廣州富力地產股份有限公司
GUANGZHOU R&F PROPERTIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 2777)

2015 ANNUAL RESULTS ANNOUNCEMENT

- **Turnover up 28% to RMB44.3 billion**
- **Profit for the year rises to RMB6.7 billion**
- **Revenue from sales of property up 29% to RMB40.7 billion**
- **Gross profit margin and net profit margin from sales of property remained steady at 34% and 15%, respectively**
- **Cash and cash equivalents as at 31 December 2015 amounted to RMB21.3 billion**
- **Proposed final dividend of RMB0.90 per share — full year dividend payout ratio of 68%**

The board of directors (the "Board") of Guangzhou R&F Properties Co., Ltd. (the "Company" or "R&F") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015. The annual results have been reviewed by the audit committee of the Company.

CHAIRMAN'S STATEMENT

Within a transformational period which saw a slowdown in China's economic growth, in 2015 the Group engaged in a strategic shift aimed at achieving long-term sustainability. This involved placing emphases on long-term profitability and lowering the cost of funding, two important factors in the Group's performance for the year. As it became apparent that the recovery of China's property market was likely to be gradual, during the year we revised our contracted sales target for 2015 (from RMB60 billion) to achieve contract sales of RMB54.4 billion. Whilst contracted sales were flat overall as compared to 2014, the Group's profitability increased against that year. The recovery in China's property market has been gradual, with the strongest recovery coming in core first- and second-tier cities in which the Group generates a significant proportion of its sales. Despite an expected slowdown in China's economic growth, unforeseen fluctuations in China's domestic A-share market during the year led to some volatility across many areas. These fluctuations, which prompted intervention by the China Central Government on multiple occasions, may have had an indirect effect on the property market and on investment sentiment towards China. This period of heightened volatility has prompted the China Central Government to accelerate certain financial reforms and introduce alternate forms of liquidity for corporates; these have included reopening A-share IPO applications and accelerating the approval process for the issuance of domestic corporate bonds. These reforms have opened up new financing opportunities and have been a positive to allow the Group to shift focus to longer term goals. The following paragraphs highlight recent market trends and financial reforms that have had an effect on our Group's operations over the year.

Growth in sales volumes against economic weakness

In 2015, China's economy recorded Gross Domestic Product ("GDP") growth of 6.9%. This represented its lowest growth rate in the last 10 years, as the China Central Government continued to focus on making structural reforms to boost the long-term sustainability of the economy. Against this backdrop of lower economic growth was a concurrent progressive liberalization of the RMB currency, which gradually placed pressure on the value of the RMB currency — particularly in the second half of the year. That pressure had accelerated further at the beginning of 2016. Under a slower economic backdrop in 2015, our listed peers experienced considerable growth in contracted sales in terms of gross floor area ("GFA") sold. This reflected factors such as an increasing stability in the underlying property market, reasonable average selling prices, and active destocking of built-up inventory from 2014.

Another notable trend in contracted sales in 2015 was a shift in demand to higher-tier cities. Fundamental drivers such as demographics, business activity, GDP per capita and existing infrastructure all helped create a preference for property in higher- rather than lower-tier cities for long-term living and investment. This demand, coupled with the scarcity of new land available for acquisition at historical price levels, has meant that developers like ourselves who hold a high concentration of land in first- and second-tier cities enjoy a slight advantage if economic conditions become less favourable. The greater demand for property in higher-tier cities has been a factor in the decision by management to term out resources for sale over subsequent years that will enable us to moderate the pace at which our property resources in prime locations are depleted, and allow us time to replenish our land bank appropriately.

Larger financing pools at lower interest rates

Historically, the Group has primarily relied on debt financing and various forms of borrowing for the liquidity it has needed to facilitate property development, capture investment opportunities, and fulfil its strategic objectives each year. In recent years, an offshore high yield market and large pools of high cost short-term onshore financing products (such as trust loans and perpetual capital securities) have become available, and provided the primary source of capital for significant acquisitions made by the Group in 2013 and 2014. As a result, our financial gearing has deteriorated significantly, from a net gearing of 85% for the financial year ending 2012 to 124% for the financial year ending 2015. We do believe that the investments made during this period will provide valuable contributions in the future, but in the near term this borrowing has had the effect of increasing certain leverage metrics and adding to the financial burden of the Group.

However, the weakening economy has prompted the People's Bank of China to cut its one-year lending rate on six occasions, beginning in late 2014. The rate had fallen from 5.60% at the end of 2014 to 4.35% by the end of 2015. In addition, the reserve requirement ratio for Chinese banks and large financial institutions was lowered from 20% to 17%, with the aim of mitigating some of the financial risks and burdens that corporates and local governments have faced due to a slowing Chinese economy. Another key stimulus that has been directly beneficial to property developers was the opening up of the onshore corporate bond market. An amended promulgation issued in January 2015 significantly simplified the approval requisites and accelerated the issuance process, enabling developers to issue onshore corporate bonds at historically low interest levels. Subsequently in 2015, an estimated RMB22.3 trillion worth of domestic corporate bonds were issued domestically in China, up 87.5% from 2014. The Group took advantage of the depth of the issuance market in 2015 to issue RMB6.5 billion at an interest rate of 4.95%, and a further RMB9.6 billion early 2016 (January) at an interest rate of 3.95%. A further unused quota of RMB2.9 billion has been approved and can be issued when the timing is appropriate.

The monetary policy stimuli described above, together with the opening of the domestic bond market, has provided and is continuing to provide the Group with significant additional sources of funding at interest rates that compare favourably with our previous high funding costs. This additional source of funding enhances our financial flexibility and liquidity, while allowing the Group to reduce its existing high interest burden and to term out borrowings that are nearing maturity.

Business highlights of 2015

In 2015, the Group's contracted sales were largely flat by comparison with its contracted sales for 2014. The 2015 contracted sales amounted to RMB54.4 billion, a figure that met the revised sales target set mid-year. This figure was scaled down from the original figure of RMB60 billion once it became clear that the recovery of the property market was slower than expected, with the Group deciding to shift its focus to maintaining long-term profitability as against simply achieving year-on-year sales growth. Contracted sales, in terms of GFA sold in square metres, increased slightly by 2% to 4.11 million sq.m. Turnover (for the accounting income statement) increased significantly by 27.6% over 2014. In terms of GFA construction, there was a reduction in new starts compared with the preceding year, as resources were refocused on achieving a higher completion schedule. As a result, 3.51 million sq.m. of GFA was sold and delivered in 2015, an increase of 11% over 2014.

Despite 2015 contracted sales being flat, revenue and absolute gross profit rose by comparison with 2014, indicating that the Group was meeting its goal of maximizing profitability with its available resources. In 2015, we launched sales in our second overseas project in Brisbane, Australia; the result was relatively successful and, equally important, has deepened our overseas execution experience. Overall revenue was significantly higher on the basis of a larger scale of completions that were sold, but even taking into consideration the larger revenue base, the gross profit and net profit margin remained robust at 32.1% and 15.2% respectively. The Group's ability to maintain consistently higher margins when compared to the overall sector was especially significant in the context of declining margins in recent years, and the impact of such external factors such as the macroeconomic slowdown and forex exchange losses. This demonstrates the Group's ability to manage external factors and navigate challenging conditions to maintain a positive profit trend.

As in 2014, the Group continued to be selective about land acquisitions, as conserving capital was a key strategy going into 2015. Acquisitions made in the previous two years had adequately replenished the Group's land bank in line with our sales growth targets, and we consider that our current land is of sufficiently high quality to meet the needs of the next few years. Any further acquisitions will involve strategically replenishing our supplies in key areas. Land bank acquisitions in China amounted to GFA of 3.6 million sq.m., bringing the Group's total land bank to 39.8 million sq.m. of saleable area. In addition to existing land owned in 27 cities and areas, land was added in 2 new cities on a small scale in order to broaden our city exposure and explore new markets at a controlled pace. However, over 70% of GFA acquired was in cities and areas where we have an existing presence, and our intention is to stay firmly focused on those cities in which we have extensive market knowledge and experience.

In 2015, the Group opened a number of small hotels including Pullman Taiyuan R&F Hotel, Doubletree Resort by Hilton, Haikou-Chengmai and Holiday Inn Guangzhou Airport Zone. More notably, in December, the Group officially opened the Park Hyatt, Guangzhou, a five-star luxury hotel with 208 generously sized contemporary guestrooms (including 36 suites) that offers world-class service. The hotel is situated in the heart of Pearl River New Town's central business district ("CBD") and reflects the unparalleled elegance of the Park Hyatt brand. Adding to the city's growing skyline, the Park Hyatt, Guangzhou is situated above the 53rd floor of the R&F Yingkai Plaza, soaring above the CBD and offering breathtaking views across the city. The Group now has a number of significant landmark grade A office and 5-star hotel developments (under the Ritz-Carlton, Grand Hyatt and Park Hyatt brands) situated in the prime central district of the Pearl River New Town area, which between them are reinforcing our Group's reputation as a top tier developer.

