TIMES PROPERTY HOLDINGS LIMITED
時代地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

ANNUAL RESULTS HIGHLIGHTS

– Contracted sales for the year of RMB29.3 billion, representing an increase of 50.3% as compared with last year;

– Turnover for the year of RMB16,206.5 million, representing an increase of 18.8% as compared with last year;

– Profit for the year of RMB1,982.4 million, representing an increase of 27.8% as compared with last year;

– Core net profit for the year (profit for the year excluding changes in fair values of investment properties and the derivative component of the convertible bonds, net of the impact of the related deferred tax) of RMB1,833.3 million, representing an increase of 24.1% as compared with last year;

– Profit attributable to the owners of the Company of RMB1,955.0 million, representing an increase of 37.6% as compared with last year;

– Gross profit margin and net core profit margin for the year of 26.2% and 11.3% respectively;

– Basic earnings per share for the year of RMB113 cents, representing an increase of 37.8% as compared with last year; diluted earnings per share for the year of RMB107 cents, representing an increase of 44.6% as compared with last year;

– Cash and bank balances of RMB11.9 billion as at 31 December 2016;

– The Board proposed a final dividend of RMB31.51 cents per share for the year ended 31 December 2016.

RESULTS

The board (the "Board") of directors (the "Directors") of Times Property Holdings Limited (the "Times Property" or the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Notes	**2016**	2015
		RMB'000	*RMB'000*
REVENUE	*4*	**16,206,451**	13,638,163
Cost of sales		**(11,956,202)**	(10,091,717)
Gross profit		**4,250,249**	3,546,446
Other income and gains	*4*	**362,900**	130,376
Selling and marketing costs		**(657,499)**	(487,988)
Administrative expenses		**(537,144)**	(342,988)
Other expenses		**(84,164)**	(49,105)
Finance costs	*6*	**(239,857)**	(175,131)
Share of profits and losses of associates and joint ventures		**66,090**	(298)
PROFIT BEFORE TAX	*5*	**3,160,575**	2,621,312
Income tax expense	*7*	**(1,178,176)**	(1,070,244)
PROFIT FOR THE YEAR		**1,982,399**	1,551,068
Attributable to:			
Owners of the Company		**1,955,020**	1,420,590
Non-controlling interests		**27,379**	130,478
		1,982,399	1,551,068
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic		**RMB113 cents**	RMB82 cents
Diluted		**RMB107 cents**	RMB74 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	2016	2015
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**1,982,399**	1,551,068
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(355,367)**	(259,081)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(355,367)**	(259,081)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,627,032**	1,291,987
Attributable to:		
Owners of the Company	**1,599,653**	1,161,509
Non-controlling interests	**27,379**	130,478
	1,627,032	1,291,987

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,241,692**	1,005,291
Prepaid land lease payments		**2,215,923**	1,545,738
Investment properties		**1,598,076**	1,352,680
Goodwill		**47,230**	–
Other intangible assets		**5,836**	–
Interests in joint ventures		**2,331,872**	190,708
Interests in associates		**388,652**	49,471
Available-for-sale investments		**546,558**	82,018
Deferred tax assets		**351,484**	276,951
Prepayments, deposits and other receivables		**1,707,506**	612,531
Total non-current assets		**10,434,829**	5,115,388
CURRENT ASSETS			
Prepaid land lease payments		**268,523**	–
Properties under development		**28,724,551**	20,103,866
Completed properties held for sale		**3,977,431**	3,439,256
Trade receivables	*10*	**2,578,562**	1,977,560
Prepayments, deposits and other receivables		**9,604,119**	5,619,077
Amounts due from joint ventures		**658,593**	207,153
Amounts due from associates		**421,647**	351,610
Tax prepayments		**539,945**	307,145
Restricted bank deposits		**2,958,017**	3,907,868
Cash and cash equivalents		**8,922,727**	4,841,360
Total current assets		**58,654,115**	40,754,895
CURRENT LIABILITIES			
Trade and bills payables	*11*	**3,195,843**	3,714,873
Other payables and accruals		**26,383,573**	14,671,276
Amounts due to joint ventures		**92,337**	–
Interest-bearing bank loans and other borrowings		**1,956,074**	359,114
Tax payable		**1,450,197**	1,239,114
Total current liabilities		**33,078,024**	19,984,377
NET CURRENT ASSETS		**25,576,091**	20,770,518
TOTAL ASSETS LESS CURRENT LIABILITIES		**36,010,920**	25,885,906

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 31 December 2016

	2016 *RMB'000*	2015 *RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**36,010,920**	25,885,906
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**18,532,468**	15,331,068
Convertible bonds	**312,562**	277,931
Deferred tax liabilities	**974,958**	1,018,912
Total non-current liabilities	**19,819,988**	16,627,911
Net assets	**16,190,932**	9,257,995
EQUITY		
Equity attributable to owners of the Company		
Share capital	**135,778**	135,778
Reserves	**8,996,228**	6,963,950
	9,132,006	7,099,728
Non-controlling interests	**7,058,926**	2,158,267
Total equity	**16,190,932**	9,257,995

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. The registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KYI-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, property leasing and property management in the People's Republic of China (the "PRC").

In the opinion of the directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd. ("Asiaciti"), which was incorporated in the British Virgin Islands ("BVI") and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 11 December 2013.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which comprise all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, the embedded financial derivative component of the convertible bonds and certain other payables included in the other payables and accruals, which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]

Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to IAS 40	*Transfers of Investment Property*[2]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[2]
Amendments to IFRS 12 Included in *Annual Improvements 2014–2016 Cycle*	*Disclosure of Interests in Other Entities*[1]
Amendments to IFRS 1 Included in *Annual Improvements 2014–2016 Cycle*	*First-time Adoption of International Financial Reporting Standards*[2]
Amendments to IFRS 28 Included in *Annual Improvements 2014–2016 Cycle*	*Investments in Associates and Joint Ventures*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, except IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

(a)	Property development:	Development and sale of properties
(b)	Property leasing:	Property leasing (including lease of self-owned properties and sublease of leased properties)
(c)	Property management:	Provision of property management services

The property development projects undertaken by the Group during the year were all located in the PRC.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, share of profits and losses of associates and joint ventures, as well as head office and corporate income and expenses are excluded from this measurement.

The Group's revenue from external customers is derived solely from its operations in Mainland China. Except for the Group's certain available-for-sale investments amounting to USD12,000,000 (approximately equivalent to RMB80,444,000) (2015: USD10,000,000 approximately equivalent to RMB62,018,000) and the Company's property, plant and equipment of RMB5,566,000 (2015: RMB4,972,000), the Group's non-current assets are located in Mainland China.

