	63
Design	257
Construction	1,639
Materials and equipment procurement	770
Quotes and market information	72
Marketing	1,911
Management	214
Government agencies	733

The Company's supply chain management has three focuses namely tendering process, bidder screening criteria, and supplier performance evaluation and monitoring mechanism. For example, in order to improve the transparency and efficiency of tendering procedures, the Company revamped the Procurement Management Measures of CCRE during the year, thereby intensifying supervision over tendering procedures including invitation for bid, issue of bidding documents, bid reply, bid opening, bid evaluation and bid determination while introducing a bid evaluation abstaining system, an early warning mechanism and an electronic monitoring system, thus ensuring that all tendering procedures are fair and transparent and go smoothly. For the shortlisted bidders, the Company has a supplier certification team for reviewing the qualifications of each prospective supplier, conducting on-the-spot investigation and making sampling examinations on its products, before selecting the most qualified supplier based on the overall assessment results. As for the performance assessment on contractors and suppliers, the Company regularly visits manufacturing sites of suppliers or construction sites of contractors, closely monitor product quality and construction progress and give a rating of "strategic", "excellent", "suspensive" or "eliminable" to a contractor or supplier based on its assessment results, to form a basis for subsequent outsourcing policy adjustments. Meanwhile, the Company has set up a public whistle-blowing and feedback mechanism to enhance the effectiveness of monitoring suppliers and contractors.

Product Liability

Thanks to our rigorous product safety supervision procedures, the Company's construction projects have reached the industry's highest standards in terms of weight resistance and safety. The Company has formulated its product management policy pursuant to state regulations and industry standards, providing detailed guidelines on product repair, maintenance, testing and inspection with a focus on material examination and equipment testing in order to exercise all-round supervision on the production and construction process.

1. *Preparation*
   Submit project plans to authorities for approval

2. *Before Construction*
   Construction drawings are reviewed by a third-party expert to ensure compliance with national and industry standards

3. *Material Examination*
   Carefully choose suppliers of building materials, and strictly examine their certification documents subject to review by a professional third party

4. *During Construction*
   Engage an external consultant to closely monitor construction process and progress of the project

5. *Project Acceptance*
   Arrange inspection by relevant authorities and filing before completion

To meet expectations and needs of our customers, the Company has a well-established customer complaint mechanism, and will arrange maintenance professionals to follow up complaint cases and collect customer opinion later on so as to make sure that the problems are completely solved. Moreover, the Company also pays great attention to customer privacy, and has formulated the Customer Information Management Measures, requiring all employees to strictly comply with the service guidelines thereof and prohibiting any divulgence by anyone of confidential customer information.

Anti-corruption

The Company always puts integrity first and positively instills the service spirit of being honest and trustworthy with an aim at a good corporate image of CCRE. Apart from putting in place an interest report mechanism to encourage the employees to exercise self-restraint, the Company also requires every new employee to sign a Work Integrity Agreement, holds integrity oath ceremonies for all the employees and regularly organizes educational lectures about professional ethics, thereby cultivating a corporate culture of fairness and honesty. Meanwhile, the Company has a whistle-blowing mechanism to encourage the employees to report any fraud, extortion, bribery and corruption through the Company's website, the 7x24 hotline or email, and will designate an officer to follow up such cases and severely punish any employee breaching integrity.

GIVING BACK TO SOCIETY

Rooted in Henan Province for over two decades, CCRE has undergone a remarkable transformation from a small company to a nationally renowned leading player. In the road of its development, the Company never forgets to give back to society. While committing itself to meeting people's needs for housing, the Company actively promotes community development and tries its best in many ways to help those in need in the society.

Community Development

The Company upholds its corporate mission of "building quality houses for the people of Henan" and actively follows the national urbanisation plans to advance social development in Henan Province. So far, the Company has laid its business footprints across 18 prefecture-level cities and 23 county-level cities in Henan Province with an ambition to provide Henan people with the best housing and supporting services. In addition to its traditional housing projects, the Company also strives to extend presence in the field of public facilities including education, sports and green buildings, which not only speeds up its expansion but also improves local living level for mutual success.

CHARITABLE INITIATIVES

During the year ended 31 December 2015, the Company donated RMB1 million and RMB500,000 to the Henan Next Generation Foundation and the Zhengzhou Real Estate Industry Relief Foundation respectively with an aim to offer financial aid to those in financial difficulties and inspire people from all walks of life to show their care and compassion as well. Moreover, the Company periodically contributes to the employment security plan for handicapped persons in accordance with the Law on Protection of the Handicapped of the PRC, to provide additional subsistence allowance for handicapped people in the society.

Besides making donations to various charities, the Company also focuses on cultural education in a hope to improve the humane quality of Chinese people. To this end, the Company has spent RMB23 million building the Henan Children's Library and founded the Henan Origin Humanity Foundation with a mission to inherit and promote Chinese culture. The foundation has introduced "Origin Community Library", "Origin Rural Library", "Origin Charity Summer Camp" and other public education programmes in order to help the younger generation foster rightful values. Looking into the future, CCRE as an unremitting philanthropist will take full advantage of its extensive resources and strong business network to make its due contribution to the wellbeing of Henan people.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improve its corporate governance and disclosure practices. For the year ended 31 December 2015, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix 14 to the Listing Rules with the exception of code provisions A.6.7 and E.1.2 as addressed below.

1. **Code provision A.6.7 — This code provision stipulates that independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.**

   All Directors have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation.

   Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang and Ms. Wu Wallis (alias Li Hua), all being non-executive Directors, and Mr. Xin Luo Lin and Mr. Muk Kin Yau, being independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 15 May 2015 (the "2015 AGM") as they were out of town for other businesses.

2. **Code provision E.1.2 — This code provision requires the Chairman to invite the chairmen of the audit, remuneration and nomination committees to attend the annual general meetings.**

   Mr. Xin Luo Lin, an independent non-executive Director and the chairman of the remuneration committee of the Company, was unable to attend the 2015 AGM as he was out of town for other business.

   In his absence, the other members of the remuneration committee, namely Mr. Wu Po Sum and Mr. Cheung Shek Lun, attended the 2015 AGM and answered questions raised at the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code for the year ended 31 December 2015.

BOARD OF DIRECTORS

The Board, which is chaired by Mr. Wu Po Sum, consists of two executive Directors and six non-executive Directors, three of whom are independent non-executive Directors. The composition of the Board ensures a balance of skills and experience appropriate for the requirements of the business of Group and the exercising of independent opinion.

The Directors who held office during the year and up to the date of this report include:

Executive Directors

Mr. Wu Po Sum *(Chairman)*
Ms. Yan Yingchun

Non-executive Directors

Mr. Lucas Ignatius Loh Jen Yuh *(Vice-chairman)*
Mr. Puah Tze Shyang (appointed on 1 April 2015)
Mr. Leow Juan Thong Jason (resigned on 1 April 2015)
Ms. Wu Wallis (alias Li Hua)

Independent Non-executive Directors

Mr. Cheung Shek Lun
Mr. Xin Luo Lin
Mr. Muk Kin Yau

Ms. Wu Wallis (alias Li Hua) is the daughter of Mr. Wu Po Sum. Save as disclosed, there is no family or other material relationship among the members of the Board. The biographical details of the Directors are set out on pages 64 to 67 of this report.

All executive Directors and non-executive Directors have entered into service contracts with the Company for a specific term of three years. Under the articles of association (the "Articles of Association") of the Company, the Board is empowered to appoint any person as a Director to fill the casual vacancy on or as an additional Director.

In compliance with Rules 3.10 and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors (representing one-third of the Board), one of whom possesses the appropriate professional qualifications in accounting and financial management. Each of the three independent non-executive Directors has confirmed his independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules. Each of the three independent non-executive Directors has signed a letter of appointment with the Company for a specific term of three years.

Pursuant to the Articles of Association, at least one-third or, if the number is not a multiple of three, the nearest to one- third, of the Directors are subject to retirement from office by rotation and re-election at the annual general meeting of the Company once every three years. In accordance with article 87 of the Article of Association, Ms. Yan Yingchun, Mr. Cheung Shek Lun and Mr. Muk Kin Yau will retire and, being eligible, will offer themselves for re-election at the 2016 AGM. All other Directors will continue to be in office.

All Directors have given sufficient time and attention to the affairs of the Group and in particular, the independent non-executive Directors have provided the Board with their diversified expertise and professional advices. The Board is of the view that there is a balanced composition of executive, non-executive and independent non-executive Directors in the Board and the independent non-executive Directors are able to provide sufficient checks and balances to safeguard the interests of the Group and its Shareholders. The participation of the independent non-executive Directors in the Board and committee meetings also provides independent judgment on the issues relating to strategy, policy, performance, accountability, conflict of interest and standards of conduct.

The Board members have access to timely information relating to the Group's business and will be provided with further documents and information upon request to enable them to make informed decisions. Independent professional advice can be sought to discharge their duties at the Group's expense upon their request. No such advice was sought during 2015.

The Company has subscribed appropriate and sufficient insurance coverage on Directors' liabilities in respect of legal actions taken against Directors arising out of corporate activities.

RESPONSIBILITY OF THE BOARD

The Board is in charge of leadership and control of the Group and is responsible for maximising the Group's financial performance and making decisions in the best interests of the Group and its Shareholders. Under the leadership of Mr. Wu Po Sum, the chairman of the Board (the "Chairman"), the Board is also responsible for formulating and overseeing the business strategies and policies of the Group, approving and monitoring annual budgets and business plans, reviewing operational and financial performance, reviewing and monitoring the Group's financial control and risk management systems. The Board has delegated the daily operation and day-to-day management of the Group as well as the implementation of the Board's policies and strategies to the executive Directors and management of the Group.

BOARD MEETINGS AND GENERAL MEETING

The Board holds meetings regularly and meets at other times as and when required to review financial, internal and compliance controls, risk management, company strategy and operating performance of the Group. In addition, the Board holds general meeting to maintain an on-going dialogue with the Shareholders. For the year ended 31 December 2015, the Board held 4 regular meetings, 1 ad hoc meetings and 1 general meeting.

The number of Board meetings, committee meetings and general meeting attended by each Director from 1 January 2015 to 31 December 2015 is set out in the following table:

Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	General Meeting
Number of meetings held	**5**	**2**	**1**	**1**	**1**
Mr. Wu Po Sum	5/5		1/1	1/1	1/1
Ms. Yan Yingchun	5/5				1/1
Mr. Lucas Ignatius Loh Jen Yuh	5/5	2/2			0/1
Mr. Puah Tze Shyang (appointed 1 April 2015)	2/3 *Note 1*				0/1
Mr. Leow Juan Thong Jason (resigned on 1 April 2015)	1/2 *Note 2*				0/0
Ms. Wu Wallis (alias Li Hua)	2/5				0/1
Mr. Cheung Shek Lun	5/5	2/2	1/1	1/1	1/1
Mr. Xin Luo Lin	4/5	2/2	1/1	1/1	0/1
Mr. Muk Kin Yau	4/5				0/1

Notes:

1. Disregarding the Board meetings prior to Mr. Puah Tze Shyang's appointment on 1 April 2015.

2. Disregarding the Board meetings after Mr. Leow Juan Thong Jason's resignation on 1 April 2015.

Sufficient notice for regular Board meetings and notice of reasonable days for ad hoc Board meetings were given to all Directors so as to ensure that each of them had an opportunity to attend the meetings, and agenda and accompanying Board papers were given to all Directors in a timely manner. As agreed by the Board, the Directors may also seek independent professional advice at the Company's expense. No such advice was sought during 2015. During the intervals between Board meetings, the senior management of the Company provides the Directors with information on a timely basis regarding all major developments or changes in the Group's businesses.

Should a Director have potential conflict of interest in a matter being considered in the Board meeting, he or she will abstain from voting in respect of the relevant resolution. Independent non-executive Directors with no conflict of interest will be present at the Board meetings dealing with such issues.

Full Board or committee papers will be sent to all Directors at least three days before the intended date of a Board meeting or committee meeting.

Management has supplied the Board and its committees with adequate information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. Management is also invited to join the Board or committee meetings where appropriate.

All the Directors are also entitled to have access to timely information such as monthly updates in relation to our businesses and have separate and independent access to senior management.

DIRECTORS' TRAINING

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the year, the Company Secretary regularly circulated reading materials on the amendments to or updates on the relevant laws, rules and regulations to all Directors as part of their training materials in the continuous professional development plan of the Company and the Company confirmed that all Directors read the training materials.

In addition, every newly appointed Director will receive an induction on the first occasion of his appointment, so as to ensure that he has a proper understanding of the operations and business of the Company, and his or her responsibilities under laws, regulations and especially the governance policies of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer are currently two separate positions held by Mr. Wu Po Sum and Mr. Chen Jianye respectively with clear distinction in responsibilities.

Mr. Wu Po Sum, being the Chairman, is responsible for the management and leadership of the Board to formulate overall strategies and business development directions for the Group, to ensure that adequate, complete and reliable information is provided to all Directors in a timely manner, and to ensure that the issues raised at the Board meetings are explained appropriately.

Mr. Chen Jianye, being the Chief Executive Officer, is responsible for the daily operations of the Group and the implementation of business policies, objectives and plans as formulated and adopted by the Board, and is accountable to the Board for the overall operation of the Group.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility to present a balanced, clear and understandable assessment of the Group's performance, position and prospects in the consolidated financial statements of the annual and interim reports in accordance with statutory requirements and applicable accounting standards. Pursuant to Code Provision C.1.1 of the Corporate Governance Code, management would provide such explanation and information to the Board as will enable the Board to make an informal assessment of the financial and other information put before the Board for approval. The Directors confirm that, to the best of their knowledge, information and relief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

In preparing the financial statements for the year ended 31 December 2015, the Directors have selected appropriate accounting policies and applied them consistently, and have made judgments and estimates that are prudent and reasonable.

The Group has announced its annual and interim results in a timely manner within the limits of three months and two months respectively after the end of the relevant financial periods, as laid down in the Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has the responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and to ensure the Group establish and maintain appropriate and effective risk management and internal control systems on an ongoing basis.

The Group's risk management and internal control systems comprises, among others, the relevant financial, operational and compliance controls, a well-established organisational structure with clearly defined lines of responsibility and authority. Each department is accountable for its daily operations and is required to implement the business strategies and policies adopted by the Board from time to time. An internal audit function is established to review and evaluate the Group's risk management and internal control systems and report directly to the Board and members of the audit committee (the "Audit Committee").

The Board conducts a review and assessment of the effectiveness of the Group's risk management and internal control systems and procedures at least annually with the Audit Committee, the management of the Group, the internal audit function and external independent auditors. The Board believes that the existing risk management and internal control systems are adequate and effective for the year ended 31 December 2015. The Board also reviewed the resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions and their training programmes and budget and was satisfied with their adequacy.

The Board with the concurrence of the Audit Committee reviews the risks to the Company and acts upon any comments from the internal audit function and external auditors. Key risks, control measures and management actions are continually identified, reviewed and monitored by the management as part of risk management systems. The management has established a risk identification and management process. The risk assessment report is reported to the Audit Committee and the Board on a regular basis to highlight changes in the risk assessment, quantitative and qualitative factors affecting the inherent risks and effectiveness of mitigatory controls supporting the residual risks. The risk management systems of the Group are continually being monitored and refined by the Audit Committee and the Board. The Board has received assurance from the CEO and the management of the Group regarding the effectiveness of the risk management systems of the Group.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established three committees, namely the Audit Committee, the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") to oversee the relevant aspects of the Company's affairs. The three Board committees are provided with sufficient resources to discharge their duties.

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

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

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

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

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

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

AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Audit Committee was established on 14 May 2008. The Audit Committee comprises three members, namely Mr. Cheung Shek Lun (the chairman of the Audit Committee), Mr. Xin Luo Lin, Mr. Lucas Ignatius Loh Jen Yuh during the year ended 31 December 2015. None of them is a member of the former or existing auditors of the Company. The Board is of the view that the members of the Audit Committee have sufficient accounting and financial management expertise and experience to discharge their duties. However, the Audit Committee is authorised to obtain external legal or other independent professional advice if it considers necessary.

The Audit Committee has written terms of reference in accordance with the Code. The principal functions of the Audit Committee include:

- To make recommendations to the Board on the appointment, reappointment and removal of external independent auditors and to approve the remuneration and terms of such appointments;
- To review and monitor the independence and objectivity of the external independent auditors and effectiveness of the audit process in accordance with applicable standards;
- To review the Company's financial controls, risk management and internal control systems and other major financial matters;
- To review the Group's financial and accounting policies and practices, and to monitor the Company's financial operation and core business status;
- To ensure that the management has fulfilled its duties and the Group's strategic objectives to maintain an effective risk management and internal control systems;
- To ensure compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board from time to time; and
- To review and monitor the integrity of the financial statements, annual and interim reports and the auditor's report to ensure that the information presents a true and balanced assessment of the Group's financial position.

The Audit Committee held two meetings during 2015 and conducted the following functions:

(i) reviewed the Group's financial results for the year ended 31 December 2014 and interim results for the six months ended 30 June 2015;

(ii) reviewed the audit plans and findings of the external auditor;

(iii) reviewed the internal control and financial matters pursuant to its terms of reference; and

(iv) made recommendation to the Board on the re-appointment of the external auditor and their remuneration.

Under the amendments to the Corporate Governance Code, the section of "Oversee of Risk Management Functions" was adopted into the audit committee's terms of reference and approved by the Board on 31 March 2016. The Audit Committee has reviewed the risk management and internal control systems of the Group as well as considered and identified risks of the Group subsequent to 31 December 2015 and will continuously monitor the systems on a regular basis.

The Audit Committee also met with the external auditor annually in the absence of management to discuss matters relating to any Issues arising from audit and any other matters the external auditor may wish to raise.

For the year ended 31 December 2015, the external independent auditors' remuneration in respect of annual audit and interim review services provided to the Group amounted to approximately RMB3.2 million and RMB0.9 million respectively. During the year, service fee to external independent auditor for the issue of the US$300 Million Senior Notes (as defined below) amounted to approximately RMB300,000.

The Company's annual results announcement dated 31 March 2016 for the year ended 31 December 2015 has been reviewed by the Audit Committee.

NOMINATION COMMITTEE

The Nomination Committee was established on 29 March 2012 with written terms of reference as suggested under the code provision in the Corporate Governance Code. The Nomination Committee comprises three members, namely Mr. Wu Po Sum (the chairman of the Nomination Committee), Mr. Cheung Shek Lun and Mr. Xin Luo Lin, a majority of whom are independent non-executive Directors.

The primary duties of the Nomination Committee include: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year and to make recommendations to the Board regarding any proposed changes to the Board for conforming to the strategy of the Company; (ii) identifying and nominating qualified individuals to act as Directors and to make recommendations to the Board regarding such matters; (iii) assessing the independence of the independent non-executive Directors; (iv) making recommendations to the Board regarding the appointment or re-appointment of Directors and succession planning for the Directors, in particular the Chairman and the Chief Executive Officer; and (v) reviewing the Board Diversity Policy (as defined below), and the implementation of the progress targets set by such policy.

The chairman of the Nomination Committee shall attend the annual general meeting of the Company to answer the questions raised by the Shareholders on Director's nomination and other nomination policy matters.

The Nomination Committee held one meeting during 2015 and conducted the following functions:

(i) reviewed the nomination policy of the Directors;

(ii) reviewed the reappointment of Directors at the 2015 AGM;

(iii) assessed the independence of independent non-executive Directors; and

(iv) reviewed the revised terms of reference of the Nomination Committee.

The Company has adopted the Board Diversity Policy with effect from August 2013 which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of Board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

On recommendation from the Nomination Committee, the Board has set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 14 May 2008 with written terms of reference as suggested under the code provision in the Corporate Governance Code. The Remuneration Committee comprises three members, including two independent non-executive Directors, namely Mr. Xin Luo Lin (the chairman of the Remuneration Committee) and Mr. Cheung Shek Lun, and the Chairman and an executive Director, Mr. Wu Po Sum, during the year ended 31 December 2015.

The primary duties of the Remuneration Committee include (but not limited to) (i) making recommendations to the Board on the Company's policies and structures for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the terms of the specific remuneration package of individual executive Directors and senior management; and (iii) reviewing and approving remuneration proposal by reference to corporate goals and objectives resolved by the Directors from time to time.

The amount of the executive Directors' remuneration is determined by the Remuneration Committee on the basis of the relevant executive Directors' experience, responsibility, workload and the time devoted to the Group. The entire Directors' remuneration is reviewed by the Remuneration Committee from time to time.

The Remuneration Committee may also consult the Chairman on proposals relating to the remuneration of other executive Directors and has access to professional advice if necessary.

The Remuneration Committee held one meeting during 2015 and conducted the following functions:

(i) reviewed the remuneration policy of the Group and Directors' remunerations; and

(ii) reviewed and approved the remuneration package of individual executive Directors and senior management.

To comply with the Listing Rules, Mr. Xin Luo Lin, an independent non-executive Director, was appointed as the chairman of the Remuneration Committee.

COMPANY SECRETARY

In compliance with Rule 3.28 of the Listing Rules, the Company Secretary is a full time employee and has the day-to-day knowledge of the Company's affairs. The Company Secretary is responsible for advising the Board on corporate governance matters. For the year under review, the Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting and to Put Forward Proposals Thereat

The following procedures for the Shareholders to convene an extraordinary general meeting are prepared in accordance with Article 58 of the Articles of Association:

(1) 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 at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

(2) The requisition must state the objects of the meeting, and must be signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

(3) The requisition shall be made in writing to the Board or the Company Secretary via mail to the Company's principal place of business in Hong Kong at Room 7701B–7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

(4) The extraordinary general meeting shall be held within two months after the deposit of the requisition.

(5) If the Directors fail to proceed to convene the extraordinary general meeting within twenty-one (21) days of the deposit of such requisition, the Shareholder(s) himself or themselves may do so in the same manner, and all reasonable expenses incurred by him/her/them as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

Proposals for Proposing a Person for Election as a Director

Subject to applicable laws and regulations, including the Companies Law of the Cayman Islands, the Listing Rules and the Articles of Association as amended from time to time, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

A Shareholder may propose a person (the "Person") for election as a Director by lodging the following documents at the Company's place of business in Hong Kong at Room 7701B-7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong:

(1) a notice in writing signed by the Shareholder concerned of his/her/its intention to propose the Person as a Director with full particulars of the Person including his/her full name and biographical details as required under Rule 13.51(2) of the Listing Rules; and

(2) a notice in writing signed by the Person of his/her willingness to be elected as a Director.

