中骏置业

CHINA SCE PROPERTY HOLDINGS LIMITED
中駿置業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1966)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- Contracted sales amount increased by approximately 21.9% to approximately RMB14,511,463,000.
- Revenue increased by approximately 55.2% to approximately RMB10,690,080,000.
- Core profit for the year increased by approximately 31.7% to approximately RMB1,323,135,000.
- Profit attributable to owners of the parent increased by approximately 2.0% to approximately RMB918,660,000.
- Gross profit margin and core net profit margin were 28.2% and 12.4%, respectively.
- Cash and bank balances increased by approximately 32.0% to approximately RMB6,247,028,000 as at 31 December 2015.
- Net gearing ratio was 70.7% as at 31 December 2015.
- The Board proposed to declare a final dividend of HK5 cents per ordinary share.

The board (the "**Board**") of directors (the "**Directors**") of China SCE Property Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2015

	Notes	**2015** *RMB'000*	2014 *RMB'000*
REVENUE	*5*	**10,690,080**	6,887,392
Cost of sales		**(7,679,498)**	(4,485,001)
Gross profit		**3,010,582**	2,402,391
Other income and gains	*5*	**80,165**	96,836
Changes in fair value of investment properties		**398,022**	749,701
Selling and marketing expenses		**(300,828)**	(248,227)
Administrative expenses		**(398,479)**	(343,157)
Other expenses		**(53,107)**	–
Finance costs	*6*	**(269,041)**	(160,388)
Exchange differences arising from retranslation of senior notes, net		**(27,918)**	19,705
Share of profits and losses of:			
Joint ventures		**110,080**	21,444
Associates		**(497)**	784
PROFIT BEFORE TAX	*7*	**2,548,979**	2,539,089
Income tax expense	*8*	**(980,435)**	(972,048)
PROFIT FOR THE YEAR		**1,568,544**	1,567,041
OTHER COMPREHENSIVE LOSS:			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Changes in fair value of derivative financial instruments		**–**	(24,916)
Reclassification adjustments for exchange gains included in profit or loss		**–**	26,596
		–	1,680
Reclassification of hedged gain to profit or loss upon termination of cash flow hedges		**–**	(26,884)
		–	(25,204)
Share of other comprehensive loss of joint ventures		**(25,192)**	(5,968)
Share of other comprehensive loss of associates		**(61)**	(12)
Exchange differences on translation of foreign operations		**(232,790)**	(93,854)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(258,043)**	(125,038)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,310,501**	1,442,003

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
Year ended 31 December 2015

	Note	**2015** **RMB'000**	2014 *RMB'000*
Profit attributable to:			
Owners of the parent		**918,660**	900,580
Holders of perpetual capital instruments		**248,756**	68,202
Non-controlling interests		**401,128**	598,259
		1,568,544	1,567,041
Total comprehensive income attributable to:			
Owners of the parent		**699,676**	793,097
Holders of perpetual capital instruments		**248,756**	68,202
Non-controlling interests		**362,069**	580,704
		1,310,501	1,442,003
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic and diluted		**RMB26.8 cents**	RMB26.3 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Property and equipment		**116,389**	133,463
Investment properties		**5,634,500**	4,801,200
Prepaid land lease payments		**3,047,462**	2,345,797
Intangible asset		**3,819**	3,986
Properties under development		**1,263,935**	1,635,932
Contract in progress		**643,194**	566,286
Investments in joint ventures		**581,583**	506,365
Investments in associates		**34,950**	54,148
Prepayments and deposits		**1,041,394**	698,356
Deferred tax assets		**188,539**	210,338
Total non-current assets		**12,555,765**	10,955,871
CURRENT ASSETS			
Properties under development		**12,239,872**	12,244,971
Completed properties held for sale		**5,779,254**	3,337,454
Trade receivables	*11*	**177,404**	101,050
Prepayments, deposits and other receivables		**2,204,120**	1,887,760
Due from related parties		**576,350**	851,822
Prepaid income tax		**496,445**	331,986
Restricted cash		**989,957**	871,469
Pledged deposits		**421,992**	327,008
Cash and cash equivalents		**4,835,079**	3,533,681
Total current assets		**27,720,473**	23,487,201
CURRENT LIABILITIES			
Trade and bills payables	*12*	**2,505,810**	1,512,823
Receipts in advance		**8,145,371**	6,572,830
Other payables and accruals		**1,355,099**	1,125,341
Interest-bearing bank and other borrowings		**3,840,519**	3,699,883
Due to related parties		**478,509**	352,537
Tax payable		**916,258**	920,210
Total current liabilities		**17,241,566**	14,183,624
NET CURRENT ASSETS		**10,478,907**	9,303,577
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,034,672**	20,259,448

