新城发展
FUTURE HOLDINGS

Future Land Development Holdings Limited
新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

ANNUAL RESULTS HIGHLIGHTS

- Achieved contracted sales* of RMB31,928.6 million with corresponding GFA of approximately 3,460,000 sq.m., representing an increase of 30.3% and 25.0%, respectively;
- Total recognised revenue increased by 15.0% to RMB23,835.9 million;
- Rental, property management fees and other revenue increased by 71.7% to RMB863.1 million;
- Gross profit increased by 25.4% to RMB4,856.2 million;
- Gross profit margin increased from 18.7% to 20.4%;
- Net profit for the year was RMB1,856.2 million;
- Core earnings** was RMB1,496.7 million, of which RMB723.8 million was attributable to equity holders of the Company;
- Total cash in bank and at hand*** amounted to RMB7,762.5 million;
- Total cash in bank and at hand to short-term borrowings ratio was 2.0;
- Weighted average interest rate as at year end decreased from 7.7% to 7.2%; and
- The Board recommended a final dividend of RMB0.05 per share.

* *Contracted sales include contracted sales of RMB2,643 million and contracted sales area of 194,000 square metres (“**sq.m.**”) of the Group’s joint ventures and associates’ projects on a 100% basis.*

** *Core earnings equal to net profit less after-tax fair value gains on investment properties including those recorded in other gains, and exclude unrealized foreign exchange gains or losses relating to borrowings.*

*** *Including restricted cash.*

The board (the "**Board**") of directors (the "**Directors**") of Future Land Development Holdings Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2015 together with the comparative figures for the year 2014 as follows:

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2015

	Note	Year ended 31 December	
		2015	2014
		RMB'000	*RMB'000*
Revenue	8	**23,835,889**	20,718,670
Cost of sales	9	**(18,979,683)**	(16,844,627)
Gross profit		**4,856,206**	3,874,043
Fair value gains on investment properties		**815,106**	365,994
Selling and marketing costs	9	**(828,126)**	(613,387)
Administrative expenses	9	**(1,035,500)**	(701,787)
Other income		**18,669**	36,903
Other expenses		**(3,885)**	(2,405)
Other gains – net		**14,153**	105,627
Operating profit		**3,836,623**	3,064,988
Finance income	10	**136,133**	117,008
Finance costs	10	**(650,707)**	(252,802)
Finance costs – net		**(514,574)**	(135,794)
Share of results of associates		**103,810**	2,849
Share of results of joint ventures		**(61,905)**	(10,195)
Profit before income tax		**3,363,954**	2,921,848
Income tax expense	11	**(1,507,717)**	(1,242,561)
Profit for the year		**1,856,237**	1,679,287
Attributable to:			
Equity holders of the Company		**1,030,890**	1,025,721
Non-controlling interests		**825,347**	653,566
		1,856,237	1,679,287
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	12	**RMB0.18**	RMB0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**1,856,237**	1,679,287
Other comprehensive (loss)/income, which may be reclassified subsequently to profit or loss		
Change in fair value of available-for-sale financial assets		
– gross amount	**(13,000)**	27,000
– deferred tax	**3,250**	(6,750)
	(9,750)	20,250
Total comprehensive income for the year	**1,846,487**	1,699,537
Attributable to:		
Equity holders of the Company	**1,024,509**	1,037,149
Non-controlling interests	**821,978**	662,388
	1,846,487	1,699,537

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	As at 31 December **2015** *RMB'000*	2014 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**2,261,413**	741,152
Investment properties		**10,854,000**	5,936,000
Intangible assets		**36,310**	17,574
Investments in associates		**300,127**	146,317
Investments in joint ventures		**2,019,775**	861,055
Deferred income tax assets		**579,813**	499,175
Available-for-sale financial assets		**337,702**	287,385
Land use rights		**431,589**	397,659
Other receivables and prepayments	*4*	**169,467**	976,544
		16,990,196	9,862,861
Current assets			
Prepayments for leasehold land		**6,799,095**	3,263,529
Properties held or under development for sale		**32,739,898**	29,862,468
Trade and other receivables and prepayments	*4*	**6,527,190**	3,216,397
Restricted cash		**1,283,653**	2,618,559
Cash and cash equivalents		**6,478,861**	4,817,907
		53,828,697	43,778,860
Total assets		**70,818,893**	53,641,721
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	*5*	**4,609**	4,617
Reserves		**8,165,760**	7,639,363
		8,170,369	7,643,980
Non-controlling interests		**5,292,979**	4,707,042
Total equity		**13,463,348**	12,351,022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 December 2015

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	6	**15,004,889**	10,555,452
Deferred income tax liabilities		**754,670**	686,260
		15,759,559	11,241,712
Current liabilities			
Trade and other payables	7	**20,008,074**	12,023,131
Advances from pre-sale of properties		**15,928,660**	13,164,015
Current income tax liabilities		**1,682,585**	1,484,495
Borrowings	6	**3,975,575**	3,376,189
Dividends payable		**1,092**	1,157
		41,595,986	30,048,987
Total liabilities		**57,355,545**	41,290,699
Total equity and liabilities		**70,818,893**	53,641,721

NOTES:

1. GENERAL INFORMATION

Future Land Development Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "**Group**") are property development and property investment in the People's Republic of China (the "**PRC**"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("**Wealth Zone Hong Kong**") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("**Mr. Wang**" or the "**Controlling Shareholder**").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 29 November 2012 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2015 but are extracted from those financial statements.

2. BASIS OF PREPARATION

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

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

(i) New amendments of HKFRSs adopted by the Group in 2015

The following new amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2015 and are relevant to the Group's operations.

- Amendment to HKAS 19 "Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 1 July 2014). The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

- Amendments from annual improvements 2010-2012 cycle, affecting the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets" (effective for annual periods beginning on or after 1 July 2014).

- Amendments from annual improvements 2011-2013 cycle, affecting the following 3 standards: HKFRS 3 "Business Combinations'', HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property'' (effective for annual periods beginning on or after 1 July 2014).

The adoption of the above new amendments starting from 1 January 2015 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2015.

The Group has not early adopted any new accounting and financial reporting standards or amendments to existing standards which have been issued but are not yet effective for the year ended 31 December 2015. The Group is in the process of making an assessment on the impact of these new standards and amendments and does not anticipate that the adoptions when they become effective will result in any material impact on the Group's results of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018) which the Group is not yet in a position to conclude.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "**CODM**") that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

Following the restructure of certain businesses within the Group and Jiangsu Future Land Co., Ltd. (the "**former B Share company**") became wholly-owned by its parent Future Land Holdings Co., Ltd. (the "**A Share company**") through share swap during the year, the previous presentation of segment information based on former B Share company and Non-B Share companies is no longer considered appropriate. The new reporting segments are as follows:

- Future Land Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the "**A share company**").

- Property management and other service companies not within the A share company (the "**Non-A share companies**").

The two new operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments. Comparative segment information has been restated.

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in property management and other services including certain newly established businesses which are at state-up stage. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

	Year ended 31 December 2015				
	A share company *RMB'000*	Non-A share companies *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	**23,568,793**	**376,231**	**23,945,024**	**(109,135)**	**23,835,889**
Segment profit/(loss) before income tax expense	**3,925,413**	**(510,438)**	**3,414,975**	**(51,021)**	**3,363,954**
Fair value gains on investment properties	**815,106**	**–**	**815,106**	**–**	**815,106**
Finance income	**108,965**	**427,445**	**536,410**	**(400,277)**	**136,133**
Finance costs	**(210,722)**	**(840,262)**	**(1,050,984)**	**400,277**	**(650,707)**
Depreciation and amortisation	**(94,779)**	**(12,598)**	**(107,377)**	**–**	**(107,377)**
Share of results of associates	**123,269**	**(19,459)**	**103,810**	**–**	**103,810**
Share of results of joint ventures	**(61,905)**	**–**	**(61,905)**	**–**	**(61,905)**

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	**3,363,954**
Income tax expense	**(1,507,717)**
Profit for the year	**1,856,237**

	As at 31 December 2015				
Segment assets	**67,802,116**	**8,346,038**	**76,148,154**	**(5,329,261)**	**70,818,893**
Segment assets include:					
Investments in associates	**169,586**	**130,541**	**300,127**	**–**	**300,127**
Investments in joint ventures	**2,019,775**	**–**	**2,019,775**	**–**	**2,019,775**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**5,469,571**	**340,425**	**5,809,996**	**–**	**5,809,996**
Segment liabilities	**53,930,586**	**8,754,220**	**62,684,806**	**(5,329,261)**	**57,355,545**