Segment assets exclude interests in joint ventures, interests in associates, available-for-sale investments, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, interest-bearing bank loans and other borrowings, tax payable, convertible bonds, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Segment revenue, segment results and other segment information for the year 2016, and segment assets and liabilities as at 31 December 2016 are presented below:

Year ended 31 December 2016	**Property development**	**Property leasing**	**Property management**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue				
Sales to external customers	**15,620,001**	**298,218**	**288,232**	**16,206,451**
Segment results	**3,184,232**	**154,966**	**43,180**	**3,382,378**
Reconciliation:				
Interest income				**46,835**
Changes in fair value of the derivative component of the convertible bonds				**(4,388)**
Unallocated corporate expenses				**(90,483)**
Finance costs				**(239,857)**
Share of profits and losses of associates and joint ventures				**66,090**
Profit before tax				**3,160,575**
Segment assets	**49,134,196**	**2,736,381**	**92,901**	**51,963,478**
Reconciliation:				
Unallocated assets				**17,125,466**
Total assets				**69,088,944**
Segment liabilities	**28,498,196**	**277,279**	**246,242**	**29,021,717**
Reconciliation:				
Unallocated liabilities				**23,876,295**
Total liabilities				**52,898,012**
Other segment information				
Depreciation	**(35,965)**	**(50,845)**	**(3,203)**	**(90,013)**
Fair value gains on investment properties	**–**	**15,070**	**–**	**15,070**

Segment revenue, segment results and other segment information for the year 2015, and segment assets and liabilities as at 31 December 2015 are presented below:

Year ended 31 December 2015	Property development	Property leasing	Property management	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Sales to external customers	13,225,336	244,625	168,202	13,638,163
Segment results	2,640,665	73,376	12,990	2,727,031
Reconciliation:				
Interest income				19,783
Changes in fair value of the derivative component of the convertible bonds				63,033
Unallocated corporate expenses				(13,106)
Finance costs				(175,131)
Share of profits and losses of associates and joint ventures				(298)
Profit before tax				2,621,312
Segment assets	33,314,330	2,306,931	29,384	35,650,645
Reconciliation:				
Unallocated assets				10,219,638
Total assets				45,870,283
Segment liabilities	17,599,376	273,589	158,885	18,031,850
Reconciliation:				
Unallocated liabilities				18,580,438
Total liabilities				36,612,288
Other segment information				
Depreciation	(25,359)	(49,895)	(3,642)	(78,896)
Fair value gains on investment properties	–	14,250	–	14,250

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the proceeds from the sale of properties, rental income received and receivables and property management fee income, during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2016	2015
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**15,620,001**	13,225,336
Gross rental income from:		
lease of self-owned properties	**59,386**	42,533
sublease of leased properties	**238,832**	202,092
Property management fee income	**288,232**	168,202
	16,206,451	13,638,163
Other income		
Bank interest income	**46,835**	19,783
Others	**46,603**	14,302
	93,438	34,085
Gains, net		
Gain on transfer from properties held for sale to investment properties	**189,522**	–
Fair value gains on investment properties	**15,070**	14,250
Fair value gain on the derivative component of the convertible bonds	**–**	63,033
Gain on disposal of a subsidiary	**–**	12
Foreign exchange gain, net	**64,870**	18,996
	269,462	96,291
	362,900	130,376

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2016	2015
	RMB'000	*RMB'000*
Cost of properties sold	**11,589,682**	9,819,085
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**4,711**	3,459
Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business	**128,427**	124,776
Cost of property management services provided	**233,382**	144,397
Depreciation	**90,013**	78,896
Amortisation of intangible assets	**3,603**	–
Gain on transfer from properties held for sale to investment properties	**(189,522)**	–
Changes in fair value of investment properties	**(15,070)**	(14,250)
Auditor's remuneration	**6,385**	6,178
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**472,279**	336,193
Pension scheme contributions	**18,966**	13,538
Less: Amount capitalised in properties under development	**(208,335)**	(177,369)
	282,910	172,362
Minimum lease payments under operating leases regarding office premises and leased properties for the subleasing business	**96,484**	86,142
Loss on disposal of items of property, plant and equipment	**863**	1,054
Loss on disposal of an associate	**10,242**	–
Foreign exchange gain, net	**(64,870)**	(18,996)
Rental income on investment properties less direct operating expenses of RMB4,711,000 (2015: RMB3,459,000)	**(54,675)**	(39,074)
Changes in fair value of the derivative component of the convertible bonds*	**4,388**	(63,033)

* The changes in fair value of the derivative component of the convertible bonds for the current year are included in "Other expenses" in the consolidated statement of profit or loss.

6. FINANCE COSTS

	2016	2015
	RMB'000	*RMB'000*
Interest expense	**1,665,267**	1,265,819
Less: Interest capitalised	**(1,425,410)**	(1,090,688)
	239,857	175,131

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income arising in Hong Kong during the year.

PRC corporate income tax

The PRC corporate income tax ("CIT") in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for each of the years, based on the existing legislation, interpretations and practices in respect thereof.

Except for Guangzhou Ruixian Landscaping Co., Ltd., other subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax rate of 25% during the year. Corporate income tax for Guangzhou Ruixian Landscaping Co., Ltd., is levied on a deemed basis at a rate of 2.75% of its revenue amount.

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT") (中華人民共和國土地增值稅暫行條例) effective from 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 and buildings in the PRC (being the proceeds from sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land 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.

During the year, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

	2016	2015
	RMB'000	*RMB'000*
Current:		
PRC CIT	**811,089**	719,564
LAT	**487,933**	480,919
Deferred	**(120,846)**	(130,239)
Total tax charge for the year	**1,178,176**	1,070,244

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2016		2015	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**3,160,575**		2,621,312	
Tax at the PRC statutory tax rate	**790,144**	**25.0**	655,328	25.0
Effect of different income tax regimes of certain companies	**31**	**–**	71	–
Income not subject to tax	**(17,362)**	**(0.5)**	(15,788)	(0.6)
Expenses not deductible for tax	**58,516**	**1.8**	42,845	1.6
Provision for LAT	**377,103**	**11.9**	461,888	17.6
Tax effect of LAT	**(94,276)**	**(3.0)**	(115,472)	(4.4)
Tax losses not recognised	**65,460**	**2.1**	41,744	1.6
Tax losses utilised from previous periods	**(10,933)**	**(0.3)**	(2,645)	(0.1)
Profits and losses attributable to associates and joint ventures	**(16,523)**	**(0.5)**	75	–
Withholding taxes on undistributed profits of the subsidiaries in the PRC	**26,016**	**0.8**	2,198	0.1
Tax charge at the Group's effective rate	**1,178,176**	**37.3**	1,070,244	40.8

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,722,960,000 (2015: 1,722,960,000) in issue during the year.