Such notices shall be lodged at least seven (7) days prior to the date of the general meeting and the period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and shall be at least seven (7) days in length.

Procedures for Raising Enquiries

To ensure effective communication between the Board and the Shareholders, the Company has adopted a Shareholders' communication policy:

(1) Shareholders may direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

(2) Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary or the Chief Financial Officer whose contact details are as follows:

Central China Real Estate Limited
Room 7701B-7702A,
77th Floor, International Commerce Centre,
1 Austin Road West, Kowloon, Hong Kong
Telephone: (852) 2620 5233
Fax: (852) 2620 5221
Email: general@centralchina.com

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

MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Company's Memorandum of Association and Articles of Association is available on both the websites of the Company and the Stock Exchange. There had been no changes in the constitutional documents of the Company during the year ended 31 December 2015.

CORPORATE COMMUNICATION AND INVESTOR RELATIONS

The major task and objective of the Group's investor relations is to clearly introduce the Group, including the business positioning, existing operations and future development of the Group, to the media, Shareholders, investors, analysts and investment banks through different communication channels. In future, the Group shall further enhance communication with the media, Shareholders, investors, analysts and investment banks on various aspects such as development strategies, operation and management, financial prospects and business operation through meetings, senior management's participation in investor forums, conferences and roadshows. The Group is confident in establishing and maintaining a good relationship with the international capital institutions through the continued enhancement of information transparency.

The Group emphasises the importance of maintaining good communication with the Shareholders, so as to increase the Company's transparency and understanding by the Shareholders. To enable that the Shareholders are effectively informed of the Group's status and developments, the Group issues announcements, circulars, notices, interim and annual reports in a timely manner. To enhance the Company's transparency, other information about the Company is published on the Company's website.

The Company's annual general meetings allow the Directors to meet and communicate with the Shareholders and to answer any queries that the Shareholders may have. An external independent auditor is also present at the annual general meetings. The Chairman will propose separate resolutions for each issue to be considered at the annual general meetings. A notice of annual general meeting is delivered to all Shareholders at least 20 clear business days prior to the date of the meeting, setting out details of each proposed resolution and other information. Voting results are posted on the websites of the Company and of the Stock Exchange.

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Wu Po Sum (formerly known as Hua Jianming), aged 65, is an executive Director, the Chairman of the Board and the founder of the Group. He is also a director of a number of subsidiaries of the Company. Mr. Wu is responsible for the formulation of development strategies, making decisions on investment projects and development directions of the Group. He graduated from Zhengzhou University majoring in English in 1979 and completed the CEO Program for China in China Europe International Business School on 27 March 2005. Mr. Wu is the father of Ms. Wu Wallis (alias Li Hua), a non-executive Director.

Mr. Wu has over 23 years of experience in real estate development and investment. He started his career with China Textile Import and Export Corporation Henan Branch in 1979. From 1982 to 1985, Mr. Wu was sent by the Department of Foreign Trade of Henan Province to work in Hong Kong. From 1985 to 1986, he was the assistant general manager of Central China International Economic Trade Company Limited ("CCIET"). From 1986 to 1988, Mr. Wu worked as the president and the general manager in Guoguang Industrial Company Limited, a subsidiary of CCIET. From 1988 to 1991, Mr. Wu served as the assistant general manager and the general manager in Central China International (Group) Limited and Central China Overseas Development Company Limited, respectively. He then entered the PRC real estate market in May 1992, when he laid the foundation for the Group and established the "Jianye" ("建業") brand name. Mr. Wu devotes himself not only to the development of the Group's business, but also to public services and promoting the PRC real estate industry.

Mr. Wu is currently a director of CURA Investment Management (Shanghai) Co., Ltd, a company listed on National Equities Exchange and Quotations Co., Ltd. (also known as the "PRC New Third Board").

Mr. Wu has an interest in the shares of the Company, details of which are set out in the section headed "Directors' and chief executives' interests in shares, underlying shares or debentures" under Directors' report in this annual report.

Yan Yingchun, aged 56, is an executive Director. She is also a director of a number of subsidiaries of the Company. Ms. Yan is responsible for the day-to-day operation of the Board and internal audit of the Group. She obtained a Diploma of Accounting from Zhongnan Financial and Economic University in 1986 and qualified as a senior accountant in the PRC in 2000. Ms. Yan has over 23 years of experience in financial management. Before joining the Group in February 1992, she worked in the Financial Section of Zhengzhou Hardware and Electric Appliance Company Limited as the deputy manager from 1985 to 1988. From 1988 to 1991, Ms. Yan served as the deputy general manager of the Finance Department of Central China Overseas Development Company Limited. She has served in the posts of finance manager, human resources manager, assistant to general manager, accountant in chief, vice-president and chief financial officer of Central China Real Estate Group (China) Company Limited since joining the Group.

Ms. Yan has an interest in the shares of the Company, details of which are set out in the section headed "Directors' and chief executives' interests in shares, underlying shares or debentures" under Director's report in this annual report.

NON-EXECUTIVE DIRECTORS

Lucas Ignatius Loh Jen Yuh, aged 49, is a non-executive Director and the vice-chairman of the Board. He is also a director of a number of subsidiaries of the Company.

Mr. Loh is the Chief Executive Officer ("CEO") of CapitaLand China Holdings Pte Ltd ("CapitaLand China"). CapitaLand China is a wholly-owned subsidiary of CapitaLand Limited ("CapitaLand", together with its subsidiaries, "CapitaLand Group"), one of Asia's largest listed real estate companies, headquartered and listed in Singapore. CapitaLand China is a long-term real estate developer of high quality homes, commercial properties and integrated developments in China. CapitaLand China is the holding company of CapitaLand LF (Cayman) Holdings Co., Ltd, a substantial shareholder of the Company.

Mr. Loh joined CapitaLand Group in September 2001 and has been based in China since August 2004. Prior to his appointment as CEO, he was the Deputy CEO cum Chief Investment Officer as well as Regional General Manager for South China of CapitaLand China. He has also held several appointments within CapitaLand Group, including Managing Director for China of The Ascott Limited ("Ascott"). During his term with Ascott from August 2004 to July 2007, Mr. Loh successfully led Ascott to win top spot in China's prestigious 'Top 100 Serviced Residences' Ranking' for two consecutive years and grew its business from 8 to 22 properties across 10 cities in China. In 2007, he joined CapitaLand China and was instrumental in transforming its business in the South China region. He was also responsible for CapitaLand China's real estate financial business, including the Raffles City China Fund and CapitaLand China Development Fund with a combined fund size of US$2.3 billion. Mr. Loh started his career in real estate in 1991. Prior to joining CapitaLand Group, Mr. Loh was the Associate Director for Private Equity Investment at Temasek Holdings (Private) Limited, leading its private equity investment business in the Asia Pacific region.

Mr. Loh holds a Bachelor of Science (Second Class Upper Honours) degree in Estate Management from the National University of Singapore. He also holds a Master of Business Administration degree from Oklahoma City University and attended the Advanced Management Program at Harvard Business School in 2013.

Mr. Loh is currently a non-executive director of Lai Fung Holdings Limited, a company listed on the Stock Exchange.

Mr. Loh has interests in the shares and debentures of the Company, details of which are set out in the section headed "Directors' and chief executives' interests in shares, underlying shares or debentures" under Directors' report in this annual report.

Puah Tze Shyang, aged 44, has been appointed as a non-executive Director of the Company with effect from 1 April 2015. He is also a director of a number of subsidiaries of the Company.

Mr. Puah is the Chief Investment Officer and Regional General Manager, Southwest China of CapitaLand China. CapitaLand China is a wholly owned subsidiary of CapitaLand. CapitaLand China is a long-term real estate developer of high quality homes, commercial properties and integrated developments in China. CapitaLand China is the holding company of CapitaLand LF (Cayman) Holdings Co., Ltd, a substantial shareholder of the Company.

Mr. Puah joined Surbana Corporation in July 2003 and has been based in China since September 2012. Surbana Corporation was first acquired by CapitaLand in July 2011 and CapitaLand Township Holdings Pte Ltd ("CapitaLand Township") (formerly part of Surbana Corporation) became a wholly owned subsidiary of CapitaLand in March 2015. Prior to March 2015, he was the Chief Executive Officer of CapitaLand Township. He led CapitaLand Township to gross over RMB13 billion of residential sales, with La Botanica Township becoming the best selling project in terms of residential unit sales in Xi'an in 2014 and Botanica Township being one of the top 10 best selling projects in Chengdu in 2010. As CapitaLand China's Regional General Manager Southwest China, Mr. Puah presently manages a combined portfolio of 7 residential projects comprising 65,000 residential units in Chengdu, Wuxi, Xi'an and Shenyang. He is also responsible for CapitaLand China Development Fund and CapitaLand Township Funds with a combined fund size of USD1,089.8 million. Mr. Puah currently serves as council member for the Singapore-Sichuan Trade and Investment Council (SSTIC), as well as the Singapore-Liaoning Economic and Trade Council (SLETC). Mr. Puah started his career in real estate in 1997. Prior to joining CapitaLand Group, Mr. Puah was an Executive Engineer in the Housing and Development Board of Singapore ("HDB"), and he later helmed HDBuilders.com, a construction portal offering e-collaboration and e-procurement services for the real estate industry in Singapore. He was the industry pioneer for e-bidding for construction materials, having managed over S$350 million in online auctions during his time at HDBuilders from 2000 to 2003.

Mr. Puah received an overseas undergraduate scholarship from HDB and obtained his Masters of Engineering (First Class Honours) degree in Electrical and Electronic Engineering from Imperial College of Science, Technology and Medicine in 1997. He was later awarded a Post-graduate scholarship from Surbana Corporation and obtained his Executive Masters of Business Administration (Honours) degree from Chicago Booth School of Business in 2010.

Wu Wallis, alias Li Hua, aged 34, is a non-executive Director. She is also a director of a number of subsidiaries of the Company. Ms. Wu obtained a Bachelor of Architecture Degree from the University of New South Wales in Australia in 2006, and a Master of Applied Finance degree from Macquarie University in 2007. Before joining the Group in 2006, she worked in Woodhead International (Beijing) and Banatex Architects Pty Ltd in Sydney Australia in 2005. Ms. Wu is the daughter of Mr. Wu Po Sum, an executive Director and the Chairman of the Board.

Ms. Wu has interests in the shares of the Company, details of which are set out in the section headed "Directors' and chief executives' interests in shares, underlying shares or debentures" under Directors' report in this annual report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Cheung Shek Lun, aged 55, is an independent non-executive Director. He obtained a Bachelor Degree in Business Administration from the Chinese University of Hong Kong in 1986, a Bachelor Degree in Business from the University College of Southern Queensland in 1990, and a Bachelor Degree in Law from the University of Wolverhampton in 2002. Mr. Cheung worked as an assistant assessor in the Inland Revenue Department of the Hong Kong government from November 1986 to January 1989, an accountant in Hong Kong Telephone Company Limited from July 1989 to April 1990, an accounting manager, group senior vice president – accounting and other positions of Fortune (Shanghai) Limited from May 1990 to September 2006, and a senior executive of T.C.C. International Limited from October 2006 to October 2007 and the vice-chairman of InsiteAsset Management Group Ltd. since September 2008. He is currently a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Chartered Association of Certified Accountants, a member of the Chartered Institute of Management Accountants, a member of the Institute of Chartered Secretaries and Administrators in the UK and a member of The Hong Kong Institute of Chartered Secretaries.

Xin Luo Lin, aged 66, is an independent non-executive Director. He was a postgraduate from the Beijing University in the PRC. Mr. Xin was a visiting scholar at the Waseda University, Japan between 1980 and 1983, an honorary research associate at the University of British Columbia, Canada during 1983 and 1984 and a visiting fellow at the Australia National University, Australia in 1985. He is an independent investor with over 22 years of experience in investment banking in the PRC, Hong Kong and Australia. Mr. Xin was a Senior Advisor to Potter Warburg, Australia from 1985 to 1989 and to Citic-Hambros, Australia, from 1995 to 1997, respectively. He is a Justice of Peace in New South Wales of Australia. Mr. Xin was a non-executive director of Sino-Tech International Holdings Limited,the shares of which are listed on the Stock Exchange, from August 2010 to June 2012. Mr. Xin was an independent non-executive director of China Environmental Technology Holdings Limited, the shares of which are listed on the Stock Exchange from August 2012 to May 2015. Mr. Xin was an independent non-executive director of Enerchina Holdings Limited, the shares of which are listed on the Stock Exchange from June 2002 to May 2015 and was redesignated as a non-executive director since May 2015. He is currently a non-executive director of Asian Capital Holdings Limited, an independent non-executive director of ASR Logistics Holdings Limited, an independent non-executive director of Sinolink Worldwide Holdings Limited and a non-executive director of China Trends Holdings Limited, the shares of those companies are listed on the Stock Exchange. Mr. Xin also serves as a director of Mori Denki Mfg. Co., Ltd., a company listed on the Tokyo Stock Exchange and a director and vice chairman of Oriental Technologies Investment Limited, a company listed on the Australian Stock Exchange.

Muk Kin Yau, aged 53, is an independent non-executive Director. He obtained a Bachelor of Science Degree (Civil Engineering) from Leeds University in 1983, a Master of Science Degree (Civil Engineering) from Massachusetts Institute of Technology in 1985 and a Master of Business Administration Degree from National University of Singapore in 1992. Mr. Muk worked as an engineer in Mass Rapid Transit Corporation, Singapore from December 1984 to October 1989, a manager in Construction Industry Development Board (now Building Construction Authority) of Singapore from November 1989 to March 1992, a manager in Strait Steamship Land (now Keppel Land) from March 1992 to April 1994 and the Managing Director in GIC Real Estate Pte Ltd from April 1994 to July 2009.

SENIOR MANAGEMENT

Chen Jianye, aged 59, is the Chief Executive Officer of the Company. The appointment has no specified term. He was the chief operating officer of the company since 27 December 2011. He joined the Group in 2007 and held a number of positions in the Group including the director, executive vice president and general manager, and president of Investment Development Centre of the Group. He obtained a Bachelor degree in Engineering from Heilongjiang College of Commerce* (黑龍江商學院) in 1982 and a Master degree in Business Administration from China People's University* (中國人民大學) in June 1998. Mr. Chen was a deputy manager of the office and the head of the science and technology department of Henan Oil Company* (河南省石油公司) from 1982 to 1987, a deputy director of the enterprise management department and a project assessment director of China Construction Bank Corporation, Henan Branch (中國建設銀行股份有限公司河南省分行), and a general manager of China Construction Bank Corporation, Anyang Branch (中國建設銀行股份有限公司安陽分行) from 1988 to 2002, and a general manager of Henan High-tech Venture Investment Holdings Limited* (河南高科技創業投資股份有限公司) from 2003 to 2006.

Mr. Chen has an interest in the shares of the Company, details of which are set out in the section headed "Directors' and chief executives' interests in shares, underlying shares or debentures" under Directors' report in this annual report.

Hu Bing, aged 39, is the Chief Financial Officer of the Company. Mr. Hu is a Certified Public Valuer and obtained the Master degree in Business Administration from Guanghua School of Management of Peking University in 2004. He has joined the Group since 2004. After joining the Group, he had held a number of positions including assistant to the general manager, deputy general manager, general manager, deputy director (project management) of Financial Management Center, director of Financial Management Center and general manager of (Budget Planning Department), vice president of the Group and general manager of Financial Management Center (responsible for finance and cost center), and vice president of the Group and general manager of Financial Management Center. Prior to joining the Group, Mr. Hu was a project manager in Shenzhen Sinocoms Appraisal Company Limited from 1997 to 2001 and worked in Beijing Zhongdingxing Financial Consulting Limited from 2001 to 2002.

Directors' Report

The Board presents the annual report together with the audited financial statements of the Group for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, and its subsidiaries are principally engaged in property development in the People's Republic of China.

BUSINESS REVIEW

Discussion and analysis of the business review required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the "Management Discussion and Analysis" set out on page 14 and 42 of this annual report. Key performance indicators are set out on page 12 of this annual report. In addition, discussions on the Group's environmental policies and relationships with its key stakeholders are set out in the "Environmental, Social and Governance Report" on pages from 47 to 52 of this annual report. These contents form part of this "Directors' Report".

SEGMENT INFORMATION

Management considers there to be only one operating segment under the requirements of HKFRS 8.

FINANCIAL STATEMENTS

The Group's profit for the year ended 31 December 2015 and the state of the Company's and the Group's affairs as at the date are set out in the financial statements on pages 80 to 182.

RESULTS AND DIVIDENDS

Profits attributable to shareholders, before dividends, of RMB801,290,000 (2014: RMB883,301,000) have been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity.

The Board resolved not to recommend an interim dividend for the six months ended 30 June 2015 (2014: Nil). The Directors are pleased to recommend a final dividend of HK11.61 cents (2014: HK13.6 cents) per share for the year ended 31 December 2015. Subject to the approval of the proposed final dividend by the Shareholders at the 2016 AGM, it is expected that the final dividend will be paid on or around 6 June 2016 to the Shareholders whose names appear on the register of members of the company on 23 May 2016.

CLOSURE OF THE REGISTER OF MEMBERS

(a) For determining eligibility to attend and vote at the 2016 AGM

In order to determine the identity of members who are entitled to attend and vote at the 2016 AGM, the register of members of the Company will be closed from Friday, 13 May 2016 to Tuesday, 17 May 2016 (both days inclusive), during which period no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 12 May 2016, for registration.

(b) **For determining the entitlement to the proposed final dividend for 2015 (subject to Shareholders' approval at the 2016 AGM)**

The register of members of the Company will be closed on Monday, 23 May 2016, during that day no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 20 May 2016, for registration.

FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results and of the consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 183 to 184. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the year under review are set out in notes 12 and 13 respectively to the financial statements.

The Group's investment properties were revalued at the year end date. The revaluation resulted in a net decrease in fair value of approximately RMB25 million which has been charged directly to the Consolidated Income Statement.

ISSUANCE OF SENIOR NOTES

On 15 April 2015, the Company issued senior notes due 2021 with principal amount of US$300,000,000 at a coupon rate of 8.75% per annum for the purposes of refinancing indebtedness of the Company and for general corporate purposes. Further details relating to the issue of the US$300m Senior Notes are disclosed in the announcements of the Company dated 14 and 15 May 2016. The issuance is completed on 23 April 2015 and US$300m Senior Notes started bearing interest on that date.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 31(a)(i) to the financial statements. 6,926,160 shares were issued during the year on exercise of share options.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year ended 31 December 2015 are set out in note 31(b)(ix) to the financial statements and in the Consolidated Statement of Changes in Equity, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, purchases from the Group's five largest suppliers (excluding purchases of land) accounted for 33% of the Group's total purchases and purchases from the largest supplier (excluding purchases of land) amounted to approximately 15% of the Group's total purchases. Sales to the Group's five largest customers accounted for less than 30% of the Group's total turnover and sales to the largest customer amounted to approximately 1% of the Group's total turnover.

Save as disclosed in the consolidated financial statements, to the best knowledge of the Directors, none of the Directors or chief executive of the Company or any Shareholder owning more than 5% of the Company's share capital or their respective associates, had any interest in the Group's five largest customers or five largest suppliers.

DIRECTORS

The Directors in office during the year ended 31 December 2015 and up to the date of this report are as follows:

Executive Directors

Mr. Wu Po Sum *(Chairman)*
Ms. Yan Yingchun

Non-Executive Directors

Mr. Lucas Ignatius Loh Jen Yuh *(Vice Chairman)*
Mr. Puah Tze Shyang *(appointed 1 April 2015)*
Mr. Leow Juan Thong Jason *(resigned 1 April 2015)*
Ms. Wu Wallis (alias Li Hua)

Independent Non-Executive Directors

Mr. Cheung Shek Lun
Mr. Xin Luo Lin
Mr. Muk Kin Yau

In accordance with Article 87 of the Articles of Association of the Company, Ms. Yan Yingchun, Mr. Cheung Shek Lun and Mr. Muk Kin Yau will retire from office by rotation at the 2016 AGM and, being eligible, offer themselves for re-election.

The Company has received, from each of the independent non-executive Directors, an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such information, the Company considers the independent non-executive Directors to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 64 to 67.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Wu Po Sum and Ms. Yan Yingchun has entered into a service contract with the Company pursuant to which he/she agreed to act as executive Director for a term of three years with effect from 6 June 2014.

Ms. Wu Wallis (alias Li Hua) has signed a letter of appointment dated 6 June 2014 with the company pursuant to which he/she agreed to act as non-executive Director for a term of three years with effect from 6 June 2014. Mr. Lucas Ignatius Loh Jen Yuh has signed a letter of appointment dated 1 October 2014 with the Company pursuant to which he agreed to act as non-executive Director for a term of three years with effect from 1 October 2014. Mr. Puah Tze Shyang has signed a letter of appointment dated 1 April 2015 with the Company pursuant to which he agreed to act as non-executive Director for a term of three years with effect from 1 April 2015.

Mr. Cheung Shek Lun has signed a letter of appointment dated 6 June 2014 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 6 June 2014. Mr. Xin Luo Lin has signed a letter of appointment dated 1 March 2016 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 1 March 2016. Mr. Muk Kin Yau has signed a letter of appointment dated 1 August 2013 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 1 August 2013.

Save as disclosed above, no Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS

Save for the relevant transactions as disclosed in note 35 to the consolidated financial statements, none of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2015, nor any contract of significance has been entered into during the year ended 31 December 2015 between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries.

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

All Directors are entitled to a fee as approved by the Board with reference to the prevailing market conditions. Executive Directors are entitled to fees, salaries, housing allowances, other allowances, benefits in kind (including contribution to the pension scheme on behalf of our Directors) or discretionary bonuses, which are determined by the Board having regard to the Group's performance and the prevailing market conditions and approved by the remuneration committee of the Company. Details of Directors' emoluments and emoluments of five highest paid individuals of the Company are set out in notes 8 and 9 to the financial statements.