	Year ended 31 December 2014 (Restated)				
	A share company *RMB'000*	**Non-A share companies** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	20,674,198	44,472	20,718,670	–	20,718,670
Segment profit/(loss) before income tax expense	2,960,020	(38,172)	2,921,848	–	2,921,848
Fair value gains on investment properties	365,994	–	365,994	–	365,994
Finance income	81,387	306,521	387,908	(270,900)	117,008
Finance costs	(106,380)	(417,322)	(523,702)	270,900	(252,802)
Depreciation and amortisation	(35,109)	(1,356)	(36,465)	–	(36,465)
Share of results of associates	2,849	–	2,849	–	2,849
Share of results of joint ventures	(10,195)	–	(10,195)	–	(10,195)

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	2,921,848
Income tax expense	(1,242,561)
Profit for the year	1,679,287

	As at 31 December 2014 (Restated)				
Segment assets	51,113,798	6,071,220	57,185,018	(3,543,297)	53,641,721
Segment assets include:					
Investments in associates	46,317	100,000	146,317	–	146,317
Investments in joint ventures	861,055	–	861,055	–	861,055
Additions to non-current assets (other than financial instruments and deferred tax assets)	3,809,419	6,445	3,815,864	–	3,815,864
Segment liabilities	38,863,698	5,970,298	44,833,996	(3,543,297)	41,290,699

4. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**13,231**	11,364
Notes receivable	**17,570**	31,317
Total trade receivables	**30,801**	42,681
Less: Provision for impairment of receivables	**–**	–
Trade receivables – net	**30,801**	42,681
Receivables from related parties	**2,566,717**	1,101,436
Receivable from a non-controlling shareholder of a subsidiary	**63,388**	33,388
Receivables from other investors of joint ventures (a)	**242,987**	–
Amounts paid on behalf of third parties	**103,305**	79,852
Prepaid business tax and surcharges (b)	**882,437**	730,807
Prepaid income tax and land appreciation tax (b)	**622,174**	528,950
Prepaid property management fees	**33,268**	–
Prepayments for construction costs	**102,772**	113,017
Prepayments for office buildings (c)	**–**	878,436
Prepayments for equipment (d)	**49,674**	–
Tender deposits (e)	**1,302,280**	200,358
Deposits with public housing fund centres (f)	**215,067**	149,316
Deposits for timely project construction (g)	**–**	54,711
Deposits for property maintenance (h)	**119,793**	98,108
Deposit for acquisition of a subsidiary (i)	**30,000**	50,000
Other deposits	**163,822**	46,600
Others	**168,172**	85,281
	6,696,657	4,192,941
Less: Non-current portion of other receivables and prepayments (c, d, h)	**(169,467)**	(976,544)
Current portion	**6,527,190**	3,216,397

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

(a) Except for an amount of RMB120 million which bears interest at the same rate quoted by People's Bank of China, the receivables from other investors of joint ventures are unsecured, non-interest bearing and have no fixed repayment terms.

(b) Business tax, surcharges and land appreciation tax are provisionally levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by the Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.

(c) This balance represents prepayments for acquisition of office buildings located in Shanghai for self-use or lease-out purposes. The Group completed the acquisition in year 2015 and the amount was transferred to property, plant and equipment and investment property based on their respective use.

(d) This balance represents prepayments for intelligent express cabinet, the equipment for a newly established business of the Group.

(e) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.

(f) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.

(g) This balance represents the deposits for timely project construction, which have been subsequently received in the course of construction and recovered during the year ended 31 December 2015.

(h) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.

(i) This balance represents a deposit for acquisition of a subsidiary which is engaged in property development. The deposit as at 31 December 2014 was made for a different subsidiary and the acquisition of such subsidiary had been completed during the year ended 31 December 2015.

The aging of trade receivables and notes receivable as at 31 December 2015 and 2014 are as follows:

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**28,485**	42,681
Between 1 and 2 years	**2,316**	–
	30,801	42,681

The maximum exposure to credit risk at 31 December 2015 and 2014 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2015 and 2014, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2015 and 2014, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

5. SHARE CAPITAL

(a) Authorised shares

	Number of authorised shares
	Hong Kong Dollars ("HKD") share
As at 1 January 2014, 31 December 2014 and 31 December 2015	10,000,000,000

(b) Issued shares

	Number of issued shares	**Ordinary shares**
	HKD0.001 each	*RMB*
As at 1 January 2014 and 31 December 2014	5,668,000,000	4,617,069
Buy-back of shares	(10,000,000)	(8,146)
As at 31 December 2015	5,658,000,000	4,608,923

Buy-back of shares

The Company accumulatively acquired 10,000,000 of its shares through purchases on the Stock Exchange on 30 September, 2 October, 5 October, 22 October and 23 October 2015, and cancelled the shares on 3 November 2015. The total amount paid to acquire the shares was HKD10,875,760 (equivalent to RMB8,911,000), of which, RMB8,903,000 were deducted from other reserves within shareholders' equity.

6. BORROWINGS

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Non-current, secured:		
– Bank loans (a)	**4,871,367**	4,987,700
– Senior notes due January 2018 ("**2018 Notes**") (b (i))	**1,363,656**	1,199,712
– Senior notes due April 2016 ("**2016 Notes**") (b (ii))	**1,496,719**	1,486,844
– Senior notes due July 2019 ("**2019 Notes**") (b (iii))	**2,229,185**	2,091,577
– Senior notes due November 2017 ("**2017 Notes**") (b (iv))	**1,589,524**	–
Non-current, unsecured:		
– Corporate bonds due July 2019 ("**2019 Bonds**") (c(i))	**1,988,410**	1,981,419
– Corporate bonds due November 2020 ("**2020 Bonds**") (c(ii))	**2,978,474**	–
– Corporate bonds due November 2018 ("**2018 Bonds**") (c(iii))	**1,982,129**	–
	18,499,464	11,747,252
Less: Current portion of long-term borrowings	**(3,494,575)**	(1,191,800)
	15,004,889	10,555,452
Current, secured:		
– Bank loans (a)	**481,000**	2,184,389
Current portion of long-term borrowings	**3,494,575**	1,191,800
	3,975,575	3,376,189

(a) These bank loans of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of subsidiaries and bank deposits of the Group and/or guaranteed by subsidiaries of the Company for each other.

(b) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of United States Dollars ("**USD**") 200,000,000 ("**2018 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

Year	Redemption Price
31 January 2016 to 30 January 2017	105.1250%
31 January 2017 and thereafter	102.5625%

- At any time prior to 31 January 2016, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

On 3 December 2015, the Company announced that all the outstanding 2018 Notes will be redeemed in full on 31 January 2016 (the "**Redemption Date**") at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. Accordingly the entire outstanding amount as at 31 December 2015 is treated as current liability and the net loss arising is accounted for the Company subsequently completed the redemption on 31 January 2016.

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("**2016 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear interest at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

(iii) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 ("**2019 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

Year	**Redemption Price**
21 July 2017 to 20 July 2018	105.1250%
21 July 2018 and thereafter	102.5625%

- At any time prior to 21 July 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(iv) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 ("**2017 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2015 and 2014. The early redemption of the 2018 Notes only occurred because an opportunity arose to issue new Notes at a lower cost to re-finance old Notes.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC ("**Subsidiary Guarantors**"), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

(c) Corporate bonds

(i) 2019 Bonds

In July 2014, the former B share company, issued five-year corporate bonds with principal amount of RMB2,000,000,000 ("**2019 Bonds**"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at the end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds are in the process of being transferred from the former B Share company to the A Share company.

(ii) 2020 Bonds

In November 2015, the A share company, issued five-year corporate bonds with principal amount of RMB3,000,000,000 ("**2020 Bonds**"), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(iii) 2018 Bonds

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 ("**2018 Bonds**"), which were not listed. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

7. TRADE AND OTHER PAYABLES

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade payables	**11,790,817**	9,571,298
Notes payable	**452,723**	452,310
Advances from non-controlling shareholders of subsidiaries (a)	**37,541**	336,980
Business and other taxes payable	**203,290**	274,413
Maintenance & decoration fees collected on behalf	**197,418**	180,844
Accrued payroll	**159,506**	119,809
Interest payable	**296,775**	282,508
Deposits for construction biddings	**273,580**	137,768
Deed tax collected on behalf	**85,935**	46,710
Payables to related parties	**4,905,802**	437,329
Temporary funding payables (b)	**162,908**	18,000
Payable related to acquisition of an associate	**–**	50,000
Amounts received for potential joint investments in property projects (c)	**1,280,247**	–
Others	**161,532**	115,162
	20,008,074	12,023,131

(a) The advance as at 31 December 2014 had been fully repaid during the year ended 31 December 2015. The advances as at 31 December 2015 are provided by an entity established by certain employees including key management of the Group who had chosen to invest in some subsidiaries of the Group. The advances are non-interest bearing, unsecured and have no fixed repayment terms.

(b) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.

(c) These amounts will either be returned back upon unsuccessful land biddings or be treated as the other parties' contribution to a new subsidiary or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.