	2016	2015
Profit attributable to ordinary equity holders of the Company (RMB'000)	**1,955,020**	1,420,590
Weighted average number of ordinary shares in issue (in thousand)	**1,722,960**	1,722,960
Basic earnings per share (RMB cents per share)	**113**	82

The diluted earnings per share amount is calculated by adjusting the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. The Company's dilutive potential ordinary shares are derived from the convertible bonds. In calculating the diluted earnings per share, the convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses charged to the consolidated statement of profit or loss and changes in fair value of the derivative component of the convertible bonds less the tax effect, if applicable.

	2016	2015
Profit attributable to ordinary equity holders of the Company (RMB'000)	**1,955,020**	1,420,590
Interest expenses charged to the consolidated statement of profit or loss for the year (RMB'000)	**–**	–
Changes in fair value of the derivative component of the convertible bonds (RMB'000)	**4,388**	(63,033)
Profit used to determine diluted earnings per share (RMB'000)	**1,959,408**	1,357,557
Weighted average number of ordinary shares in issue (in thousand)	**1,722,960**	1,722,960
Assumed conversion of the convertible bonds (in thousand)	**110,857**	110,857
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	**1,833,817**	1,833,817
Diluted earnings per share (RMB cents per share)	**107**	74

9. DIVIDENDS

The proposed 2015 final dividend of RMB15.63 cents per share, totalling RMB269,374,000 was approved by the Company's shareholders at the annual general meeting on 27 May 2016 and was distributed in June 2016.

The board of directors recommended the payment of a final dividend of RMB31.51 cents per share, totalling RMB542,841,757, for the year ended 31 December 2016 (2015: RMB15.63 cents).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. TRADE RECEIVABLES

The Group's trade receivables mainly arise from the sale of properties. Considerations in respect of the properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values due to their short term maturity.

An aged analysis of the trade receivables as at the end of the reporting period is as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**1,550,171**	1,047,645
4 to 6 months	**190,162**	240,718
7 to 12 months	**382,971**	468,548
Over 1 year	**455,258**	220,649
	2,578,562	1,977,560

The balances of the trade receivables as at 31 December 2016 and 2015 were neither past due nor impaired and related to a large number of diversified customers for whom there was no recent history of default.

11. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 1 year	**2,351,123**	3,147,891
Over 1 year	**844,720**	566,982
	3,195,843	3,714,873

The trade and bills payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

The fair values of trade and bills payables at the end of the reporting period approximate to their corresponding carrying amounts due to their relatively short term maturity.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2016 (the "Reporting Period").

1. RESULTS

For the year ended 31 December 2016, the Group recorded revenue of RMB16,206.5 million; profit for the year amounted to RMB1,982.4 million; profit attributable to the owners of the Company amounted to RMB1,955.0 million; basic earnings per share were RMB113 cents; and diluted earnings per share for the year of RMB107 cents, representing an increase of 44.6% as compared with last year. The Board recommended the payment of a final dividend of RMB31.51 cents per share. In 2016, the Group achieved a contracted sales amount of RMB29.33 billion, representing an increase of 50.3% over last year.

2. REVIEW OF YEAR 2016

In 2016, the real estate market set record highs in both trading volume and price. According to the National Bureau of Statistics, the area of commercial properties sold in China reached 1.573 billion sq.m., representing a year-on-year increase of 22.5%, and the transaction volume of commercial properties amounted to RMB11.76 trillion, representing a year-on-year increase of 34.8%. During the year, the real estate sector heated up before getting stabilised. In the first half of the year, the market was heated up with an increase in both trading volume and price; while for the second half of the year, popular Chinese cities rolled out regulatory policies to adjust the market back to a reasonable state.

During the Reporting Period, the urban real estate market transactions were active in the cities under the Group's layout, with a rapid growth. In particular, the growth of the sales of commercial properties in Guangzhou, Foshan, Zhuhai, Huizhou, Qingyuan and Changsha amounted to 44.0%, 52.2%, 89.5%, 76.3%, 59.5% and 51.0%, respectively, which is significantly higher than the national average.

The Group actively grasped market dynamics and adopted proactive sales strategies to drive the steady growth of its results. As at 31 December 2016, the Group's contracted sales amounted to RMB29.33 billion, representing a year-on-year increase of 50.3%.

The Group made new progress in its regional layout and tapped into the markets of Shenzhen, Dongguan and Huizhou, which resulted in a more comprehensive layout for us in Pearl River Delta.

In terms of land reserve, the Group actively expanded its land reserve through various channels, including participation in government public auctions, urban redevelopment projects, primary development, cooperation and company acquisition. The Group acquired a total of 14 new projects with a total planned GFA of 3.44 million sq.m..

Meanwhile, the Group capitalised on its solid foundation in urban redevelopment with years of experience and introduced its "Times • Future Towns" strategy for the urbanisation in an all-round manner. The strategy has been well-received by local governments. Up to the present, the Group has entered into certain framework agreements on town co-development with the local governments of Guangzhou, Foshan, Zhongshan and Dongguan.

In addition, the Group adopted stable and robust financial strategies, and continuously improved its debt structure to reduce financial cost. The Group's net gearing ratio decreased from 77.3% as at 31 December 2015 to 54.7% as at 31 December 2016.

3. OUTLOOK FOR YEAR 2017

Looking into 2017, we expect that the Chinese economy will grow steadily. Industrial policies will remain stable but in a tightening process, with the central government to focus on "control of bubble and prevention of risks" and local governments to implement their own policies based on the growth of inventory, housing and land prices. Monetary policies will be moderately tightened, with the capital leverage tightened for real estate. Throughout the year, market sentiments will gradually return to a stable state, in addition to a greater balance between housing supply and demand in first and second-tier cities, reducing the pressure from price surges, and greater industrial concentration. The Group is of the view that a more rational market benefits the long-term, healthy development of the real estate industry and its businesses. Owing to its large scale and the development of new towns in China, real estate will remain a pillar industry to support the healthy, stable development of national economy.