Apart from hotels, the Group also added to its list of investment properties an additional shopping mall in the City Centre of Guangzhou, R&F Haizhu City. We soft-launched the first Guangzhou shopping mall R&F Haizhu City in October 2015. It is located at Jiangnanxi shopping rim which is the most developed and mature shopping area in Haizhu District. Total GFA of the shopping mall is 50,000 sq.m. with a MTR station No. 2 access underground.

On the financing front, 2015 was an active year for the Group both in terms of repayments and refinancing. Heading into 2015, the Group had substantial short-term liabilities which were either up for renewal or due for repayment. With local interest rates declining as the year proceeded and the onshore domestic bond market opening up to privately owned companies, the Group was able to actively manage its financing needs by issuing in July RMB6.5 billion of domestic bonds at a 4.95% coupon. Furthermore, despite a tightening trust financing market, the Group continued its strategic partnership with Ping An Asset Management by extending RMB1.6 billion of the RMB3.2 billion trust financing due in August. With a disciplined land bank acquisition strategy and strong cost controls in place, the Group was able to allocate excess funds to retire RMB7.6 billion of perpetual capital securities. As a result, the Group's overall effective cost of borrowings was reduced to 7.83% for 2015, as against 8.22% in 2014.

Whilst 2015 was a year dominated by debt financing activity across the sector, the Group achieved a significant milestone on the equity front. In June, it submitted an A-share application to the China Securities Regulation Committee ("CSRC") for a planned initial public offering of A-share to be listed on the Shanghai Stock Exchange. The submission marks our second attempt in the last five years to seek a listing in China; the previous application was discontinued in 2013. Whilst the volatility in China has created some uncertainty about the timing for completion, the Group remains optimistic given numerous statements issued by the CSRC indicating its support for A-share reform. In November 2014, the CSRC announced that it was removing the ban on A-share offerings; and in January 2015, it further stipulated that the process of offering shares and bonds for real estate developers will not be precluded from onshore fundraising. If and when successful, our A-share offering will provide the Group with significant funds for refinancing existing debt and investing in future projects. An A-share listing would also have the added effect of adjusting the financial profile of the Group by enlarging the proportion of its long-term equity capital, representing a move away from its historical reliance on debt financing.

The outlook for 2016

With uncertainties in the overall economy persisting in 2016 and the real estate sector continuing to play a significant role in direct investment, financing conditions are expected to remain favourable to companies in order to help them ease into the 'new normal'. It is also anticipated that certain austerity measures targeted at the sector may be loosened or relaxed in ways that could stimulate end-user investment and achieve long-term stability. In February 2016, the China Central Bank announced reductions in the minimum down-payment in non-home purchase restriction cities for first home buyers to 20%, and for second home buyers to 30%. After significant domestic fundraising activity undertaken by the sector at historically low rates, and further policy easing, developers are now able to afford to participate more actively in the land market. This is enabling them to plan strategically for the longer term, although they still need to be cautious of the risk of over-investing as the economy adjusts from a high growth rate to a more moderate one.

Inventory levels and stock clearance will continue to remain a focus in 2016 as developers look to monetize inventory as a means of unlocking cash flow for reinvestment. Inventory destocking is beneficial in two main ways; first as a means of generating immediate cash flow, and second as a way of achieving same-year recognition of earnings in which no back end completion time is required. With a lower level of new starts in 2015, the Group's existing inventory will provide us with additional resources for meeting our 2016 contracted sales target.

Plans and projects for 2016

The Group has delivered robust contract sales and profitability in recent financial periods, while maintaining an emphasis on cash conservation. However, with sufficient financing and a stronger bank balance, in 2016 the Group will look to continue maintaining profitability while also strategically replenishing its land bank for long-term sustainability. Our lower financing cost structure should offset margin declines that may arise from factors such as rising land prices versus stagnant selling prices, pricing pressure from inventory destocking, higher construction costs, and macroeconomic factors such as depreciation of the RMB. As a result, the Group has set its contracted sales target for 2016 at RMB60 billion, a modest 10% increase over the actual sales achieved in 2015, and a figure which takes into account both the outlook for the sector as a whole and the quality of our saleable resources.

Having a strong land bank and strategic footholds in first- and second-tier cities gives the Group a strategic advantage when it comes to weathering difficult markets, and also places us in a good position to take advantage of any significant sector recovery. In addition to looking at acquiring land predominantly in first- and second-tier cities, we will also focus on quick asset turn projects in which the time from acquisition to sale and then delivery is shorter. This is a good way of supplementing the slower turn of first- and second-tier city projects, which can be harder to replicate and replenish given scarcity of land and higher costs. In 2015, the Group's strategy in Taiyuan fulfilled a number of important criteria; it is a second-tier city with strong rigid demand, relatively low cost land, reasonable margins and scope for quick asset turn. In 2016, Taiyuan and other projects of a similar profile will form part of the Group's land acquisition strategy for achieving a good balance between cash flow and profitability.

As speculative investment is harder to foresee and the China Central Government's focus is on affordable rigid demand, the Group's projects will continue to be weighted towards residential projects targeted at the mass market, where rigid demand and upgrade demand are in line with government policies targeting long-term sustainability in the sector. Now that the one-child policy has been abolished, population growth and the needs of ordinary family households will be a factor in driving end user demand in first- and second-tier cities. In addition, the Group will continue to leverage its past successes in developing commercial projects and seek further investment opportunities in prime CBD locations and higher-tier cities for sale and long-term investment return.

In 2016, management will remain focused on achieving sustainable long-term profitability by implementing a balanced expansion plan involving higher sell-through rates and careful management of overall costs. After emerging from a period of tight liquidity and a high cost funding environment, management intends to remain disciplined on expenditure and continue to term out or lower the amount of its high cost debt over time. This should further improve cash flow and reduce the impact on margins. Overall, with improving market conditions and the further relaxation of austerity measures, we are confident of meeting our targets. Lastly, a successful A-share listing will definitely be a significant factor in determining the direction of the Group going forward.

Acknowledgements

We are coming to the end of a transformational period that has involved significant corporate adjustments against a backdrop of major economic and sector challenges. Management continues to appreciate the loyalty shown by our shareholders and other investors throughout this period, and their support as we have developed and implemented new longer-term strategies and directions. Achieving our contracted sales is key to achieving our overall strategy, so on behalf of the Group I would like to thank our customers for their support in investing in our products, and placing confidence in our market expertise. Within the Group, I would like to express my sincere thanks to the directors, whose experience and oversight have provided important guidance. Finally, I wish to extend my sincere appreciation to our thousands of staff members, whose dedication and commitment have been vital in communicating our core values to our shareholders, customers and investors. Without the support of all these groups, management could not have confidently overcome the challenges and developed the forward-looking strategies designed to continue the successes of the past into the years to come.

CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan thousands unless otherwise stated)

		Year ended 31 December	
	Note	**2015**	2014
Revenue	2	**44,290,924**	34,705,410
Cost of sales	4	**(30,083,853)**	(22,391,431)
Gross profit		**14,207,071**	12,313,979
Other income and other gains — net	3	**1,518,092**	2,030,304
Selling and marketing costs	4	**(896,657)**	(896,059)
Administrative expenses	4	**(2,409,572)**	(2,220,501)
Operating profit		**12,418,934**	11,227,723
Finance costs	5	**(2,153,995)**	(1,215,921)
Share of results of joint ventures		**1,343,455**	169,789
Share of results of associates		**(18,893)**	(25,205)
Profit before income tax		**11,589,501**	10,156,386
Income tax expenses	6	**(4,877,229)**	(3,649,997)
Profit for the year		**6,712,272**	6,506,389
Profit attributable to:			
— Owners of the Company		**5,615,795**	5,220,603
— Holders of perpetual capital instruments		**1,105,249**	1,331,328
— Non-controlling interests		**(8,772)**	(45,542)
		6,712,272	6,506,389
Basic and diluted earnings per share for profit attributable to owners of the Company *(expressed in RMB Yuan per share)*	8	**1.7524**	1.6325

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB Yuan thousands unless otherwise stated)

	Year ended 31 December	
	2015	2014
Profit for the year	**6,712,272**	6,506,389
Other comprehensive income		
Item that may be reclassified to profit or loss		
— Fair value gains on available-for-sale financial assets, net of tax	**17,498**	173,683
— Currency translation differences	**24,173**	5,810
Other comprehensive income for the year, net of tax	**41,671**	179,493
Total comprehensive income for the year	**6,753,943**	6,685,882
Total comprehensive income attributable to:		
— Owners of the Company	**5,657,262**	5,400,096
— Holders of perpetual capital instruments	**1,105,249**	1,331,328
— Non-controlling interests	**(8,568)**	(45,542)
	6,753,943	6,685,882

CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

		As at 31 December	
	Note	**2015**	2014
ASSETS			
Non-current assets			
Land use rights		**1,264,041**	1,198,045
Property, plant and equipment		**9,009,864**	7,495,641
Investment properties		**19,251,951**	18,047,632
Intangible assets		**1,034,849**	977,958
Interests in joint ventures		**5,954,631**	4,617,519
Interests in associates		**71,052**	86,213
Deferred income tax assets		**3,295,186**	2,927,764
Available-for-sale financial assets		**645,140**	535,477
Trade and other receivables and prepayments	9	**4,046,552**	3,772,884
		44,573,266	39,659,133
Current assets			
Properties under development		**78,671,926**	81,327,691
Completed properties held for sale		**22,427,988**	17,222,116
Inventories		**414,888**	358,831
Trade and other receivables and prepayments	9	**13,576,168**	10,890,728
Tax prepayments		**2,784,288**	2,551,852
Restricted cash		**6,814,094**	6,339,497
Time deposits		**500,000**	—
Cash and cash equivalents		**13,970,313**	13,490,425
		139,159,665	132,181,140
Total assets		**183,732,931**	171,840,273
EQUITY			
Equity attributable to owners of the Company			
Share capital		**805,592**	805,592
Other reserves		**4,590,948**	4,538,822
Shares held for Share Award Scheme		**(88,947)**	(128,711)
Retained earnings		**35,404,023**	30,749,658
		40,711,616	35,965,361
Perpetual capital instruments		**7,977,869**	15,648,416
Non-controlling interests		**527,895**	531,785
Total equity		**49,217,380**	52,145,562

	Note	As at 31 December 2015	2014
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**49,759,398**	45,553,602
Accruals and other payables	10	**—**	171,222
Deferred income tax liabilities		**3,935,947**	3,278,908
		53,695,345	49,003,732
Current liabilities			
Accruals and other payables	10	**18,727,912**	19,270,956
Deposits received on sale of properties		**18,407,668**	19,225,725
Current income tax liabilities		**11,005,384**	10,089,230
Short-term borrowings		**5,661,596**	3,085,000
Current portion of long-term borrowings		**27,017,646**	19,020,068
		80,820,206	70,690,979
Total liabilities		**134,515,551**	119,694,711
Total equity and liabilities		**183,732,931**	171,840,273

1. GENERAL INFORMATION

Guangzhou R&F Properties Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45–54/F, R&F Center, No.10 Hua Xia Road, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

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

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

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

(a) New and amended standards adopted by the Group

The following amended standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2015.

Standards	Subject
Amendment to HKAS 19	Defined benefit plans
Annual improvements 2012	Annual improvements 2010–2012 cycle
Annual improvements 2013	Annual improvements 2011–2013 cycle

The adoption of amended standards has no material impact on the Group's financial statements except for disclosure.

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

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New and amended standards not yet adopted

A number of new standards, amendments to standards and annual improvements are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing the Group's consolidated financial statements. Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted in.

Standards	**Subject**	**Effective for annual periods beginning on or after**
HKFRS 14	Regulatory deferral accounts	1 January 2016
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plants	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	Annual improvements 2012–2014 cycle	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendments to HKAS 1	Disclosure initiative	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

2. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Executive Directors. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purpose of allocating resources and assessing performance.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in the property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and property agency. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of profit for the year.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2015 and the segment assets and liabilities at 31 December 2015 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Segment revenue	**40,744,245**	**925,827**	**1,226,483**	**1,852,650**	**44,749,205**
Inter-segment revenue	**—**	**(68,572)**	**(45,333)**	**(344,376)**	**(458,281)**
Revenue from external customers	**40,744,245**	**857,255**	**1,181,150**	**1,508,274**	**44,290,924**
Profit/(loss) for the year	**6,178,335**	**1,210,431**	**(167,446)**	**(509,048)**	**6,712,272**
Finance costs	**(1,639,068)**	**(128,414)**	**(221,168)**	**(165,345)**	**(2,153,995)**
Share of results of joint ventures	**1,343,455**	**—**	**—**	**—**	**1,343,455**
Share of results of associates	**(30,828)**	**—**	**—**	**11,935**	**(18,893)**
Income tax (expenses)/credits	**(4,709,625)**	**(401,518)**	**55,815**	**178,099**	**(4,877,229)**
Depreciation and amortisation	**(185,145)**	**—**	**(207,937)**	**(60,427)**	**(453,509)**
(Allowance for)/reversal of allowance for impairment losses of receivables	**(29,034)**	**—**	**66**	**(24)**	**(28,992)**
Fair value gains on investment properties — net of tax	**—**	**830,709**	**—**	**—**	**830,709**
Segment assets	**152,617,182**	**19,251,951**	**6,854,021**	**1,069,451**	**179,792,605**
Segment assets include:					
Interests in joint ventures	**5,954,631**	**—**	**—**	**—**	**5,954,631**
Interests in associates	**8,056**	**—**	**—**	**62,996**	**71,052**
Addition to non-current assets (other than financial instruments and deferred tax assets)	**603,789**	**154,587**	**916,262**	**145,011**	**1,819,649**
Segment liabilities	**36,287,953**	**—**	**256,897**	**590,730**	**37,135,580**

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2014 and the segment assets and liabilities at 31 December 2014 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Segment revenue	31,650,997	879,847	1,137,521	1,358,864	35,027,229
Inter-segment revenue	—	(52,584)	(28,918)	(240,317)	(321,819)
Revenue from external customers	31,650,997	827,263	1,108,603	1,118,547	34,705,410
Profit/(loss) for the year	5,449,418	1,576,066	(139,619)	(379,476)	6,506,389
Finance costs	(697,934)	(155,492)	(231,187)	(131,308)	(1,215,921)
Share of results of joint ventures	169,789	—	—	—	169,789
Share of results of associates	(24,705)	—	—	(500)	(25,205)
Income tax (expenses)/credits	(3,285,959)	(525,356)	46,540	114,778	(3,649,997)
Depreciation and amortisation	(232,557)	—	(177,312)	(62,834)	(472,703)
Goodwill disposed for sale of properties	(3,269)	—	—	—	(3,269)
(Allowance for)/reversal of allowance for impairment losses of receivables	(10,250)	—	(42)	601	(9,691)
Fair value gains on investment properties — net of tax	—	1,228,631	—	—	1,228,631
Segment assets	143,397,989	18,047,632	6,085,875	845,536	168,377,032
Segment assets include:					
Interests in joint ventures	4,617,519	—	—	—	4,617,519
Interests in associates	35,153	—	—	51,060	86,213
Addition to non-current assets (other than financial instruments and deferred tax assets)	475,914	559,319	108,049	167,268	1,310,550
Segment liabilities	37,777,761	—	307,688	582,454	38,667,903

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the income statement.

The amounts provided to the Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group's deferred income tax assets and available-for-sale financial assets are not considered to be segment assets but rather are managed on a central basis.

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

	2015	2014
Segment assets for reportable segments	**179,792,605**	168,377,032
Deferred income tax assets	**3,295,186**	2,927,764
Available-for-sale financial assets	**645,140**	535,477
Total assets per balance sheet	**183,732,931**	171,840,273

The amounts provided to the Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

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

	2015	2014
Segment liabilities for reportable segments	**37,135,580**	38,667,903
Deferred income tax liabilities	**3,935,947**	3,278,908
Current income tax liabilities	**11,005,384**	10,089,230
Current borrowings	**32,679,242**	22,105,068
Non-current borrowings	**49,759,398**	45,553,602
Total liabilities per balance sheet	**134,515,551**	119,694,711

Entity-Wide information

Breakdown of revenue is as follows:

	2015	2014
Analysis of revenue by category		
Sale of properties	**40,744,245**	31,650,997
Rental income	**857,255**	827,263
Hotel operations	**1,181,150**	1,108,603
Property management services and others	**1,508,274**	1,118,547
	44,290,924	34,705,410

Revenue from external customers by country, based on the destination of the customer:

	2015	2014
PRC	**44,289,281**	34,705,410
Other countries	**1,643**	—
Total	**44,290,924**	34,705,410

Revenues from the individual countries included in "other countries" are not material. There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenues for the year ended 31 December 2015 (2014: Nil).

Non-current assets, other than financial instruments and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts), by country:

	2015	2014
PRC	**37,013,494**	33,545,227
Other countries	**6,894**	—
Total	**37,020,388**	33,545,227

Non-current assets in the individual countries included in "other countries" are not material.