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2015

	2015	2014
	RMB'000	*RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**23,034,672**	20,259,448
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**2,622,285**	4,334,910
Senior notes and domestic bonds	**7,989,481**	4,192,220
Deferred tax liabilities	**796,990**	693,718
Provision for major overhauls	**27,315**	24,842
Total non-current liabilities	**11,436,071**	9,245,690
Net assets	**11,598,601**	11,013,758
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**295,732**	295,732
Reserves	**6,631,698**	6,249,356
	6,927,430	6,545,088
Perpetual capital instruments	**1,200,000**	1,173,000
Non-controlling interests	**3,471,171**	3,295,670
Total equity	**11,598,601**	11,013,758

NOTES:

1. CORPORATE INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Group was principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC") during the year.

In the opinion of the Directors, the ultimate holding company of the Company is Newup Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010–2012 Cycle	
Annual Improvements to HKFRSs 2011–2013 Cycle	

The nature and the impact of each amendment are described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010–2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of the gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to HKFRSs 2011–2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as there was no acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

The Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group is in process of making an assessment of the impact of the other new and revised HKFRSs upon initial application.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the businesses of property development, property investment and property management. For management purposes, the property development and property investment businesses are monitored as one operating segment on a project basis to allocate resources and assess performance. For financial reporting purposes, the property management segment combines with the property development and investment segment as its reported revenue, reported results and assets are less than 10% of the consolidated revenue, consolidated profit and consolidated assets of the Group.

The Group's revenue from external customers from each product or service is set out in note 5 below.

The Group's revenue from external customers is derived solely from its operations in the PRC, and the non-current assets of the Group are substantially located in the PRC.

During the years ended 31 December 2015 and 2014, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, represents the gross proceeds, net of business tax, and other sales related taxes from the sales of properties; gross rental income received and receivable from investment properties, and property management fees, net of business tax, received and receivable during the year.

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

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sales of properties	**10,460,796**	6,709,957
Gross rental income	**116,970**	87,791
Property management fees	**112,314**	89,644
	10,690,080	6,887,392
Other income and gains		
Bank interest income	**39,666**	40,490
Gain on disposal of items of property and equipment, net	**495**	137
Reclassification of hedged gain to profit or loss upon termination of cash flow hedges	**–**	26,884
Forfeiture income on deposits received	**13,145**	11,459
Others	**26,859**	17,866
	80,165	96,836

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2015	2014
	RMB'000	*RMB'000*
Interest on bank and other borrowings, senior notes and domestic bonds	**1,118,151**	1,033,489
Increase in a discounted amount of provision for major overhauls arising from the passage of time	**1,200**	959
Loss on derivative financial instruments	**–**	11,207
Total interest expense on financial liabilities not at fair value through profit or loss	**1,119,351**	1,045,655
Less: Interest capitalised	**(850,310)**	(885,267)
	269,041	160,388

7. PROFIT BEFORE TAX

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

	2015	2014
	RMB'000	*RMB'000*
Cost of properties sold	**7,573,263**	4,416,193
Cost of services provided	**106,068**	68,641
Depreciation	**25,171**	29,406
Amortisation of land lease payments	**24,551**	31,757
Amortisation of an intangible asset	**167**	167
Provision for major overhauls	**4,582**	4,384
Minimum lease payments under operating leases for land and buildings	**5,497**	5,294
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	**265**	293
Auditors' remuneration	**3,245**	3,185
Employee benefits expenses (including directors' remuneration):		
Salaries and other staff costs	**229,814**	179,468
Pension scheme contributions	**23,552**	22,708
Less: Amount capitalised	**(48,687)**	(42,968)
	204,679	159,208
Premium paid on early redemption of senior notes	**53,107**	–
Loss on disposal of investment properties	**300**	–
Gain on disposal of items of property and equipment, net	**(495)**	(137)
Exchange differences arising from retranslation of senior notes	**27,918**	(46,301)
Less: Reclassification from hedging reserve as a result of cash flow hedges	**–**	26,596
Exchange differences arising from retranslation of senior notes, net	**27,918**	(19,705)
Other foreign exchange differences, net	**53,756**	28,100
Exchange differences, net	**81,674**	8,395

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2014: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	2015	2014
	RMB'000	*RMB'000*
Current charge for the year:		
PRC corporate income tax	**589,551**	509,799
PRC land appreciation tax	**345,668**	401,643
Overprovision in prior years, net:		
Mainland China	**(79,855)**	(58,154)
	855,364	853,288
Deferred	**125,071**	118,760
Total tax charge for the year	**980,435**	972,048

9. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Interim — HK5 cents (2014: Nil) per ordinary share	**137,052**	–
Proposed final — HK5 cents (2014: Nil) per ordinary share	**143,473**	–
	280,525	–

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 3,423,840,000 (2014: 3,423,840,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

11. TRADE RECEIVABLES

The Group's trade receivables arise from the sales of properties, leasing of investment properties and provision of property management services.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services. The Group generally grants a rent-free period of three months to the lessees of the Group's investment properties, extending up to six months for major customers.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**172,406**	100,465
1 to 6 months past due	**2,408**	125
7 to 12 months past due	**895**	–
Over 1 year past due	**1,695**	460
	177,404	101,050

12. TRADE AND BILLS PAYABLES

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

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**2,133,911**	1,480,977
Over 1 year	**371,899**	31,846
	2,505,810	1,512,823

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2015, the global economic challenges were intensified, while China's economy was also confronted with downward pressure. The People's Bank of China had repeatedly cut the benchmark interest rates for deposits and loans in respect of Renminbi and the required reserve ratio to stimulate economic growth, whereby benefiting the real estate industry, one of the pillar industries of national economy.

According to the "National Real Estate Development Investment and Sales in 2015" (二零一五年全國房地產開發投資和銷售情況) issued by the National Bureau of Statistics of the PRC, the sales area of national commodity housing amounted to approximately 1.285 billion square metres ("sq.m.") in 2015, representing an increase of 6.5% as compared with that of last year, of which the sales area of residential housing increased by 6.9%. The sales amount of national commodity housing amounted to approximately RMB8,728.1 billion, representing a year-on-year increase of 14.4%, of which the sales amount of residential housing increased by 16.6% as compared with that of last year.

BUSINESS REVIEW

Contracted Sales

In 2015, the Group and its joint ventures realised a contracted sales amount of approximately RMB14.511 billion (including a contracted sales amount of approximately RMB2.237 billion from joint ventures), which surpassed the annual sales target (RMB13.5 billion) and a contracted sales area of approximately 1.25 million sq.m. (including a contracted sales area of approximately 123,000 sq.m. from joint ventures), representing an increase of approximately 21.9% and a decrease of approximately 4.4% respectively as compared to that of last year. The average selling price was approximately RMB11,632 per sq.m. in the year, representing an increase of 27.4% as compared to that of last year.

During the year, the Group launched seven new projects for pre-sales, namely SCE Plaza Phase 1, The Prestige and Marina Bay in Shanghai, Sunshine City Phase 2 in Yanjiao of Langfang, Sapphire Residences in Quanzhou, Sunshine City Phase 3 in Zhangzhou and SCE International Community Phase 4 in Linfen. From the perspective of sales contribution, the percentage of contracted sales amount outside Fujian Province increased from approximately 26.4% in 2014 to approximately 58.0% in 2015, indicating that the development of the Group in first- and second-tier cities outside Fujian Province has been recognised by the market. The contracted sales of the Group and its joint ventures during the year are detailed as follows:

By City

City	**Contracted sales area**	**Contracted sales amount**	**Percentage of total contracted sales amount**
	(sq.m.)	*(RMB Million)*	*(%)*
Shanghai	100,369	4,169	28.7
Shenzhen	59,025	1,111	7.7
Xiamen	85,007	1,346	9.3
Nanchang	95,623	726	5.0
Quanzhou	433,212	3,263	22.5
Zhangzhou	138,671	995	6.9
Langfang	162,069	1,891	13.0
Others	173,587	1,010	6.9
Total	1,247,563	14,511	100.0

By Region

Region	**Contracted sales area**	**Contracted sales amount**	**Percentage of total contracted sales amount**
	(sq.m.)	*(RMB Million)*	*(%)*
West Taiwan Strait Economic Zone	846,985	6,825	47.0
Yangtze River Delta Economic Zone	100,369	4,169	28.7
Bohai Rim Economic Zone	241,184	2,406	16.6
Pearl River Delta Economic Zone	59,025	1,111	7.7
Total	1,247,563	14,511	100.0

By First-, Second-, Third- and Fourth-tier Cities

	Contracted sales area *(sq.m.)*	Contracted sales amount *(RMB Million)*	Percentage of total contracted sales amount *(%)*
First-tier cities	159,394	5,280	36.4
Second-tier cities	180,630	2,072	14.3
Third- and fourth-tier cities	907,539	7,159	49.3
Total	1,247,563	14,511	100.0

Project Development

In 2015, seven projects of the Group were officially commenced, namely Marina Bay in Shanghai, Sunshine City Phase 2 in Shenzhen, Sunshine Park Phase 2 and SCE Plaza in Quanzhou, Sunshine City Phase 3 in Zhangzhou, Sunshine City Phase 2 in Yanjiao of Langfang and SCE International Community Phase 4 in Linfen. The aggregate planned gross floor area ("GFA") of the properties newly commenced exceeded 1.10 million sq.m..