For each of years 2014 and 2015, senior management of the Company comprises 4 and 5 individuals respectively. The emoluments of senior management fell within the following bands:

Emolument band	**Number of individuals**	
	2015	2014
RMB500,001 to RMB1,000,000	**1**	1
RMB1,000,001 to RMB1,500,000	**–**	1
RMB1,500,001 to RMB2,000,000	**2**	2
RMB2,000,001 to RMB2,500,000	**1**	–
RMB3,000,001 to RMB3,500,000	**1**	–

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2015, the interests and short positions of the Directors and chief executives in the shares (the "Shares"), underlying shares and debentures (the "Debentures") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows or as disclosed under the section headed "Share Option Schemes" below:

(a) Long positions in the Shares:

Name of Director or chief executive	Capacity and nature of interest	Number of Shares held	Approximate percentage of the interest in the Company's issued share capital[4]
Mr. Wu Po Sum	Interest in a controlled corporation	1,146,315,639 [1]	46.94%
	Beneficial owner	2,050,400 [2]	0.08%
Ms. Yan Yingchun	Beneficial owner	500,000 [2]	0.02%
Ms. Wu Wallis (alias Li Hua)	Beneficial owner	2,000,000 [2,3]	0.08%
Mr. Chen Jianye	Beneficial owner	6,132,000 [2]	0.25%

(b) Long positions in the Debentures:

– *S$175,000,000 aggregate principal amount of its 10.75% Senior Notes due 2016 (the "S$175 Million Senior Notes")*

Name of Director	Capacity and nature of interest	Amount of debentures held	Approximate percentage of the interest in the S$175 Million Senior Notes[5]
Mr. Lucas Ignatius Loh Jen Yuh	Beneficial owner	S$250,000	0.14%

– *US$200,000,000 aggregate principal amount of its 8.0% Senior Notes due 2020 (the "US$200 Million Senior Notes")*

Name of Director	Capacity and nature of interest	Amount of debentures held	Approximate percentage of the interest in the US$200 Million Senior Notes[6]
Mr. Lucas Ignatius Loh Jen Yuh	Beneficial owner	US$500,000	0.25%

Notes:

1. The 1,146,315,639 Shares were registered in the name and were beneficially owned by Joy Bright Investments Limited ("Joy Bright"), a company wholly owned by Mr. Wu Po Sum. Accordingly, he was deemed to be interested in the 1,146,315,639 Shares by virtue of the SFO.

2. Such interest in the Shares is held pursuant to the share options granted under the Share Option Scheme (as defined below), the details of which are disclosed pages 74 to 75 of this annual report.

3. 2,000,000 Shares are beneficially owned by the spouse of Ms. Wu Wallis (alias Li Hua), therefore Ms. Wu Wallis (alias Li Hua) is deemed to be interested in her spouse's Shares for the purposes of the SFO.

4. The percentage of the interest in the Company's issued share capital is based on a total of 2,442,270,760 Shares of the Company in issue.

5. The percentage of the interest in the SGD Notes is based on the aggregate principal amount of S$175,000,000.

6. The percentage of the interest in the USD Notes is based on the aggregate principal amount of US$200,000,000.

Save as disclosed above or under the section headed "Share Option Schemes" below, as at 31 December 2015, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any Shares, underlying shares and Debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be 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.

SHARE OPTION SCHEMES

The shareholders of the Company (the "Shareholders") conditionally adopted the share option scheme (the "Share Option Scheme") pursuant to the written resolutions dated 14 May 2008. The purpose of the Share Option Scheme is to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus aligning their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

Under the Share Option Scheme, the employees of the Group (including the executive Directors) and such other persons as the Board may consider appropriate may be granted options which entitle them to subscribe for Shares representing, when aggregated with any Shares subject to any other scheme(s) of the Company, up to a maximum of 10% of the Shares in issue of the Company as of 6 June 2008, unless the Company obtains a fresh approval from the Shareholders to renew the said limit or the Shareholders specifically approve the grant.

The total number of Shares issued or to be issued upon exercise of the share options granted and yet to be exercised under the Share Option Scheme or any other share option scheme(s) adopted by the Company must not exceed 30% of the total number of Shares in issue from time to time. The amount payable by a grantee on acceptance of a grant of the option is HK$1.00 (or its equivalent in RMB or any other currency acceptable to the Company).

The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted pursuant to the Share Option Scheme and any other share option scheme(s) of the Company to each participant in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue. Any further grant of options which would result in the number of the Shares issued as aforesaid exceeding the said 1% limit must be approved by the Shareholders in general meeting at which such participant and his or her associates must abstain from voting.

Any grant of share options to a participant who is a Director, chief executives, or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors, excluding any independent non-executive Director who is the grantee of the share options.

The exercise periods of the share options may be specified by the Company at the time of the grant, and the share options shall expire no later than 10 years from the relevant date of the grant. As at 31 December 2015, share options to subscribe for 32,867,720 Shares (representing approximately 1.35% of the issued share capital of the Company as at the date of the 2015 annual report of the Company dated 31 March 2016) remained outstanding.

The subscription price for the Shares under the Share Option Scheme shall be determined by the Board in its absolute discretion and notified to a participant, provided that such price shall be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of a share option which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five consecutive trading days immediately preceding the date of offer; and (iii) the nominal value of a Share.

The Share Option Scheme will expire on 13 May 2018.

Movements of the share options granted by the Company under the Share Option Scheme during the year from 1 January 2015 to 31 December 2015 were as follows:

			Number of share options granted under the Share Option Scheme				
Name or category of participants	Date of grant	Exercise price per Share	As at 1 January 2015	Granted during the year	Exercised during the year	Lapsed during the year	As at 31 December 2015
Directors							
Mr. Wu Po Sum	25 May 2010	HK$1.853	2,050,400	–	–	–	2,050,400
Ms. Yan Yingchun	25 May 2010	HK$1.853	820,160	–	(820,160)	–	–
	27 March 2013	HK$2.560	500,000	–	–	–	500,000
Ms. Wu Wallis (alias Li Hua)	27 March 2013	HK$2.560	1,500,000	–	–	–	1,500,000
			4,870,560	–	(820,160)	–	4,050,400
Chief Executive Officer							
Mr. Chen Jianye	25 May 2010	HK$1.853	2,560,000	–	(1,428,000)	–	1,132,000
	25 July 2011	HK$2.160	5,000,000	–	–	–	5,000,000
Senior Management,	25 May 2010	HK$1.853	6,293,560	–	(1,678,000)	–	4,615,560
other employees and	25 July 2011	HK$2.160	4,500,000	–	(3,000,000)	–	1,500,000
consultants of the Group	27 March 2013	HK$2.560	17,169,760	–	–	(600,000)	16,569,760
			35,523,320	–	(6,106,000)	(600,000)	28,817,320
			40,393,880	–	(6,926,160)	(600,000)	32,867,720

Note: In relation to each grantee of the share options granted under the Share Option Scheme, no share option is exercisable within the first year from the respective dates of grant, that is, 25 May 2010, 25 July 2011and 27 March 2013 (the "Dates of Grant"), not more than 20% of the share options are exercisable within the second year from the respective Dates of Grant and not more than 40% of the share options are exercisable in each of the third and fourth year from the respective Dates of Grant.

The initial exercise price of the share options granted on 25 May 2010 under the Share Option Scheme was HK$1.9 per Share and was adjusted to HK$1.853 per Share on 28 June 2011 as a result of and following the Rights Issue conducted by the Company.

Additional information in relation to the Share Option Scheme is set out in note 29 to the financial statements of this annual report.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

So far as is known to any Directors or chief executives of the Company, as at 31 December 2015, other than the interests and short positions of the Directors or chief executives of the Company as disclosed in the sections headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures" and "Share Option Schemes" above, the following persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the Shares:

Name of Shareholder	Capacity and nature of interest	Number of Shares held	Approximate percentage of the interest in the Company's issued share capital[1]
Joy Bright	Beneficial owner	1,146,315,639[2]	46.94%
CapitaLand LF (Cayman) Holdings Co., Ltd ("CapitaLand (Cayman)")	Beneficial owner	658,116,228[3]	26.95%
CapitaLand China	Interest in a controlled corporation	658,116,228[3]	26.95%
CapitaLand China Investments Limited (formerly known as CapitaLand Residential Limited) ("CapitaLand Residential")	Interest in a controlled Corporation	658,116,228[3]	26.95%
CapitaLand Limited ("CapitaLand")	Interest in a controlled corporation	658,116,228[3]	26.95%
Temasek Holdings (Private) Limited ("Temasek Holdings")	Interest in a controlled corporation	658,116,228[3]	26.95%

Notes:

1. The percentage of the interest in the Company's issued share capital is based on a total of 2,442,270,760 Shares in issue.

2. Mr. Wu Po Sum holds 100% of the issued share capital of Joy Bright and is deemed to be interested in the 1,146,315,639 Shares held by Joy Bright for the purposes of the SFO.

3. CapitaLand (Cayman) is directly wholly owned by CapitaLand China. CapitaLand China is directly wholly owned by CapitaLand Residential and CapitaLand Residential is directly wholly owned by CapitaLand. Temasek Holdings has an interest in approximately 40.96% of the issued share capital of CapitaLand. Therefore, each of CapitaLand China, CapitaLand Residential, CapitaLand and Temasek Holdings is deemed or taken to be interested in the 658,116,228 Shares which are owned by CapitaLand (Cayman) for the purposes of the SFO.

Save as disclosed above, as at 31 December 2015, there was no other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS

Mr. Wu Po Sum & Joy Bright

On 16 May 2008, Mr. Wu Po Sum (the ultimate controlling Shareholder) and Joy Bright (the controlling Shareholder which is a wholly owned subsidiary of Mr. Wu Po Sum) executed in favour of the Company, a non-competition undertaking (the "Non-competition Undertaking A") in respect of the conduct of their property developments or investments in the PRC. Under the Non-competition Undertaking A, each of Mr. Wu Po Sum and Joy Bright undertakes, among others, that during the validity of the Non-competition Undertaking A:

1. he or Joy Bright will not and will procure his or Joy Bright's associates not to engage, directly or indirectly, whether as a Shareholder, officer, partner, agent, consultant or otherwise and whether for profit, reward or otherwise, in any business which will or may, directly or indirectly, compete with the business carried out by the Group;

2. in the event that he/Joy Bright or any of his/Joy Bright's associates identifies or is offered any opportunities to engage in a business that is in competition with that of the Group, he/Joy Bright will and will procure that his/Joy Bright's associates will, as soon as practicable inform the Company of such opportunity and provide such information as is available to him/Joy Bright in respect of such opportunity to the Company. The Company has a right within one month thereafter to take up the opportunity and in the event that the Company decides to take up the opportunity, he/Joy Bright will use his/its best endeavor to assist the Group to obtain such opportunity; in the event that the Company declines such opportunity or fails to respond within the stipulated period, he/Joy Bright or his/Joy Bright's associates may take up such opportunity provided that the terms upon which he takes up such opportunity shall be no more favorable than those offered to the Group.

Pursuant to the annual declaration in relation to the compliance with the Non-competition Undertaking A dated 11 February 2016 provided by Mr. Wu Po Sum and Joy Bright respectively, each of them confirms that during the period from 1 January to 31 December 2015 (the "Relevant Period"), (i) all the relevant terms of the Non-competition Undertaking A have been fully complied with in all material respects; and (ii) neither of them identified or was offered any opportunities to engage in a business that is in competition with that of the Group.

Capitaland (Cayman) & Capitaland China

On 16 May 2008, Capitaland (Cayman) (the strategic investor and the substantial Shareholder) and Capitaland China (the holding company of Capitaland (Cayman)) executed in favour of the Company, a non-competition undertaking (the "Non-competition Undertaking B") in respect of the conduct of their certain activities in the PRC. Under the Non-competition Undertaking B, Capitaland (Cayman) and Capitaland China undertake, among others, that during the validity of the Non-competition Undertaking B:

1. each of them will not in the provinces of Henan, Hubei, Hunan, Shanxi, Anhui and Shaanxi (the "Provinces"), either on their own account or in conjunction with or on behalf of any natural person, company, corporation, association, partnership, organisation, business firm, joint venture, trust, unincorporated organisation or any other entity or organisation, or any governmental authority (the "Person(s)"), carry on or be engaged, concerned or interested directly or indirectly whether as Shareholder, director, employee, partner, agent or otherwise in carrying on the business of residential property development (other than as a holder of not more than 5% of the issued shares or debentures of any company listed on any recognized stock exchange);

2. In the event that Capitaland (Cayman)/Capitaland China identifies or is offered any opportunity to participate in any project in any of the Provinces that falls within the business scope of the Group, Capitaland (Cayman)/Capitaland China agrees to notify the company of such opportunity and that the Company shall have an option to negotiate and participate in such project provided that such option shall be exercisable by the Company within 30 days upon the receipt of the relevant information on such project from Capitaland (Cayman)/Capitaland China. Upon the expiry of such 30-day period, unless the Company has communicated to Capitaland (Cayman)/Capitaland China the Company's intention to participate in the relevant project, Capitaland (Cayman)/Capitaland China may participate in such project on its own account or in conjunction with or on behalf of any Person on terms no more favorable than those offered to the Group.

Pursuant to the annual declaration in relation to the compliance with the Non-competition Undertaking B dated 29 February 2016 provided by CapitaLand (Cayman) and CapitaLand China respectively, each of them confirms that during the Relevant Period, (i) all the relevant terms of the Non-competition undertaking B have been fully complied with in all material respects; and (ii) neither of them identified or was offered any opportunity to participate in any project in any of the Provinces that falls within the business scope of the Group (namely, residential property development in the Provinces or such other businesses as may be agreed in writing between the Company and CapitaLand (Cayman)/CapitaLand China), save as disclosed below:

CapitaLand China, through CapitaLand Value Home China Business ("CVH China") and CapitaLand Township Holdings Pte Ltd ("CapitaLand Township China"), commenced certain residential development projects in two of the Provinces, namely Hubei (湖北) and Shaanxi (陝西), during the Relevant Period. In accordance with the requirements of the Non-competition Undertaking B, CapitaLand (Cayman)/CapitaLand China sent two notices to the Company on 13 March 2013 and 29 May 2013 offering the Company the opportunity to participate in the aforesaid projects. On 26 June 2013, the Company replied not accepting the offer to participate in all current and future residential projects undertaken or to be undertaken by CVH China and CapitaLand Township China in Wuhan and Xian and waiving the notice requirement under clause 2.1(c) of the Non-competition Undertaking B in respect of all future residential property development project(s) to be undertaken by each of CVH China and CapitaLand Township China in Wuhan and Xian.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has subscribed appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Group.

CONNECTED TRANSACTION

There were no transactions to be disclosed as connected transactions in accordance with the requirements of the Listing Rules during the year ended 31 December 2015.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 39 to the financial statements, there are no significant events subsequent to 31 December 2015 which would materially affect the Group's operating and financial performance as of the date of this report.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries and its joint ventures purchased, redeemed or sold any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law of the Cayman Islands.

RETIREMENT BENEFIT SCHEME

With effect from 1 December 2000, the Group had joined a mandatory Hong Kong provident fund scheme (the "MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at specified rates. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to the scheme is to make the required contributions under the scheme. During the year, the Group made contribution to the schemes amounting to approximately RMB29.1 million. No forfeited contribution under this scheme is available to reduce the contribution payable in future years.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed level of public float during the year and up to the date of this report as required under the Listing Rules.

BANK LOANS, OTHER LOANS AND SENIOR NOTES

Particulars of bank loans, other loans and senior notes of the Group as at 31 December 2015 are set out in notes 24, 25 and 28 to the financial statements respectively.

DONATIONS

Charitable donations and other donations made by the Group during the year amounted to RMB1.5 million (2014: RMB2.8 million). For further details, please refer to "Charitable initiatives" on page 52 in the section of Environmental, Social and Governance Report.

MATERIAL LITIGATION AND ARBITRATION

For the year ended 31 December 2015, the Company was not involved in any litigation, arbitration or claims of material importance and there was no litigation or claim of material importance which was known to the Directors to be pending or threatened by or against the Company.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report at pages 53 to 63 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Annual Results, including the accounting principles and practices adopted by the Group, and discussed auditing, risk management and internal control systems and financial reporting matters as well as the audited financial statements for the year ended 31 December 2015 with the management.

AUDITORS

KPMG will retire and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company will be proposed at the 2016 AGM.

By order of the board
Wu Po Sum
Chairman
Hong Kong, 31 March 2016

Independent Auditor's Report

KPMG

Independent auditor's report to the shareholders of
Central China Real Estate Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Central China Real Estate Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 82 to 182, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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. This report is made 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
31 March 2016

Consolidated Income Statement

for the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Revenue	4	**12,562,724**	9,228,763
Cost of sales		**(9,774,701)**	(6,131,300)
Gross profit		**2,788,023**	3,097,463
Other revenue	5	**195,884**	150,822
Other net income	5	**182,735**	44,906
Selling and marketing expenses		**(560,248)**	(471,461)
General and administrative expenses		**(721,195)**	(639,402)
Other operating income		**48,143**	109,827
		1,933,342	2,292,155
Share of losses of associates	16	**(1,723)**	(184)
Share of profits less losses of joint ventures		**268,767**	144,717
Finance costs	6(a)	**(434,054)**	(491,352)
Profit before change in fair value of investment properties and income tax		**1,766,332**	1,945,336
Net (decrease)/increase in fair value of investment properties	13	**(25,033)**	11,500
Profit before taxation	6	**1,741,299**	1,956,836
Income tax	7(a)	**(937,264)**	(999,244)
Profit for the year		**804,035**	957,592
Attributable to:			
Equity shareholders of the Company		**801,290**	883,301
Non-controlling interests		**2,745**	74,291
Profit for the year		**804,035**	957,592
Earnings per share	10		
– Basic (RMB cents)		**32.84**	36.27
– Diluted (RMB cents)		**32.84**	36.26

The notes on pages 91 to 182 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 31(c).

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015
(Expressed in Renminbi)

	2015 RMB'000	2014 RMB'000
Profit for the year	**804,035**	957,592
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries	**(76,831)**	(5,843)
– Cash flow hedge:		
– Effective portion of changes in fair value	**(114,056)**	(105,645)
– Transfer from equity to profit or loss	**102,938**	83,923
Other comprehensive income for the year	**(87,949)**	(27,565)
Total comprehensive income for the year	**716,086**	930,027
Attributable to:		
Equity shareholders of the Company	**713,717**	855,833
Non-controlling interests	**2,369**	74,194
Total comprehensive income for the year	**716,086**	930,027

There is no tax effect relating to the above component of the other comprehensive income.

The notes on pages 91 to 182 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment	*12*	**2,902,180**	2,685,326
Investment properties	*13*	**442,870**	377,000
Intangible asset	*14*	**146,250**	–
Interests in associates	*16*	**25,328**	45,074
Interests in joint ventures	*17*	**6,532,270**	4,043,612
Other financial assets	*18*	**109,080**	110,080
Deferred tax assets	*30(b)*	**128,558**	150,717
		10,286,536	7,411,809
Current assets			
Trading securities	*19*	**76,932**	67,039
Properties for sale	*20*	**15,371,656**	17,665,928
Trade and other receivables	*21*	**1,111,176**	1,021,275
Deposits and prepayments	*22*	**3,658,339**	4,520,545
Tax recoverable	*30(a)*	**519,294**	171,583
Restricted bank deposits	*23*	**1,311,721**	1,473,408
Cash and cash equivalents		**7,422,350**	5,018,511
		29,471,468	29,938,289
Current liabilities			
Bank loans	*24*	**(1,045,045)**	(1,129,562)
Other loans	*25*	**(725,000)**	(280,000)
Payables and accruals	*26*	**(14,750,237)**	(15,899,045)
Receipts in advance	*27*	**(5,602,346)**	(3,277,222)
Senior notes	*28*	**(771,354)**	–
Taxation payable	*30(a)*	**(1,321,570)**	(1,487,462)
		(24,215,552)	(22,073,291)
Net current assets		**5,255,916**	7,864,998
Total assets less current liabilities		**15,542,452**	15,276,807

Consolidated Statement of Financial Position (Continued)

at 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Non-current liabilities			
Bank loans	*24*	**(1,136,733)**	(1,888,723)
Other loans	*25*	**(397,700)**	(890,000)
Patent payable		**(105,000)**	–
Senior notes	*28*	**(6,515,531)**	(5,368,712)
Deferred tax liabilities	*30(b)*	**(69,969)**	(62,456)
		(8,224,933)	(8,209,891)
NET ASSETS		**7,317,519**	7,066,916
CAPITAL AND RESERVES			
Share capital	*31(a)*	**216,322**	215,770
Reserves		**6,582,338**	6,227,392
Total equity attributable to equity shareholders of the Company		**6,798,660**	6,443,162
Non-controlling interests		**518,859**	623,754
TOTAL EQUITY		**7,317,519**	7,066,916

Approved and authorised for issue by the board of directors on 31 March 2016.