The aging analysis of trade payables and notes payable as at 31 December 2015 and 2014 are as follows:

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**11,783,054**	9,601,173
Between 1 and 2 years	**275,441**	272,280
Between 2 and 3 years	**81,400**	93,203
Over 3 years	**103,645**	56,952
	12,243,540	10,023,608

As at 31 December 2015 and 2014, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2015 and 2014, the carrying amounts of trade and other payables are primarily denominated in RMB.

8. REVENUE

Revenue of the Group consists of the following for the years ended 31 December 2015 and 2014:

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Revenue from sales of properties	**22,972,751**	20,216,114
Revenue from property management	**391,526**	282,889
Rental income	**171,951**	127,830
Others	**299,661**	91,837
	23,835,889	20,718,670

9. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Land use rights costs	**6,389,041**	5,658,544
Construction costs	**9,802,580**	8,637,339
Capitalised interest	**829,161**	747,398
Business tax and surcharges (a)	**1,328,494**	1,169,558
Provision for impairment of properties held or under development for sale	**242,495**	382,231
Depreciation of property, plant and equipment	**100,265**	31,855
Amortisation of intangible assets	**7,112**	4,610
Bank charges	**31,306**	27,289
Staff costs	**1,196,609**	787,814
Entertainment expenses	**78,317**	67,719
Stamp duty and other taxes	**56,663**	38,642
Professional fees	**43,742**	19,549
Auditors' remuneration		
– annual audit and interim review	**2,400**	3,200
Sales commission	**115,980**	111,145
Advertising and publicity costs	**370,356**	284,686
Rental expenses	**39,119**	38,733
Travelling expenses	**73,946**	42,449
Other expenses	**135,723**	107,040
Total cost of sales, selling and marketing costs and administrative expenses	**20,843,309**	18,159,801

(a) The PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

10. FINANCE COSTS – NET

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Finance costs		
– Interest on bank loans, senior notes and corporate bonds	**(1,393,157)**	(1,291,029)
– Less: Interest capitalised	**1,025,717**	1,043,338
	(367,440)	(247,691)
– Net foreign exchange (losses)/gains relating to borrowings	**(275,236)**	7,955
– Net foreign exchange losses on cash and cash equivalents	**(8,031)**	(13,066)
Total finance costs	**(650,707)**	(252,802)
Finance income		
– Interest income on bank deposits	**136,133**	117,008
Net finance costs	**(514,574)**	(135,794)

11. INCOME TAX EXPENSE

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**614,529**	597,135
– PRC corporate income tax	**902,166**	398,275
	1,516,695	995,410
Deferred income tax	**(8,978)**	247,151
Total income tax charged for the year	**1,507,717**	1,242,561

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group is as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Profit before income tax	**3,363,954**	2,921,848
PRC land appreciation tax	**(614,529)**	(597,135)
	2,749,425	2,324,713
Income tax calculated at statutory rate of 25%	**687,356**	581,178
Non-deductible expenses	**221,931**	55,602
Non-taxable income	**(37,966)**	(1,638)
Utilisation of previously unrecognised tax losses	**–**	(1,015)
Tax losses not recognised as deferred tax assets	**–**	344
Prior year tax adjustments	**8,767**	376
PRC withholding tax	**13,100**	10,579
PRC land appreciation tax	**614,529**	597,135
Total income tax expense	**1,507,717**	1,242,561

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2014: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("**CIT Law**"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2015, the Group accrued for PRC withholding tax with amount of RMB13,100,000 (2014: RMB10,579,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of income as income tax expense.

12. EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2015	2014
Consolidated profit attributable to equity holders of the Company (RMB'000)	**1,030,890**	1,025,721
Weighted average number of ordinary shares in issue ('000)	**5,666,411**	5,668,000
Basic earnings per share (RMB)	**0.18**	0.18

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2015 and 2014, diluted earnings per share is the same as basic earnings per share.

13. DIVIDENDS

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Proposed final dividend of RMB0.05 (2014: RMB0.05) per ordinary share	**282,900**	283,400

No interim dividend was declared during the year (2014: Nil).

At a Board meeting held on 4 February 2016, the directors proposed a final dividend for 2015 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2016 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

The final dividend in respect of 2014 of RMB0.05 per ordinary share using the share premium account, amounting to RMB283,400,000 in total, was approved at the annual general meeting of the Company held on 21 May 2015. The amount was fully paid in 2015.

CHAIRMAN'S STATEMENT

On behalf of the Group, I am pleased to present to the shareholders of the Company (the "**Shareholders**") the annual results of the Group for the year ended 31 December 2015.

Review of 2015

Benefiting from the central government's multi-pronged polices of cuts in interest rates and the reserve requirement ratio as well as relaxed restrictions on home purchases, the sales of the real estate industry in China has been improving since 2Q 2015. Leveraging on favourable market conditions under relaxed policies and good opportunities arising from consumers' increasing demand for improved housing quality, the Group continued to maintain a prudent and sound operating approach in upholding the development strategy of "High Regional Concentration, High Turnover and Product Diversification" and achieved a steady growth of contracted sales. During the year, the Group achieved contracted sales of RMB31,928.6 million, representing a year-on-year increase of 30.3% and completed 114% of the sales target for the whole year of 2015, marking a new milestone in the Group's business development.

As another milestone in the year, the Group has become the first real estate company in China to restructure its B shares to A shares following the completion of its restructuring plan in relation to the absorption and merge of Jiangsu Future Land Co., Ltd.* (江蘇新城地產股份有限公司) ("**Jiangsu Future Land**") by Future Land Holdings Co., Ltd.* (新城控股集團股份有限公司) ("**Future Land Holdings**"), both are subsidiaries of the Company, through share swap during the year. Through the restructuring and listing of the A shares of Future Land Holdings, the residential property development and operation of commercial projects of the Group will be integrated into a single platform, which can improve the Group's operating structure and operation efficiency and save operating, marketing and administrative costs. It is an important step in the long run as it also facilitates the access of the Group to the financing channels of the capital market in China.

Strong Sales and Stable Profit Growth in 2015

Besides adopting flexible marketing strategies to further cleaning up inventories based on accurate prediction of market changes, the Group has launched new projects during the year to the market with accelerated cash flow and achieved a steady growth of contracted sales. The Group has successfully fulfilled its full-year sales target by achieving contracted sales of RMB31,928.6 million representing a year-on year increase of 30.3%, accounting for 114% of the annual contracted sales target. Contracted sales area sold was approximately 3,460,000 sq.m., representing a year-on-year increase of 25.0%. Average selling price was approximately RMB9,948/sq.m., representing a year-on-year increase of 4.5%.

Meanwhile, the Group's project deliveries were on good progress and the total revenues increased by approximately 15.0% to RMB23,835.9 million from 2014. Core earnings* attributable to equity holders of the Company amounted to approximately RMB723.8 million, representing an increase of approximately 2.3% compared to the full year of 2014. The Board has recommended a final dividend of RMB0.05 per share, representing a pay-out ratio of approximately 39.1% of the core earnings attributable to equity holders of the Company.

* *Core earnings equal to net profit less after-tax fair value gains on investment properties including those recorded in other gains, and exclude foreign exchange gains or losses relating to borrowings.*

Improved Profit Margin, Rental Income, Revenue from Property Management and Others

Benefiting from the strategy of highlighting residential property development and operation of commercial projects of the Group as the two engines, the Group's profit increased in 2015. The gross profit margin increased to 20.4% in 2015 from 18.7% in 2014. During the year, Suzhou Wujiang Injoy Plaza, Suzhou Zhangjiagang Injoy Plaza and Zhenjiang Danyang Injoy Plaza officially opened for business and took the total number of shopping mall projects of the Group in operation to six and the total rental, property management income and revenue from others amounted to RMB863.1 million, representing a year-on-year increase of 71.7% compared to 2014. The leasable area of the Group in 2016 and 2017 are expected to reach approximately 730,000 sq.m. and 1,230,000 sq.m., respectively, which will provide solid basis for growth in rental income.

Became the First Real Estate Company in China to Restructure B Shares to A Shares, Facilitating the Access to the Financing Channels of Capital Markets in China and Overseas

During the year, the Group has become the first real estate company in China to restructure its B shares to A shares following the completion of its restructuring, pursuant to which Future Land Holdings absorbed and merged Jiangsu Future Land by way of share swap. The A shares of Future Land Holdings (Stock Code: 601155.SH) started trading on the Shanghai Stock Exchange on 4 December 2015 as the first real estate company in China to restructure B shares to A shares, achieving outstanding result with a market capitalization of over RMB50 billion on the first day of listing. Through the restructuring, residential property development projects of the Group will gain full access to the capital market in China through the A share market, recognizing a dual-financing platforms inside and outside China. With a more flexible financing channel, it will help realizing the intrinsic value of the Group and provide it with sufficient capital to support its rapid development in the future.