The Group will continue to establish itself intensively in regions where the Group has established its market presence and actively participate in urban redevelopment, in order to greatly boost the market shares over the regions. We will actively participate in construction of featured small towns so as to facilitate the transformation and upgrade of national industry and share the profits derived from such transformation and upgrade. We will flexibly respond to market changes to procure sales proactively, monitor market risk continuously and strengthen cash flow management.

In addition, the Group will actively develop community services, commercial and creative office zone business on the basis of strengthening the principal business, in order to achieve a balanced growth in scale and profit and to create values for our shareholders, employees and owners.

4. ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend our gratitude to the proprietors, all employees, business partners and investors of Times Property for their support and trust for the past year.

Looking ahead, Times Property will adhere to its mission of "empowering more people to live with a lifestyle they aspire to" and continue to pursue its operational philosophy of "surprising our customers with quality and moving our customers with our services". Meanwhile, we will strive to create more value for our shareholders and provide better products and services to our proprietors.

Shum Chiu Hung
Chairman of the Board, Executive Director and Chief Executive Officer

27 February 2017

BUSINESS REVIEW

Overview

For 2016, the Group's operations recorded a revenue of RMB16,206.5 million, representing an increase of 18.8% when compared with that of 2015. Profit for 2016 amounted to RMB1,982.4 million, representing an increase of 27.8% when compared with 2015. The core net profit for 2016, excluding changes in fair values of investment properties and the derivative component of the convertible bonds, net of the impact of the related deferred tax, increased to RMB1,833.3 million, representing an increase of 24.1% when compared with that of 2015. Profit attributable to the owners of the Company amounted to RMB1,955.0 million, representing an increase of 37.6% as compared to that of 2015. Basic earnings per share and diluted earnings per share for 2016 were RMB113 cents (2015: RMB82 cents) and RMB107 cents (2015: RMB74 cents), respectively.

Property Development

The Group focuses on the major core cities in the Pearl River Delta area. As at 31 December 2016, the Group had in total 54 major projects on various stages, including 53 projects in major cities of Guangdong Province, namely, Guangzhou, Shenzhen, Foshan, Dongguan, Huizhou, Zhuhai, Zhongshan and Qingyuan, and 1 project in Changsha, Hunan Province. For 2016, with its outstanding operating capability and high quality projects situated in prime locations, the Group still managed to accomplish expected contracted sales for the year. For 2016, the Group's contracted sales[1] amounted to approximately RMB29.33 billion with total GFA of approximately 2,473,000 sq.m.. The Group focuses in its projects on peripheral facilities, seeking to enhance customers' experience in art and to fulfill needs of the middle to upper class households.

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for 2016:

Region	**Available for sale project numbers**	**Contracted sales area** *(sq.m.)*	**Contracted sales amount** *(RMB million)*	**Percentage of total** *(%)*
Guangzhou	11	531,000	8,150	27.8
Foshan	10	799,000	10,546	35.9
Zhuhai	6	527,000	6,736	23.0
Zhongshan	3	34,000	286	1.0
Qingyuan	2	266,000	1,670	5.7
Changsha	1	316,000	1,940	6.6
Total	33	2,473,000	29,328	100.0

The contracted sales target for 2017 is expected to be of approximately RMB32.5 billion.

Properties for Leasing and Sub-leasing

As at 31 December 2016, the Group held a GFA of approximately 29,961 sq.m. and 244 car parking spaces at Times Property Center for rental purposes and the GFA for Guangzhou Times Commercial Management Co., Ltd. ("Guangzhou Zhide", original name as Guangzhou Zhide Commercial Management Co., Ltd.) and its subsidiary for sub-leasing purposes was approximately 278,438 sq.m.. For 2016, the Group's rental income amounted to RMB298.2 million, contributing to 1.8% of the total turnover.

Property Management Services

Property management fee income represents revenue generated from property management services provided in relation to delivered properties. For 2016, the Group provided property management services for 72 project phases. The Group's revenue from property management services increased from RMB168.2 million for 2015 to RMB288.2 million for 2016. This increase was primarily due to the increase in the number of project phases that the Group managed with the delivery of the properties we made in 2016.

Land Reserves

As at 31 December 2016, the Group had total land reserves of approximately 13.1 million sq.m., which the Group believes will be sufficient to support the Group's development need for the next three to five years. The table below sets forth the information of land reserves in major cities that the Group has established footholds:

Region	**Total land reserves**	
	(sq.m.)	*(%)*
Guangzhou	2,223,575	17.0
Foshan	2,417,543	18.5
Zhuhai	1,554,410	12.0
Zhongshan	547,368	4.2
Qingyuan	3,565,430	27.3
Changsha	1,623,830	12.4
Dongguan	500,185	3.8
Huizhou	632,118	4.8
Total	13,064,459	100.0

The following table sets forth the GFA breakdown of the Group's land reserves by planned use as at 31 December 2016:

Planned Use	**Total land reserves**	
	(sq.m.)	*(%)*
Residential	9,718,310	74.4
Commercial	669,461	5.1
Others *(Note)*	2,676,688	20.5
Total	13,064,459	100

Note: Others mainly comprises car parks and ancillary facilities.

PORTFOLIO OF PROPERTY DEVELOPMENT PROJECTS

The table below is a summary of the portfolio of property development projects as at 31 December 2016[1].

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale[2][4]	Completed Other GFA[3]	Under development/ future development GFA[4]	Under development/ future development Other GFA[3]	Ownership interest[5]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	8,126	49,039	–	–	99
Ocean Times	Residential and commercial	2011-2015	354,156	24,451	61,693	–	–	100
Times Peanut II	Residential and commercial	2014	32,891	–	19,308	–	–	100
Times King City (Guangzhou)	Residential and commercial	2014-2015	60,238	–	36,218	–	–	100
Guangzhou Tianhe Project (Pige Factory Project)	Industrial[6]	Pending	–	–	–	–	–	51
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial[7]	Pending	–	–	–	–	–	42
Guangzhou Wuyang Paint Factory Project	Apartment and commercial	2015	17,480	634	1,836	–	–	50