Wu Po Sum
Executive Director

Yan Yingchun
Executive Director

The notes on pages 91 to 182 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015
(Expressed in Renminbi)

		Attributable to equity shareholders of the Company											
	Note	Share capital *(Note 31(a)(i))* RMB'000	Share premium *(Note 31(b)(i))* RMB'000	Statutory reserve fund *(Note 31(b)(ii))* RMB'000	Other capital reserve *(Note 31(b)(iii))* RMB'000	Exchange reserve *(Note 31(b)(iv))* RMB'000	Share-based compensation reserve *(Note 31(b)(v))* RMB'000	Property revaluation reserve *(Note 31(b)(vi))* RMB'000	Hedging reserve *(Note 31(b)(vii))* RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2015		215,770	1,652,831	1,502,727	582,289	121,723	20,067	6,479	(43,467)	2,384,743	6,443,162	623,754	7,066,916
Changes in equity for 2015:													
Profit for the year		–	–	–	–	–	–	–	–	801,290	801,290	2,745	804,035
Other comprehensive income		–	–	–	–	(76,455)	–	–	(11,118)	–	(87,573)	(376)	(87,949)
Total comprehensive income		–	–	–	–	(76,455)	–	–	(11,118)	801,290	713,717	2,369	716,086
Final dividends approved in respect of the previous year	*31(c)(ii)*	–	–	–	–	–	–	–	–	(267,416)	(267,416)	–	(267,416)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	–	–	(26,660)	(26,660)
Appropriation to statutory reserve fund		–	–	263,952	–	–	–	–	–	(263,952)	–	–	–
Capital contribution from non-controlling interests		–	–	–	–	–	–	–	–	–	–	36,000	36,000
Capital reduction from non-controlling interests		–	–	–	–	–	–	–	–	–	–	(22,400)	(22,400)
Share issued under share option scheme	*31(a)(ii)*	552	13,423	–	–	–	(3,016)	–	–	–	10,959	–	10,959
Equity settled share-based payment	*6(b)*	–	–	–	–	–	2,016	–	–	279	2,295	–	2,295
Disposal of a subsidiary	*36(c)*	–	–	–	–	–	–	–	–	–	–	(9,983)	(9,983)
Acquisitions of additional interests in subsidiaries	*36(b)*	–	–	–	(104,057)	–	–	–	–	–	(104,057)	(84,221)	(188,278)
		552	13,423	263,952	(104,057)	–	(1,000)	–	–	(531,089)	(358,219)	(107,264)	(465,483)
Balance at 31 December 2015		216,322	1,666,254	1,766,679	478,232	45,268	19,067	6,479	(54,585)	2,654,944	6,798,660	518,859	7,317,519

Consolidated Statement of Changes in Equity (Continued)

for the year ended 31 December 2015
(Expressed in Renminbi)

		Attributable to equity shareholders of the Company													
	Note	Share capital *(Note 31(a)(i))* RMB'000	Share premium *(Note 31(b)(i))* RMB'000	Statutory reserve fund *(Note 31(b)(ii))* RMB'000	Other capital reserve *(Note 31(b)(iii))* RMB'000	Exchange reserve *(Note 31(b)(iv))* RMB'000	Share-based compensation reserve *(Note 31(b)(v))* RMB'000	Property revaluation reserve *(Note 31(b)(vi))* RMB'000	Hedging reserve *(Note 31(b)(vii))* RMB'000	Equity component of convertible bonds RMB'000	Warrant reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014		215,770	1,652,831	1,254,801	813,041	127,469	16,524	6,479	(21,745)	38,765	10,692	1,908,069	6,022,696	677,151	6,699,847
Changes in equity for 2014:															
Profit for the year		-	-	-	-	-	-	-	-	-	-	883,301	883,301	74,291	957,592
Other comprehensive income		-	-	-	-	(5,746)	-	-	(21,722)	-	-	-	(27,468)	(97)	(27,565)
Total comprehensive income		-	-	-	-	(5,746)	-	-	(21,722)	-	-	883,301	855,833	74,194	930,027
Final dividends approved in respect of the previous year	*31(c)(ii)*	-	-	-	-	-	-	-	-	-	-	(210,148)	(210,148)	-	(210,148)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(101,328)	(101,328)
Appropriation to statutory reserve fund		-	-	247,926	-	-	-	-	-	-	-	(247,926)	-	-	-
Redemption of convertible bonds		-	-	-	-	-	-	-	-	(38,765)	(10,692)	49,457	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	69,700	69,700
Equity settled share-based payment	*6(b)*	-	-	-	-	-	3,543	-	-	-	-	1,990	5,533	-	5,533
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	40,000	40,000
Acquisitions of additional interests in subsidiaries		-	-	-	(231,940)	-	-	-	-	-	-	-	(231,940)	(144,775)	(376,715)
Disposal of partial interest in a subsidiary		-	-	-	1,188	-	-	-	-	-	-	-	1,188	8,812	10,000
		-	-	247,926	(230,752)	-	3,543	-	-	(38,765)	(10,692)	(406,627)	(435,367)	(127,591)	(562,958)
Balance at 31 December 2014		215,770	1,652,831	1,502,727	582,289	121,723	20,067	6,479	(43,467)	-	-	2,384,743	6,443,162	623,754	7,066,916

The notes on pages 91 to 182 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Operating activities			
Profit before taxation		**1,741,299**	1,956,836
Adjustments for:			
Interest income		**(188,940)**	(145,979)
Depreciation and amortisation		**160,464**	148,182
Equity settled share-based payment expenses		**2,295**	5,533
Dividend income from equity securities		**(5,444)**	(3,343)
Net decrease/(increase) in fair value of investment properties		**25,033**	(11,500)
Net loss/(gain) on disposals of property, plant and equipment		**94**	(521)
Share of losses of associates		**1,723**	184
Share of profits less losses of joint ventures		**(268,767)**	(144,717)
Finance costs		**434,054**	491,352
Unrealised and realised (gain)/loss on trading securities		**(15,946)**	32,625
Write down of properties for sale		**19,849**	19,083
Net loss/(gain) on disposals of subsidiaries		**116,422**	(8,686)
Net gain on deemed disposals of subsidiaries		**(39,373)**	–
Net fair value gain upon acquisition of subsidiaries		**(369,896)**	(120,516)
Gain on disposal of an associate		**(1,567)**	–
Government grants		**(1,500)**	(1,500)
Operating profit before changes in working capital carried forward		**1,609,800**	2,217,033

Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Operating profit before changes in working capital brought forward		**1,609,800**	2,217,033
Decrease/(increase) in properties for sale		**2,121,643**	(4,868,719)
Decrease/(increase) in trade and other receivables		**293,271**	(263,488)
Decrease in deposits and prepayments		**104,096**	3,155,461
Increase in restricted bank deposits		**(16,148)**	(516,307)
Increase in payables and accruals and patent payable		**121,717**	547,975
Increase in receipts in advance		**1,570,585**	1,187,504
Cash generated from operations		**5,804,964**	1,459,459
PRC tax paid		**(1,273,641)**	(801,846)
Net cash generated from operating activities		**4,531,323**	657,613
Investing activities			
Payment for purchase of property, plant and equipment		**(380,734)**	(609,410)
Proceeds from disposals of property, plant and equipment		**6,476**	2,590
Payment for purchase of intangible asset		**(10,000)**	–
Payment for expenditure on investment properties		**(5,658)**	–
Net cash paid upon acquisitions of subsidiaries	*36(a)*	**(1,463,425)**	(577,231)
Acquisitions of additional interests in subsidiaries	*36(b)*	**(188,278)**	(376,715)
Net cash outflow upon deemed disposals of subsidiaries	*36(d)*	**(34,316)**	–
Net cash inflow upon disposals of subsidiaries	*36(c)*	**734,521**	17,129
Disposal of partial interest in a subsidiary		**–**	10,000
Investments in joint ventures		**(20,550)**	–
Return of capital from a joint venture		**365,536**	267,370
Capital injection in joint ventures		**–**	(105,000)
Advances to joint ventures		**(1,655,401)**	(438,718)
Repayment from joint ventures		**102,646**	212,577
Dividend received from joint ventures		**95,400**	97,661
Proceed from disposals of trading securities		**7,774**	–
Repayment from an associate		**15,090**	–
Proceeds from disposal of an associate		**4,500**	–
Dividend received from equity securities		**5,444**	3,343
Interest received		**188,940**	145,979
Net cash used in investing activities		**(2,232,035)**	(1,350,425)

Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Financing activities			
Proceeds from new bank loans		721,801	2,304,242
Repayment of bank loans		(2,146,008)	(1,002,712)
Proceeds from new other loans		1,187,700	1,370,000
Repayment of other loans		(455,000)	(1,068,180)
Net proceeds from issue of new shares	*31(a)(ii)*	10,959	–
Net proceeds from senior notes	*28(e)*	1,845,183	985,952
Redemption of convertible bonds		–	(704,510)
Interest paid		(809,421)	(745,019)
Dividend paid		(267,416)	(210,148)
Dividend paid to non-controlling interests		(26,660)	(101,328)
Capital contribution from non-controlling interests		36,000	69,700
Capital deduction from non-controlling interests		(22,400)	–
Net cash generated from financing activities		74,738	897,997
Net increase in cash and cash equivalents		2,374,026	205,185
Cash and cash equivalents at 1 January		5,018,511	4,812,575
Effect of foreign exchange rate changes		29,813	751
Cash and cash equivalents at 31 December		7,422,350	5,018,511

The notes on pages 91 to 182 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Renminbi)

1 GENERAL

Central China Real Estate Limited ("the Company") is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Room 7701B-7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in property development in Henan Province in the People's Republic of China ("the PRC").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

(i) The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates and joint ventures. The consolidated financial statements are presented in Renminbi ("RMB") rounded to the nearest thousand.

(ii) The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property (see note 2(h));
- financial instruments classified as trading securities (see note 2(e)); and
- derivative financial instruments (see note 2(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

(ii) (Continued)

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 38.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets. If the business combination is achieved in stages, the acquisition date carrying amount 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.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(q) or (r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint ventures (see note 2(d)).

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(l)).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(e)).

(e) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Other investments in equity securities (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any interest or dividends earned on these investments as these are recognised in accordance with the policies set out in notes 2(w)(iv) and (v).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)). Dividend income from equity securities is recognised in profit or loss in accordance with the policies set out in note 2(w)(v).

When the investments are derecognised or impaired (see note 2(l)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(g)).

(g) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gains or losses on remeasurement of the derivative financial instrument to fair value are recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash flow hedges (Continued)

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

(h) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(k)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(w)(ii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(k)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(k).

(i) Property, plant and equipment

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(l)):

– buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 2(k)); and

– other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

(i) Property, plant and equipment (Continued)

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

– Buildings held for own use (including hotel properties) which are situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 30 years after the date of completion	
– Furniture, fixtures and equipment	5 to 10 years
– Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(ii) Construction in progress

Construction in progress is stated at cost less impairment losses (see note 2(l)). Cost comprises direct costs of construction during the year of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are substantially complete, notwithstanding any delays in the issue of the relevant completion certificates by the relevant PRC authorities.

No depreciation is provided in respect of construction in progress until it is substantially complete and ready for its intended use.

(j) Intangible asset

Intangible asset that is acquired by the Group is stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(l)).

Amortisation of intangible asset with finite useful live is charged to profit or loss on a straight-line basis over the asset's estimated useful live. The following intangible asset with finite useful live is amortised from the date they are available for use and its estimated useful live is as follows:

– Patent	10 years

Both the period and method of amortisation are reviewed annually.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific assets or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(h)); and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(h)) or properties for sale (see note 2(m)).

(l) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(d)), the impairment loss is measured by comparing the receivable amount of the investment with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

  Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– pre-paid interests in leasehold land classified as being held under an operating lease;

– intangible asset; and

– investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (Continued)

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(l)(i) and (ii)).

Impairment losses recognised in an interim period in respect of unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) Properties for sale

Properties for sale are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

(i) Properties held for future development and under development for sale

The cost of properties held for future development and properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(y)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

(ii) Completed properties held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the properties to their present location and condition.

(n) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are presented as "Receipts in advance".

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for impairment of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(p) Senior notes

Senior notes of the Company are issued with early redemption clause at the option of the Company.

At initial recognition the redemption option is measured at fair value and presented as derivative financial instruments (see note 2(f)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the senior notes are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 2(f). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payables, using the effective interest method.

(r) Payables

Payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(v)(i), payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC and the Hong Kong Mandatory Provident Fund Schemes Ordinance are expensed in the period in which they are incurred, except to the extent that they are included in properties under development for sale and investment properties under development not yet recognised as an expense.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Income tax (Continued)

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(v)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) *Sale of properties*

Revenue arising from the sale of properties held for sale is recognised upon the later of signing of the sale and purchase agreement and the completion of the properties (i.e. the achievement of status ready for hand-over to customers as stipulated in the sale and purchase agreement), which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer, and collectability of the related receivable is reasonably assured. Revenue from sales of properties with a repurchase clause is recognised when the Group no longer has the obligation to repurchase the properties. Revenue from sales of properties excludes business tax or other sales related taxes and is after deduction of any trade discounts. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under "Receipts in advance".

(ii) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

Contingent rentals are recognised as income in the accounting period in which they are earned. Revenue from operating leases excludes business tax or other sales related taxes.

(iii) *Hotel operations*

Revenue arising from hotel operations is recognised on a basis that reflects the timing, nature and value when relevant services are provided.

(iv) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(v) *Dividend income*

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the time investment goes ex-dividend.

(vi) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Where grants that compensate the Group for the cost of an asset the fair value is included in the statement of financial position under "payables and accruals" and is released to profit or loss over the expected useful life of the relevant asset.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- *Annual Improvements to HKFRSs 2010–2012 Cycle*
- *Annual Improvements to HKFRSs 2011–2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Annual Improvements to HKFRSs 2010–2012 Cycle and 2011–2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

4 REVENUE

The principal activities of the Group are property development, property leasing and hotel operations.

Revenue represents income from sales of properties, rental income and revenue from hotel operations. The amount of each significant category of revenue recognised in revenue during the year is as follows:

	2015 RMB'000	2014 RMB'000
Income from sales of properties	**12,286,693**	8,995,731
Rental income	**101,274**	99,983
Revenue from hotel operations	**174,757**	133,049
	12,562,724	9,228,763

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

5 OTHER REVENUE AND OTHER NET INCOME

	2015 RMB'000	2014 RMB'000
Other revenue		
Interest income	**188,940**	145,979
Dividend income from equity securities	**5,444**	3,343
Government grants	**1,500**	1,500
	195,884	150,822
Other net income		
Net (loss)/gain on disposals of property, plant and equipment	**(94)**	521
Net (loss)/gain on disposals of subsidiaries *(note 36(c)*	**(116,422)**	8,686
Net gain on deemed disposals of subsidiaries *(note 17(e))*	**39,373**	–
Net fair value gain upon acquisition of subsidiaries *(notes 5(a) and 17(c))*	**369,896**	120,516
Net exchange loss	**(102,694)**	(27,407)
Unrealised and realised gain/(loss) on trading securities	**15,946**	(32,625)
Write down of properties for sale	**(19,849)**	(19,083)
Gain on disposal of an associate	**1,567**	–
Others	**(4,988)**	(5,702)
	182,735	44,906

Note:

(a) On 11 August 2015, the Group entered into equity transfer agreements with a joint venture partner, to acquire its entire equity interests in two entities, of which the Group owned 60% and 51.15% of these entities before acquisition respectively. Upon the completion, these two entities became wholly-owned subsidiaries of the Group. The net fair value gain of RMB369,896,000 upon acquisition of these entities is recognised during the year. Details are set out in note 17(c).

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2015 RMB'000	2014 RMB'000
(a) Finance costs		
Interest on bank loans	**210,359**	190,943
Interest on other loans	**154,405**	166,986
Interest on convertible bonds	**–**	73,911
Interest on senior notes	**534,755**	398,283
Other ancillary borrowing costs	**9,795**	2,083
	909,314	829,206
Less: Borrowing costs capitalised*	**(482,575)**	(346,300)
	426,739	482,906
Net change in fair value of derivatives embedded in senior notes *(notes 28(b), (c) and (e))*	**7,315**	8,446
	434,054	491,352

* Borrowing costs have been capitalised at a rate of 5.54%–11.36% per annum (2014: 4.42%–11.36% per annum).

6 PROFIT BEFORE TAXATION (Continued)

	2015 RMB'000	2014 RMB'000
(b) Staff costs		
Salaries, wages and other benefits	**324,578**	246,779
Including:		
— Retirement scheme contributions	**29,078**	23,347
— Equity settled share-based payment expenses *(note 31(b)(ix))*	**2,295**	5,533

Employees of the Company's subsidiaries in the PRC ("PRC subsidiaries") are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group also participates in a Mandatory Provident Fund Scheme ("the MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014)) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

	2015 RMB'000	2014 RMB'000
(c) Other items		
Depreciation and amortisation	**160,464**	148,182
Auditors' remuneration	**5,150**	5,028
Cost of properties sold	**9,639,092**	6,078,916
Sponsorship fee to a football club	**123,560**	41,400
Operating lease charges in respect of properties	**30,423**	24,201
Rental income from investment properties less direct outgoings of RMB2,254,000 (2014: RMB2,416,000)	**(11,946)**	(10,932)
Rental income from properties for sale less direct outgoings of RMB13,822,000 (2014: RMB15,683,000)	**(73,252)**	(70,952)

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2015 RMB'000	2014 RMB'000
Current tax		
PRC Corporate Income Tax *(note 30(a))*	**513,261**	505,014
PRC Land Appreciation Tax *(note 30(a))*		
– Provision for the year	**438,777**	445,504
– Over-provision in prior years	**(143,604)**	–
Withholding tax *(note 30(a))*	**29,641**	49,823
	838,075	1,000,341
Deferred tax		
Revaluation of properties *(note 30(b))*	**(6,591)**	2,709
PRC Land Appreciation Tax *(note 30(b))*	**22,159**	(3,806)
Others – net fair value gain upon acquisition of subsidiaries *(note 30(b))*	**83,621**	–
	99,189	(1,097)
	937,264	999,244

(i) Pursuant to the rule and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(ii) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.

(iii) *PRC Corporate Income Tax ("CIT")*

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the PRC subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Certain PRC subsidiaries were subject to CIT calculated based on the deemed profit which represents 10% to 15% (2014: 10% to 15%) of their revenue in accordance with the authorised taxation method pursuant to the applicable PRC tax regulations. The tax rate was 25% (2014: 25%) on the deemed profit. Other PRC subsidiaries, which were subject to the actual taxation method, were charged CIT at a rate of 25% (2014: 25%) on the estimated assessable profits for the year.

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(a) Taxation in the consolidated income statement represents: (Continued)

(iv) Land Appreciation Tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items. Certain PRC subsidiaries were subject to LAT which is calculated based on 1.5% to 4.5% (2014: 1.5% to 4.5%) of their revenue under the authorised taxation method.

(v) Withholding tax

Withholding taxes are levied on the Company's subsidiaries in Hong Kong ("Hong Kong subsidiaries") in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by Hong Kong subsidiaries from PRC subsidiaries ranged from 5% to 12%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015 RMB'000	2014 RMB'000
Profit before taxation	**1,741,299**	1,956,836
Tax on profit before tax calculated at 25% (2014: 25%)	**435,325**	489,209
Difference in tax rates for certain subsidiaries	**38,713**	52,228
Tax effect of non-taxable revenue	**(90,035)**	(137,932)
Tax effect of non-deductible expenses	**261,055**	188,598
Tax effect of unused tax losses not recognised	**45,806**	33,200
Utilisation of tax loss not recognised in prior years	**(4,621)**	(10,010)
Over-provision of LAT in prior years	**(143,604)**	–
Withholding tax	**29,641**	49,823
LAT	**438,777**	445,504
Tax effect of LAT	**(73,793)**	(111,376)
Income tax expense	**937,264**	999,244

8 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and chief executive's emoluments are as follows:

2015

	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Discretionary bonuses	Share-based payments *(Note 29)*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Wu Po Sum	–	4,040	7	–	–	4,047
Yan Yingchun	–	902	2	–	48	952
Non-executive directors						
Lucas Ignatius Loh Jen Yuh	80	–	–	–	–	80
Leow Juan Thong Jason (resigned on 1 April 2015)	20	–	–	–	–	20
Puah Tze Shyang (appointed on 1 April 2015)	60	–	–	–	–	60
Wallis Wu (alias Li Hua)	–	207	10	–	–	217
Independent non-executive directors						
Cheung Shek Lun	191	–	–	–	–	191
Xin Luo Lin	191	–	–	–	–	191
Muk Kin Yau	191	–	–	–	–	191
Chief executive						
Chen Jianye	–	4,117	35	–	–	4,152
Total	733	9,266	54	–	48	10,101

8 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

2014

	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Discretionary bonuses	Share-based payments *(Note 29)*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Wu Po Sum	–	3,978	13	–	–	3,991
Yan Yingchun	–	741	13	–	106	860
Non-executive directors						
Lim Ming Yan (resigned on 1 October 2014)	59	–	–	–	–	59
Lucas Ignatius Loh Jen Yuh (re-designated on 1 October 2014)	20	–	–	–	–	20
Leow Juan Thong Jason	78	–	–	–	–	78
Wallis Wu (alias Li Hua)	–	204	10	–	–	214
Hu Yongmin (resigned on 29 August 2014)	–	–	–	–	–	–
Independent non-executive directors						
Cheung Shek Lun	188	–	–	–	–	188
Xin Luo Lin	188	–	–	–	–	188
Muk Kin Yau	188	–	–	–	–	188
Chief executive						
Chen Jianye	–	3,233	25	–	178	3,436
Total	721	8,156	61	–	284	9,222

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office for the current or prior years. No director has waived or agreed to waive any emoluments for the current or prior years.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2014: one) is director whose emolument is disclosed in note 8. The aggregate of the emoluments in respect of the remaining four (2014: four) individuals are as follows:

	2015 RMB'000	2014 RMB'000
Salaries, allowances and benefits in kind	10,155	7,798
Discretionary bonuses	–	1,208
Share-based payments	–	390
Retirement scheme contributions	64	64
	10,219	9,460

The emoluments of these four (2014: four) individuals with the highest emoluments are within the following bands:

	2015	2014
RMB1,500,001 to RMB2,000,000	1	2
RMB2,000,001 to RMB2,500,000	2	1
RMB3,000,001 to RMB3,500,000	–	1
RMB4,000,001 to RMB4,500,000	1	–

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB801,290,000 (2014: RMB883,301,000) and the weighted average of 2,439,624,133 ordinary shares (2014: 2,435,344,660 ordinary shares) in issued during the year, calculated as follows:

	2015 '000	2014 '000
Issued ordinary shares 1 January	2,435,345	2,435,345
Effect of exercised share options	4,279	–
Weighted average number of ordinary shares	2,439,624	2,435,345

10 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholder of the Company of RMB801,290,000 (2014: RMB883,301,000) and the weighted average number of ordinary shares of 2,439,642,049 shares (2014: 2,436,008,844 shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2015 **RMB'000**	2014 RMB'000
Profit attributable to equity shareholders (diluted)	**801,290**	883,301

(ii) Weighted average number of ordinary shares (diluted)

	2015 **'000**	2014 '000
Weighted average number of ordinary shares at 31 December	**2,439,624**	2,435,345
Effect of exercise of share options	**18**	664
Weighted average number of ordinary shares (diluted) at 31 December	**2,439,642**	2,436,009

11 SEGMENT REPORTING

(a) Services from which reportable segments derive their revenue

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, Operating segments.

(b) Revenue from major services

The Group's revenue from its major services is set out in note 4.

(c) Geographical information

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in Henan province in the PRC.