Seized Opportunities in the Market and Strategically Expanded Land Bank

In 2015, the Group has been enforcing the "1+3" expansion strategies of "Focusing on Shanghai and Yangtze River Delta while Expanding into Pearl River Delta, Bohai Rim and Central and Western China". After careful study of market patterns in different cities and regions, in addition to further deepening its presence in key cities, the Group further expanded the dimension of its diversified business operations. During the year, the Group acquired 35 land parcels in 17 cities, which added to the Group's land reserve by an additional GFA of approximately 7,590,000 sq.m. In addition to further deepening its presence in first-tier and second-tier cities, such as Shanghai, Nanjing, Suzhou, Hangzhou and Wuhan, the Group has strategically selected eight new cities, namely, Chengdu, Ningbo, Taizhou, Shaoxing, Jiaxing, Yiwu, Quzhou and Quanzhou to further expand the dimension of its business operations and provide necessary resources for its business growth in the future.

As at 31 December 2015, the Group had 116 real estate projects in 25 major cities in the PRC, of which 73 were under construction and/or held for future development. The Group had a land bank of a total GFA of 22.740 million sq.m., which was enough to support its development in the next four to five years.

Stable Financial Position and Continuously Optimized Debt Structure

The Group continued to maintain a prudent and sound debt and cash flow management policy and further optimized its debt structure. During the year, backed by its financial strength and good credit, the Group secured local and foreign financing supports at low costs. It secured a dual-currency term loan facility with an aggregate amount of USD101 million from an offshore bank in May 2015. It issued domestic corporate bonds in the PRC in the principal amount of RMB3 billion with a coupon rate of 4.5%, offshore senior notes in the principal amount of USD250 million with a coupon rate of 6.25% and private placement bonds in the principal amount of RMB2 billion with a coupon rate of 6% in November 2015. In addition, the Company has obtained a total of RMB15 billion new bank credit lines from two banks in the PRC by the end of 2015. The above-mentioned funds helped the Group further reduce its overall financing costs.

As at 31 December 2015, weighted average interest cost, cash at bank and on hand and unused bank credit lines of the Group were 7.2%, RMB7,762.5 million and RMB35.9 billion respectively.

Popularity of "Injoy" Brand Expanded our Source of Profit

In 2015, the Group cemented its two-wheel-drive strategy on residential and commercial properties, with not only residential development business achieving steady growth, but also urban commercial shopping mall projects making remarkable progress. Drawing from successful experiences of the Group in Changzhou and Shanghai, the three Injoy Plazas of the Group in Wujiang Suzhou, Zhangjiagang Suzhou and Danyang Zhenjiang commenced business with full occupancy rate during the year, among which Suzhou Wujiang Injoy Plaza achieved more than 250,000 visits on its first day of opening, while Suzhou Zhangjiagang Injoy Plaza and Zhenjiang Danyang Injoy Plaza received more than 300,000 and 380,000 visits on their opening days, respectively. The overwhelming responses indicated local customers' recognition of the "Injoy" brand and also attested the Group's precise positioning towards local commercial markets.

With over seven years of commercial operation exploration and accumulation of experience, the Group has established a standardized commercial development and operation model with its own characteristics, prompting it to become one of its core competitive advantages. As at the end of 2015, the Group has developed or planned to develop a total of 21 Injoy urban complexes in 18 cities across the nation, among which 15 Injoy Plazas were under construction or planned and 6 were in operation. In the future, these commercial projects will generate steady rental income for the Group.

Joining Forces and Cooperation Led to Mutual Benefit

During the year, the Group, with a flexible and open attitude, has made various attempts on external cooperation. We have continued cooperations with renowned real estate developers such as China Vanke Co., Ltd., Greenland Holding Group Company Limited, Longfor Properties Co., Ltd. and Beijing Capital Land Ltd, etc., and achieved a win-win situation by learning from each other, sharing each other's resources and leveraging synergies while reducing investment risks and sharing profit from the projects.

Prudently Developed Elderly-Care and Medical-care Property Business

As Chinese population is rapidly aging, there will be a keen and vast growing demand for elderly-care and medical facilities in the future. Elderly-care and medical-care property, as a key component of elderly-care facility, is a scarce resource. Therefore its investment value is becoming increasingly prominent. During the year, after many years of exploring and researching on elderly-care property, the Group has formally entered this sector by increasing its investments. However, as this business is an initial trial, the Group will continue to look out for market opportunities while carrying out investment and operation of this business with care.

Prospect

In 2016, the Chinese economy will maintain the "New Normal" of moderate to slow growth and the central government will focus more on healthy, rational and sustainable economic development in the long term, whose policy to moderately ease real estate control is expected to remain unchanged. In addition, the ongoing urbanization, the continually increasing demand from first-time property buyers, consumers' demand for improved housing quality and enhanced experience in commercial projects are expected to support a sustainable and steady development of the real estate industry.

In view of the above, as to its real estate business, the Group will make adjustments proactively based on market changes, and continue to, with an understanding of the customer demand, optimize product structure, actively implement inventory clearance, accelerate project turnaround and strengthen contracted sales. Meanwhile, the Group will continue to implement a strategic land-purchase policy by carefully exploiting new cities with development potential based on its self-development need while further penetrating the cities the Group has already entered. As for commercial property, the Group will further enhance the market exposure of the "Injoy" brand and divert its investment to undervalued areas in the cities or segments. Furthermore, the Group will closely and prudently identify cooperation, acquisition and other market opportunities, seek cooperation with other outstanding enterprises, explore new business models in domestic and overseas markets, to further optimize the Company's diversification strategy and enhance the Group's adaptability to changes so as to provide new driving force for the Group's middle and long-term development. The Company's expected contracted sales target for 2016 is RMB40 billion, which the Company believes it will achieve.

As to innovation business, the Group has to further accelerate its pace to catch up with the latest changes under the new era and to embrace "New Economy". The Group will launch innovative products to develop real estate financial service products and initiate a variety of life service products around its core real estate business. Currently, the Group has developed businesses such as elderly-care, property management, and entertainment for children. In the future, the Group will focus on the effective development of such businesses so as to enhance return on its assets.

Financially, the Group will adhere to a stringent financial policy, further optimize capital structure, take full advantage of the diversified financing channels, reduce financing costs and enhance the risk resistance ability of the Group. The Group believes that these operating strategies will help it to remain competitive and mitigate operational risks in a volatile and unpredictable market environment, thereby ensuring the Group's long-term sustainable growth.

Appreciation

The Group's steady growth is attributable to the enormous support from relevant parties and unselfish contribution from our staff. On behalf of the Board, I would like to take this opportunity to express our wholehearted gratitude to the staff, Shareholders, investors, partners, suppliers and customers of the Group for their trust and support. Bearing in mind the motto of "Hearty Dedication Just For You (以心致誠，因你而真)", we will continue to undertake our corporate social responsibilities, give back to society and create better returns for our customers, Shareholders and investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Overview

The Group achieved contracted sales of RMB31,928.6 million for the year of 2015, representing a year-on-year increase of 30.3%. Revenue increased by 15.0% to RMB23,835.9 million as compared to 2014, and core earnings attributable to equity holders of the Company increased by 2.3% to RMB723.8 million as compared to last year.

Business Overview

Property Development

In 2015, the Group achieved contracted sales of approximately RMB31,928.6 million, representing an increase of 30.3% as compared to 2014. The Group sold approximately 3,460,000 sq.m. in GFA, representing an increase of 25.0% over 2014. Contracted sales (excluding carparks) recorded in different regions, in particular, Suzhou, Nanjing and Shanghai, were approximately RMB6,598.5 million, RMB5,532.5 million, and RMB5,095.5 million, contributing to 21.1%, 17.7% and 16.3% of the Group's total contracted sales (excluding carparks), respectively.