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale[2][4]	Completed Other GFA[3]	Under development/ future development GFA[4]	Under development/ future development Other GFA[3]	Ownership interest[5]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	–	–	–	48,777	100
Time Bridges (Zengcheng)	Residential and commercial	2017	93,756	–	–	211,519	101,908	100
Luogang Kaiyuan Road Project	Residential and commercial	2017	70,648	–	–	200,213	76,798	51
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	–	–	143,323	76,876	60
Guangzhou Huadu Jinghu Avenue Project (Times Cloud Port)	Residential and commercial	2018	29,959	–	–	85,661	24,151	100
Guangzhou Panyu Shiqiao Project (Time Park Laurel)	Residential and commercial	2018	45,537	–	–	160,825	57,285	60
Zengjiang Project (Zengcheng)	Residential and commercial	2018	64,374	–	–	158,310	79,372	60
Huangpu Chemical	Commercial	2019	18,279	–	–	82,256	–	49
B2-2 land parcel, Sino-Singapore Knowledge City	Residential	2018-2019	61,145	–	–	141,030	51,432	45
B2-1 land parcel, Sino-Singapore Knowledge City	Residential	2018-2019	103,890	3,066	–	232,304	87,164	45
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	–	24,263	158,558	55,625	100
Times City (Phase I to VI)	Residential and commercial	2010-2017	505,776	–	112,322	76,177	65,185	100

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale[(2)(4)]	Completed Other GFA[(3)]	Under development/ future development GFA[(4)]	Under development/ future development Other GFA[(3)]	Ownership interest[(5)]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Foshan Stainless Steel Factory Project	Residential and commercial	2016	12,860	–	8,644	–	–	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	–	33,186	–	–	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	–	355	–	–	100
Foshan Denghu Project	Residential and commercial	2017	20,464	–	–	61,635	25,167	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	–	1,923	–	9,007	100
Times Riverbank (Michong Project)	Residential and commercial	2017	64,697	–	–	253,779	74,934	51
Times Xianghai Shore (Foshan) (North of Lujing Road East Project)	Residential and commercial	2017	51,457	–	–	183,041	48,055	60
Times Fame (Haisan Road Project)	Residential and commercial	2018	35,383	–	–	92,987	28,185	55
Times Riverbank Phase II (Michong Project 2)	Residential and commercial	2019	111,658	–	–	447,966	108,802	75
Sanshui Baiyingda Project	Residential and commercial	2018-2019	105,553	–	–	333,211	79,917	100
Lishui New Project	Residential and commercial	2019	40,794	–	–	134,619	–	100

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale[2][4]	Completed Other GFA[3]	Under development/ future development GFA[4]	Under development/ future development Other GFA[3]	Ownership interest[5]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Zhuhai								
Zhuhai Jingrun Project	Residential and commercial	2013-2014	51,003	–	4,693	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	9,859	–	–	100
Phase I of Times King City (Zhuhai)	Residential and commercial	2015	52,950	–	5,354	–	–	100
Phase II, III and IV of Times King City (Zhuhai)	Residential and commercial	2016-2017	198,204	–	62,935	107,641	24,797	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	20,472	200,906	32,998	100
Baoli Xiangbin Huayuan Project (Jinwan Airport City Project)	Residential and commercial	2018	77,206	–	–	193,016	54,913	49
Zhuhai Baisheng	Industrial[8]	Pending	100,331	–	–	–	–	100
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018-2019	85,363	–	–	217,951	49,318	63
Zhuhai Qingwan Lakeside Project (Zhuhai Jinwan New Project)	Residential and commercial	2018	53,963	–	–	115,180	27,676	60
Zhuhai Hongqiao Project Phase V of Times King City (Zhuhai)	Residential and commercial	2018	17,791	–	–	38,888	14,660	100
Shizimen Project (Zhuhai)	Residential and commercial	2019	60,138	–	–	260,224	72,929	25
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2019	20,000	–	–	40,000	–	100

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale[(2)(4)]	Completed Other GFA[(3)]	Under development/ future development GFA[(4)]	Under development/ future development Other GFA[(3)]	Ownership interest[(5)]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	48,172	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)[(9)]	Residential and commercial	2019	125,065	–	–	355,392	143,237	69
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	–	69,986	654,508	160,210	100
Phase I of Times Garden (Qingyuan)	Residential and commercial	2016	70,650	–	44,418	–	–	100
Phase II of Times Garden (Qingyuan)	Residential and commercial	2019	84,440	–	–	236,431	–	100
Fogang Shilian Project	Residential and commercial	Pending	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	Pending	477,020	–	–	943,010	–	100
Jiada Feilai Lake (嘉達飛來湖)	Residential and commercial	2019	91,127	–	–	322,225	–	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2021	495,917	60	49,579	1,368,670	205,521	100

Project	Project type	Actual/expected completion dates	Site area	Completed GFA for sale(2)(4)	Completed Other GFA(3)	Under development/ future development GFA(4)	Under development/ future development Other GFA(3)	Ownership interest(5)
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Dongguan								
Dongguan Hengli Project	Residential and commercial	2018	55,792	–	–	160,966	24,988	52
Dongguan Shipai Project	Residential and commercial	2018	79,190	–	–	147,649	37,561	55
Dongguan Chashan Project	Residential and commercial	2018	42,519	–	–	108,499	20,522	100
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2018-2022	284,414	–	–	632,118	–	49
			6,069,996	36,337	664,822	10,351,434	2,011,866	

Notes:

(1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but have not obtained the requisite construction permits or (ii) the Group has signed a land grant contract with the relevant government authority, but have not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.

(2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.

(3) "Other GFA" mainly comprises car parks and ancillary facilities.

(4) "GFA for sale" and "GFA under development and GFA held for future development" are derived from the Group's internal records and estimates.

(5) "Ownership interest" is based on the Group's effective ownership interest in the respective project companies.

(6) The Group is in the process of applying for the conversion of the land use for Guangzhou Tianhe Project from industrial use to residential and commercial use.

(7) The Group is in the process of applying for the conversion of the land use for Guangzhou Tiansi Project from industrial use to residential and commercial use.

(8) The Group is in the process of applying for the conversion of the land use for Zhuhai Baisheng to residential and commercial use.

(9) The Group is in the process of acquiring the property. As of 31 December 2016, the acquisition of the property has not been completed.

Acquisitions of Land Parcels during the year 2016

The Group continued to expand its land reserves through various channels, including participations in government public auctions, urban redevelopment projects, primary development, cooperation, and through acquisition of project companies.

For 2016, the Group acquired 14 parcels of land in Guangzhou, Foshan, Zhuhai, Zhongshan, Dongguan, Qingyuan and Huizhou, the land acquisition costs amounted to a total of approximately RMB18,452 million.