12 PROPERTY, PLANT AND EQUIPMENT

2015

	Interests in leasehold land held for own use under operating lease RMB'000	Buildings RMB'000	Construction in progress RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost:						
At 1 January 2015	239,538	1,824,912	602,741	308,592	48,916	3,024,699
Additions	–	–	369,914	8,324	2,496	380,734
Disposals	–	–	–	(6,878)	(1,178)	(8,056)
Transfer	45,636	627,949	(673,585)	–	–	–
Acquisitions of subsidiaries *(note 36(a))*	–	–	–	1,140	–	1,140
Disposals of subsidiaries *(note 36(c))*	–	–	–	(1,068)	(1,001)	(2,069)
Deemed disposals of subsidiaries *(note 36(d))*	–	–	–	(717)	(418)	(1,135)
At 31 December 2015	285,174	2,452,861	299,070	309,393	48,815	3,395,313
Accumulated depreciation and amortisation:						
At 1 January 2015	(27,136)	(182,707)	–	(103,366)	(26,164)	(339,373)
Charge for the year	(6,168)	(83,221)	–	(58,027)	(9,298)	(156,714)
Written back on disposals	–	–	–	685	801	1,486
Acquisitions of subsidiaries *(note 36(a))*	–	–	–	(745)	–	(745)
Disposals of subsidiaries *(note 36(c))*	–	–	–	717	800	1,517
Deemed disposals of subsidiaries *(note 36(d))*	–	–	–	520	176	696
At 31 December 2015	(33,304)	(265,928)	–	(160,216)	(33,685)	(493,133)
Net book value:						
At 31 December 2015	251,870	2,186,933	299,070	149,177	15,130	2,902,180

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

2014

	Interests in leasehold land held for own use under operating lease RMB'000	Buildings RMB'000	Construction in progress RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost:						
At 1 January 2014	239,538	877,496	1,006,048	256,415	39,676	2,419,173
Additions	–	–	546,119	53,249	10,042	609,410
Disposals	–	(2,010)	–	(1,718)	(959)	(4,687)
Transfer	–	949,426	(949,426)	–	–	–
Acquisitions of subsidiaries	–	–	–	1,144	649	1,793
Disposal of a subsidiary	–	–	–	(498)	(492)	(990)
At 31 December 2014	239,538	1,824,912	602,741	308,592	48,916	3,024,699
Accumulated depreciation and amortisation:						
At 1 January 2014	(21,140)	(108,753)	–	(45,714)	(17,451)	(193,058)
Charge for the year	(5,996)	(74,378)	–	(58,744)	(9,064)	(148,182)
Written back on disposals	–	424	–	1,717	477	2,618
Acquisitions of subsidiaries	–	–	–	(714)	(328)	(1,042)
Disposal of a subsidiary	–	–	–	89	202	291
At 31 December 2014	(27,136)	(182,707)	–	(103,366)	(26,164)	(339,373)
Net book value:						
At 31 December 2014	212,402	1,642,205	602,741	205,226	22,752	2,685,326

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

The analysis of carrying value of leasehold land is set out as follows:

	2015 RMB'000	2014 RMB'000
Long leases	**7,688**	7,918
Medium-term leases	**244,182**	204,484
	251,870	212,402

All the leasehold land of the Group are located in the PRC.

Certain of the Group's property, plant and equipment were pledged as securities of the Group's bank loans and other loans. Details are set out in notes 24 and 25 respectively.

At 31 December 2015, the Group's property, plant and equipment of RMB316,785,000 (2014: RMB27,020,000) were pledged as securities of a joint venture's other loan (2014: bank loan).

13 INVESTMENT PROPERTIES

	Completed RMB'000	Under development RMB'000	Total RMB'000
At 1 January 2014	360,800	4,700	365,500
Change in fair value	11,600	(100)	11,500
At 31 December 2014	372,400	4,600	377,000
Representing:			
Valuation — 2014	372,400	4,600	377,000
At 1 January 2015	**372,400**	**4,600**	**377,000**
Addition	**–**	**5,658**	**5,658**
Transfer	**10,258**	**(10,258)**	**–**
Transfer from properties for sale *(note)*	**85,245**	**–**	**85,245**
Change in fair value	**(25,033)**	**–**	**(25,033)**
At 31 December 2015	**442,870**	**–**	**442,870**
Representing:			
Valuation — 2015	**442,870**	**–**	**442,870**

Note: Properties held for sale of RMB85,245,000 were transferred from "properties for sale" to "investment properties" as a result of change of use. The properties were measured at fair value at the time of transfer and revaluation loss of RMB26,545,000 had been dealt with in the consolidated income statement.

(a) The analysis of fair value of investment properties is set out as follows:

	2015 RMB'000	2014 RMB'000
In the PRC		
— long leases	**303,700**	244,800
— medium-term leases	**139,170**	132,200
	442,870	377,000

13 INVESTMENT PROPERTIES (Continued)

(b) Fair value measurement of investment properties

(i) *Fair value hierarchy*

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

– Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2015 RMB'000	**Fair value measurements as at 31 December 2015 categorised into**		
		Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**
Recurring fair value measurement				
Investment properties:				
– In the PRC	**442,870**	**–**	**–**	**442,870**

	Fair value at 31 December 2014 RMB'000	Fair value measurements as at 31 December 2014 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Investment properties:				
– In the PRC	377,000	–	–	377,000

(Expressed in Renminbi)

13 INVESTMENT PROPERTIES (Continued)

(b) Fair value measurement of investment properties (Continued)

(i) Fair value hierarchy (Continued)

During the year ended 31 December 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2014: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2015 and 2014. The valuations were carried out by an independent firm of surveyors, Savills Valuation and Professional Services Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

(ii) Information about Level 3 fair value measurements

	Valuation techniques	**Unobservable input**	**Range**	**Weighted average**
Investment properties In the PRC	Income capitalisation approach	Daily market rent (RMB/sq.m.)	0.43 to 3.32 (2014: 0.43 to 3.13)	0.86 (2014: 0.89)
		Capitalisation rates	4.0% to 7.0% (2014: 4.0% to 7.0%)	4.76% (2014: 4.81%)

In undertaking the valuation of investment properties, the independent firm of surveyors have mainly adopted the income capitalisation approach whereby the rental incomes of contractual tenancies are capitalised for the unexpired terms of tenancies. They have also taken into account the reversionary market rents after the expiry of tenancies in capitalisation. The fair value measurement is positively correlated to the market rent and negatively correlated to the capitalisation rates.

The movements during the year in the balance of these Level 3 fair value measurements are set out in note 13.

Fair value adjustment of investment properties is recognised in the line item "net (decrease)/increase of fair value of investment properties" on the face of the consolidated income statement.

All the gains/losses recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

13 INVESTMENT PROPERTIES (Continued)

(c) Investment properties leased out under operating leases

The Group leases out its investment properties under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew the lease after that date at which time all terms are renegotiated.

The Group's total future minimum lease income under non-cancellable operating leases are receivable as follows:

	2015 **RMB'000**	2014 RMB'000
Within 1 year	**11,491**	10,219
After 1 year but within 5 years	**42,546**	34,468
After 5 years	**11,211**	11,345
	65,248	56,032

14 INTANGIBLE ASSET

	Patent RMB'000
Cost:	
At 1 January 2014, 31 December 2014 and 1 January 2015	–
Addition during the year	150,000
At 31 December 2015	150,000
Accumulated amortisation:	
At 1 January 2014, 31 December 2014 and 1 January 2015	–
Charge for the year	(3,750)
At 31 December 2015	(3,750)
Net book value:	
At 31 December 2015	146,250
At 31 December 2014	–

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Legal form
Anyang Central China City Construction Company Limited*	Henan, the PRC	RMB130,000,000 (2014: RMB100,000,000)	–	100%	Property development	Limited liability company
Anyang Central China City Development Company Limited*	Henan, the PRC	RMB100,000,000	–	55%	Property development	Limited liability company
Anyang Central China Real Estate Limited*	Henan, the PRC	RMB10,000,000	–	100%	Property development	Wholly owned foreign enterprise
Baofeng Central China Taihe City Construction Company Limited*	Henan, the PRC	RMB20,000,000	–	80%	Property development	Limited liability company
Central China Real Estate Group (Sanmenxia) Company Limited*	Henan, the PRC	RMB155,000,000	–	100%	Property development	Limited liability company
Central China Forest Peninsula (Henan) Real Estate Company Limited*	Henan, the PRC	RMB120,000,000	–	100%	Property development	Limited liability company
Central China Hotel Investments & Management (Zhengzhou) Company Limited*	Henan, the PRC	RMB10,000,000	–	100%	Hotel Management	Limited liability company
Central China Nanyang Hotel Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Hotel operation	Limited liability company
Central China Premier Service (Zhengzhou) Company Limited*	Henan, the PRC	RMB60,000,000	–	100%	Provision of financial services	Limited liability company
Central China Real Estate (Luoyang) Company Limited*	Henan, the PRC	RMB863,900,000	–	100%	Property development	Wholly owned foreign enterprise
Central China Real Estate (Zhengzhou) Company Limited*	Henan, the PRC	RMB65,000,000	–	100%	Property development	Limited liability company

Notes to the Financial Statements (Continued)

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest		Principal activities	Legal form
			Held by the Company	Held by a subsidiary		
Central China Real Estate Gold Dragon Company Limited*	Henan, the PRC	RMB190,000,000	–	100%	Property development	Limited liability company
Central China Real Estate Group (China) Company Limited*	Henan, the PRC	RMB2,360,000,000	–	100%	Property development	Wholly owned foreign enterprise
Central China Real Estate Group (Lingbao) Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Central China Real Estate Group Jiaozuo Company Limited*	Henan, the PRC	RMB10,000,000	–	100%	Property development	Limited liability company
Central China Real Estate Group Pingdingshan Company Limited*	Henan, the PRC	RMB310,200,000	–	100%	Property development	Limited liability company
Central China Real Estate He Bi Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Central China Real Estate Nanyang Company Limited*	Henan, the PRC	RMB579,590,000	–	100%	Property development	Limited liability company
Central China Real Estate Wugang Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company
Central China Real Estate Xinxiang Jili Company Limited*	Henan, the PRC	RMB60,000,000	–	60%	Property development	Limited liability company
Central China Triumph Real Estate (Luoyang) Company Limited*	Henan, the PRC	RMB20,000,000	–	100%	Property development	Limited liability company
Changge Central China City Development Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Changyuan Central China City Development Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company
Gongyi New Town Real Estate Company Limited*	Henan, the PRC	RMB20,000,000	–	100%	Property development	Limited liability company

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Principal activities	Legal form
Hebi Central China Real Estate Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Henan CCRE Huayi Brothers Culture Tourism Industry Company Limited*	Henan, the PRC	RMB100,000,000	–	65%	Property development	Limited liability company
Henan Central China Commercial Properties Management Company Limited*	Henan, the PRC	RMB80,000,000	–	100%	Consulting property investment, leasing and management	Limited liability company
Henan Central China Construction Design Company Limited*	Henan, the PRC	RMB11,000,000	–	100%	Designing	Limited liability company
Henan Central China Construction Materials Commerce and Trading Company Limited*	Henan, the PRC	RMB50,000,000	–	80% (2014: 76%)	Commerce and trading	Limited liability company
Henan Central China Culture Travelling Property Development Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Henan Central China Kaipu Commercial Development Company Limited*	Henan, the PRC	RMB100,000,000	–	80%	Property development	Limited liability company
Henan Central China Real Estate Company Limited*	Henan, the PRC	RMB390,000,000	–	100%	Property development	Limited liability company
Henan Central China Real Estate Kanghui Company Limited*	Henan, the PRC	RMB100,000,000	–	60%	Property development	Limited liability company
Henan Central China Sun City Real Estate Company Limited*	Henan, the PRC	RMB120,100,000	–	100%	Property development	Limited liability company
Henan Central China Zhizun Hotel Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Hotel operation	Limited liability company
Henan Coal Chemical Central China Real Estate Development Investments Company Limited*	Henan, the PRC	RMB977,600,000	–	100%	Property development	Limited liability company
Henan Shengtai Real Estate Company Limited*	Henan, the PRC	RMB20,000,000	–	100%	Hotel operation	Limited liability company
Henan St. Andrews Real Estate Company Limited*	Henan, the PRC	RMB8,000,000	–	60%	Property development	Limited liability company
Henan United Clubs Management Company Limited*	Henan, the PRC	RMB15,000,000	–	100%	Hotel operation	Limited liability company
Henan United New Town Real Estate Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Principal activities	Legal form
Henan Zhenghe Real Estate Development Company Limited*	Henan, the PRC	RMB8,000,000	–	60%	Property development	Limited liability company
Henan Zhiteng Business Service Company Limited*	Henan, the PRC	RMB10,000,000	–	100%	Property development	Limited liability company
Henan Zhongyuan Central China City Development Company Limited*	Henan, the PRC	RMB150,000,000	–	100%	Property development	Limited liability company
Huaiyang Central China Real Estate Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Huaxian Central China City Development Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Jiaozuo Central China Real Estate Company Limited*	Henan, the PRC	RMB35,000,000	–	100%	Property development	Wholly owned foreign enterprise
Jiyuan Central China City Construction Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Jiyuan Central China City Development Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Jiyuan Central China Real Estate Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company
Joy Ascend Holdings Limited	The British Virgin Islands and Hong Kong	US$14,618	100%	–	Investments holding	Private company
Kaifeng Central China Enterprise Management Consultancy Company Limited*	Henan, the PRC	RMB10,000,000	–	85%	Property development	Limited liability company
Kaifeng Central China Real Estate Company Limited*	Henan, the PRC	RMB60,000,000	–	100%	Property development	Limited liability company
Kaifeng Luda Real Estate Company Limited*	Henan, the PRC	RMB100,000,000	–	51%	Property development	Limited liability company
Linying Central China City Construction Development Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Luohe Central China Changjian Real Estate Company Limited*	Henan, the PRC	RMB60,000,000	–	100%	Property development	Limited liability company
Luohe Central China Real Estate Company Limited*	Henan, the PRC	RMB30,000,000	–	100%	Property development	Limited liability company

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest		Principal activities	Legal form
			Held by the Company	Held by a subsidiary		
Luoyang Liye Real Estate Development Company Limited*	Henan, the PRC	RMB30,000,000	–	51%	Property development	Limited liability company
Luoyang Xianglin Real Estate Development Company Limited*	Henan, the PRC	RMB10,000,000	–	100%	Property development	Limited liability company
Nanyang Central China Real Estate Company Limited*	Henan, the PRC	RMB10,537,000	–	100%	Property development	Wholly owned foreign enterprise
Pingdingshan Central China City Construction Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Pingdingshan Central China City Development Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Pingdingshan Central China Real Estate Company Limited*	Henan, the PRC	RMB28,000,000	–	100%	Property development	Wholly owned foreign enterprise
Puyang Central China City Construction Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Puyang Central China Real Estate Company Limited*	Henan, the PRC	RMB145,500,000	–	100%	Property development	Limited liability company
Sanmenxia Central China Real Estate Company Limited*	Henan, the PRC	RMB38,000,000	–	100%	Property development	Wholly owned foreign enterprise
Shangqiu Central China Real Estate Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Wholly owned foreign enterprise
Shangqiu Jianye Huarun Zhiye Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company
Shuiping Central China City Development Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Tangyin Central China City Development Company Limited*	Henan, the PRC	RMB80,000,000	–	55%	Property development	Limited liability company

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Legal form
Wugang Central China Zhizun Real Estate Company Limited*	Henan, the PRC	RMB20,000,000	–	100%	Property development	Limited liability company
Xinxiang Central China City Construction Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company
Xinxiang Central China Real Estate Company Limited*	Henan, the PRC	RMB44,900,000	–	100%	Property development	Limited liability company
Xinxiang Jinlong Central China Real Estate Company Limited*	Henan, the PRC	RMB2,000,000 (2014: RMB58,000,000)	–	60%	Property development	Limited liability company
Xinyang Central China Tianming Real Estate Company Limited* *(note (a))*	Henan, the PRC	RMB100,000,000	–	100% (2014: 50%)	Property development	Limited liability company
Xinyang Tianheng Real Estate Company Limited* *(note (a))*	Henan, the PRC	RMB24,300,000 (2014: RMB20,000,000)	–	100% (2014: 50%)	Property development	Limited liability company
Xiping Central China City Development Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Xiuwu Central China Real Estate Company Limited*	Henan, the PRC	RMB110,000,000	–	100%	Property development	Limited liability company
Xuchang Central China Real Estate Company Limited*	Henan, the PRC	RMB57,000,000	–	100%	Property development	Wholly owned foreign enterprise
Xuchang Jinyue Real Estate Company Limited*	Henan, the PRC	RMB30,000,000	–	70%	Property development	Limited liability company
Xuchang One City Development Company Limited* *(note (a))*	Henan, the PRC	RMB30,000,000	–	49%	Property development	Limited liability company
Yanshi Central China City Construction Company Limited*	Henan, the PRC	RMB20,000,000	–	100%	Property development	Limited liability company
Yanshi Yaxin Real Estate Company Limited*	Henan, the PRC	RMB50,000,000	–	60%	Property development	Limited liability company
Yongcheng Jiandong Zhiye Company Limited*	Henan, the PRC	RMB10,000,000	–	90%	Property development	Limited liability company

(Expressed in Renminbi)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Legal form
Yuzhou New Plaza Construction & Development Company Limited*	Henan, the PRC	RMB20,000,000	–	75%	Property development	Limited liability company
Zhecheng Central China City Construction Company Limited*	Henan, the PRC	RMB50,000,000	–	100%	Property development	Limited liability company
Zhengzhou Central China Kairun Real Estate Company Limited*	Henan, the PRC	RMB50,000,000	–	85%	Property development	Limited liability company
Zhengzhou Jiandong Zhiye Company Limited*	Henan, the PRC	RMB110,000,000	–	60%	Property development	Limited liability company
Zhengzhou Jianye Eighteen Cities Zhiye Company Limited*	Henan, the PRC	RMB100,000,000	–	100%	Property development	Limited liability company
Zhengzhou United New Town Real Estate Company Limited*	Henan, the PRC	RMB652,000,000	–	100%	Property development	Limited liability company
Zhengzhou Yipin Tianxia Zhiye Company Limited*	Henan, the PRC	RMB100,000,000	–	100% (2014: 90%)	Property development	Limited liability company
Zhenzhou Central China Luyuan Real Estate Company Limited*	Henan, the PRC	RMB100,000,000	–	70%	Property development	Limited liability company
Zhongya Real Estate Development (Luoyang) Company Limited*	Henan, the PRC	RMB59,692,720	–	95%	Property development	Wholly owned foreign enterprise
Zhumadian Central China Real Estate Company Limited*	Henan, the PRC	RMB37,577,000	–	100%	Property development	Wholly owned foreign enterprise
Zhumadian Central China Real Estate Zhiye Company Limited*	Henan, the PRC	RMB256,000,000	–	100%	Property development	Limited liability company

* KPMG are not statutory auditors of these subsidiaries.

Notes:

(a) These entities are regarded as subsidiaries as the Group controls the board of directors of these entities pursuant to their articles of association.

(b) The English names of the PRC subsidiaries referred to above were translated by management only for the purpose of these financial statements as no English names have been registered or available.

16 INTERESTS IN ASSOCIATES

	2015 RMB'000	2014 RMB'000
Share of net assets	**8,328**	12,984
Amounts due from associates	**17,000**	32,090
	25,328	45,074

Amounts due from associates are unsecured, interest-free and have no fixed terms of repayment, and are expected to be recovered after more than one year.

The following list contains the particulars of the Group's associates, all of which are unlisted corporate entities whose quoted market price is not available and not material (in aggregate and/or individually) to the Group:

Name of company	Place of incorporation and business	Registered capital	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Legal form
St. Andrews Golf Club (Zhengzhou) Company Limited*	Henan, the PRC	RMB69,000,000	–	40%	Provision of golf facilities	Wholly owned foreign enterprise
Henan Yushang Property Development Company Limited*	Henan, the PRC	RMB15,000,000	–	– (2014: 30%)	Property development	Limited liability company

* KPMG are not the statutory auditors of these associates.

Note: The English names of the Group's associates in the PRC referred to above were translated by management only for the purpose of these financial statements as no English names have been registered or available.

Aggregate information of associates that are not individually material:

	2015 RMB'000	2014 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**25,328**	45,074
Aggregate amounts of the Group's share of those associates'		
Loss from continuing operations	**(1,723)**	(184)
Total comprehensive income	**(1,723)**	(184)

17 INTERESTS IN JOINT VENTURES

	2015 RMB'000	2014 RMB'000
Share of net assets	**3,579,431**	2,634,529
Amounts due from joint ventures	**2,952,839**	1,400,083
	6,532,270	4,043,612

Amounts due from joint ventures, except for an amount of RMB165,000,000 (2014: RMB234,000,000) which is interest bearing at 11.5% (2014: 11.5%) per annum, are unsecured, interest-free and have no fixed terms of repayment, and are expected to be recovered more than one year.

As at 31 December 2015, the Group's 10% equity interest in a joint venture with carrying amount of RMB37,742,000 (2014: RMBNil) was pledged as security of the Group's other loan of RMB7,700,000 (2014: RMBNil) (note 25) and that joint venture's other loan of RMB492,300,000 (2014: RMBNil).

The following list contains only the particulars of material joint ventures, all of which are unlisted corporate entities whose quoted market price is not available:

			Proportion of ownership interest			
Name of company	**Place of incorporation and business**	**Registered capital**	**Held by the Company**	**Held by a subsidiary**	**Principal activities**	**Legal form**
Zhengzhou Central China Tianming Property Company Limited* *(note (c))*	Henan, the PRC	RMB1,500,000,000	–	66.67% (2014: 60%)	Property development	Limited liability company
Henan Coal Chemical Central China Real Estate Development Investment Company Limited* *(note (c))*	Henan, the PRC	RMB977,600,000	–	– (2014: 51.15%)	Property development	Limited liability company
Puyang Central China City Development Company Limited* *(note (b))*	Henan, the PRC	RMB820,000,000	–	51.22%	Property development	Limited liability company
Henan Yuanda Company Limited* *(note (b))*	Henan, the PRC	RMB620,000,000	–	51.61%	Property development	Limited liability company
Henan Central China Hengxin Property Company Limited* *(notes (b) and (e))*	Henan, the PRC	RMB220,000,000	–	28.57%	Property development	Limited liability company
Central China Zhiye Union Company Limited* *(notes (d) and (e))*	Henan, the PRC	RMB960,000,000	–	65.63%	Property development	Limited liability company
Universal Food City Development (Henan) Company Limited* *(note (e))*	Henan, the PRC	RMB353,200,000	–	57.53%	Property development	Limited liability company

* KPMG are not the statutory auditors of these joint ventures.