3. OTHER INCOME AND OTHER GAINS — NET

	2015	2014
Fair value gains on investment properties — net	**1,105,652**	1,638,174
Other operating income	**133,713**	105,206
Interest income	**143,043**	211,760
Dividends received on available-for-sale financial assets	**4,332**	—
(Losses)/gains on disposals of investment properties	**(12,528)**	3,394
Gains on disposals of property, plant and equipment	**7,126**	14,859
Gains on disposals of intangible assets	**79,784**	—
Others	**56,970**	56,911
	1,518,092	2,030,304

4. EXPENSES BY NATURE

Expenses by nature comprising cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	2015	2014
Cost of completed properties sold	**27,085,715**	19,997,339
Business taxes and other levies	**2,686,859**	2,094,171
Employee benefit expenses	**1,426,117**	1,172,432
Depreciation	**369,273**	388,178
Advertising costs	**143,725**	269,457
Amortisation of land use rights and intangible assets	**84,236**	84,525
Office expenses	**154,245**	194,644
Operating lease payments	**16,427**	14,320
Allowance for doubtful debts	**28,992**	9,691
Auditors' remuneration	**9,710**	10,246
— Audit services	**6,783**	6,109
— Non-audit services	**2,927**	4,137
Others	**1,384,783**	1,272,988
	33,390,082	25,507,991

5. FINANCE COSTS

	2015	2014
Interest expenses:		
— bank borrowings	**2,580,355**	2,319,584
— corporate bonds	**157,724**	318,899
— senior notes	**1,178,648**	1,198,121
— other borrowings	**2,097,085**	1,955,715
— finance lease liabilities	**5,409**	8,366
	6,019,221	5,800,685
Net foreign exchange losses	**1,210,521**	301,545
Less: finance costs capitalised	**(5,075,747)**	(4,886,309)
	2,153,995	1,215,921

6. INCOME TAX EXPENSES

	2015	2014
Current income tax		
— PRC enterprise income tax *(Note (b))*	**2,062,492**	2,446,005
Deferred income tax	**281,267**	(78,564)
	2,343,759	2,367,441
Current PRC land appreciation tax *(Note (c))*	**2,533,470**	1,282,556
Total income tax expenses *(Note (d))*	**4,877,229**	3,649,997

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have estimated assessable profit for the year (2014: Nil).

(b) PRC enterprise income tax

The PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC.

In respect of the applicable income tax rates for the year ended 31 December 2015, except for certain companies in the Group which were taxed at 2%–3% (2014: 2%–3%) on their revenue, other businesses within the Group were primarily taxed at 25% (2014: 25%) on their profits.

(c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to the PRC land appreciation tax which 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 expenditure including costs of land use rights and development and construction expenditure.

(d) The tax on the Group's profit before tax differs from the theoretical amount that would have arisen using the weighted average tax rate applicable to profits of the consolidated companies due to the following:

	2015	2014
Profit before income tax	**11,589,501**	10,156,386
Less: Land appreciation tax	**(2,533,470)**	(1,282,556)
	9,056,031	8,873,830
Calculated at tax rate of 25% (2014: 25%)	**2,264,008**	2,218,458
Effects of :		
— Different income tax rates of certain companies	**(8,902)**	(2,399)
— Share of results of joint ventures and associates	**(331,141)**	(36,146)
— Expenses and development costs not deductible for tax purposes	**516,683**	282,469
— Others	**(96,889)**	(94,941)
PRC enterprise income tax	**2,343,759**	2,367,441
Land appreciation tax	**2,533,470**	1,282,556
Tax charge	**4,877,229**	3,649,997

(e) The tax charges relating to components of other comprehensive income are as follows:

	2015			2014		
	Before tax	**Tax charges**	**After tax**	Before tax	Tax charges	After tax
Fair value gains of available-for-sale financial assets	**23,331**	**(5,833)**	**17,498**	231,577	(57,894)	173,683

7. DIVIDENDS

The dividends declared in 2015 were RMB966,710,000 (2014: Nil). A dividend in respect of the year ended 31 December 2015 of RMB0.9 per share, amounting to a total dividend of RMB2,900,130,000, is to be proposed at the annual general meeting on 27 May 2016. These financial statements do not reflect this dividend payable.

	2015	2014
Interim dividend declared of RMB0.3 (2014: Nil) per ordinary share	**966,710**	—
Less: Dividends for shares held for Share Award Scheme	**(5,280)**	—
	961,430	
Proposed final dividend of RMB0.9 (2014: Nil) per ordinary share	**2,900,130**	—
Less: Dividends for shares held for Share Award Scheme	**(13,291)**	—
	2,886,839	—
	3,848,269	—

8. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year less shares held for Share Award Scheme.

	2015	2014
Profit attributable to owners of the Company	**5,615,795**	5,220,603
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme *(thousands)*	**3,204,546**	3,198,005
Earnings per share *(RMB per share)*	**1.7524**	1.6325

There were no dilutive potential ordinary shares as at 31 December 2015 and 2014.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2015	2014
Trade receivables — net *(Note (a))*	**4,864,843**	4,823,718
Other receivables — net	**5,884,946**	4,717,407
Prepayments	**2,587,669**	1,373,880
Due from joint ventures	**1,737,889**	1,709,230
Due from associates	**2,547,373**	2,039,377
Total	**17,622,720**	14,663,612
Less : non-current portion	**(4,046,552)**	(3,772,884)
Current portion	**13,576,168**	10,890,728

The carrying amounts of trade and other receivables approximate their fair values.

(a) Trade receivables

	2015	2014
Trade receivables — current portion	**4,885,021**	4,688,168
Less: allowance for impairment	**(20,178)**	(1,818)
	4,864,843	4,686,350
Trade receivables — non-current portion	**—**	137,368
	4,864,843	4,823,718

Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balances within 90 days as specified in the sale and purchase agreements. Purchasers of certain office and commercial units are required to settle the outstanding balances within 12 months as specified in the sale and purchase agreements. The ageing analysis of trade receivables is as follows:

	2015	2014
0 to 90 days	**2,879,142**	2,981,140
91 to 180 days	**346,186**	272,507
181 to 365 days	**515,746**	990,974
1 year to 2 years	**877,741**	245,487
Over 2 years	**266,206**	335,428
	4,885,021	4,825,536

10. ACCRUALS AND OTHER PAYABLES

	2015	2014
Amounts due to joint ventures *(Notes (a))*	**2,032,153**	1,801,864
Advance from a joint venture	**13,720**	—
Construction payables *(Note (b))*	**9,144,332**	10,498,573
Other payables and accrued charges *(Note (c))*	**7,537,707**	7,141,741
Total	**18,727,912**	19,442,178
Less: non-current portion	**—**	(171,222)
Current portion	**18,727,912**	19,270,956

(a) The amounts are unsecured, interest free and are repayable on demand.

(b) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis is presented.

(c) The balance mainly represents interest payables, accruals and other taxes payable excluding income tax.

(d) The carrying amounts of accruals and other payables approximate their fair values.

BUSINESS REVIEW

Contracted sales

The Group generated contracted sales of RMB54.4 billion in 2015, substantially in line with that in 2014. The contracted sales were derived from 62 projects in aggregate in 24 cities and regions across three main regions of China (Northern China, Southern China and Hainan), along with two cities overseas in Johor Bahru, Malaysia and Brisbane, Australia. On a regional basis, contracted sales for Southern China decreased by 6% to RMB19.140 billion, contracted sales for Northern China increased by 6% to RMB32.523 billion, while that for Hainan decreased by 11% to RMB1.549 billion. Four cities — Zhuhai, Zhengzhou, Nanning and Brisbane in Australia — contributed contracted sales for the first time, which together accounted for 3% of the overall total. At the city level, contracted sales for Guangzhou and Beijing remained the highest of all cities at RMB11.185 billion and RMB10.353 billion respectively, accounting for 21% and 19% of our total sales in 2015. The combined contracted sales for these two cities accounted for approximately 40% of the Group's total contracted sales. In 2015, the Group launched, in total, 14 new projects in 11 cities in China and Australia, accounting for 15% of total contracted sales of the Group. Total contracted sales of the Group in terms of GFA increased by 2% to 4,110,400 sq.m. from 4,048,200 sq.m., and the average selling price in 2015 was RMB13,200 per sq.m., substantially in line with RMB13,400 per sq.m. in 2014.