Table 1: Details of contracted sales of the Group in 2015

The following table sets out the geographic breakdown of the Group's contracted sales in 2015:

Name of project	**Contracted GFA sold** *(sq.m.)*	**Contracted sales** *(RMB million)*
Suzhou		
Zhangjiagang Injoy Plaza	179,759.59	1,582.63
Wujiang Injoy Plaza	138,067.47	1,133.69
Future Mangrove Bay	109,853.07	992.58
Future County	92,336.21	897.91
Legend Mansion	70,565.74	798.29
Kunshan Beautiful Harbour	58,810.06	420.92
Kunshan Future County**	33,777.27	350.35
Changshu Fragrant View	25,934.33	276.03
Fragrant Legend	6,597.77	68.94
Future Royal Garden**	3,802.71	50.94
Other projects	3,505.94	26.23
Suzhou sub-total	**723,010.16**	**6,598.51**

Name of project	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Nanjing		
Xianlin Lake Land Parcel	132,644.67	2,184.17
Longwan Garden	114,472.05	2,118.46
Future France	55,102.03	623.50
Flourish France	58,704.94	606.39
Nanjing sub-total	**360,923.69**	**5,532.52**
Shanghai		
Future Royal Fame	24,522.16	801.36
Splendid Mansion**	33,507.72	727.21
Park View International Community*	50,821.64	715.53
Fragrant Jade	27,927.21	584.60
Fragrant Metropolitan	29,798.81	562.65
Elite Mansion**	44,453.62	477.86
Songjiang Bright Mansion**	16,406.46	424.27
Garden House	16,013.91	278.84
Fragrant View	9,003.56	171.75
Future Flower Bay	12,305.64	152.82
Fragrant Legend	6,803.79	130.13
YOHO City	1,731.66	26.81
Bright Green Land	1,788.95	18.49
Other projects	894.05	23.18
Shanghai sub-total	**275,979.18**	**5,095.50**
Changzhou		
Future Land Emporium	99,770.05	1,150.87
In Spring Live	104,847.07	623.25
Future Success	55,703.21	384.98
Fragrant Legend	45,630.10	295.28
Future France	54,557.92	291.84
Legend Mansion	22,843.48	277.69
YOHO City	55,834.89	274.87
Injoy Plaza	24,557.54	179.09
Future Capital	6,678.28	74.52
Future Consequence	4,913.22	72.15
Future Land Southern Metropolis	5,019.21	56.74
Future Land Uptown	2,999.56	21.01
Other projects	3,020.02	22.06
Changzhou sub-total	**486,374.55**	**3,724.35**

Name of project	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Jintan		
Jintan Injoy Plaza	191,264.72	1,519.17
Jintan sub-total	**191,264.72**	**1,519.17**
Zhenjiang		
Danyang Injoy Plaza	129,859.95	1,070.14
Future Land Exalted Uptown	52,354.64	220.65
Zhenjiang sub-total	**182,214.59**	**1,290.79**
Hangzhou		
Leisure Land	32,517.30	522.50
Wispering Hills	50,929.79	346.66
Majestic Mansion	15,065.31	308.68
Scarce Mansion	3,662.51	64.26
Future Consequence	2,823.46	35.44
Hangzhou sub-total	**104,998.37**	**1,277.54**
Nanchang		
Nanchang Injoy Plaza	120,405.33	1,021.97
Nanchang sub-total	**120,405.33**	**1,021.97**
Changchun		
Changchun Injoy Plaza	78,977.41	746.14
Changchun sub-total	**78,977.41**	**746.14**
Haikou		
Haikou Injoy Plaza	75,993.36	740.00
Haikou sub-total	**75,993.36**	**740.00**

Name of project	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Qingdao		
Future France**	33,730.10	337.31
Excellent Queen's Road**	28,501.00	274.59
Qingdao sub-total	**62,231.10**	**611.90**
Anqing		
Anqing Injoy Plaza	89,886.31	528.64
Anqing sub-total	**89,886.31**	**528.64**
Taizhou		
Taizhou Injoy Plaza	43,934.04	526.13
Taizhou sub-total	**43,934.04**	**526.13**
Wuxi		
Up Town	31,309.38	276.09
Future France	11,437.97	91.26
East China Home Decor Centre	14,604.12	58.36
Wuxi sub-total	**57,351.47**	**425.71**
Wuhan		
Delight City	49,270.58	373.38
Wuhan sub-total	**49,270.58**	**373.38**
Changsha		
Future Land International Metropolis	89,603.11	348.77
Changsha sub-total	**89,603.11**	**348.77**
Nantong		
Future France	65,243.71	326.39
Nantong sub-total	**65,243.71**	**326.39**

Name of project	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Chengdu		
Chengdu Injoy Plaza	43,727.92	322.03
Chengdu sub-total	**43,727.92**	**322.03**
Jinan		
Future France	34,584.81	202.90
Jinan sub-total	**34,584.81**	**202.90**
Jiaxing		
Tongxiang Injoy Plaza	11,085.04	93.36
Jiaxing sub-total	**11,085.04**	**93.36**
Car parks	**312,747.32**	**622.90**
Total	**3,459,806.77**	**31,928.60**

* Park View International Community contains Community A and Community B;

** Kunshan Future County, Future Royal Garden, Splendid Mansion, Elite Mansion, Songjiang Bright Mansion, Qingdao Future France and Excellent Queen's Road are joint ventures and associates' projects.

Land Bank

As at 31 December 2015, the total land bank of the Group was approximately 22,737,012 sq.m., of which 13,058,660 sq.m. was attributable to the Group's interests. The average acquisition cost of the Group's land bank was approximately RMB2,138 per sq.m. The geographic spread of the land bank of the Group as at 31 December 2015 was as follows:

Table 2: Breakdown of land bank of the Group

City	Total GFA (sq.m.)	Percentage of the Group's total GFA (%)	GFA attributable to the Group's interests (sq.m.)	Percentage of GFA attributable to the Group's interests (%)
Suzhou	3,455,747	15.20%	1,844,644	14.13%
Changzhou	2,793,442	12.29%	1,867,133	14.30%
Shanghai	1,956,691	8.61%	957,450	7.33%
Nanjing	1,717,816	7.56%	986,128	7.55%
Zhenjiang	1,116,698	4.91%	769,464	5.89%
Anqing	878,253	3.86%	599,583	4.59%
Hangzhou	844,500	3.71%	532,521	4.08%
Wuhan	838,595	3.69%	572,509	4.38%
Nantong	735,201	3.23%	386,349	2.96%
Ningbo	710,734	3.13%	486,077	3.72%
Chengdu	688,860	3.03%	52,216	0.40%
Qingdao	678,414	2.98%	231,510	1.77%
Jinan	675,511	2.97%	461,171	3.53%
Changsha	617,980	2.72%	421,895	3.23%
Changchun	573,654	2.52%	393,469	3.01%
Shaoxing	565,942	2.49%	392,028	3.00%
Nanchang	564,742	2.48%	204,324	1.56%
Taizhou	540,824	2.38%	147,699	1.13%
Haikou	514,473	2.26%	351,231	2.69%
Jiaxing	458,642	2.02%	314,583	2.41%
Jintan	459,760	2.02%	313,423	2.40%
Jinhua	436,144	1.92%	148,900	1.14%
Quanzhou	349,624	1.54%	238,688	1.83%
Quzhou	346,487	1.52%	236,547	1.81%
Wuxi	218,278	0.96%	149,018	1.14%
Total	**22,737,012**	**100.00%**	**13,058,660**	**100.00%**

In 2015, the Group acquired a total of 35 projects to replenish its land bank, all through government public tender, auction, listing-for-sale acquisition and share, debt acquisition. The Group acquired approximately 7,588,535 sq.m. (including those of the Group's joint ventures and associates' projects on a 100% basis) (excluding underground floor area) of land to replenish it's land bank whilst the average acquisition cost was approximately RMB3,129 per sq.m.