17 INTERESTS IN JOINT VENTURES (Continued)

Notes:

(a) The English names of the Group's joint ventures in the PRC referred to above are translated by management only for the purpose of these financial statements as no English names have been registered or available.

(b) The Group provided guarantee returns, ranged from 10% to 12% per annum, to other investors of these joint ventures. At 31 December 2015 and 2014, the directors consider that the actual and/or estimated return of the other investors of these joint ventures exceed the abovementioned guarantee returns.

(c) On 11 August 2015, the Group entered into two equity transfer agreements with Bridge Trust Company Limited to acquire 40% equity interest in Zhengzhou Central China Tianming Property Company Limited ("CCRE Tianming") and 48.85% equity interest in Henan Coal Chemical Central China Real Estate Development Investment Company Limited ("CCRE Coal Chemical") at the considerations of RMB770,667,000 and RMB712,942,000 respectively.

Upon completion of the above transactions, CCRE Tianming and CCRE Coal Chemical became wholly-owned subsidiaries of the Group, and a net fair value gain of RMB369,896,000 is recognised in profit or loss during the year (note 5(a)). Details are set out in note 36(a).

On 28 December 2015, the Group further disposed 33.33% equity interest in CCRE Tianming at the consideration of RMB500,000,000. Upon completion of the transaction, CCRE Tianming is regarded as a joint venture as neither the investor nor the Group has controlling power over the board of directors pursuant to articles of association. Details are set out in note 36(c).

(d) The Group provided guarantee accumulated undistributed profits of RMB1,070,000,000 to an investor of the joint venture within two years from its investment. At 31 December 2015, the directors consider that the estimated profits of the investor of the joint venture exceed the above mentioned guaranteed accumulated undistributed profits.

(e) During the year, the capital of Bridge Trust-CCRE Group Real Estate Trust Investment Fund V ("Bridge-CCRE Trust V"), Zhongyuan Trust Company Limited ("Zhongyuan Trust") and Orient Minerva Asset Management Company Limited ("Orient Minerva") invested in Henan Central China Hengxin Property Company Limited ("CCRE Hengxin"), Central China Zhiye Union Company Limited ("CCRE Union Zhiye") and Universal Food City Development (Henan) Company Limited ("CCRE Universal") respectively, which were previously wholly-owned subsidiaries of the Group. After the investment by Bridge-CCRE Trust V, Zhongyuan Trust and Orient Minerva, CCRE Hengxin, CCRE Union Zhiye and CCRE Universal are regarded as joint ventures as neither Bridge-CCRE Trust V, Zhongyuan Trust and Orient Minerva nor the Group has controlling power over the board of directors pursuant to the articles of association. Details are set out in note 36(d).

The net gain on deemed disposals of CCRE Hengxin, CCRE Union Zhiye and CCRE Universal of RMB39,373,000 was recognised in profit or loss during the year (note 5).

17 INTERESTS IN JOINT VENTURES (Continued)

The above joint ventures strengthen the Group's property development business in Henan, the PRC.

All of the above joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of material joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	CCRE Tianming		CCRE Coal Chemical		Puyang Central China City Development Company Limited		Henan Yuanda Company Limited		CCRE Hengxin	CCRE Union Zhiye	CCRE Universal
	2015 RMB'000	2014 RMB'000	**2015 RMB'000**	2014 RMB'000	**2015 RMB'000**	2014 RMB'000	**2015 RMB'000**	2014 RMB'000	**2015 RMB'000**	**2015 RMB'000**	**2015 RMB'000**
Gross amounts of joint ventures											
Current assets	**4,327,190**	6,738,753	**–**	1,480,556	**1,565,415**	1,550,884	**653,107**	965,628	**1,021,126**	**1,445,148**	**489,527**
Non-current assets	**40,176**	65,273	**–**	149	**3,571**	8,974	**164,662**	226	**3,504**	**1,423**	**4,141**
Current liabilities	**(1,558,433)**	(2,584,940)	**–**	(418,012)	**(412,054)**	(477,466)	**(138,777)**	(217,494)	**(213,082)**	**(212,415)**	**(892)**
Non-current liabilities	**(900,000)**	(2,900,000)	**–**	(50,000)	**(331,330)**	(270,830)	**–**	(100,000)	**(380,000)**	**(270,000)**	**(149,800)**
Equity	**1,908,933**	1,319,086	**–**	1,012,693	**825,602**	811,562	**678,992**	648,360	**431,548**	**964,156**	**342,976**
Included in the above assets and liabilities:											
Cash and cash equivalents	**14,852**	81,595	**–**	79,963	**3,798**	49,835	**171**	17,022	**16,294**	**54,749**	**10,101**
Current financial liabilities (excluding trade and other payables and provisions)	**–**	(1,000,000)	**–**	–	**–**	–	**–**	–	**–**	**–**	**–**
Non-current financial liabilities (excluding trade and other payables and provisions)	**(900,000)**	(2,900,000)	**–**	(50,000)	**(331,330)**	(270,830)	**–**	(100,000)	**(380,000)**	**(270,000)**	**(149,800)**
Revenue	**–**	–	**23,923**	629,606	**491,784**	47,943	**–**	88,859	**–**	**61,953**	**–**
Profit/(loss) from continuing operations	**(12,240)**	(56,562)	**8,353**	84,598	**25,263**	(16,699)	**6,807**	2,678	**(8,326)**	**1,795**	**(90)**
Total comprehensive income	**(12,240)**	(56,562)	**8,353**	84,598	**25,263**	(16,699)	**6,807**	2,678	**(8,326)**	**1,795**	**(90)**
Dividend received from the joint ventures	**–**	–	**–**	41,070	**6,000**	–	**–**	–	**–**	**–**	**–**
Included in the above profit/(loss):											
Depreciation and amortisation	**(46)**	(119)	**(18)**	(39)	**(121)**	(134)	**(41)**	(64)	**(9)**	**(77)**	**(13)**
Interest income	**1,148**	–	**517**	1,146	**1,080**	1,733	**226**	1,712	**122**	**275**	**34**
Interest expense	**(116,492)**	(314,464)	**(1,783)**	(20,271)	**–**	–	**(1,074)**	(17,813)	**–**	**(3,300)**	**(13,990)**
Income tax expense	**4,080**	17,484	**(5,201)**	(33,545)	**(8,479)**	4,716	**26,630**	(1,037)	**845**	**97**	**(109)**
Reconciled to the Group's interest in the joint ventures											
Gross amounts of net assets of the joint ventures	**1,908,933**	1,319,086	**–**	1,012,693	**825,602**	811,562	**678,992**	648,360	**431,548**	**964,156**	**342,976**
Group's effective interest	**66.67%**	60%	**0%**	51.15%	**51.22%**	51.22%	**51.61%**	51.61%	**28.57%**	**65.63%**	**57.53%**
Group's share of net assets of the joint ventures	**1,272,622**	791,451	**–**	517,949	**422,869**	415,678	**350,447**	334,637	**123,299**	**632,727**	**197,318**
Amount due from joint ventures	**10,828**	927	**–**	1,070	**12,701**	536	**–**	–	**204,352**	**9,877**	**–**
Carrying amount in the consolidated financial statements	**1,283,450**	792,378	**–**	519,019	**435,570**	416,214	**350,447**	334,637	**327,651**	**642,604**	**197,318**

17 INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below: (continued)

Aggregate information of joint ventures that are not individually material:

	2015 **RMB'000**	2014 RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	**3,295,230**	1,981,364
Aggregate amounts of the Group's share of those joint ventures'		
Profit from continuing operations	**257,455**	121,364
Total comprehensive income	**257,455**	121,364

18 OTHER FINANCIAL ASSETS

	2015 **RMB'000**	2014 RMB'000
Unlisted equity securities, at cost		
— in the PRC	**109,080**	110,080

The unlisted equity securities of the Group do not have quoted market price in active market and were stated at cost at 31 December 2015 and 2014.

19 TRADING SECURITIES

	2015 **RMB'000**	2014 RMB'000
Listed equity securities at fair value in Hong Kong	**76,932**	67,039

20 PROPERTIES FOR SALE

	2015 RMB'000	2014 RMB'000
Properties held for future development and under development for sale	**10,421,304**	12,214,200
Completed properties held for sale	**4,950,352**	5,451,728
	15,371,656	17,665,928

At 31 December 2015, properties for sale of RMB15,371,656,000 (2014: Properties held for future development and under development for sale of RMB12,214,200,000) are net of a provision of RMB65,791,000 (2014: RMB56,671,000) in order to state these properties at the lower of their cost and estimate net realisable value.

(a) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2015 RMB'000	2014 RMB'000
In the PRC		
— long leases	**5,685,680**	5,977,368
— medium-term leases	**1,817,624**	2,723,957
	7,503,304	8,701,325

(b) The amount of properties for sale expected to be recovered after more than one year is analysed as follows:

	2015 RMB'000	2014 RMB'000
Properties held for future development and under development for sale	**6,428,100**	7,630,470

(c) Certain of the Group's properties for sale was pledged as securities for the Group's bank and other loans. Details are set out in notes 24 and 25 respectively.

At 31 December 2015, the Group's properties for sale of RMB982,472,000 (2014: RMB511,000,000) was pledged as securities for joint ventures' bank loans and other loan (2014: other loan).

20 PROPERTIES FOR SALE (Continued)

(d) The Group temporarily leased out certain completed properties held for sale under operating leases. The leases typically run for an initial period of one to five years. The Group's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	2015 RMB'000	2014 RMB'000
Within 1 year	**88,591**	51,290
After 1 year to 5 years	**243,040**	113,538
After 5 years	**486,067**	113,061
	817,698	277,889

The directors confirm that the Group intends to sell the properties together with the respective leases.

21 TRADE AND OTHER RECEIVABLES

	2015 RMB'000	2014 RMB'000
Bills receivables *(note (a))*	**2,700**	4,857
Trade receivables *(note (a))*	**44,672**	47,942
Other receivables	**438,049**	153,536
Amounts due from related companies *(note (b))*	**364,376**	476,921
Amounts due from non-controlling interests *(note (c))*	**236,789**	255,179
Amount due from a former joint venture	**–**	10,200
Amount due from a joint venture partner	**–**	51,000
Gross amount due from customers for contract work	**14,085**	14,085
Derivative financial instruments *(notes 28(b), (c) and (e))*	**10,505**	7,555
	1,111,176	1,021,275

21 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) The ageing analysis of bills and trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and all of which are neither individually nor collectively considered to be impaired, is as follows:

	2015 RMB'000	2014 RMB'000
Current	**36,313**	41,324
1 to less than 3 months overdue	**141**	3,564
3 to less than 6 months overdue	**3,331**	1,033
6 months to less than 1 year overdue	**686**	–
More than 1 year overdue	**6,901**	6,878
	47,372	52,799

The Group's credit policy is set out in note 32(b).

Based on assessment, management believes that no impairment allowance is necessary in respect of the overdue balances and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) The amounts due from related companies included an amount of RMB39,015,000 (2014: RMB39,015,000) in relation to sales of properties in previous years to a subsidiary of CapitaLand Limited, the ultimate holding company of a substantial shareholder of the Company. The amount is unsecured, interest-free and recoverable on demand.

The amount due from a related company of RMB226,051,000 (2014: RMB331,190,000) represents the prepaid expected basic return to the trust manager of joint ventures, Bridge Trust Company Limited, according to the cooperation agreements. The amount is unsecured, interest-free and has no fixed terms of repayment.

The amount due from a related company of RMB77,770,000 (2014: RMB77,770,000) represents the management fee paid on behalf of the trust manager of joint ventures, Bridge Trust Company Limited. The amount is unsecured, interest-free and has no fixed terms of repayment.

The remaining amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due from non-controlling interests included (i) amounts of RMB20,000,000 (2014: RMB20,000,000) and RMB15,300,000 (2014: RMB15,300,000) which are secured by the equity interests of certain PRC subsidiaries that partially owned by the non-controlling interests, interest-free and have no fixed terms of repayment; and (ii) an amount of RMB3,500,000 (2014: RMB3,500,000) which is unsecured, interest bearing at 2% per annum and has no fixed terms of repayment.

The remaining amounts due from non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

22 DEPOSITS AND PREPAYMENTS

At 31 December 2015, the balance included deposits and prepayments for leasehold land of RMB2,721,687,000 (2014: RMB3,852,648,000).

23 RESTRICTED BANK DEPOSITS

	2015 RMB'000	2014 RMB'000
Guarantee deposits in respect of:		
– mortgage loans related to property sale	**645,947**	453,965
– bills payable	**630,091**	1,019,443
– bank loans *(note 24(b))*	**15,678**	–
– other loans *(note 25(b))*	**20,005**	–
	1,311,721	1,473,408

24 BANK LOANS

(a) At 31 December 2015, the bank loans were repayable as follows:

	2015 RMB'000	2014 RMB'000
Within 1 year or on demand	**1,045,045**	1,129,562
After 1 year but within 2 years	**234,258**	1,494,753
After 2 years but within 5 years	**404,985**	166,985
After 5 years	**497,490**	226,985
	1,136,733	1,888,723
	2,181,778	3,018,285

(b) At 31 December 2015, the bank loans were secured as follows:

	2015 RMB'000	2014 RMB'000
Bank loans		
– secured	**1,311,778**	1,855,244
– unsecured	**870,000**	1,163,041
	2,181,778	3,018,285

24 BANK LOANS (Continued)

(b) (Continued)

At 31 December 2015, assets of the Group secured against bank loans are analysed as follows:

	2015 RMB'000	2014 RMB'000
Properties for sale	**2,653,888**	2,842,201
Property, plant and equipment	**882,079**	1,192,282
Restricted bank deposits *(note 23)*	**15,678**	–
	3,551,645	4,034,483

(c) The effective interest rates of bank loans of the Group at 31 December 2015 were ranged from 5.15%–8.00% (2014: 6.22%–8.50%) per annum.

(d) Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 32(c). As at 31 December 2015 and 2014, none of the covenants relating to drawn down facilities had been breached.

25 OTHER LOANS

(a) At 31 December 2015, other loans were repayable as follows:

	2015 RMB'000	2014 RMB'000
Within 1 year	**725,000**	280,000
After 1 year but within 2 years	**90,000**	890,000
After 2 years but within 5 years	**277,700**	–
After 5 years	**30,000**	–
	397,700	890,000
	1,122,700	1,170,000

As at 31 December 2015, the Group's other loan of RMB7,700,000 (2014: RMBNil) is secured by the Group's 10% equity interests in a joint venture with a carrying amount of RMB37,742,000 (2014: Nil).

25 OTHER LOANS (Continued)

(b) At 31 December 2015, the other loans were secured as follows:

	2015 RMB'000	2014 RMB'000
Other loans		
– secured	**592,700**	890,000
– unsecured	**530,000**	280,000
	1,122,700	1,170,000

At 31 December 2015, assets of the Group secured against other loans are analysed as follows:

	2015 RMB'000	2014 RMB'000
Properties for sales	**43,673**	339,590
Restricted bank deposits *(note 23)*	**20,005**	–
	63,678	339,590

(c) The effective interest rates of other loans of the Group at 31 December 2015 were ranged from 8.0%–11.8% (2014: 7.80%–8.90%) per annum.

26 PAYABLES AND ACCRUALS

	2015 RMB'000	2014 RMB'000
Bills payable *(note (a))*	**740,686**	1,011,627
Trade payables *(note (a))*	**5,031,416**	4,960,382
Other payables and accruals	**2,777,265**	2,295,169
Patent payable	**35,000**	–
Amounts due to joint ventures *(note (b))*	**5,336,229**	6,796,082
Amounts due to non-controlling interests *(note (c))*	**571,630**	691,830
Amount due to an associate *(note (b))*	**21,381**	21,381
Derivative financial instruments		
— held as cash flow hedging instrument *(notes 28(a) and (d))*	**236,630**	122,574
	14,750,237	15,899,045

At 31 December 2015, included in payables and accruals are retention payable of RMB61,493,000 (2014: RMB56,292,000) which are expected to be settled more than one year.

Notes:

(a) The ageing analysis of bills and trade payables is set out as follows:

	2015 RMB'000	2014 RMB'000
Due within 1 month or on demand	**2,754,128**	2,532,902
Due after 1 month but within 3 months	**985,469**	683,468
Due after 3 month but within 6 months	**578,561**	677,847
Due after 6 month but within 1 year	**588,618**	1,191,816
Due after 1 year	**865,326**	885,976
	5,772,102	5,972,009

(b) The amounts due to joint ventures and an associate are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due to non-controlling interests included amount of RMB100,000,000 (2014: RMB265,000,000 and RMB100,000,000) which is unsecured, interest bearing at 9.41% per annum (2014: 10% per annum and 9.41% per annum respectively) and has no fixed term of repayment.

The remaining amounts due to non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

27 RECEIPTS IN ADVANCE

Receipts in advance represent sale proceeds in connection with pre-sale of properties.

28 SENIOR NOTES

Liability component of the Senior Notes:

	2015 RMB'000	2014 RMB'000
SGD175m Senior Notes *(note (a))*	**771,354**	798,528
US$200m Senior Notes *(note (b))*	**1,252,269**	1,221,560
US$400m Senior Notes *(note (c))*	**2,504,350**	2,440,968
SGD200m Senior Notes *(note (d))*	**886,916**	907,656
US$300m Senior Notes *(note (e))*	**1,871,996**	–
	7,286,885	5,368,712
Less: amount due for maturity within 12 months (classified as current liabilities)	**(771,354)**	–
Amount due for maturity after 12 months (classified as non-current liabilities)	**6,515,531**	5,368,712

(a) On 11 April 2012, the Company issued senior notes with principal amount of SGD175,000,000 due in 2016 ("SGD175m Senior Notes"). The senior notes are interest bearing at 10.75% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 18 April 2016. At any time prior to 18 April 2016, the Company may at its option redeem the senior notes, in whole but not in part, at a pre-determined redemption price. The details of the redemption price are disclosed in the relevant offering memorandum.

The Company entered into a foreign exchange rate swap contract to manage its exposure to foreign exchange rate risk of the SGD175m Senior Notes by swapping the SGD175m Senior Notes principal of SGD175 million into US$137 million. The aggregate notional principal amounts of the foreign exchange rate swap contract is SGD175,000,000 and the contract will mature on 18 April 2016. The foreign exchange rate swap contract is accounted for at fair value at the end of each reporting period as derivative financial instrument in accordance with the Group's accounting policy. As at 31 December 2015, the fair value of the foreign exchange rate swap contract (liability) amounted to RMB91,512,000 (2014: RMB51,948,000) (note 26) is measured based on market price quoted by brokers.

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(a) (Continued)

The movements of SGD175m Senior Notes are set out below:

	Liability component of the senior notes *(Note 28(a)(i))* RMB'000
At 1 January 2014	823,765
Interest and transaction costs amortised	5,256
Exchange difference	(30,493)
At 31 December 2014	798,528
At 1 January 2015	**798,528**
Interest and transaction costs amortised	**5,420**
Exchange difference	**(32,594)**
At 31 December 2015	**771,354**

(i) Liability component of senior notes represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 11.36% per annum.

(b) On 21 January 2013, the Company issued senior notes with principal amount of US$200,000,000 due in 2020 ("US$200m Senior Notes"). The senior notes are interest bearing at 8% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 28 January 2020. At any time and from time to time on or after 28 January 2017, the Company may at its option redeem the senior notes, in whole or in part, at a pre-determined redemption price. In addition, at any time prior to 28 January 2017, the Company may at its option redeem the senior notes, in whole but not in part, at a pre-determined redemption price. The details of the redemption price are disclosed in the relevant offering memorandum.

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(b) (Continued)

The movements of US$200m Senior Notes are set out below:

	Liability component of the senior notes *(Note 28(b)(i))* RMB'000	Redemption call option *(Notes 21 and 28(b)(ii))* RMB'000	Total RMB'000
At 1 January 2014	1,212,025	(10,856)	1,201,169
Interest and transaction costs amortised	1,038	–	1,038
Change in fair value *(note 6(a))*	–	8,017	8,017
Exchange difference	8,497	(48)	8,449
At 31 December 2014	1,221,560	(2,887)	1,218,673
At 1 January 2015	**1,221,560**	**(2,887)**	**1,218,673**
Interest and transaction costs amortised	**1,141**	**–**	**1,141**
Change in fair value *(note 6(a))*	**–**	**(249)**	**(249)**
Exchange difference	**29,568**	**(72)**	**29,496**
At 31 December 2015	**1,252,269**	**(3,208)**	**1,249,061**

(i) Liability component of senior notes represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 8.13% per annum.

(ii) Redemption call option represents the fair value of the Company's option to early redeem the senior notes and is recorded as derivative financial instruments under "Trade and other receivables" (note 21).

The assumptions applied in determining the fair value of the redemption call option at 31 December 2015 are set out as follows:

Credit spread	6.9% (2014: 8.6%)

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(c) On 22 May 2013, the Company issued senior notes with principal amount of US$400,000,000 due in 2018 ("US$400m Senior Notes"). The senior notes are interest bearing at 6.5% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 4 June 2018. At any time and from time to time on or after 4 June 2016, the Company may at its option redeem the senior notes, in whole or in part, at a predetermined redemption price. In addition, at any time prior to 4 June 2016, the Company may at its option redeem the senior notes, in whole but not in part, at a pre-determined redemption price. The details of the redemption price are disclosed in the relevant offering memorandum.

The movements of US$400m Senior Notes are set out below:

	Liability component of the senior notes *(Note 28(c)(i))* RMB'000	Redemption call option *(Notes 21 and 28(c)(ii))* RMB'000	Total RMB'000
At 1 January 2014	2,420,043	(5,062)	2,414,991
Interest and transaction cost amortised	3,941	–	3,941
Change in fair value *(note 6(a))*	–	429	429
Exchange difference	16,974	(35)	16,939
At 31 December 2014	2,440,968	(4,668)	2,436,300
At 1 January 2015	**2,440,968**	**(4,668)**	**2,436,300**
Interest and transaction cost amortised	**4,276**	**–**	**4,276**
Change in fair value *(note 6(a))*	**–**	**2,486**	**2,486**
Exchange difference	**59,106**	**(83)**	**59,023**
At 31 December 2015	**2,504,350**	**(2,265)**	**2,502,085**

(i) Liability component of senior notes represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 6.71% per annum.