Location (City) of Projects	Number of projects	Site area	Expected total GFA	Total land costs
		(sq.m.)	*(sq.m.)*	*(RMB million)*
Guangzhou	4	325,015	802,477	2,904
Foshan	2	152,452	553,336	8,089
Zhuhai	2	80,138	298,593	1,882
Zhongshan	1	125,065	498,628	813
Dongguan	3	177,501	416,215	3,661
Qingyuan	1	84,440	236,431	216
Huizhou	1	284,414	632,118	887
Total	**14**	**1,229,025**	**3,437,798**	**18,452**

Market Review

During the Reporting Period, the sales of commercial properties surged to a new record high across the country, the area of commercial properties sold in China reached 1.573 billion sq.m., representing a year-on-year increase of 22.5%, and the transaction volume of commercial properties amounted to RMB11.76 trillion, representing a year-on-year increase of 34.8%. In particular, the area of commercial residential properties sold amounted to 1.37 billion sq.m., accounting for 87.4% of the area of commercial properties sold and representing a year-on-year increase of 22.4%; the sales of commercial residential properties amounted to RMB9.9 trillion, accounting for 84.2% of the sales of commercial properties and representing a year-on-year increase of 36.1% (source: National Bureau of Statistics). During the first half of 2016, against a generally lax backdrop of destocking, some cities saw a swift growth in both the quantity and price of housing, causing the appearance of over-heatedness. Based on its principle of "categorized regulation and localized policies", the government rolled out a raft of regulatory policies, together with an emphasis on regulating the market order. Such policies aim at bringing the real estate industry back to a rational and more regulated state, so that the industry can achieve long-term and sustainable development.

Outlook

Looking into 2017, we expect that industrial policies will sustain the central government's focus on "control of bubble and prevention of risks", that monetary policies will remain moderately tightened, and that market sentiments throughout the year will gradually return to a rational state. The Group will remain active in sales and flexible in responding to market changes.

The Group will continue to establish itself intensively in regions where the Group has established its market presence and actively participate in urban redevelopment, in order to greatly boost the market shares over the regions. At the same time, we will actively participate in construction of featured small towns so as to facilitate the transformation and upgrade of national industry and share the profits derived from the transformation and upgrade. In order to have flexible response to market changes, the Group will procure sales proactively, monitor market risk continuously and strengthen cash flow management.

In addition, the Group will actively develop community services, commercial and creative office zone business on the basis of strengthening the principal business, in order to achieve a balanced growth in scale and profit and to create value for our shareholders, employees and owners and contributing to the development of economy in China.

Financial Review

Revenue

The Group's revenue is primarily generated from property development, property leasing and sub-leasing and property management services, which contributed about 96.4%, 1.8% and 1.8% respectively of the revenue of 2016. The Group's revenue increased by RMB2,568.3 million, or 18.8%, to RMB16,206.5 million for 2016 from RMB13,638.2 million for 2015. This increase was primarily attributable to the increase in revenue from the sale of properties.

The table below sets forth the Group's revenue by operating segments as indicated:

	Year 2016		Year 2015	
	RMB in millions	***(%)***	*RMB in millions*	*(%)*
Sale of properties	**15,620.1**	**96.4**	13,225.4	97.0
Rental income	**298.2**	**1.8**	244.6	1.8
Management fee income	**288.2**	**1.8**	168.2	1.2
	16,206.5	**100.0**	13,638.2	100.0

Property development

The Group's revenue from sales of properties increased by RMB2,394.7 million, or 18.1%, to RMB15,620.1 million for 2016 from RMB13,225.4 million for 2015. The increase was primarily due to the increase in total GFA delivered from approximately 1,492,459 sq.m. for 2015 to approximately 1,936,653 sq.m. for 2016. The projects that contributed substantially to the Group's revenue for 2016 mainly include Times Bund, Times Cloud Atlas (Guangzhou) and Times King City (Zhuhai), etc.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB53.6 million, or 21.9%, to RMB298.2 million for 2016 from RMB244.6 million for 2015. The increase was primarily due to the increase in the rental income and occupancy rate for the year.

Property management services

The Group's revenue from property management services increased by RMB120.0 million, or 71.3%, to RMB288.2 million for 2016 from RMB168.2 million for 2015. The increase was primarily attributable to the increase in the number of project phases and area that the Group managed.

Cost of sales

The Group's cost of sales increased by RMB1,864.5 million, or 18.5%, to RMB11,956.2 million for 2016 from RMB10,091.7 million for 2015. The increase was primarily attributable to increase in the total GFA of properties delivered as compared with last year, which led to the increase in the cost of property sales.

Gross profit and gross profit margin

The Group's gross profit increased by RMB703.8 million, or 19.8%, to RMB4,250.2 million for 2016 from RMB3,546.4 million for 2015. For 2016, the Group's gross profit margin increased to 26.2% from 26.0% for 2015. The increase was primarily due to the increase in recognised income from products with higher gross profit margin as compared with the corresponding period in 2015.

Other income and gains

The Group's other income and gains increased to RMB362.9 million for 2016 from RMB130.4 million for 2015 which is primarily due to the increase in fair value gains on investment properties and bank interest income.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB169.5 million, or 34.7%, from RMB488.0 million as of 31 December 2015 to RMB657.5 million as of 31 December 2016. The increase was mainly to increase in scale of sales.

Administrative expenses

The Group's administrative expenses increased by RMB194.1 million, or 56.6%, to RMB537.1 million for 2016 from RMB343.0 million for 2015, which was primarily due to the increase in the number of senior talents, middle and senior level personnel hired by the Company.

Other expenses

The Group's other expenses increased by RMB35.1 million, or 71.5%, to RMB84.2 million for 2016 from RMB49.1 million for 2015. The increase was primarily due to an increase in donation.

Finance costs

The Group's finance costs increased by RMB64.8 million, or 37.0%, to RMB239.9 million for 2016 from RMB175.1 million for 2015. The increase was primarily due to an increase in the facilities in relation to the Group's land acquisitions and expansion of property developments.

Income tax expenses

The Group's income tax expenses increased by RMB108.0 million, or 10.1%, to RMB1,178.2 million for 2016 from RMB1,070.2 million for 2015. The increase was primarily attributable to the increase in the Group's taxable profit and income in 2016.

Profit for the year

The Company's profit for the year increased by RMB431.3 million, or 27.8%, to RMB1,982.4 million as of 31 December 2016 from RMB1,551.1 million as of 31 December 2015. Basic earnings per share and diluted earnings per share for 2016 were RMB113 cents (2015: RMB82 cents) and RMB107 cents (2015: RMB74 cents) respectively.