Details of the Group's 2015 contracted sales by geographical distribution are set out below:

Location	**Approximate saleable area sold** *(sq.m.)*	**+/– % vs. 2014**	**Approximate total value** *(RMB million)*	**+/– % vs. 2014**
Guangzhou	457,800	–14%	11,185	–22%
Huizhou	222,100	45%	1,627	47%
Chongqing	246,000	–4%	1,302	–9%
Chengdu	138,900	0%	751	0%
Fuzhou	68,500	164%	1,326	161%
Meizhou	298,900	45%	1,531	59%
Guiyang	14,000	26%	122	–32%
Foshan	19,200	–85%	344	–66%
Nanning	1,000	N/A	14	N/A
Zhuhai	35,200	N/A	938	N/A
Southern Region	**1,501,600**	**3%**	**19,140**	**–6%**
Beijing and vicinity	624,600	–32%	10,353	–18%
Tianjin	364,800	39%	5,964	31%
Taiyuan	553,500	–9%	4,865	8%
Xian	29,700	–26%	292	–43%
Shenyang	61,600	63%	536	90%
Harbin	101,200	48%	1,646	18%
Shanghai and vicinity	68,100	–27%	2,345	–1%
Hangzhou and vicinity	159,800	38%	2,198	14%
Nanjing	101,700	57%	1,662	42%
Wuxi	145,900	155%	1,249	98%
Datong	42,100	33%	217	44%
Baotou	140,900	50%	895	63%
Zhengzhou	32,000	N/A	301	N/A
Northern Region	**2,425,900**	**2%**	**32,523**	**6%**
Hainan	**118,400**	**3%**	**1,549**	**–11%**
Johor Bahru, Malaysia	**60,300**	**–32%**	**1,011**	**–40%**
Brisbane, Australia	**4,200**	**N/A**	**174**	**N/A**
Total	**4,110,400**	**2%**	**54,397**	**0%**

Projects under development

In response to changing market condition, the Group was flexible in its approach to managing its property under development during the year, looking to ensure efficient deployment of its resources and to avoid accumulating excessive inventory. The Group started the year with approximately 14.24 million sq.m. of GFA under development, and started construction of approximately 2.94 million sq.m. GFA. During the year, the Group completed 4.63 million sq.m. GFA of development properties with 3.79 million sq.m. of saleable area, and completed 230,000 sq.m. GFA of investment properties. By the end of the year, the Group's GFA under development had decreased by 13% to approximately 12.32 million sq.m. which were distributed across 64 projects in 25 cities and regions. This amount of property under development at year-end, when put together with further planned construction new starts in 2016, is expected to make available pre-sale permits for properties with an approximate value of approximately RMB96 billion, which should provide a solid basis for meeting the Company's sales target for 2016.

The following is the position as at 31 December 2015:

Location	**Number of projects**	**Approximate total GFA** *(sq.m.)*	**Approximate saleable area** *(sq.m.)*
Guangzhou	10	1,614,000	1,294,000
Beijing and Vicinity	4	1,439,000	994,000
Tianjin	6	1,153,000	755,000
Taiyuan	4	1,092,000	733,000
Harbin	2	869,000	737,000
Huizhou	3	793,000	545,000
Shanghai and Vicinity	3	746,000	445,000
Hangzhou and Vicinity	3	622,000	451,000
Meizhou	1	589,000	450,000
Zhengzhou	2	582,000	406,000
Chongqing	3	382,000	287,000
Wuxi	3	316,000	233,000
Fuzhou and Vicinity	2	307,000	245,000
Johor Bahru, Malaysia	1	304,000	167,000
Baotou	1	282,000	206,000
Hainan	4	220,000	193,000
Foshan	1	209,000	157,000
Nanning	1	150,000	105,000
Shenyang	2	139,000	93,000
Zhuhai	1	135,000	99,000
Nanjing and Vicinity	2	118,000	86,000
Chengdu	1	117,000	87,000
Guiyang	1	63,000	46,000
Xian	2	56,000	35,000
Datong	1	22,000	0
Total	**64**	**12,319,000**	**8,849,000**

Current Major Property Development

Southern China

The Group did not enter any new cities in the region during the year; its operations in Southern China covered ten cities, which contributed contracted sales in the year. This was the first year for Nanning and Zhuhai to contribute contracted sales to the Group.

Guangzhou is the Group's key city in Southern China. The city recorded the highest contracted sales of the Group, not simply for Southern China but for all the cities where it operates. Contracted sales for Guangzhou in the year amounted to RMB11.19 billion. Sales were mainly derived from nine continuing projects. Sales performance of R&F Dongshan Xintiandi (a continuing project launched in 2013) was satisfactory, accounting for approximately 49% of contracted sales in Guangzhou and recording the highest sales of all development projects in Guangzhou. In 2016, the Group will put efforts on R&F Yuexi Garden (Bigangcun Project) which will be one of the projects in Guangdong province to be launched.

Huizhou is one of the cities where the Group has been operating for years. Huizhou R&F Bay Shore is located at the heart of the top three seaside tourist attractions in Guangdong province, namely Xunliao Bay, Shuangyue Bay and Yapo Corner, with total GFA of approximately 5.30 million sq.m. Huizhou R&F Bay Shore offers well-equipped facilities. With an emerging lifestyle for health, wellness and leisure, R&F Bay Shore project has an ecological park with an area of 29,000 sq.m., having a health valley, a water park and a seaside greenway. Sales performance of the project was satisfactory upon its launch with 1,100 units sold, the third highest transactions of all projects in seaside area of Huizhou in 2015.

After the Group entered the **Meizhou** property market with the rigid demand project Meizhou R&F City last year, the sales of the project totaled approximately RMB1.53 billion in 2015. The saleable area of the project is anticipated to be more than 300,000 sq.m. in 2016, a considerable revenue is expected by the Group. Meizhou R&F City is located at the core zone of Meixian New Town in Meizhou City with planned site area of 662,942 sq.m. and a total GFA of 2,351,581 sq.m. The project is planned for the construction of mid-to-high end residential properties.

In addition to the above cities, the Group's R&F Center, in **Fuzhou** was well-received by the public in 2015. With the strictly implementation of the Group's marketing channel strategy with three key principles of "maximizing sales, securing geographical presence and controlling costs", the Group will achieve excellent sales performance in Fuzhou through smooth business operation.

Northern China

The Group developed new markets and operated in 13 cities in Northern China in the year. **Beijing**, **Tianjin** and **Taiyuan** were the key sales contributors in Northern China. The three cities provided 13 projects for sales with up to approximately RMB21.18 billion of total contracted sales.

In 2015, the contracted sales of the Group in **Beijing** was approximately RMB10.35 billion, achieving outstanding performance. The contracted sales was principally from four projects, namely Tongzhou R&F Center, Beijing R&F New Town, R&F Huilan Meju and R&F Shangyue Court. Tongzhou R&F Center Project (also known as R&F Tongzhou Yunhe No. 10) is located in Tongzhou New Town of Tongzhou District, Beijing with a planned site area of 69,796 sq.m. and a total GFA of 465,800 sq.m. It will provide residential units, apartments, commercial properties and offices in one development. The residential units will mainly be flats with high-quality decor complemented by high-end properties. Beijing R&F New Town is located in Xianghe New Town District adjacent to the Xianghe Exit of Jingha Expressway in Xianghe County. Xianghe is located along the core corridor zone of the Beijing-Tianjin-Hebei region and connects with the business circle in eastern Beijing. The project has a total GFA of 1,937,660 sq.m. and is planned for the construction of high-end residential properties. In 2016, major projects of the Group to be put onto the market in Beijing will remain Tongzhou R&F Center Project and Beijing R&F New Town.

In 2015, the contracted sales of the Group in **Tianjin** totaled approximately RMB5.96 billion, over 50% of which was from R&F Jinmen Lake Project. The Group focused on the development and the launch of Tianjin R&F New Town Project in Tianjin in 2016. Tianjin R&F New Town is located at the junction of Renai Avenue and Zeshui North Road in Tuanpo New Town Eastern District in Tianjin with a planned site area of 1,440,497 sq.m. and a total GFA of 2,160,999 sq.m. The project is planned to be built into an integrated complex featuring mainly low density residences and high-rise residential buildings, complemented by boutique commercial properties.

In 2015, the contracted sales of the Group in **Taiyuan** totaled approximately RMB4.87 billion, mostly from Taiyuan R&F City. In addition, Pullman Taiyuan R&F Hotel officially opened in April 2015 and it is located in Taiyuan R&F City where easily accessible to Taiyuan airport, train station, major commercial and shopping centers in 20 minutes. The hotel has 279 guest rooms with well-equipped facilities, including modern food and beverage outlets, event venue and other ancillary facilities. In addition to the launch of Taiyuan R&F City, Taiyuan R&F Prosperous Palace and Taiyuan R&F Xiyue Court for sale in 2016, the Group is expected to launch the sales of several new projects to further increase the sales in Taiyuan.