(Expressed in Renminbi)

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(c) (Continued)

(ii) Redemption call option represents the fair value of the Company's option to early redeem the senior notes and is recorded as derivative financial instruments under "Trade and other receivables" (note 21).

The assumptions applied in determining the fair value of the redemption call option at 31 December 2015 are set out as follows:

Credit spread	6.2% (2014: 8.3%)

(d) On 15 May 2014, the Company issued senior notes with principal amount of SGD200,000,000 due in 2017 ("SGD200m Senior Notes"). The senior notes are interest bearing at 6.5% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 26 May 2017. At any time prior to 26 May 2017, the Company may at its option redeem the senior notes, in whole but not in part, at a pre-determined redemption price. The details of the redemption price are disclosed in the relevant offering memorandum.

The Company entered into a foreign exchange rate swap contract to manage its exposure to foreign exchange rate risk of the SGD200m Senior Notes by swapping the senior notes principal of SGD200 million into US$160 million. The aggregate notional principal amounts of the foreign exchange rate swap contract is SGD200 million and the contract will mature on 26 May 2017. The foreign exchange rate swap contract is accounted for at fair value at the end of reporting period as derivative financial instrument in accordance with the Group's accounting policy. As at 31 December 2015, the fair value of the foreign exchange rate swap contract (liability) amounted to RMB141,118,000 (2014: RMB70,626,000) (note 26) is measured based on market price quoted by brokers.

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(d) (Continued)

The movements of SGD200m Senior Notes are set out below:

	Liability component of the senior notes *(Note 28(d)(i))* RMB'000
Proceeds from issuance senior notes	1,003,704
Transaction costs	(17,752)
Net proceeds	985,952
Interest and transaction costs amortised	3,026
Exchange difference	(81,322)
At 31 December 2014	907,656
At 1 January 2015	**907,656**
Interest and transaction costs amortised	**5,097**
Exchange difference	**(25,837)**
At 31 December 2015	**886,916**

(i) Liability component of senior notes represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 7.16% per annum.

28 SENIOR NOTES (Continued)

Liability component of the Senior Notes: (Continued)

(e) On 23 April 2015, the Company issued senior notes with principal amount of US$300,000,000 due in 2021 ("US$300m Senior Notes"). The senior notes are interest bearing at 8.75% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 23 January 2021. At any time and from time to time on or after 23 January 2019, the Company may at its option redeem the senior notes, in whole or in part, at a pre-determined redemption price. In addition, at any time prior to 23 January 2019, the Company may at its option redeem the senior notes, in whole but not in part, at a pre-determined redemption price. The details of the redemption price are disclosed in the relevant offering memorandum.

The movements of US$300m Senior Notes are set out below:

	Liability component of the senior notes *(Note 28(e)(i))* RMB'000	Redemption call option *(Notes 21 and 28(e)(ii))* RMB'000	Total RMB'000
Proceeds from issuance senior notes	1,881,631	(10,230)	1,871,401
Transaction costs	(26,361)	143	(26,218)
Net proceeds	1,885,270	(10,087)	1,845,183
Interest and transaction cost amortised	1,151	–	1,151
Change in fair value *(note 6(a))*	–	5,078	5,078
Exchange difference	15,575	(23)	15,552
At 31 December 2015	1,871,996	(5,032)	1,866,964

(i) Liability component of senior notes represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 8.91% per annum.

(ii) Redemption call option represents the fair value of the Company's option to early redeem the senior notes and is recorded as derivative financial instruments under "Trade and other receivables" (note 21).

The assumptions applied in determining the fair value of the redemption call option at 31 December 2015 are set out as follows:

Credit spread	7.5%

29 EQUITY SETTLED SHARE-BASED TRANSACTION

(a) Pre-IPO share option scheme

On 14 May 2008, the Company conditionally granted certain pre-IPO share options to the Company's directors, employees and consultants. The exercise of these share options would entitle five of the Company's directors and ninety employees and consultants of the Group to subscribe for an aggregate of 14,350,000 shares and 17,650,000 shares of the Company respectively. The exercise price is HK$2.75 per share. The pre- IPO share option scheme was effective from the listing date of the Company's share on the Stock Exchange of Hong Kong Limited, i.e. 6 June 2008. Under the pre-IPO share option scheme, no pre-IPO share options are exercisable within the first year from the listing date. Not more than 20% of the share options are exercisable with the second year from the listing date and not more than 40% of the share options are exercisable in each of the third and fourth year from the listing date. Each option gives the holders the right to subscribe for one ordinary share of the Company.

On 28 June 2011, upon the rights issue of the Company, the exercise price of pre-IPO share options was adjusted to HK$2.682 and the number of outstanding share options was adjusted from 28,150,000 to 28,859,380.

(b) Share options granted on 25 May 2010

On 25 May 2010, the Company conditionally granted certain share options to the Company's directors and employees. The exercise of these share options would entitle three of the Company's directors and seven employees of the Group to subscribe for an aggregate of 6,000,000 shares and 14,000,000 shares of the Company respectively. The exercise price is HK$1.9 per share. Under the share option scheme, no share option is exercisable within first year from the date of grant. Not more than 20% of the share options are exercisable within the second year from the date of grant and not more than 40% of the share options are exercisable in each of the third and fourth year from the date of grant. Each option gives the holders the right to subscribe for one ordinary share of the Company.

On 28 June 2011, upon the rights issue of the Company, the exercise price of the share options granted on 25 May 2010 was adjusted to HK$1.853 and the number of outstanding share options was adjusted from 20,000,000 to 20,504,000.

(c) Share options granted on 25 July 2011

On 25 July 2011, the Company conditionally granted certain share options to the Company's employees. The exercise of these share options would entitle six employees of the Group to subscribe for an aggregate of 12,500,000 shares of the Company. The exercise price is HK$2.16 per share. The share option scheme was effective from 25 July 2011. Under the share option scheme, no share option is exercisable within first year from the date of grant. Not more than 20% of the share options are exercisable within the second year from the date of grant and not more than 40% of the share options are exercisable in each of the third and fourth year from the date of grant. Each option gives the holders the right to subscribe for one ordinary share of the Company.

(Expressed in Renminbi)

29 EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(d) Share options granted on 27 March 2013

On 27 March 2013, the Company conditionally granted certain share options to the Company's director and employees. The exercise of these share options would entitle the Company's directors and employees of the Group to subscribe for an aggregated of 24,000,000 shares of the Company. The exercise price is HK$2.56 per share. The share option scheme was effective from 27 March 2013. Under the share option scheme, no share option is exercisable within first year from the date of grant. Not more than 20% of the share options are exercisable within the second year from the date of grant and not more than 40% of the share options are exercisable in each of the third and fourth year from the date of grant. Each option gives the holders the right to subscribe for one ordinary share of the Company.

(e) The number and the weighted average exercise price of share options are as follows:

	2015		2014	
	Weighted average exercise price HK$	**Number of options**	Weighted average exercise price HK$	Number of options
Outstanding at 1 January	**2.28**	**40,393,880**	2.28	45,244,280
Exercised during the year	**1.99**	**(6,926,160)**	–	–
Lapsed during the year	**2.56**	**(600,000)**	2.26	(4,850,400)
Outstanding at 31 December	**2.34**	**32,867,720**	2.28	40,393,880
Exercisable at 31 December	**2.27**	**24,947,720**	2.08	20,273,880

The weighted average share price at the date of exercise for share options exercised in 2015 was HK$1.99.

The options outstanding at 31 December 2015 had a weighted average exercise price of HK$2.34 (2014: HK$2.04) and a weighted average remaining contractual life of 6.34 years (2014: 7.61 years).

30 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	CIT RMB'000	LAT RMB'000	Withholding tax RMB'000	Total RMB'000
At 1 January 2014	250,208	602,571	211,804	1,064,583
Charged to the consolidated income statement *(note 7(a))*	505,014	445,504	49,823	1,000,341
Acquisitions of subsidiaries	(12,432)	63,185	–	50,753
Disposal of a subsidiary	2,048	–	–	2,048
Tax paid	(542,448)	(259,006)	(392)	(801,846)
At 31 December 2014	202,390	852,254	261,235	1,315,879
At 1 January 2015	**202,390**	**852,254**	**261,235**	**1,315,879**
Charged to the consolidated income statement *(note 7(a))*	**513,261**	**295,173**	**29,641**	**838,075**
Acquisitions of subsidiaries *(note 36(a))*	**(80,525)**	**(72,341)**	**–**	**(152,866)**
Disposals of subsidiaries *(note 36(c))*	**77,805**	**(12,368)**	**–**	**65,437**
Deemed disposals of subsidiaries *(note 36(d))*	**9,256**	**136**	**–**	**9,392**
Tax paid	**(584,995)**	**(688,646)**	**–**	**(1,273,641)**
At 31 December 2015	**137,192**	**374,208**	**290,876**	**802,276**

	2015 RMB'000	2014 RMB'000
Representing:		
Taxation payable	**1,321,570**	1,487,462
Tax recoverable	**(519,294)**	(171,583)
	802,276	1,315,879

30 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of properties RMB'000	LAT RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014	(59,747)	146,911	–	87,164
(Charged)/credited to the consolidated income statement *(note 7(a))*	(2,709)	3,806	–	1,097
At 31 December 2014	(62,456)	150,717	–	88,261
At 1 January 2015	**(62,456)**	**150,717**	**–**	**88,261**
Credited/(charged) to the consolidated income statement *(note 7(a))*	**6,591**	**(22,159)**	**(83,621)**	**(99,189)**
Disposals of subsidiaries *(note 36(c))*	**–**	**–**	**69,517**	**69,517**
At 31 December 2015	**(55,865)**	**128,558**	**(14,104)**	**58,589**

	2015 RMB'000	2014 RMB'000
Representing:		
Deferred tax assets	**128,558**	150,717
Deferred tax liabilities	**(69,969)**	(62,456)
	58,589	88,261

(c) **Deferred tax assets not recognised:**

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB547,988,000 (2014: RMB383,246,000) at 31 December 2015, as it is not probable that future taxable profits against which losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will be expired within five years.

(d) **Deferred tax liabilities not recognised:**

As at 31 December 2015, taxable temporary differences relating to undistributed profits of the Group's PRC subsidiaries amounted to RMB3,353,304,000 (2014: RMB2,957,387,000). No deferred tax liability was recognised in respect of these taxable temporary differences as the Company controls the dividend policy of these subsidiaries and has no plan to either distribute profit or dispose of these PRC subsidiaries in the foreseeable future.

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

(i) *Authorised and issued share capital*

	2015		2014	
	No. of shares '000	Amount HK$'000	No. of shares '000	Amount HK$'000
Authorised:				
Ordinary shares of HK$0.1 each	**10,000,000**	**1,000,000**	10,000,000	1,000,000
Ordinary shares, issued and fully paid:				
At 1 January	**2,435,345**	**243,534**	2,435,345	243,534
Issue of shares under share option scheme *(note 31(a)(ii))*	**6,926**	**693**	–	–
At 31 December	**2,442,271**	**244,227**	2,435,345	243,534
RMB'000 equivalent at 31 December		**216,322**		215,770

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) *Issue of shares under share option scheme*

In 2015, options were exercised to subscribe for totally 6,926,160 ordinary shares in the Company at a total consideration of HK$13,753,000 (equivalent to RMB10,959,000) of which HK$693,000 (equivalent to RMB552,000) was credited to share capital and the balance of HK$13,060,000 (equivalent to RMB10,407,000) was credited to the share premium account. HK$3,785,000 (equivalent to RMB3,016,000) was transferred from share-based compensation reserve to the share premium account in accordance with the Group's accounting policy set out in note 2(t)(ii).

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Reserves

(i) Share premium

The share premium account is governed by the Cayman Companies Law and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to equity shareholders; (b) paying up unissued shares of the Company to be issued to equity shareholders as fully paid bonuses shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Law); (d) writing-off the preliminary expenses of the Company; (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and (f) providing for the premium payable on redemption or purchase of any shares or debentures of the Company.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Statutory reserve fund

The statutory reserve fund is non-distributable and the transfer to this reserve is determined by the board of directors in accordance with the relevant laws and regulations of the PRC. This reserve can be used to offset accumulated losses and increase capital upon approval from the relevant authorities.

(iii) Other capital reserve

Other capital reserve includes the difference between the Group's considerations of acquisition of additional interests in subsidiaries from non-controlling interests and the difference between the nominal value of shares of the subsidiaries acquired over the nominal value of the shares issued by the Group in exchange thereafter.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations which are dealt with in accordance with the accounting policies as set out in note 2(x).

(v) Share-based compensation reserve

Share-based compensation reserve represents the fair value of services in respect of share options granted under the share option schemes as set out in note 29.

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Reserves (Continued)

(vi) Property revaluation reserve

In 2012, the property, plant and equipment with a carrying amount of RMB14,800,000 was transferred to investment properties. The difference between the carrying amount of RMB14,800,000 and the net book value of RMB8,321,000 was recognised directly in equity as property revaluation reserve.

(vii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments use in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2(g).

(viii) Distributability of reserves

At 31 December 2015, the aggregate amounts of the Company's reserves available for distribution to equity shareholders of the Company at 31 December 2015 was RMB1,824,130,000 (2014: RMB2,116,807,000). After the end of the reporting period, the directors proposed a final dividend of HK$11.61 cents, equivalent to RMB9.84 cents (2014: HK$13.6 cents, equivalent to RMB10.88 cents) per ordinary share, amounting to RMB240,387,000 (2014: RMB264,965,000). This dividend has not been recognised as a liability at the end of the reporting period.

The Company relies on distributions or advances from its subsidiaries to pay any dividends. The ability of these subsidiaries to make distributions to the Company and the Company's ability to receive distributions are subject to applicable legal and other restrictions, including but not limited to restrictions on payment of dividends by PRC subsidiaries to non-PRC shareholders out of the PRC. These restrictions may impact the payment of distributions from the subsidiaries to the Company.

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Reserves (Continued)

(ix) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company

	Share capital *(Note 31 (a))* RMB'000	Share premium *(Note 31 (b)(i))* RMB'000	Exchange reserve *(Note 31 (b)(iv))* RMB'000	Share-based compensation reserve *(Note 31 (b)(v))* RMB'000	Hedging reserve *(Note 31 (b)(vii))* RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2015	215,770	1,652,831	(163,478)	20,067	(43,467)	627,454	2,309,177
Changes in equity for 2015:							
Loss for the year	–	–	–	–	–	(90,491)	(90,491)
Other comprehensive income							
– Exchange difference on translation of financial statements	–	–	51,528	–	–	–	51,528
– Cash flow hedge:							
– Effective position of changes in fair value	–	–	–	–	(114,056)	–	(114,056)
– Transfer from equity to profit or loss	–	–	–	–	102,938	–	102,938
Total comprehensive income	–	–	51,528	–	(11,118)	(90,491)	(50,081)
Final dividends approved in respect of the previous year *(note 31(c)(ii))*	–	–	–	–	–	(267,416)	(267,416)
Issue of new shares under share option scheme *(note 31(a)(ii))*	552	13,423	–	(3,016)	–	–	10,959
Equity settled share-based payment *(note 6(b))*	–	–	–	2,016	–	279	2,295
	552	13,423	–	(1,000)	–	(267,137)	(254,162)
Balance at 31 December 2015	216,322	1,666,254	(111,950)	19,067	(54,585)	269,826	2,004,934

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Reserves (Continued)

(ix) Movements in components of equity (Continued)

Company (Continued)

	Share capital *(Note 31 (a))* RMB'000	Share premium *(Note 31 (b)(i))* RMB'000	Exchange reserve *(Note 31 (b)(iv))* RMB'000	Share-based compensation reserve *(Note 31 (b)(v))* RMB'000	Hedging reserve *(Note 31 (b)(vii))* RMB'000	Equity component of convertible bonds RMB'000	Warrant reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2014	215,770	1,652,831	(183,514)	16,524	(21,745)	38,765	10,692	315,904	2,045,227
Changes in equity for 2014:									
Profit for the year	–	–	–	–	–	–	–	470,251	470,251
Other comprehensive income									
– Exchange difference on translation of financial statements	–	–	20,036	–	–	–	–	–	20,036
– Cash flow hedge:									
– Effective position of changes in fair value	–	–	–	–	(105,645)	–	–	–	(105,645)
– Transfer from equity to profit or loss	–	–	–	–	83,923	–	–	–	83,923
Total comprehensive income	–	–	20,036	–	(21,722)	–	–	470,251	468,565
Final dividends approved in respect of the previous year *(note 31(c)(ii))*	–	–	–	–	–	–	–	(210,148)	(210,148)
Redemption of convertible bonds	–	–	–	–	–	(38,765)	(10,692)	49,457	–
Equity settled share-based payment *(note 6(b))*	–	–	–	3,543	–	–	–	1,990	5,533
	–	–	–	3,543	–	(38,765)	(10,692)	(158,701)	(204,615)
Balance at 31 December 2014	215,770	1,652,831	(163,478)	20,067	(43,467)	–	–	627,454	2,309,177

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2015 RMB'000	2014 RMB'000
Final dividend proposed after the end of the reporting period of HK$11.61 cents (equivalent to RMB9.84 cents) per ordinary share (2014: HK$13.6 cents (equivalent to RMB10.88 cents) per ordinary share)	**240,387**	264,965

No interim dividend declared and paid during the year.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015 RMB'000	2014 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$13.6 cents (equivalent to RMB10.88 cents) per ordinary share (2014: HK$10.7 cents equivalent to RMB8.62 cents) per ordinary share)	**267,416**	210,148

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Group. Net debt is calculated as total bank and other loans and senior notes less cash and cash equivalents and restricted bank deposits secured against bank loans and other loans.

31 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Capital management (Continued)

The gearing ratio at 31 December 2015 and 2014 was as follows:

	2015 RMB'000	2014 RMB'000
Current liabilities		
— Bank loans	**1,045,045**	1,129,562
— Other loans	**725,000**	280,000
— Senior notes	**771,354**	–
	2,541,399	1,409,562
Non-current liabilities		
— Bank loans	**1,136,733**	1,888,723
— Other loans	**397,700**	890,000
— Senior notes	**6,515,531**	5,368,712
	8,049,964	8,147,435
Total debt	**10,591,363**	9,556,997
Less:		
— Cash and cash equivalents	**(7,422,350)**	(5,018,511)
— Restricted bank deposits secured against bank loans and other loans	**(35,683)**	–
Net debt	**3,133,330**	4,538,486
Total equity	**7,317,519**	7,066,916
Gearing ratio	**42.8%**	64.2%

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to interest rate, credit, liquidity and currency risks arises in the normal course of the Group's business.

The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Interest rate risk

The Group's interest rate risk arises primarily from restricted bank deposits, cash and cash equivalents, bank loans and other loans. The Group does not carry out any hedging activities to manage its interest rate exposure.

At 31 December 2015, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would increase the Group's profit and total equity by approximately RMB53,400,000 (2014: RMB39,789,000).

The analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The analysis is performed on the same basis for 2014.

(b) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, restricted bank deposits and cash and cash equivalents. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade receivables of mortgage sales, no credit terms will be granted to the buyers. The Group normally arranges bank financing for buyers of properties up to 70% of the total purchase price of the property and provides guarantee to secure repayment obligations of such buyers. The Group's guarantee periods commence from the dates of grants of relevant mortgage loans and end upon completion of construction and the mortgage registration documents are delivered to the relevant banks after the issue of the building ownership certificate.

If there is default in payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. Under such circumstances, the Group is able to retain the customer's deposit, take over the ownerships of relevant properties and sell the properties to recover any amounts paid by the Group to the banks since the Group has not applied for individual building ownership certificates for these purchasers until full payment are received. Sales and marketing staff of the Group is delegated to determine credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts, if any.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Credit risk (Continued)

In respect of other receivables, the Group assesses the financial abilities of the debtors before granting the facilities to them. The Group chases the debtors to settle outstanding balances and monitors the settlement progress on an ongoing basis. In respect of trade receivables arising from other sales and other receivables, the Group assesses the financial abilities of the purchasers/debtors before granting the instalment sales/facilities to them. The Group chases the debtors to settle outstanding balances and monitors the settlement progress on an ongoing basis. The Group would not apply individual property ownership certificates for the property buyers until the outstanding balances are fully settled. Other than that, normally, the Group does not obtain collateral from debtors. The impairment losses on bad and doubtful accounts are within management's expectation.

Restricted bank deposit and cash and cash equivalents are deposited with financial institutions with sound credit ratings to minimise credit exposure.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. There is no significant concentration of credit risk within the Group.

(c) Liquidity risk

The Group's management reviews the liquidity position of the Group on an ongoing basis, including review of the expected cash inflows and outflows, sale/pre-sale results of respective property projects, maturity of loans and borrowings and the progress of the planned property development projects in order to monitor the Group's liquidity requirements in the short and longer terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computing using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Liquidity risk (Continued)

	2015					
	Contractual undiscounted cash flow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Bank loans	1,127,186	252,671	436,817	596,476	2,413,150	2,181,778
Other loans	802,000	97,200	300,082	33,599	1,232,881	1,122,700
Senior notes	1,285,813	1,335,350	4,545,758	1,897,049	9,063,970	7,286,885
Payables and accruals	13,448,222	926,819	–	–	14,375,041	14,365,631
Patent payable	–	45,000	60,000	–	105,000	105,000
	16,663,221	2,657,040	5,342,657	2,527,124	27,190,042	25,061,994
Financial guarantees issued:						
– Maximum amount guaranteed *(note 34)*	18,713,811	–	–	–	18,713,811	

	2014					
	Contractual undiscounted cash flow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Bank loans	1,233,689	1,564,936	180,110	280,557	3,259,292	3,018,285
Other loans	294,323	995,368	–	–	1,289,691	1,170,000
Senior notes	401,743	1,147,545	3,881,258	1,235,885	6,666,431	5,368,712
Payables and accruals	14,877,937	885,976	–	–	15,763,913	15,728,003
	16,807,692	4,593,825	4,061,368	1,516,442	26,979,327	25,285,000
Financial guarantees issued:						
– Maximum amount guaranteed *(note 34)*	15,433,816	–	–	–	15,433,816	

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily through bank deposits, senior notes and bank loans that are denominated in a currency other than the functional currency of the operations to which they related. The currencies giving rise to this risk are primarily Hong Kong Dollars, United States Dollars and Singapore Dollars.