Table 3: Breakdown of land acquisition for the twelve months of 2015

Project/Land parcel	City	Land use	Attributable interest (%)	Site area (sq.m.)	Total GFA* (sq.m.)	Land premium (RMB million)
Kunshan Huaqiao Development Zone 2014-0102 Land Parcel	Suzhou	Residential	27.31%	79,748	199,370	601
Huangyan Land Parcel	Taizhou	Mixed	27.31%	94,484	371,150	1,078
Fengxian District Fengchengzhen 44-10 Land Parcel	Shanghai	Residential	65.69%	57,294	68,753	218
Danyang G1502, G1503 Land Parcel	Zhenjiang	Mixed	68.59%	36,264	126,924	109
The Land Parcel to the north of Longgong Road, Longquan Street, Longquanyi District	Chengdu	Mixed	7.58%	120,702	482,809	579
The Land Parcel to the south of South Ring No. 2 Road, east of East Ring No. 2 Road, Jintan	Jintan	Mixed	68.27%	125,156	438,046	160
Changshu 2015A-006 Land Parcel	Suzhou	Residential	6.83%	82,469	197,926	755
Changshu 2015A-007 Land Parcel	Suzhou	Residential	44.38%	87,273	174,546	839
Xiaoshan District Xiaozheng Chuchu No. [2015] 6 Land Parcel	Hangzhou	Residential	40.96%	44,048	123,334	751
Tongxiang Zhendong New District Tong Tuchu No. [2012] 18 Land Parcel	Jiaxing	Mixed	67.59%	121,856	341,196	485
Plot No. B2-1 in Tian Yuan Xin Cheng Licheng District	Jinan	Residential	68.27%	98,294	373,482	393
Plot No.40-05, Yongfeng Street, Songjiang District	Shanghai	Residential	18.39%	26,983	37,776	326
Changshu 2015A-010 Land Parcel	Suzhou	Residential	68.27%	64,945	97,418	356
Land Parcel ZH07-07-20, 26, 27 in North Zhenhai New District	Ningbo	Mixed	68.59%	218,534	547,572	797
West of Baiyun Avenue No. 2015(9) Land Parcel	Quzhou	Mixed	68.27%	85,350	256,050	232
XDG(XQ)-2009-21 Land Parcel	Wuxi	Residential	68.27%	36,628	62,267	162
Land Parcels in Dongjing, Songjiang District	Shanghai	Residential	32.84%	333,717	401,748	3,200
R/B2015-32 and R/B2015-33 Land Parcels in South New District, Shengzhou	Shaoxing	Mixed	69.27%	129,521	634,039	780
Dingmao Land Parcel	Zhenjiang	Mixed	69.27%	101,914	405,550	295
Land Parcel A, Jiangdong Road, Yiwu	Jinhua	Mixed	34.14%	73,833	317,482	1,009
Xiaoshan District Xiaozheng Chuchu No. [2015] 18 Land Parcel	Hangzhou	Residential	68.27%	51,255	143,514	1,077
Land Parcel located to the east of Chengzhong South Road, Yingpu Street in Qingpu District	Shanghai	Commercial/ Residential	65.69%	26,654	30,517	518
Land Parcel No.2015G41 at Jinmalu, Qixia District	Nanjing	Commercial/ Residential	65.69%	70,321	105,482	2,060
Land Parcel No.2015G47 at Lukou Street, Jiangning District	Nanjing	Commercial/ Residential	47.11%	90,610	179,407	690
Land Parcel No.WJ-J-2015-036 in Wujiang District	Suzhou	Residential	34.14%	68,292	167,316	555
Land Parcel numbered 03-04 located to the west of Shengli Road, Yingpu Street in Qingpu District	Shanghai	Residential	65.69%	20,894	37,609	682
Land Parcel numbered 01C-03 located to the west of Shengli Road, Yingpu Street in Qingpu District	Shanghai	Commercial/ Residential	65.69%	25,324	55,712	505
Land Parcel P2015-7 in Chendai Town, Jinjiang City	Quanzhou	Mixed	68.27%	104,744	270,270	367
Land Parcel No.2015G50 in Qixia District	Nanjing	Commercial/ Residential	65.69%	56,890	65,423	1,170
Land Parcel in Dongxihu District	Wuhan	Residential	68.27%	58,172	141,359	169
Land Parcel No.WJ-J-2015-046 in Wiujiang District	Suzhou	Residential	69.27%	66,281	185,587	634
Land Parcel No.WJ-J-2015-047 in Wiujiang District	Suzhou	Residential	69.27%	51,881	145,266	496
Land Parcel No.WJ-J-2015-048 in Wiujiang District	Suzhou	Residential	69.27%	29,820	83,496	315
Land Parcel No.WJ-J-2015-049 in Wiujiang District	Suzhou	Residential	69.27%	46,601	130,483	493
Xiaoshan District Xiaozheng Chuchu No. (2015) 30 Land Parcel	Hangzhou	Residential	68.27%	77,096	189,656	889
Total				**2,863,848**	**7,588,535**	**23,745**

* Excluding underground floor area

Property Delivery and Revenue from Sale of Properties

For the year ended 31 December 2015, revenue from sale of properties by the Group was approximately RMB22,972.8 million, representing an increase of 13.6% over 2014. Properties with a total GFA of approximately 2,817,869 sq.m. was delivered during the year ended 31 December 2015, representing an increase of 18.7% as compared to 2014. Average selling price of properties delivered and recognized as sales was RMB8,153 per sq.m. in 2015, representing a decrease of 4.3% as compared to 2014.

The following table sets forth the revenue information relating to the properties the Group delivered for sale during 2015:

Project	**City**	**Revenue** *(RMB million)*	**GFA** *(sq.m.)*	**Average selling price** *(RMB/sq.m.)*
Future France	Nanjing	2,343.9	234,174	10,009
Longwan Garden	Nanjing	1,845.1	112,492	16,402
Wujiang Injoy Plaza	Suzhou	1,690.4	203,161	8,320
Legend Mansion	Suzhou	1,628.8	148,739	10,950
Danyang Injoy Plaza	Zhenjiang	1,562.7	233,713	6,686
Zhangjiagang Injoy Plaza	Suzhou	1,469.2	150,844	9,740
Future Mangrove Bay	Suzhou	1,405.1	168,418	8,343
In Spring Live	Changzhou	917.8	156,701	5,857
Garden House	Shanghai	862.0	52,969	16,274
Future Land Emporium	Changzhou	827.1	83,928	9,854
Fragrant View	Shanghai	792.0	42,958	18,436
Beautiful Harbour	Suzhou	729.0	105,092	6,937
Wispering Hills	Hangzhou	674.3	100,944	6,680
Future France	Changzhou	673.6	124,704	5,401
Injoy Plaza	Changzhou	585.4	80,837	7,241
Others		4,966.4	818,195	6,071
Total		**22,972.8**	**2,817,869**	**8,153**

Of the properties the Group had pre-sold, a total GFA of approximately 2,227,312.2 sq.m. with total pre-sale revenue of approximately RMB23,770.5 million, had not been delivered as at 31 December 2015 (including those of the Group's joint ventures and associates' projects). This, however, laid a solid foundation for a steady growth in the Group's revenue for the year to come.

Property Investment

For the year ended 31 December 2015, the Group had investment properties of 940,097.8 sq.m. that have already commenced operations, and rental income from these investment properties was approximately RMB172.0 million, representing an increase of 34.5% over 2014. Such rental income was mainly derived from Changzhou Injoy Plaza (常州吾悦廣場) and Changzhou Injoy International Plaza (常州吾悦國際廣場) which were both completed in 2012, Shanghai Qingpu Injoy Plaza (上海青浦吾悦廣場) which was completed in 2014, Suzhou Wujiang Injoy Plaza (蘇州吳江吾悦廣場), Suzhou Zhangjiagang Injoy Plaza (蘇州張家港吾悦廣場), and Zhenjiang Danyang Injoy Plaza (鎮江丹陽吾悦廣場) which were completed in 2015.

In 2015, the Group had several new investment properties under development, including, Jintan Injoy Plaza (金壇吾悦廣場), Tongxiang Injoy Plaza (桐鄉吾悦廣場), Changchun Injoy Plaza (長春吾悦廣場), Taizhou Injoy Plaza (台州吾悦廣場), Haikou Injoy Plaza (海口吾悦廣場), Ningbo Injoy Plaza (寧波吾悦廣場), Zhenjiang Injoy Plaza (鎮江吾悦廣場), Chengdu Injoy Plaza (成都吾悦廣場), Anqing Injoy Plaza (安慶吾悦廣場), Shengzhou Injoy Plaza (嵊州吾悦廣場) and Nanchang Injoy Plaza (南昌吾悦廣場). As at 31 December 2015, such investment properties have not been completed.

The Group did not hold any other significant investments except for the aforementioned investment properties as at 31 December 2015.

Table 5: Breakdown of rental income from investment properties of the Group in 2015

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Rental Income		
Injoy Plaza	**52,702**	54,553
Injoy International Plaza	**47,890**	44,098
Qingpu Injoy Plaza	**39,312**	6,904
Zhangjiagang Injoy Plaza	**7,501**	–
Wujiang Injoy Plaza	**4,761**	–
Danyang Injoy Plaza	**736**	–
Four Seasons Future Land Commercial Complexes	**–**	185
Total	**152,902**	105,740

Financial Review

Revenue

The Group's revenue comprises income from sale of properties and, to a lesser extent, property management, rental and other property related services earned during the year. The Group's revenue increased by 15.0%, to approximately RMB23,835.9 million for the year ended 31 December 2015 from approximately RMB20,718.7 million for the year ended 31 December 2014. As a breakdown, income from sales of properties during the year ended 31 December 2015 was approximately RMB22,972.8 million, representing a year-on-year increase of 13.6%; income from property management and other revenue was approximately RMB691.2 million, representing a year-on-year increase of 84.5%; and rental income was approximately RMB172.0 million, representing a year-on-year increase of 34.5%.

Cost of Sales

Cost of sales consists primarily of the costs the Group incurred directly in relation to its property development activities as well as its leasing and property management operations. Cost of sales includes construction costs, land use rights costs, business tax and surcharges, capitalized interest and other business costs. The Group's cost of sales increased by 12.7% to approximately RMB18,979.7 million for the year ended 31 December 2015 from approximately RMB16,844.6 million for the year ended 31 December 2014.