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company increased by RMB534.4 million, or 37.6%, to RMB1,955.0 million for the year ended 31 December 2016 from RMB1,420.6 million for the year ended 31 December 2015.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2016, the carrying balance of the Group's cash and bank deposits was approximately RMB11,880.7 million (31 December 2015: RMB8,749.2 million), representing an increase of 35.8% when compared with that of 31 December 2015. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. The remaining restricted deposits were primarily time deposits. As at 31 December 2016, the Group's restricted bank deposits was RMB2,958.0 million (31 December 2015: RMB3,907.9 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing borrowings (excluding convertible bonds) of approximately RMB20,488.5 million as at 31 December 2016. Borrowings that are due within one year increased from RMB359.1 million as at 31 December 2015 to RMB1,956.1 million as at 31 December 2016, and approximately RMB18,259.4 million of borrowings are due within two to five years and approximately RMB273.0 million of borrowings are due in over five years. As at 31 December 2016, the Group's outstanding loans were secured by certain of its property, plant and equipment, completed properties held for sale and properties under development, investment properties and prepaid land lease payments with carrying values of approximately RMB476.7 million, RMB3,950.9 million, RMB1,598.1 million and RMB17.9 million, respectively.

Details of the equity or debt securities issued by the Company and/or its subsidiaries are set out below:

(a) RMB7.88% Non-Public Domestic Corporate Bonds due 2019

On 18 January 2016, 廣州市時代地產集團有限公司 (Guangzhou Times Property Group Co., Ltd.*) ("Guangzhou Times") issued 7.88% non-public domestic corporate bonds due 2019 in a principal amount of RMB3,000,000,000 at 100% of the principal amount of such bonds, with the option to redeem by Guangzhou Times at the end of the second year. RMB7.88% non-public domestic corporate bonds due 2019 are listed on the Shenzhen Stock Exchange and bear interest from and including 18 January 2016 at the rate of 7.88% per annum, payable annually in arrears.

(b) RMB7.85% Non-Public Domestic Corporate Bonds due 2018

On 26 October 2015, Guangzhou Times issued 7.85% non-public domestic corporate bonds due 2018 in a principal amount of RMB3,000,000,000 at 100% of the principal amount of such bonds. RMB7.85% non-public domestic corporate bonds due 2018 are listed on the Shanghai Stock Exchange and bear interest from and including 26 October 2015 at the rate of 7.85% per annum, payable annually in arrears.

(c) RMB6.75% Public Domestic Corporate Bonds due 2020

On 15 July 2015, Guangzhou Times issued 6.75% public domestic corporate bonds due 2020 in a principal amount of RMB2,000,000,000 at 100% of the principal amount of such bonds. Guangzhou Times shall be entitled to increase the coupon rate after the end of the third year and the investors shall be entitled to sell back the bonds. 6.75% public domestic corporate bonds due 2020 are listed on the Shanghai Stock Exchange and bear interest from and including 15 July 2015 at the rate of 6.75% per annum, payable annually in arrears.

(d) USD 11.45% Senior Notes due 2020

On 5 March 2015, the Company issued 11.45% senior notes due 2020 (the "USD 11.45% Senior Notes due 2020") in a principal amount of USD280,000,000 (approximately equivalent to RMB1,722,784,000) at 99.35% of the principal amount of such notes. USD 11.45% Senior Notes due 2020 are listed on the SEHK and bear interest from and including 5 March 2015 at the rate of 11.45% per annum, payable semi-annually in arrears.

(e) RMB10.375% Senior Notes due 2017

On 16 July 2014, the Company issued 10.375% senior notes due 2017 (the "Senior Notes July 2014") in a principal amount of RMB900,000,000 at 100% of the principal amount of such notes. On 14 October 2014, the Company issued additional 10.375% senior notes due 2017 in a principal amount of RMB600,000,000 at 100.125% of the principal amount of such notes (the "Senior Notes October 2014"). Senior Notes July 2014 and Senior Notes October 2014 were consolidated and formed a single series which are referred to as the "RMB10.375% Senior Notes due 2017". The RMB10.375% Senior Notes due 2017 are listed on the SEHK and bear interest from and including 16 July 2014 at the rate of 10.375% per annum, payable semi-annually in arrears.

(f) Convertible Bonds

On 7 July 2014, the Company entered into a subscription agreement with Schiavona Investment Holdings Ltd., pursuant to which the Company has conditionally agreed to issue convertible bonds in an aggregate principal amount of HKD388,000,000 due 2019 (approximately equivalent to RMB308,369,000) (the "Bonds") at the price of 100% of their principal amount. The Bonds bear interest at the rate of 8% per annum and payable quarterly in arrears. Subject to the terms of the Bonds, the bondholders have the right to convert their Bonds into shares (the "New Shares") to be allotted and issued by the Company upon conversion of the Bonds at any time during the conversion period. The Bonds are jointly and severally guaranteed by certain subsidiaries of the Group. The Company intended to use the net proceeds for refinancing, redemption or other repayment of existing financial indebtedness. The initial conversion price is HKD3.50, representing a premium of approximately 12.9% of the closing price of HKD3.10 per share as quoted on the SEHK on 7 July 2014. Based on the initial conversion price of HKD3.50 and assuming full conversion of the Bonds at the initial conversion price, the Bonds will be convertible into 110,857,142 New Shares, with the aggregate nominal value of HKD11,085,714.2, representing approximately 6.05% of the ordinary share capital of the Company, as enlarged by the issue of New Shares. On 25 July 2014, the Company issued the Bonds when all of the conditions precedent under the subscription agreement were satisfied.

(g) USD 12.625% Senior Notes due 2019

On 21 March 2014, the Company issued 12.625% senior notes due 2019 in a principal amount of USD225,000,000 (approximately equivalent to RMB1,383,188,000) at 99.278% of the principal amount of such notes (the "Senior Notes March 2014"). On 2 May 2014, the Company issued additional 12.625% senior notes due 2019 in a principal amount of USD80,000,000 (approximately equivalent to RMB492,640,000) at 100.125% of the principal amount of such notes (the "Senior Notes May 2014"). The Senior Notes March 2014 and the Senior Notes May 2014 were consolidated to form a single series which are referred to as the "USD 12.625% Senior Notes due 2019". The USD 12.625% Senior Notes due 2019 are listed on the SEHK and bear interest from and including 21 March 2014 at the rate of 12.625% per annum, payable semi-annually in arrears.