The following table details the Group's exposure at 31 December 2015 to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2015		2014	
	Singapore Dollars '000	United States Dollars '000	Singapore Dollars '000	United States Dollars '000
Cash and cash equivalents	201	271,583	–	8,745
Senior notes	(372,847)	(894,806)	(370,517)	(596,335)
Bank loans	–	–	–	(24,522)
Gross exposure arising from recognised assets and liabilities and overall net exposure	(372,646)	(623,223)	(370,517)	(612,112)

In addition to the above, subsidiaries of the Company with functional currency of Hong Kong Dollars, have receivables of RMB4,166,974,000 (2014: RMB3,535,635,000) from PRC subsidiaries.

A reasonably possible increase/decrease of 5% (2014: 5%) in the foreign exchange rate of RMB against Hong Kong Dollars and United States Dollars would increase/decrease the Group's profit after tax and total equity by RMB138,352,000 (2014: RMB96,499,000). As Hong Kong Dollars are pegged to United States Dollars, the movement of exchange rate of Hong Kong Dollars against United States Dollars is considered insignificant. Moreover, the Group entered into a foreign exchange rate swap contract to manage its exposure to foreign exchange rate risk of SGD175m Senior Notes and SGD200m Senior Notes as discussed in notes 28(a) and 28(d) respectively.

The above analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Equity price risk

Group is exposed to equity price changes arising from equity investments classified as trading securities (see note 19).

The Group's listed investments are listed on the Stock Exchange of Hong Kong. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities other industry indications, as well as the Group's liquidity needs. Given that the volatility of the stock markets may not have a direct correlation with the Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the Group's portfolio of equity investments.

A reasonably possible increase/decrease of 5% (2014: 5%) in the relevant stock market index (for trading securities), with all other variables held constant, the impact on the Group's profit after tax and total equity is not expected to be material.

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair value measurement (Continued)

(i) *Financial assets and liabilities measured at fair value (Continued)*

Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2015 categorised into			
	Fair value at 31 December 2015 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Assets:				
Trading securities:				
– Listed equity securities in Hong Kong	76,932	76,932	–	–
Derivative financial instruments:				
– Redemption call option of US$200m Senior Notes	3,208	–	3,208	–
– Redemption call option of US$400m Senior Notes	2,265	–	2,265	–
– Redemption call option of US$300m Senior Notes	5,032	–	5,032	–
Liabilities:				
Derivative financial instruments:				
– Foreign exchange swap contracts	236,630	–	236,630	–

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair value measurement (Continued)

(i) *Financial assets and liabilities measured at fair value (Continued)*

Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2014 categorised into			
	Fair value at 31 December 2014 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Assets:				
Trading securities:				
— Listed equity securities in Hong Kong	67,039	67,039	–	–
Derivative financial instruments:				
— Redemption call option of US$200m Senior Notes	2,887	–	2,887	–
— Redemption call option of US$400m Senior Notes	4,668	–	4,668	–
Liabilities:				
Derivative financial instruments:				
— Foreign exchange swap contracts	122,574	–	122,574	–

During the years ended 31 December 2014 and 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair value measurement (Continued)

(i) *Financial assets and liabilities measured at fair value (Continued)*

Fair value hierarchy (Continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of redemption call options of US$200m Senior Notes, US$400m Senior Notes and US$300m Senior Notes in Level 2 are determined by assessing the difference between the fair value of the senior notes by quoted price and the pure bond value.

The fair value of forward exchange swap contract in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant interest rate swap and cross currency basis swap yield curve as at the end of the reporting period plus an adequate credit spread.

(ii) *Fair values of financial instruments carried at other than fair value*

The fair values of these financial instruments are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2015 and 2014. Amounts due from/(to) related companies, associates, joint ventures, a former joint venture, a joint venture partner and non-controlling interests are either recoverable/(repayable) on demand or with no fixed repayment terms. Given these terms it is not meaningful to disclose fair values.

33 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2015 not provided for in the financial statements are as follows:

	2015 RMB'000	2014 RMB'000
Properties under development undertaken by the Group		
– Authorised but not contracted for	**13,229,742**	13,303,262
– Contracted but not provided for	**4,693,284**	6,591,546
	17,923,026	19,894,808
Properties under development undertaken by joint ventures attributable to the Group		
– Authorised but not contracted for	**1,901,687**	2,887,871
– Contracted but not provided for	**456,254**	1,137,269
	2,357,941	4,025,140

(b) Commitments for operating leases

At 31 December 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 RMB'000	2014 RMB'000
Within 1 year	**6,475**	4,548
After 1 year but within 5 years	**16,893**	2,108
After 5 years	**92,207**	–
	115,575	6,656

The Group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of one to thirty years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

34 CONTINGENT LIABILITIES

(a) Guarantees given to financial institutions for mortgage facilities granted to buyers of the Group's and joint venture's properties

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by buyers of the Group's and joint ventures' properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. The Group's guarantee periods commence from the dates of grants of the relevant mortgage loans and end after the buyers obtain the individual property ownership certificate of the property purchased. The amount of guarantees given to banks for mortgage facilities granted to the buyers of the Group's and joint ventures' properties at 31 December 2015 is as follows:

	2015 RMB'000	2014 RMB'000
Guarantees given to banks for mortgage facilities granted to buyers of:		
– the Group's properties	**13,061,140**	10,536,432
– the joint ventures' properties (the Group's shared portion)	**1,751,341**	1,099,554
	14,812,481	11,635,986

The directors do not consider it probable that the Group will sustain a loss under these guarantees during the periods under guarantees as the Group and the joint ventures have not applied for individual building ownership certificates for these buyers and can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group/joint ventures to the banks. The Group and joint ventures have not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group and joint ventures in the event the buyers default payments to the banks.

(b) Guarantees given to financial institutions for bank loans and other loans granted to joint ventures

The Group provided guarantees to bank loans and other loans of joint ventures amounting to RMB3,901,330,000 at 31 December 2015 (2014: RMB3,797,830,000). At the end of the reporting period, the directors do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and their transaction prices were RMBNil.

35 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, major related party transactions entered by the Group during the year ended 31 December 2015 are as follows:

	Note	2015 HK$'000	2014 HK$'000
Interest income from joint ventures	(a)	**114,963**	8,671
Interest income from non-controlling interests	(a)	**9,966**	68,372
Project management fee income from joint ventures	(b)	**–**	49,837
Interest expenses to joint ventures	(c)	**–**	(37,961)
Interest expenses to non-controlling interests	(c)	**(9,410)**	(22,898)

Notes:

(a) The amounts represent interest income in relation to advances to joint ventures and non-controlling interests.

(b) The amount represented project management fee received from joint ventures for the management of property development projects.

(c) The amounts represent interest expenses in relation to loans from joint ventures and non-controlling interests.

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(a) Acquisitions of subsidiaries

During the year, the Group has acquired equity interest in three entities which held property development projects and accounted for as joint ventures before acquisition. After the completion of the acquisition, these three entities become the Group's wholly-owned subsidiaries. Acquisition of these subsidiaries enables the Group to expand its land banks and strengthen the Group's property development business in Henan, the PRC. Acquisitions of subsidiaries during the year are summarised as follows:

Dates of acquisitions	Name of subsidiaries acquired	Percentage of equity interest held before acquisition	Percentage of equity interest acquired	Percentage of equity interest held after acquisition	Consideration RMB'000
13 July 2015	Henan Huihuacheng Construction Development Company Limited*	49%	51%	100%	51,000
11 August 2015	Zhengzhou Central China Tianming Property Company Limited*	60%	40%	100%	770,667
11 August 2015	Henan Coal Chemical Central China Real Estate Development Investment Company Limited*	51.15%	48.85%	100%	712,942

* The English name of the above companies in the PRC are translated by management only for the purpose of these financial statements as no English names have been registered or available.

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Continued)

(a) Acquisitions of subsidiaries (Continued)

The acquisitions of subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	Carrying amount RMB'000	Adjustments RMB'000	Recognised values on acquisitions RMB'000
Property, plant and equipment	395	–	395
Properties for sale	4,729,450	832,160	5,561,610
Trade and other receivables	3,341,834	–	3,341,834
Deposits and prepayments	78,720	–	78,720
Tax recoverable	152,866	–	152,866
Restricted bank deposits	108,295	–	108,295
Cash and cash equivalents	71,184	–	71,184
Bank loans	(1,350,000)	–	(1,350,000)
Other loans	(900,000)	–	(900,000)
Payables and accruals	(1,809,486)	–	(1,809,486)
Receipts in advance	(1,991,690)	–	(1,991,690)
Net identified assets and liabilities	2,431,568	832,160	3,263,728
Satisfied by:			
Cash			1,534,609
Interests in joint ventures			1,729,119
			3,263,728
Total consideration paid			1,534,609
Total cash and cash equivalents acquired			(71,184)
Net cash outflow			1,463,425

The above subsidiaries contributed an aggregate revenue of RMB2,098,505,000 and profit attributable to the equity shareholders of the Company of RMB218,192,000 to the Group for the year ended 31 December 2015. Should the acquisitions had occurred on 1 January 2015, the consolidated revenue and the consolidated profit attributable to the equity shareholders of the Company for the year ended 31 December 2015 would have been RMB12,588,066,000 and RMB803,272,000 respectively.

The Group incurred acquisition-related costs of RMB276,000, and have been included in "general and administrative expenses".

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Continued)

(b) Acquisitions of additional interests in subsidiaries

(i) Xinyang Tianheng Real Estate Company Limited ("CCRE Tianheng")

On 28 February 2015, the Group entered into an equity transfer agreement with a non-controlling interest to acquire additional 50% equity interests in CCRE Tianheng at a consideration of RMB43,213,000. Upon the completion of the above transaction, CCRE Tianheng became the Group's indirect wholly-owned subsidiary.

The excess of the consideration paid in respect of the acquisition of additional interests in the subsidiary of RMB43,213,000 over the carrying amount of the non-controlling interest of RMB9,764,000 amounted to RMB33,449,000 is recognised in other capital reserve in accordance with the accounting policy set out in note 2(c).

(ii) Xinyang Central China Tianming Real Estate Company Limited ("CCRE Xinyang Tianming")

On 28 February 2015, the Group entered into an equity transfer agreement with a non-controlling interest to acquire additional 50% equity interests in CCRE Xinyang Tianming at a consideration of RMB83,765,000. Upon the completion of the above transaction, CCRE Xinyang Tianming became the Group's indirect wholly-owned subsidiary.

The excess of the consideration paid in respect of the acquisition of additional interests in the subsidiary of RMB83,765,000 over the carrying amount of the non-controlling interest of RMB58,480,000 amounted to RMB25,285,000 is recognised in other capital reserve in accordance with the accounting policy set out in note 2(c).

(iii) Henan Central China Construction Materials Commerce and Trading Company Limited ("CCRE Construction")

On 25 March 2015, the Group entered into an equity transfer agreement with a non-controlling interest to acquire additional 4% equity interests in CCRE Construction at a consideration of RMB2,000,000. Upon the completion of the above transaction, the Group's equity interest in CCRE Construction increased from 76% to 80%.

The excess of the consideration paid in respect of the acquisition of additional interests in the subsidiary of RMB2,000,000 over the carrying amount of the non-controlling interest of RMB1,712,000 amounted to RMB288,000 is recognised in other capital reserve in accordance with the accounting policy set out in note 2(c).

(iv) Henan Central China Hengxin Property Company Limited ("CCRE Hengxin")

On 12 June 2015, the Group entered into an equity transfer agreement with a non-controlling interest to acquire additional 5% equity interests in CCRE Hengxin at a consideration of RMB49,300,000. Upon the completion of the above transaction, CCRE Hengxin became the Group's indirect wholly-owned subsidiary.

The excess of the consideration paid in respect of the acquisition of additional interests in the subsidiary of RMB49,300,000 over the carrying amount of the non-controlling interest of RMB133,000 amounted to RMB49,167,000 is recognised in other capital reserve in accordance with the accounting policy set out in note 2(c).

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Continued)

(b) Acquisitions of additional interests in subsidiaries (Continued)

(v) Zhengzhou Yipin Tianxia Zhiye Company Limited ("CCRE Yipin Tianxia")

On 1 November 2015, the Group entered into an equity transfer agreement with a non-controlling interest to acquire additional 10% equity interests in CCRE Yipin Tianxia at a consideration of RMB10,000,000. Upon the completion of the above transaction, CCRE Yipin Tianxia became the Group's indirect wholly-owned subsidiary.

The excess of the carrying amount of the non-controlling interest of RMB14,132,000 over the consideration paid in respect of the acquisition of additional interests in the subsidiary of RMB10,000,000 amounted to RMB4,132,000 is recognised in other capital reserve in accordance with the accounting policy set out in note 2(c).

(c) Disposals of subsidiaries

During the year, the Group has disposed equity interest in the below four entities. After the completion of the disposal, the Group does not hold any equity interest in City Construction, but retained certain equity interest in Longyuan, Huihuacheng and Zhengzhou Tianming and accounted for as joint ventures. Disposals of subsidiaries during the year are summarised as follows:

Dates of disposals	Name of subsidiaries disposed	Percentage of equity interest held before disposal	Percentage of equity interest disposed	Percentage of equity interest held after disposal	Consideration
					RMB'000
10 May 2015	Xixian Central China Holding City Construction Company Limited* ("City Construction")	80%	80%	0%	40,000
26 June 2015	Henan Longyuan Real Estate Company Limited* ("Longyuan")	100%	30%	70%	104,100
17 September 2015	Henan Huihuacheng Construction Development Company Limited* ("Huihuacheng")	100%	100%	0%	120,000
28 December 2015	Zhengzhou Central China Tianming Property Company Limited* ("Zhengzhou Tianming")	100%	33.34%	66.66%	500,000

* The English name of the above companies in the PRC are translated by management only for the purpose of these financial statements as no English names have been registered or available.

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Continued)

(c) Disposals of subsidiaries (Continued)

The disposals of subsidiaries had the following combined effect on the financial position:

	RMB'000
Property, plant and equipment	552
Properties for sale	5,341,771
Trade and other receivables	2,361,366
Deposits and prepayment	219,313
Tax recoverable	77,805
Restricted bank deposits	223,050
Cash and cash equivalents	29,579
Bank loans	(762,300)
Other loans	(1,300,000)
Payables and accruals	(2,488,481)
Receipts in advance	(1,210,823)
Tax payable	(12,368)
Deferred tax liabilities	(69,517)
Non-controlling interests	(9,983)
Net assets	2,399,964
Net loss on disposals of subsidiaries *(note 5)*	(116,422)
	2,283,542
Satisfied by:	
Cash	764,100
Interests in joint ventures	1,519,442
	2,283,542
Total consideration received	764,100
Total cash and cash equivalents disposed	(29,579)
Net cash inflow	734,521

36 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Continued)

(d) Deemed disposals of subsidiaries

During the year, certain investors invested in the below subsidiaries, which diluted the Group's equity interest in these entities (see note 17(e)). Details of the deemed disposals of subsidiaries during the year are summarised as follows:

Dates of deemed disposals	Name of subsidiaries deemed disposed	Percentage of equity interest held before deemed disposal	Percentage of equity interest deemed disposed	Percentage of equity interest held after deemed disposal
9 June 2015	Central China Zhiye Union Company Limited*	100%	34.37%	65.63%
1 July 2015	Universal Food City Development (Henan) Company Limited*	100%	42.47%	57.53%
23 September 2015	Central China Hengxin Property Company Limited*	100%	45.45%	54.55%

* The English name of the above companies in the PRC are translated by management only for the purpose of these financial statements as no English names have been registered or available.

The deemed disposals of subsidiaries had the following effect on the Group's financial position.

	RMB'000
Property, plant and equipment	439
Other financial assets	1,000
Properties for sale	769,950
Trade and other receivables	564,941
Deposits and prepayments	617,515
Tax recoverable	9,392
Cash and cash equivalents	34,316
Restricted bank deposits	63,080
Other loans	(380,000)
Payables and accruals	(739,183)
Receipts in advance	(26,328)
Net assets	915,122
Net gain on deemed disposals of subsidiaries *(note 5)*	39,373
	954,495
Satisfied by:	
Interests in joint ventures	954,495
Total cash and cash equivalents disposed	(34,316)
Net cash outflow	(34,316)

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2015 RMB'000	2014 RMB'000
Non-current asset		
Interests in subsidiaries	**9,474,103**	8,620,029
Current assets		
Derivative financial instruments	**10,505**	7,555
Cash and cash equivalents	**215,953**	17,744
	226,458	25,299
Current liabilities		
Bank loans	**–**	(182,273)
Payables and accruals	**(405,499)**	(211,232)
Amount due to a subsidiary	**(3,243)**	(3,166)
Senior notes	**(771,354)**	–
	(1,180,096)	396,671
Net current liabilities	**(953,638)**	(371,372)
Total assets less current liabilities	**8,520,465**	8,248,657

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	Note	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Bank loans		–	(570,768)
Senior notes		(6,515,531)	(5,368,712)
		(6,515,531)	(5,939,480)
NET ASSETS		2,004,934	2,309,177
CAPITAL AND RESERVES	31(b)(ix)		
Share capital		216,322	215,770
Reserves		1,788,612	2,093,407
TOTAL EQUITY		2,004,934	2,309,177

38 ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements used in preparing the financial statements are evaluated and 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 to the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities mainly include those related to property development activities.

(a) Valuation of investment properties

All investment properties of the Group are revalued as at the end of the reporting period by independent professionally qualified valuers, on an open market value basis calculated by reference to the net rental income with allowance for reversionary income potential.

The assumptions adopted in the property valuations are based on the market conditions existing at the end of the reporting period, with reference to current market sale prices for similar properties in the same location and condition and an appropriate capitalisation rate. Any change in assumptions of the valuation would affect the value of the investment properties significantly, and profit or loss in future years.

38 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Recognition and allocation of construction cost on properties under development

Development costs of properties are recorded as properties under development during construction stage and will be transferred to profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group typically divides the development projects into phases. Specific costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to phases are allocated to individual phases based on the estimated market value of each phase as a percentage of the total estimated market value of the entire project, or if the above is not practicable, the common costs are allocated to individual phases based on saleable area.

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

(c) Impairment for buildings and construction in progress

As explained in note 2(l), the Group makes impairment for the buildings and construction in progress taking into account the Group's estimates of the recoverable amount from such properties. The recoverable amounts have been determined based on value-in-use calculations, taking into account the latest market information and past experience. These calculation and valuations require the use of judgement and estimates.

Given the volatility of the PRC property market, the actual recoverable amount may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(d) Provision for properties for sale

As explained in note 2(m), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in case for properties under development for sale, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

38 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(e) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group assesses the estimates on the aging of the trade and other receivable balance, customer credit-worthiness, and historical write-off experience. If the financial conditions of the customers were to deteriorate, actual provisions would be higher than that estimated.

(f) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors.

Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(g) CIT and LAT

As disclosed in note 7, the Group is subject to CIT and LAT under both authorised taxation method or actual taxation method in different jurisdictions. Significant judgement is required in determining the level of provision, as the calculations of which depend on the assessment and assumption of ultimate tax liability and are subject to uncertainty. The adoption of different methods may also affect the level of provision. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such assessment is made.

(h) Estimation of fair value of derivative financial instruments

Redemption call options embedded in senior notes of the Group are classified as derivative financial instruments and stated at fair value at the end of each reporting period. The fair value of these options is measured based on the assumptions set out in note 28. Any change in assumptions of the valuation would affect the value of these options significantly, and profit or loss in future years.

(i) Impairment of intangible asset

The Group performs an annual review at the end of each reporting period to identify indications that there has been an impairment of intangible asset. If any such indications are identified, the recoverable amount is the greater of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is determined by the market comparison approach by reference to recent sales price of similar assets. Value in use calculations require the use of estimates and assumptions made by management on the future operation of the relevant cash-generating unit, pre-tax discount rates, and other value in use assumptions underlying the value in use calculations.

(Expressed in Renminbi)

39 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 31(c)(i).

40 POSSIBLE IMPACT OF AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standard which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual Improvements to HKFRSs 2012–2014 Cycle	1 January 2016
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	1 January 2016
Amendments to HKFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to HKAS 1, *Disclosure initiative*	1 January 2016
Amendments to HKAS 16 and HKAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
HKFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Summary of Financial Information

A summary of the consolidated results and of the consolidated assets, liabilities and non controlling interests of the Group for the last five financial years prepared on the basis as hereunder stated is as set out below:

CONSOLIDATED RESULTS

	2015	2014	2013	2012	2011
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**12,562,724**	9,228,763	6,951,125	6,345,527	6,638,354
Profit before taxation	**1,741,299**	1,956,836	1,939,393	1,846,062	1,817,750
Income tax	**(937,264)**	(999,244)	(854,542)	(976,268)	(1,074,820)
Profit for the year	**804,035**	957,592	1,084,851	869,794	742,930
Attributable to:					
Equity shareholders of the Company	**801,290**	883,301	1,025,930	823,086	667,995
Non-controlling interests	**2,745**	74,291	58,921	46,708	74,935
	804,035	957,592	1,084,851	869,794	742,930
Earnings per share (RMB cents)					
– Basic	**32.84**	36.27	42.16	33.90	29.77
– Diluted	**32.84**	36.26	42.06	30.71	29.77

Summary of Financial Information (Continued)

CONSOLIDATED ASSETS, LIABILITIES AND EQUITY

	2015 RMB'000	2014 RMB'000	2013 RMB'000	2012 RMB'000	2011 RMB'000
Assets					
Non-current assets	**10,286,536**	7,411,809	7,827,718	7,171,263	4,586,261
Current assets	**29,471,468**	29,938,289	23,689,635	17,177,001	14,892,039
Total assets	**39,758,004**	37,350,098	31,517,353	24,348,264	19,478,300
Liabilities					
Current liabilities	**(24,215,552)**	(22,073,291)	(18,823,456)	(13,514,048)	(13,761,355)
Non-current liabilities	**(8,224,933)**	(8,209,891)	(5,994,050)	(5,211,006)	(675,193)
Total liabilities	**(32,440,485)**	(30,283,182)	(24,817,506)	(18,725,054)	(14,436,548)
Net assets	**7,317,519**	7,066,916	6,699,847	5,623,210	5,041,752
Equity					
Total equity attributable to equity shareholders of the Company	**6,798,660**	6,443,162	6,022,696	5,169,661	4,642,488
Non-controlling interests	**518,859**	623,754	677,151	453,549	399,264
Total equity	**7,317,519**	7,066,916	6,699,847	5,623,210	5,041,752