In addition, the projects in Northern China are planned to be developed and/or launched by the Group in 2016 include: **Shanghai** R&F Hongqiao No. 10 is located within the core area of Hongqiao Business Zone in Minhang District with a planned site area of 152,455 sq.m. and a total GFA of 534,058 sq.m. The project will provide a variety of properties, such as high-end residential units, office towers of international standards, customised offices, flagship commercial properties and high-end hotels; **Harbin** R&F City is located at Youyi West Road in Daoli District, Harbin adjacent to the core zone of the Songbei Financial CBD. The project has a planned site area of 399,197 sq.m. and a total GFA of 832,500 sq.m. The project is planned to be built into an integrated complex featuring mainly low-density residences and high-rise residential buildings with high-quality decoration, complemented and enhanced by boutique commercial properties; **Nanjing** R&F Shangyue Court is located at Xinhu Avenue in Banqiao New Town of Yuhuatai District, Nanjing with a planned site area of 105,021 sq.m. and a total GFA of 343,472 sq.m. Property types will include mid- to high-end residential units and commercial properties; and **Wuxi** R&F No. 10 is located in the core area of Taihu New Town in Binhu District, Wuxi with an overall planned site area of 111,261 sq.m. and a total GFA of 233,648 sq.m. The project is planned for the construction of high-end residential buildings with high-quality decoration.

Hainan

In 2015, the Group provided 4 projects for sale in Hainan, including R&F Bay Shore, R&F Yingxi Valley, R&F Mangrove Bay and R&F Moon Bay Shore. As compared with the previous year, the contracted sales for the year of the four projects contributed RMB1.55 billion to the Group.

Overseas

For overseas markets, R&F Princess Cove located in Johor Bahru, **Malaysia** has drawn much attention from all sectors since its launch in mid-2014. In 2015, R&F Princess Cove won the People Choice award 2015 for "Best Waterfront Development in Malaysia" presented by iProperty.com, the most influential professional online property portal website in Malaysia and Singapore. The award was voted by over 3,000 local residents and the nominees for the award included Country Garden Danga Bay and Greenland Jade Palace, showing a relatively high reputation of R&F Princess Cove in Malaysia.

The Group will launch Brisbane One for sale in Australia in 2016. The project is well-equipped with full facilities, including swimming pool, sky garden, indoor club and fitness center on the top level. For the apartment design, Brisbane One Project provides dual key apartments which could principally address market demand in Australia as well as demand from Chinese investors. Dual key apartments are commonly found in Singapore and believed to be well received by both users and investors.

Land bank

In 2015, the Group continued to apply the same conservative and balanced criteria as always to general direction towards its land acquisitions. The general principles on land assessment of the Group during the year were total price being reasonable, fulfillment of profit forecast and quickness of turnover. The Group acquired 13 plots of land in 10 cities and regions with additional saleable area of approximately 3,605,000 sq.m. in 2015, 9 out of the 13 plots of land are located in the cities and regions where the Group currently has operations and 4 out the 13 plots of land are located in Shijiazhuang and Zhengzhou where we have newly established business presence. The Group's total land bank at year-end was GFA of 41.85 million sq.m. distributed across 26 cities and regions in China and 3 overseas cities. Details are given below:

Location	**Approximate total GFA** *(sq.m.)*	**Approximate saleable area** *(sq.m.)*
Development Properties		
Guangzhou	2,054,000	1,854,000
Foshan	162,000	162,000
Zhuhai	100,000	100,000
Huizhou	2,840,000	2,840,000
Meizhou	1,776,000	1,776,000
Hainan	3,216,000	3,135,000
Changsha and vicinity	3,299,000	3,299,000
Fuzhou and vicinity	1,064,000	934,000
Nanning	294,000	166,000
Chongqing	4,519,000	4,519,000
Chengdu	400,000	195,000
Guiyang	142,000	142,000
Shanghai and vicinity	402,000	401,000
Nanjing and vicinity	1,158,000	1,084,000
Hangzhou and vicinity	941,000	900,000
Wuxi	750,000	749,000
Beijing and vicinity	1,886,000	1,233,000
Shijiazhuang	718,000	718,000
Tianjin	4,444,000	3,928,000
Xian	299,000	299,000
Taiyuan	1,866,000	1,866,000
Datong	1,833,000	1,833,000
Harbin	1,250,000	1,250,000
Shenyang	198,000	184,000
Baotou	1,364,000	1,364,000
Zhengzhou	306,000	306,000
Johor Bahru, Malaysia	3,500,000	3,500,000
Melbourne, Australia	163,000	163,000
Brisbane, Australia	198,000	198,000
Investment Properties	**707,000**	**660,000**
Total	**41,849,000**	**39,758,000**

Investment Properties

One of the Group's key business strategies continues to be to own a portfolio of investment properties that generate a reliable cash flow through the ups and downs of the economic cycle. The Group plans to grow its investment portfolio over time, and at an appropriate pace, into a collection of rental office buildings, shopping malls and hotels of the highest quality and capital value. These qualities can already be seen in its existing key properties, which include the Group's office building, R&F Center, in Pearl River New Town in Guangzhou, and its shopping mall, Viva Beijing R&F Plaza, both of which also enjoy the benefit of excellent locations. During the year, a new shopping mall and four new hotels were added to the portfolio, while a further 451,000 sq.m. of investment properties of all categories was at various stages of construction. Situated atop the metro station, the new shopping mall R&F Haizhu City enjoys the benefit of excellent location. While the pre-opening has partly commenced since October 2015, its full operation is expected to take place in 2016.

Park Hyatt, Guangzhou opened officially in December 2015. It is situated above the 53rd floor of the R&F Yingkai Plaza, soaring above the new hub and CBD of the city. This hotel is strategically located in Pearl River New Town, adjacent to the Canton Tower, the Guangzhou Opera House and the charming Huacheng Square. Park Hyatt, Guangzhou features 208 state-of-the-art guestrooms, including 36 suites.

The newly-operating hotels also included Holiday Inn Guangzhou Airport Zone, Doubletree Resort by Hilton, Haikou-Chengmai and Pullman Taiyuan R&F Hotel. All these hotels, which are operated by reputable international hotel management companies and are characterized by the highest hospitality industry service standards, remained competitive in their respective localities. They add diversity to the Group's existing hotel portfolio, mainly made up of city-centre business hotels and comprising 5-star hotels in Beijing, Guangzhou, Chengdu, Chongqing and Huizhou. The Group currently owns 12 operating hotels. Investment properties completed or in the pipeline or under planning are as follows:

Investment properties	Location	Description	Approximate total GFA *(sq.m.)*
Guangzhou			
The Ritz-Carlton, Guangzhou*	Pearl River New Town J2-7	5-star hotel 351 rooms and 91 serviced apartments	104,000
Grand Hyatt, Guangzhou*	Pearl River New Town F1-2	5-star hotel 375 rooms	115,000
R&F Center*	Pearl River New Town J1-4	54-storey office building	163,000
Holiday Inn Guangzhou Airport Zone*	R&F Jingang City	4-star hotel 340 rooms	38,000
Park Hyatt, Guangzhou*	Pearl River New Town J1-1	5-star hotel 208 rooms	35,000
Conrad, Guangzhou#	Pearl River New Town Liede Village	5-star hotel 350 rooms	39,000
R&F Haizhu City*	R&F Tianyu Center	Shopping mall	50,000
Guangzhou International Airport R&F Integrated Logistics Park	Guangzhou R&F Jingang City	Logistics Park	1,200,000

Investment properties	Location	Description	Approximate total GFA *(sq.m.)*
Beijing			
Renaissance Beijing Capital Hotel*	Beijing R&F City	5-star hotel 531 rooms	120,000
R&F Center*	Beijing R&F City	Office building	60,000
Viva Beijing R&F Plaza*	Beijing R&F City	Shopping mall	111,000
Holiday Inn Express Temple of Heaven Beijing*	R&F Xinran Court/ Plaza	4-star hotel 316 rooms	22,000
Tianjin			
Marriott Hotel, Tianjin	Tianjin R&F City	5-star hotel 400 rooms	58,000
R&F Plaza*	Tianjin R&F City	Shopping mall	43,000
Huizhou			
Renaissance Huizhou Hotel*	R&F Ligang Center	5-star hotel 342 rooms	54,000
Hilton Huizhou Longmen Resort	R&F Hot Spring Valley	5-star hotel 350 rooms	45,000
Doubletree Resort by Hilton, Huizhou R&F Bayshore	Huizhou R&F Bayshore	5-star hotel	47,000
Chongqing			
Hyatt Regency, Chongqing*	Jiangbei District	5-star hotel 321 rooms	46,000
R&F Ocean Plaza (Retail)*	R&F Ocean Plaza	Shopping mall	73,000
Holiday Inn Chongqing University Town	Chongqing R&F City	4-star hotel 390 rooms	68,000
Chengdu			
R&F Plaza* (Former R&F Tianhui Mall)	Panda City	Shopping mall	255,000
The Ritz-Carlton, Chengdu*	Panda City	5-star hotel 353 rooms	57,000
Hainan			
Doubletree Resort by Hilton, Haikou–Chengmai*	R&F Mangrove Bay	5-star hotel 309 rooms	45,000
Lingshui R&F Bay Shore Marriott & Yacht Club	R&F Bay Shore	5-star hotel 300 rooms	76,000
R&F Ocean Park	Lingshui County	Hotel, travel & commercial	200,000