Financial guarantee

As at 31 December 2016, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB18,098.3 million (31 December 2015: approximately RMB11,819.0 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any additional amount outstanding from the Group as the guarantor of the mortgage loans. In line with industry practices, the Group do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in Renminbi. The Group will closely monitor the fluctuations of the Renminbi exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2016, the Group has not engaged in hedging activities for managing foreign exchange rate risk.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

(a) On 15 April 2016, Guangzhou Times Zichen Investment Co., Ltd.,* a wholly-owned subsidiary of the Company, acquired 49% equity interests in Guangzhou Huangpu Chemical Co., Ltd.* ("Guangzhou Huangpu") at a consideration of approximately RMB381.3 million. Guangzhou Huangpu holds the entire interests in a parcel of land located in Huangpu East Road, Huangpu District in Guangzhou and the land and port facilities located in Huangpu District in Guangzhou. The construction of the project with the site area of 18,279 sq.m. for commercial use (or a gross floor area of 82,256 sq.m. measured based on plot ratio) have been commenced as at the date of this announcement. The Directors are reasonably optimistic about the prospects of such investment in view of the prospects of the property market in the first-tier cities in the Mainland China as set forth in the section headed "Business Review – Prospect and Strategy" in this announcement.

(b) On 24 June 2016, Guangzhou Times Shichuang Real Estate Development Company Limited* ("Guangzhou Shichuang"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Duxton Investment And Development Pte. Ltd., an independent third party to the Group, to acquire a 75% equity interest of Guangzhou Xingsheng Real Estate Development Company Limited* ("Guangzhou Xingsheng") with a cash consideration of RMB383,000,000. The relevant equity transfer registration arrangement was completed in July 2016, and Guangzhou Xingsheng became a joint venture of the Group. For more details of this acquisition, please refer to the related announcement of the Company dated 24 June 2016.

(c) On 30 June 2016, Guangzhou Shichuang entered into an equity transfer agreement with Optima Investment & Development Pte. Ltd., an independent third party to the Group, to acquire a 75% equity interest of Tianyun (Guangzhou) Real Estate Development Company Limited* ("Tianyun (Guangzhou)") with a cash consideration of RMB880,000,000. The relevant equity transfer registration arrangement was completed in July 2016, and Tianyun (Guangzhou) became a joint venture of the Group. For more details of this acquisition, please refer to the related announcement of the Company dated 30 June 2016.

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

The Group has the following material subsequent events:

(a) On 16 January 2017, Foshan Times Hongtai Investment Co., Ltd* ("Foshan Hongtai"), a wholly-owned subsidiary of the Company, acquired a parcel of land located at Nanhai district, Foshan City, Guangdong Province, the PRC, through public bidding. The consideration of the land is RMB3,137,000,000, of which Foshan Hongtai paid RMB159,160,000 as of the day of approval of this announcement.

(b) On 23 January 2017, the Company issued 6.250% senior notes due 2020 in a principal amount of USD375,000,000 (approximately equivalent to RMB2,571,450,000) at 100% of the principal amount of such notes (the "USD 6.250% Senior Notes due 2020"). The USD 6.250% Senior Notes due 2020 are listed on the SEHK and bear interest from and including 23 January 2017 at the rate of 6.250% per annum, payable semi-annually in arrears. The Company has received net proceeds of RMB2,526,976,000 as of the day of approval of this announcement. For further details on the USD 6.250% Senior Notes due 2020, please refer to the related announcement of the Company dated 17 January 2017.

(c) On 17 February 2017, the Company announced that it will redeem the outstanding USD 12.625% Senior Notes due 2019 in full on 21 March 2017 (the "Redemption Date") at a redemption price equal to 106.313% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Redemption Date. Please refer to the announcement of the Company dated 17 February 2017.

(d) On 23 February 2017, Foshan Hongtai, a wholly-owned subsidiary of the Company, acquired a parcel of land located at Shanshui district, Foshan City, Guangdong Province, the PRC, through public bidding. The consideration of the land is RMB1,779,900,000, of which Foshan Hongtai has paid RMB148,400,000 as of the day of approval of this announcement.

Employees and remuneration policy

As at 31 December 2016, the Group had 6,016 employees (31 December 2015: 4,219 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the share option scheme on 19 November 2013 as incentives or rewards for the employees' contributions to the Group. Further information of the share option scheme will be available in the Company's annual report for the year ended 31 December 2016. Employee benefit expenses of the Group (excluding Directors' remuneration) amounted to approximately RMB491.2 million for the year ended 31 December 2016 (2015: RMB349.7 million).

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HKD1,477.4 million, which shall be applied in compliance with the intended use of proceeds set out in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 29 November 2013 (the "Prospectus"), of which, approximately 33.3% of the net proceeds were utilised for settling part of the outstanding installments under the Restructuring Deed (as defined in the Prospectus) and approximately 55.1% of the net proceeds were utilised for financing new and existing projects, including the land acquisition and construction costs of potential development projects.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB31.51 cents per share for the year ended 31 December 2016 (2015: RMB15.63 cents) to the shareholders of the Company (the "Shareholders"). The final dividend, if approved, will be payable on or around 3 July 2017 and is subject to the approval of the Shareholders at the annual general meeting to be held on 26 May 2017 (the "AGM").

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars ("HKD"). The final dividend payable in HKD will be converted from RMB at the middle exchange rate of HKD against RMB announced by the People's Bank of China on 26 May 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 May 2017 (Wednesday) to 26 May 2017 (Friday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 23 May 2017 (Tuesday).

The record date for qualifying to receive the proposed final dividend is 6 June 2017 (Tuesday). In order to determine the right of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from 2 June 2017 (Friday) to 6 June 2017 (Tuesday), both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 1 June 2017 (Thursday).

CORPORATE GOVERNANCE PRACTICES

The Group are committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2016.

The code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors had regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective internal control system in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code on Conduct Regarding Directors' Securities Transactions

The Company has also adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code for the year ended 31 December 2016.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the annual report and the audited consolidated annual results of the Group for the year ended 31 December 2016 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended 31 December 2016.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITORS

The figures in respect of the Group's results for the year ended 31 December 2016 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young, Certified Public Accountants of Hong Kong ("Ernst & Young") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement of results.

ANNUAL GENERAL MEETING

The AGM of the Company for the year ended 31 December 2016 is scheduled to be held on 26 May 2017 (Friday). A notice convening the AGM will be issued and disseminated to the Shareholders in due course.

PUBLICATION OF THE ANNUAL RESULTS AND 2016 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Company (http://www.timesgroup.cn), and the 2016 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times Property Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 27 February 2017

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui, and Mr. Wong Wai Man.

* *For identification purpose only*