The following table sets forth information relating to the Group's cost of sales for the years indicated:

Table 6: Breakdown of the Group's cost of sales

	Year ended 31 December		
	2015	2014	**Percentage increase/ (decrease) in 2015 versus 2014**
	RMB'000	*RMB'000*	*(%)*
Land use rights costs	**6,389,041**	5,658,544	**12.9**
Construction costs	**9,802,580**	8,637,339	**13.5**
Capitalized interest	**829,161**	747,398	**10.9**
Business tax and surcharges	**1,328,494**	1,169,558	**13.6**
Provision for impairment of properties held or under development for sale	**242,495**	382,231	**(36.6)**
Other expenses	**387,912**	249,557	**55.4**
	18,979,683	16,844,627	**12.7**
Total GFA delivered *(sq.m.)*	**2,817,869**	2,373,281	**18.8**
Average cost per sq.m. sold *(RMB)**	**6,040**	6,339	**(4.8)**
Average selling price per sq.m. sold *(RMB)*	**8,153**	8,518	**(4.3)**
Average cost as % of average selling price	**74.0%**	74.4%	**(0.4)**

* Average cost per sq.m. sold refers to the average cost of the Group's property sales (excluding the Group's leasing and property management operations) and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for a year by the total GFA delivered in that year.

Gross Profit

The Group's gross profit increased by 25.4% to approximately RMB4,856.2 million for the year ended 31 December 2015 from approximately RMB3,874.0 million for the year ended 31 December 2014. The Group reported a gross profit margin of approximately 20.4% for the year ended 31 December 2015, higher than that of approximately 18.7% for the year ended 31 December 2014, primarily attributable to the decrease in unit cost for 2015.

Fair Value Gains on Investment Properties

The Group develops and holds certain of its commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of income. Valuation gains on investment properties was approximately RMB815.1 million before tax for the year ended 31 December 2015. Valuation gains on investment properties increased as newly developed investment properties in 2015 increased.

Other Gains – Net

Net other gains decreased by 86.6% to approximately RMB14.2 million for the year ended 31 December 2015 from approximately RMB105.6 million for the year ended 31 December 2014. The decrease was primarily attributable to the absence of valuation gains before tax arising upon transfer of properties held for sale to investment properties during 2015, while such gains before tax during 2014 was approximately RMB99.0 million.

Selling and Marketing Costs

Selling and marketing costs increased by 35.0% to approximately RMB828.1 million for the year ended 31 December 2015 from approximately RMB613.4 million for the year ended 31 December 2014. The increase was primarily attributable to an increase in marketing expenses incurred as the Group launched more projects for pre-sale in 2015.

Administrative Expenses

Administrative expenses increased by 47.6% to approximately RMB1,035.5 million for the year ended 31 December 2015 from approximately RMB701.8 million for the year ended 31 December 2014. The increase in administrative expenses was primarily attributable to an increase in staff costs resulting from an increase in the Group's staff headcount in 2015.

Finance Costs – Net

The Group's finance costs primarily consists of interest expenses on bank loans, senior notes and corporate bonds less capitalized interest, and foreign exchange losses. Interest on borrowings relating to project development is capitalized to the extent it is directly attributable to a particular project and used to finance the development of that project. Net finance costs increased by 278.9% to approximately RMB514.6 million for the year ended 31 December 2015 from approximately RMB135.8 million for the year ended 31 December 2014. This increase was mainly attributable to the interest expense arising from newly-issued bonds and unrealised foreign exchange losses due to the depreciation of Renminbi in 2015.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax ("**LAT**"), PRC corporate income tax and deferred income tax during the year. Income tax expense increased by 21.3% to approximately RMB1,507.7 million for the year ended 31 December 2015 from RMB1,242.6 million for the year ended 31 December 2014. The increase was primarily due to the increase in the Group's profit from property development segment and fair value gains on investment properties in 2015.

Profit for the Year

Net profit attributable to equity holders of the Company increased by 0.5% to approximately RMB1,030.9 million for the year ended 31 December 2015 from approximately RMB1,025.7 million for the year ended 31 December 2014.

Core earnings (excluding post-tax fair value gains on investment properties and after-tax fair value gains upon transfer of properties held for sale to investment properties) attributable to equity holders of the Company increased by 2.3% to approximately RMB723.8 million for the year ended 31 December 2015 from approximately RMB707.3 million for the year ended 31 December 2014.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2015, the Group's cash at bank and on hand (including restricted cash) increased by 4.4% to approximately RMB7,762.5 million from approximately RMB7,436.5 million as at 31 December 2014. The carrying amount of the Group's cash and cash equivalents increased by 34.5% to approximately RMB6,478.9 million as at 31 December 2015 from approximately RMB4,817.9 million as at 31 December 2014.

Borrowings and charges on the Group's assets

The Group's outstanding current and non-current borrowings amounted to RMB18,980.5 million as at 31 December 2015, of which approximately RMB3,975.6 million is repayable within one year, approximately RMB7,276.5 million is repayable after one year but within two years, approximately RMB7,211.2 million is repayable after two years but within five years and approximately RMB517.2 million is repayable after five years. The Group's current and non-current borrowings increased RMB5,048.9 million to RMB18,980.5 million as at 31 December 2015 from RMB13,931.6 million as at 31 December 2014.

As at 31 December 2015, the Group's bank loans were approximately RMB5,352.4 million, all of which were secured by one or a combination of the following methods: land use rights, land to be developed, properties under development, properties held for sale, investment properties, property, plant and equipment, shares of the Company's subsidiaries, bank deposits and/or guarantees by the Company's subsidiaries. The Group's bank borrowings are from major commercial banks, all of which are independent third parties.

The Company successfully issued a tranche of five-year USD200 million senior notes at a fixed interest rate (10.25%) in January 2013, which the Company has redeemed in full on 31 January 2016 (the "**Redemption Date**") at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date, as disclosed in the announcement of the Company dated 3 December 2015. Other than these redeemed senior notes, the Company successfully issued a tranche of three-year RMB1.5 billion senior notes at a fixed interest rate (9.75%) in April 2013. In July 2014, the Company successfully issued a tranche of five-year USD350 million senior notes at a fixed interest rate (10.25%). These notes were secured by shares of the Company's subsidiaries. The Group's subsidiary, Jiangsu Future Land successfully issued corporate bonds with principal amount of RMB2 billion at a coupon rate of 8.9% in July 2014. Future Land Holdings, a subsidiary of the Group, successfully issued 5-year corporate bonds of RMB3 billion at a coupon rate of 4.50% (with the Issuer's right to adjust the coupon rate and a right of redemption exercisable by the holders at the end of the first three-year period) in November 2015. The Company successfully issued 2-year senior bonds of USD250 million at a fixed rate (6.25%) in November 2015. The issuance of the above-mentioned notes and bonds drove the proportion of the Group's long-term borrowings in the total borrowings to 79.1% as at 31 December 2015, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the constant optimization of the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks.

The weighted average interest rate for the Group's bank borrowings, senior notes and corporate bonds as at 31 December 2015 was 7.2%.

Net debt-to-equity ratio

As at 31 December 2015, the Group's net debt-to-equity ratio increased to 83.3% from 52.6% in 2014, primarily due to an increase in net debt resulted from the increase in financing and the increase in investment cash outflow. Net debt-to-equity ratio is calculated by dividing net debt at the end of the period by total equity and multiplying by 100%. Net debt is calculated as total borrowings less cash, cash equivalents and restricted cash.

Contingent Liabilities

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at the earlier of: (i) the issue of the real estate ownership certificate by government authorities to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties. If a purchaser defaults on a mortgage loan, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period typically starts from the date of grant of the mortgage.

As at 31 December 2015, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB5,376.1 million (as at 31 December 2014: approximately RMB4,478.6 million). In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

There are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings as at 31 December 2015. The Directors consider that the Company's subsidiaries are sufficiently financially resourced to settle their obligations.

Save as disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2015.

Available-For-Sale Financial Assets

As at 31 December 2015, the fair value of the Group's available-for-sale financial assets increased by 17.5% to approximately RMB337.7 million from approximately RMB287.4 million as at 31 December 2014. The increase is mainly attributable to the Group's acquisition of available-for-sale financial assets in 2015 that amounted to approximately RMB77.1 million and the increase of the fair value of the available-for-sale financial assets.

Foreign Exchange Risk

As at 31 December 2015, the Group had cash balances denominated in Renminbi of approximately RMB7,518.3 million, in Hong Kong dollars of approximately RMB93.0 million and in U.S. dollars of approximately RMB151.2 million.

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of U.S. dollars and Hong Kong dollars against Renminbi as a result of certain cash and the settlement of certain general and administrative expenses and other loans in U.S. dollars or Hong Kong dollars.

In addition to the USD200 million senior notes issued in 2013, which the Company has redeemed in full on 31 January 2016 at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date, as disclosed in the announcement of the Company dated 3 December 2015, and the USD350 million senior notes issued in 2014, the Company issued USD250 million senior notes on 6 November 2015 through the international capital market at a fixed interest rate of 6.25% with a term of two years to secure healthy and sound cash flow for the Group in the future. As a result of the issuance of these senior notes, the Group became exposed to foreign currency risk arising from the exposure of Renminbi against U.S. dollars.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting appropriate foreign currency hedging policy in the future and disclose when necessary.