Investment properties	Location	Description	Approximate total GFA *(sq.m.)*
Xian			
R&F Holiday Inn Xian	Xian R&F City	4-star hotel 380 rooms	50,000
Harbin			
The Ritz-Carlton, Harbin	R&F Jiangwan New Town	5-star hotel 350 rooms	67,000
Taiyuan			
Pullman Taiyuan R&F Hotel*	Taiyuan R&F City	5-star hotel 280 rooms	43,000
Shanghai			
Hyatt Place, Shanghai#	Jiayu Wan	5-star hotel 150 rooms	16,000
The Ritz-Carlton, Shanghai	Shanghai R&F Hongqiao No. 10	5-star hotel	58,000
AC Hotels, Shanghai	Shanghai R&F Hongqiao No. 10	Business hotel	16,000

* *Completed, operating and pre-opening*

\# *Joint Venture Project*

Outlook

For 2016, the Group's contracted sales target has been set at RMB60 billion, approximately 10% more than its actual contracted sales for 2015. This target will be achieved from sales of 68 projects in 26 cities and areas and 3 overseas cities, which will deliver 4.81 million sq.m. of properties. The details are set out below:

	To be completed in 1st half of 2016		To be completed in 2nd half of 2016	
Location	**Approximate total GFA** *(sq.m.)*	**Approximate total saleable area** *(sq.m.)*	**Approximate total GFA** *(sq.m.)*	**Approximate total saleable area** *(sq.m.)*
Guangzhou	142,000	99,000	304,000	241,000
Huizhou	—	—	231,000	197,000
Chongqing	81,000	59,000	139,000	104,000
Chengdu	—	—	57,000	43,000
Meizhou	222,000	221,000	144,000	143,000
Guiyang	—	—	104,000	77,000
Fuzhou	100,000	78,000	—	—
Hainan	70,000	62,000	150,000	128,000
Beijing and vicinity	116,000	92,000	517,000	420,000
Tianjin	141,000	98,000	559,000	398,000
Taiyuan	412,000	372,000	261,000	217,000
Harbin	129,000	121,000	268,000	257,000
Shenyang	30,000	28,000	61,000	57,000
Shanghai and vicinity	216,000	131,000	111,000	65,000
Nanjing	—	—	124,000	86,000
Hangzhou and vicinity	313,000	236,000	249,000	215,000
Wuxi	68,000	52,000	220,000	194,000
Baotou	118,000	108,000	94,000	90,000
Foshan	34,000	21,000	134,000	103,000
Total	**2,192,000**	**1,778,000**	**3,727,000**	**3,035,000**

FINANCIAL REVIEW

The Group's profit for the year increased by 3% to RMB6.712 billion from RMB6.506 billion the previous year. Revenue and profit from property development increased by 29% and 13% to RMB40.744 billion and RMB6.178 billion in 2015 from RMB31.651 billion and RMB5.449 billion in 2014. During the year, due to the depreciation of both the exchange rate of RMB to US dollars and Malaysian Ringgit to US dollars, the Group had incurred an exchange loss of RMB1.21 billion. Rental income increased by 4% and brought profit for the property investment segment to RMB380 million not taking into account the fair value gains from investment properties of RMB1.106 billion (2014: RMB1.638 billion). The hotel operations recorded a loss of RMB167 million as compared to a loss of RMB140 million the prior year. The Group's other business segments (including property management, construction services and the soccer team) recorded a loss of RMB509 million as compared with a loss of RMB379 million the previous year.

The Group carries out its core business of property development in 19 cities. The following comments, with the exception of #7 (on financing costs) and #9 (on profit for the year), relate only to the results from sales of properties:

1. Revenue increased by 29% to RMB40.744 billion from RMB31.651 billion in the previous year. This revenue was based on delivery of 3.514 million sq.m. of sale properties in the year which was approximately 11% more than the 3.162 million sq.m. delivered the previous year. Overall average selling price increased by 16% to RMB11,590 per sq.m. from RMB10,010 per sq.m. resulting in the increase in revenue. The higher overall average selling price for the year was mainly due to the two new projects. They were Guangzhou's R&F Ying Yao Plaza and R&F Dongshan Xintiandi which together accounted for 25% of the overall revenue at average selling price of RMB44,630 per sq.m.. Four out of six significant projects (with revenue not less than RMB1 billion) having comparable selling prices in prior year registered increase in average selling price. These projects which accounted for 18% of total revenue included R&F Shangyue Court and R&F New Town in Beijing, R&F Jinmen Lake in Tianjin, and Jiangwan New Town in Harbin and had average selling price increased between 4% to 57% from the previous year. The two significant projects with selling price decrease was R&F City in Taiyuan and Chongqing which accounted for 7% of total revenue and had a decrease of 4% and 16% in average selling price. New projects accounted for approximately 38% of total revenue. For revenue by city, Guangzhou had become again the highest revenue of RMB12.043 billion (2014: RMB4.955 billion) and followed by Beijing and Tianjin each accounting for 30%, 25% and 9% (2014: 16%, 27% and 11%) of total revenue respectively. Revenue in Guangzhou increased 143% as a result of the delivery of two new projects. They were R&F Ying Yao Plaza and R&F Dongshan Xintiandi with revenue of RMB4.710 billion and RMB5.386 billion and selling price at RMB50,860 per sq.m. and RMB40,320 per sq.m. respectively. Revenue of Beijing for the year increased by 18% to RMB10.276 billion (2014: RMB8.688 billion). Revenue of Tianjin increased by 6% to RMB3.797 billion (2014: 3.581 billion). The flagship project, R&F Jinmen Lake, delivered 73,060 sq.m. (2014: 175,100 sq.m.) at an average selling price of RMB27,440 per sq.m. (2014: RMB17,440 per sq.m.) and generated RMB2.005 billion (2014: RMB3.054 billion) in revenue. The new project R&F Shangyue Court in Tianjin, recorded RMB844 million in revenue and accounted for 22% of the city's revenue. Of the cities which had revenue in the year aside from the three cities mentioned above, Taiyuan, Chengdu and Wuxi were the cities that saw modestly strong gain in revenue; in Taiyuan's case it was mainly due to the increased delivery of the project, R&F Prosperous Palace, in Chengdu's case, it was the increased delivery of its project R&F Peach Garden and in Wuxi's case, it was mainly due to the new project, R&F City. Three cities had first delivery of properties in the year, they were Meizhou, Fuzhou, and Baotou, which together accounted for 6% of total revenue.

2. Overall cost of sales and costs of land and construction per sq.m. increased 22% and 22% respectively to RMB7,670 per sq.m. and RMB6,380 per sq.m. (2014: RMB6,300 per sq.m. and RMB5,220 per sq.m.) with the change in sale mix. The range for land and construction cost per sq.m of individual project ranged from RMB29,100 to RMB2,560. At the high end of the range were commercial projects in Beijing that typically carried higher land and construction costs. In the low end of the range were rigid demand type housing in tier 2 or 3 cities e.g. R&F American Dream Island in Taiyuan. The top project in the year Guangzhou's R&F Dongshan Xintiandi also carried high land and construction cost per sq.m. of RMB17,350 and due to its weight in the total revenue, had significant effect on overall per sq.m. land and construction cost. Each of the four main components of cost of sales, land cost, construction costs, business tax and capitalized interest, remained proportionally stable from year to year. In the year under review, land and construction costs accounted for 83% (2014: 83%), business tax 9% (2014: 9%) and capitalized interest 8% (2014: 8%). Capitalized interest included in the cost of sales increased to RMB2.051 billion from 2014's RMB1.540 billion. As a percentage of revenue from sale of properties, it remained stable at 5.0% (2014: 4.9%). The cost of sales also included RMB2.473 billion (2014: RMB1.863 billion) in business tax.

3. As described above, with the cost of sales per sq.m increased by 22% and a rise in average selling price of revenue of 16%, the overall gross margin fell accordingly by 3% to 34% from 37% the previous year. Analysing based on the gross margin by city, gross margin of the key cities including Guangzhou, Beijing and Tianjian were 51% and 28% and 35% respectively as compared to 50%, 38% and 34% the prior year. The gross margins of the three new cities Meizhou, Fuzhou, and Baotou were 30%, 25% and 27% respectively.