Material Acquisition and Disposal

On 13 July 2015, the commodity housing pre-sale contract (the "**Contract**") in relation to, among other things, the acquisition of the Guoco Changfeng City No. 5 Office Tower* (《國浩長風城》5號辦公樓), Lane 388, Zhongjiang Road, Shanghai (the "**Target Asset**") was entered into between the Shanghai Xinhaolong Property Development Co., Ltd.* (上海新浩隆房地產開發有限公司) (the "**Transferor**") and Shanghai Jiamu Investment Management Co., Ltd.* (上海嘉牧投資管理有限公司), a subsidiary of the Company (the "**Transferee**"). Pursuant to the Contract, the Transferee has conditionally agreed to acquire and the Transferor has conditionally agreed to transfer the Target Asset held by it to the Transferee, at the consideration of RMB832,508,300. The planned use of the Target Asset, as approved by the government, is office building. The entering into of the Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). For further details, please refer to the announcement published by the Company on 14 July 2015.

On 13 August 2015 (after trading hours), Future Land Wanbo Property Co., Ltd.* (新城萬博置業有限公司) ("**Future Land Wanbo**"), Taizhou Future Land Wanbo Real Estate Co., Ltd.* (台州新城萬博房地產發展有限公司) ("**Taizhou Future Land**") and Shenzhen Pingan Dahua Huitong Wealth Management Co., Ltd.* (深圳平安大華匯通財富管理有限公司) ("**Pingan Dahua**") entered into an agreement ("**Taizhou Agreement**"), pursuant to which Future Land Wanbo will further invest RMB300 million in equity capital in Taizhou Future Land by capitalising the shareholder's loan and Pingan Dahua will invest RMB600 million in equity capital in Taizhou Future Land in cash to form a joint venture in relation to the development of the target land parcel located in Taizhou, Zhejiang, the PRC. After the capital injection, Taizhou Future Land will change from a wholly-owned subsidiary of Future Land Wanbo to an equity joint venture in which Future Land Wanbo and Pingan Dahua hold 40% and 60% equity interests, respectively. The entering into of the Taizhou Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements published by the Company on 13 and 17 August 2015.

On 27 October 2015, Future Land Wanbo, Chengdu Future Land Wanbo Real Estate Co., Ltd.* (成都新城萬博房地產發展有限公司) ("**Chengdu Future Land**") and Beijing Qianshi Chuangfu Asset Management Co., Ltd.* (北京千石創富資本管理有限公司) ("**Beijing Qianshi**") entered into an agreement ("**Chengdu Agreement**"), pursuant to which Beijing Qianshi will invest RMB800 million in equity capital in Chengdu Future Land in cash to form a joint venture in relation to the development of the target land parcel located in Chengdu, Sichuan, the PRC. After the capital injection, Chengdu Future Land will change from a wholly-owned subsidiary of Future Land Wanbo to an equity joint venture in which Future Land Wanbo and Beijing Qianshi hold 11.11% and 88.89% equity interests, respectively. Beijing Qianshi is a substantial shareholder of a subsidiary of the Company and therefore is a connected person at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules. Accordingly, the entering into of the Chengdu Agreement constitutes a connected transaction and a discloseable transaction for the Company under the Listing Rules. For further details, please refer to the announcement published by the Company on 27 October 2015.

The Company did its restructuring ("**Restructuring**") which involves two principal operating subsidiaries, namely (1) Jiangsu Future Land, B shares of which were listed on the Shanghai Stock Exchange (stock code: 900950) since 2001 to 2015; and (2) Future Land Holdings which was a wholly-owned subsidiary of the Company before the restructuring. Pursuant to the plan for the Restructuring, Future Land Holdings issued A shares to all shareholders of Jiangsu Future Land (other than Future Land Holdings) and absorbed and merged Jiangsu Future Land by way of share swap. A shares of Future Land Holdings have been starting to be listed on the Shanghai Stock Exchange on 4 December 2015. The Restructuring constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements published by the Company on 10 May 2015, 26 May 2015, 29 May 2015, 23 July 2015, 29 July 2015, 21 September 2015, 28 October 2015, 29 October 2015, 6 November 2015, 19 November 2015, 27 November 2015 and 3 December 2015.

During the year ended 31 December 2015, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets save as disclosed in this results announcement.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

Employees and Compensation Policy

As at 31 December 2015, the Group had 10,822 full-time employees in the PRC and Hong Kong, 4,923 of which worked in the property development operations and management of commercial complexes and 5,899 were engaged in property management, branded customer services and other operations.

The Group determines the remuneration packages of all employees (including the Directors) based on their performance, work experience and the prevailing market wage level, and provide promotional opportunities for them with reference to their individual strengths and potentials. The remuneration package of the employees consists of basic salary, cash bonus and share-based payments. The Group has established performance appraisal system so as to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly. The Group recognized an expense in relation to share-based payments of RMB8.1 million for the year ended 31 December 2015 (for the year ended 31 December 2014: RMB18.2 million).

USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company's shares (the "**Shares**") on the Stock Exchange on 29 November 2012 (after deducting underwriting fees and related expenses) amounted to approximately HK$1,975.8 million. During the year ended 31 December 2015, such net proceeds were applied in the manner consistent with that set out in the Company's prospectus dated 19 November 2012.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is to be held on Wednesday, 18 May 2016 and the notice of AGM is expected to be published and dispatched to the Shareholders on or about Wednesday, 30 March 2016.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.05 per Share for the year ended 31 December 2015 (2014: RMB0.05) to the Shareholders.

The proposed final dividend will be paid before 8 July 2016 after approval by Shareholders at the forthcoming AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the business days during the period from 19 May 2016 to 23 May 2016.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 13 May 2016 to Wednesday, 18 May 2016, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Wednesday, 18 May 2016. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 12 May 2016.

The record date for qualifying to receive the proposed final dividend is Thursday, 26 May 2016. In order to determine the rights of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders at the forthcoming AGM, the register of members of the Company will also be closed from Tuesday, 24 May 2016 to Thursday, 26 May 2016, both days inclusive. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 23 May 2016.

CORPORATE GOVERNANCE PRACTICES

The Group is 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 the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 of the Listing Rules as its own code of corporate governance. Save as disclosed below, the Company has complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2015. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. During the year ended 31 December 2015, Mr. WANG Zhenhua is the chairman of the Board and chief executive officer of the Company. With Mr. Wang's extensive experience in the property industry, the Board considered that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals.

On 7 January 2016, Mr. WANG Zhenhua resigned as the chief executive officer of the Company and Mr. LV Xiaoping, an executive Director, has been appointed as the chief executive officer of the Company in place of Mr. WANG Zhenhua with an aim to achieve better corporate governance of the Company. Therefore, the Company has complied with code provision A.2.1 of the CG code since 7 January 2016.

The Stock Exchange published its Consultation Conclusions on Risk Management and Internal Control: Review of the Corporate Governance Code and Corporate Governance Report ("**Consultation Conclusion**") on 19 December 2014, which requires the terms of reference of the audit committee of an issuer should be amended in accordance with code provision C.3.3 and an issuer may determine whether to establish a separate board risk committee taking into account its own circumstances and resources available. The Board meeting of the Company dated 9 November 2015 approved the amended version of the terms of reference of the audit committee of the Company to have risk management function and responsibility, according to the Consultation Conclusion. For further details of the terms of reference of the audit committee of the Company, please refer to the terms of reference of the audit committee of the Company published by the Company on 9 November 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the year ended 31 December 2015.

During the year ended 31 December 2015, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

The Board has been granted by the Shareholders at the annual general meeting of the Company held on 21 May 2015 (the "**2015 AGM**") the general mandate (the "**Repurchase Mandate**") to repurchase up to 566,800,000 Shares, being 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the 2015 AGM, on the Stock Exchange, as disclosed in the announcement of the Company dated 25 August 2015.

During the year ended 31 December 2015, the Company had repurchased a total of 10,000,000 ordinary Shares of the Company of HK$0.001 each in compliance with the memorandum and articles of association of the Company, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Law of the Cayman Islands and all applicable laws and regulations to which the Company is subject to. The Company confirms that the Share repurchase has not resulted in the number of the Shares held by the public falling below the relevant minimum percentage prescribed by the Listing Rules. All of the repurchased shares were cancelled on 3 November 2015. Details of the repurchases during the year under review are as follows:

Month of the Shares repurchase	**Total number of Shares repurchased**	**Highest price paid per Share** *(HK$)*	**Lowest price paid per Share** *(HK$)*	**Aggregate consideration** *(HK$)*
October 2015	6,946,000	1.24	1.05	7,826,020
September 2015	3,054,000	1.00	0.98	3,049,740
Total	10,000,000	1.24	0.98	10,875,760

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2015.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2015.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2015 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 (www.hkexnews.hk) and the Company (www.futureholdings.com.cn), and the 2015 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

PRC, 4 February 2016

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.