4. Other gains mainly arose from interest income.

5. Selling and administrative expenses as a percentage of revenue decreased to 7.1% from 8.9% in the previous year due to selling and administration expenses for the year of RMB2.899 billion stayed practically at last year's level of RMB2.824 billion. Broken down into its two components, selling expenses decreased by RMB15 million to RMB821 million and administrative expenses increased by RMB89 million to RMB2.078 billion. The effectiveness of the Group's cost controlling effort were reflected in these numbers which were achieved through efficient use of resources without compromising on investment in key competitive factors such as manpower and advertising.

6. The share of result of associated companies was mainly derived from the Group's 20% share in the Guangzhou Asian Games City project. The share of results of joint ventures were mainly 33.34% in the Guangzhou Liedecun project, 25% interest in Tianjin Jinnan New Town project and 50% in Hines Shanghai New Jiangwan Development Co. Ltd. These four projects mentioned had a combined revenue in the year of RMB6.961 billion which was approximately RMB1.396 billion more than previous year.

7. Finance costs being interest expenses and exchange losses incurred in the year after deduction of amounts capitalized to development costs, increased by 77% to RMB2.154 billion (2014: RMB1.216 billion) mainly coming from an exchange loss of RMB1.21 billion due to the depreciation of both the exchange rate of RMB to US dollars and Malaysian Ringgit to US dollars. Total interest incurred in the year actually increased from RMB5.801 billion in the prior year to RMB6.019 billion with outstanding loans at the year-end of approximately RMB82.4 billion (2014: RMB67.7 billion) and an average interest rate of 7.8%. Aggregate interest costs included in this year's results amounted to RMB4.256 billion (2014: RMB2.756 billion) counting also capitalized interest released to cost of sales of RMB2.102 billion (2014: RMB1.540 billion).

8. Land appreciation tax ("LAT") of RMB2.533 billion (2014: RMB1.283 billion) and enterprise income tax of RMB2.176 billion brought the Group's total income tax expenses for the year to RMB4.710 billion. As a percentage of turnover, LAT increased to 6.2% from 4.1% in 2014. This increase was due to two particular projects — Guangzhou R&F Ying Yao Plaza and R&F Dongshan Xintiandi with especially high gross margin attracting a combined LAT of RMB1.483 billion or 14.7% of their revenue. The effective enterprise income tax rate stood at 26.1% (2014: 26.9%), deviating from the standard rate by 1.1% because of permanent differences limiting the tax deductible amount.

9. Overall, the Group's net profit margin for the year was 15.2%, as compared to 18.7% in the previous year, reflecting the change in gross margin from property development.

Financial resources, liquidity and liabilities

At 31 December 2015, the Group's cash amounted to RMB21.28 billion of which RMB20.56 billion was in RMB, RMB0.63 billion was in US dollar, RMB28 million was in Malaysian Ringgit, RMB46 million was in Hong Kong dollar, RMB16 million was in Australian dollar and RMB0.4 million was in Singaporean dollar and with total borrowings at RMB82.44 billion of which RMB69.66 billion was in RMB and RMB12.78 billion was in US dollar. Net debt to total equity ratio was at 124%. The total borrowings were made up of financing from sources which included 1) bank loans, 2) offshore USD senior notes, 3) domestic corporate bonds and 4) trust loans and others each accounted for 47%, 15%, 8% and 30% respectively. The Group has secured from various relationship banks uncommitted credit facilities of which approximately RMB34.79 billion (2014: RMB20.1 billion) was unutilised. Such credit facilities indicate that the banks are prepared to lend to the Group up to the limit of the facilities when certain conditions are met such as the production of suitable projects and specified documents e.g. construction permits.

The Group has also available to it perpetual capital instruments which decreased by RMB7.6 billion in the year.

Debt Profile

In July 2015, the Group issued a RMB6.5 billion domestic corporate bond with 5 year maturity at a fixed interest rate of 4.95%. Debts due within 1 year accounted for 40% of total debts. Bank loans repaid in the year amounted to RMB13.48 billion while new bank loans of RMB17.86 billion were procured. The effective interest rate of the total bank loan portfolio at 31 December 2015 was 6.52% (2014: 6.76%). Exchange rate exposure was insignificant as non-RMB borrowings accounted for approximately 15.5% of total borrowings. Therefore, the Group has not entered into any foreign exchange hedging transactions. As for interest rate, RMB bank loans were at normally stable floating interest rates benchmarked to rates published by the People's Bank of China. The fixed rate offshore bonds further reduced interest rate exposure and therefore no interest rate hedging arrangements had been put in place. Overall, the Group has not used any financial instruments for hedging purposes.

OTHER INFORMATION

Employee and Emolument Policies

As of 31 December 2015, the Group has approximately 19,264 employees (31 December 2014: 26,458). The total staff costs incurred was approximately RMB1,426 million during the financial year ended 31 December 2015. The Company's emolument policy is to ensure that the remuneration offered to employees including executive directors and senior management is based on skill, knowledge, responsibilities and involvement in the Company's business affair. The remuneration of executive directors is also link with business performance and profitability of the Company and the market conditions. Individual director and senior management would not be involved in deciding their own remuneration.

Annual General Meeting, Final Dividend and Closure of Register of Members

The 2015 annual general meeting ("AGM") of the Company will be held on Friday, 27 May 2016 and the notice of annual general meeting will be published and dispatched in the manner as required by the Listing Rules.

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Friday, 27 May 2016, the register of members of the Company will be closed from Wednesday, 27 April 2016 to Friday, 27 May 2016, both days inclusive. In order for the shareholders to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 26 April 2016.

The Board has proposed a final dividend for 2015 at RMB0.9 per share. The proposed final dividend, if approved by the shareholders at the AGM on 27 May 2016, will be paid to shareholders (including domestic shares and H shares), whose names appear on the register of members on Friday, 17 June 2016. The proposed final dividend has not been reflected in the financial statements as at 31 December 2015. Dividends on H shares are also subject to withholding of PRC enterprise income tax.

According to the Articles of Association of the Company, dividend payable to shareholders shall be calculated and declared in RMB. Dividends payable to holders of the Company's domestic shares shall be paid in RMB, whereas dividends payable to holders of the Company's H shares shall be in Hong Kong Dollars. The exchange rate to be adopted shall be the average closing rate of the five business days preceding the date of declaration of dividend as announced by the People's Bank of China.

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) and its implementation regulations (the "EIT Law"), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's H share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Computershare Hong Kong Investor Services Limited in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知) (the "Notice") issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general.

However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% individual income tax will be withheld from the dividend payable to any individual shareholders of H shares whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H shares of the Company listed on the Hong Kong Stock Exchange (the "Southbound Trading"), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited ("China Securities"), pursuant to which, China Securities, as the nominee of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Upon obtaining approval of the shareholders at the AGM, the final dividends will be payable to shareholders whose names appear on the H Share register of members of the Company as at the close of business on Friday, 17 June 2016. The payment date of the final dividend will be further announced. The H Share register of members of the Company will be closed from Monday, 13 June 2016 to Friday, 17 June 2016, both days inclusive, during which period no transfer of H shares will be registered. In order for H shareholders to qualify for the proposed final dividends, all the share transfer documents must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 10 June 2016.

Purchase, redemption or sales of listed securities of the Company

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

Compliance with Model Code for Securities Transactions by Directors of Listed Issuers

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited as the code of conduct for directors in their dealing in the Company's securities. The Company made specific enquires with each director and each of them confirmed that he or she had complied with the Model Code during the financial year ended 31 December 2015.

Compliance with the Code on Corporate Governance Practices

The Company is committed to good corporate governance practices and procedures including a quality board, sound internal control, transparency and accountability to its shareholders. The Company complied with the Code on Corporate Governance Practices (the "Code") as stated in Appendix 14 of the Listing Rules throughout the 12 months ended 31 December 2015.

Audit Committee

The audit committee of the Company has been set up with terms of reference in accordance with Appendix 14 of the Listing Rules. The audit committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advices including but not limited to review of relationship with external auditors, the Company's financial reporting, the internal control system and risk management system. There were no disagreements from the audit committee or the external auditors on the accounting policies adopted by the Company.

The audit committee comprises Mr. Lai Ming, Joseph (Chairman of the audit committee) and Mr. Zheng Ercheng who are independent non-executive directors of the Company and Ms. Helen Li who is a non-executive director of the Company. The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2015.

By Order of the Board
Guangzhou R&F Properties Co., Ltd.
Li Sze Lim
Chairman

11 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Lai Ming, Joseph, Mr. Zheng Ercheng and Mr. Ng Yau Wah, Daniel.

* *For identification purpose only*