As at 31 December 2015, the Group and its joint ventures had a total of 21 projects under construction. The aggregate planned GFA was approximately 3.30 million sq.m.. The information on the properties under development is detailed as follows:

Project Name	**City**	**Type of Property**	**Percentage of Interest Attributable to the Group** *(%)*	**Total Planned GFA** *(sq.m.)*	**Expected Year of Completion**
The Prestige	Shanghai	High-rise residential, villas and retail shops	100	78,402	2016
SCE Plaza (Phase 1)	Shanghai	Office and retail shops	50	219,650	2017
Marina Bay	Shanghai	High-rise residential and villas	100	130,781	2017
Sunshine City (Phase 2)	Shenzhen	High-rise residential and retail shops	82	72,754	2017
Haicang Vanke Dream Town (Phases 3&4)	Xiamen	High-rise residential and retail shops	12	253,175	2016–2017
Sapphire Boomtown (High-rise portion)	Nanchang	High-rise residential and retail shops	100	286,320	2016
SCE Mall	Quanzhou	High-rise residential, SOHO apartments, office and retail shops	60	191,993	2016
SCE Plaza	Quanzhou	High-rise residential, SOHO apartments, office and retail shops	100	253,926	2016–2018
Gold Coast (Phase 1) (Partial)	Quanzhou	High-rise residential and retail shops	45	124,276	2016
SCE Mall (Phase 2) (Shishi)	Quanzhou	High-rise residential, SOHO apartments and retail shops	60	142,978	2017
Sunshine Park (Phase 2)	Quanzhou	High-rise residential and retail shops	51	129,613	2017
Sapphire Residences	Quanzhou	High-rise residential and retail shops	100	163,885	2017
Purple Lake International Golf Villa (Partial)	Quanzhou	Low-rise residential and villas	49	28,808	2016
Sapphire Boomtown (Phase 3)	Zhangzhou	High-rise residential, SOHO apartments and retail shops	100	206,938	2016
Sunshine City (Phase 2)	Zhangzhou	High-rise residential and retail shops	85	180,239	2016
Sunshine City (Phase 3)	Zhangzhou	High-rise residential and retail shops	75	160,137	2017
Sunshine City (Phase 1)	Langfang	High-rise residential and retail shops	55	241,346	2016
Sunshine City (Phase 2)	Langfang	High-rise residential and retail shops	55	181,957	2017–2018
SCE International Community (Phase 3)	Linfen	High-rise residential and retail shops	70	81,822	2016
SCE International Community (Phase 4)	Linfen	High-rise residential and retail shops	70	173,003	2017
Total				3,302,003	

In 2015, the Group and its joint ventures had completed 16 projects with area of completed properties of over 2.15 million sq.m..

Land Bank

As its strategic development target, the Group has been dedicated to obtain quality land resources for the Company to continue as a going concern on a cost-efficient basis. In 2015, the Group mainly focused on first-tier and quality second-tier cities and acquired four parcels of land in Beijing, Shanghai, Tianjin and Nanchang of Jiangxi Province with an aggregate planned GFA of approximately 461,000 sq.m. at an aggregate consideration of approximately RMB3.404 billion, which reflected the Group's strong confidence towards the real estate markets in first-tier and quality second-tier cities.

As at 31 December 2015, the Group and its joint ventures had a land bank with an aggregate planned GFA of approximately 9.03 million sq.m. (the aggregate planned GFA attributable to the Group was approximately 6.23 million sq.m.). As for geographic distribution, the area of land bank located in the West Taiwan Strait Economic Zone, the Bohai Rim Economic Zone, the Yangtze River Delta Economic Zone and the Pearl River Delta Economic Zone accounted for approximately 57.8%, 31.9%, 8.1%, and 2.2% of total land bank area of the Group and its joint ventures, respectively. As in terms of land bank cost (excluding investment properties), the cost of lank bank located in first-tier, second-tier and third- and fourth-tier cities accounted for approximately 55.6%, 12.7% and 31.7% of total land bank cost of the Group and its joint ventures, respectively, which fully manifested that the Group constantly implemented its development strategy of "geographically concentrating and focusing on first-tier and quality second-tier cities".

Financial Strategy

By proactively expanding onshore and offshore financing platform since the listing of the shares of the Company on the Main Board of the Hong Kong Stock Exchange in 2010, the Group has not only improved its liquidity but also effectively reduced its finance costs.

The Company's completion of certain financing and refinancing activities in 2015 not only effectively and significantly reduces the financing costs of the Group but also prolongs the loan maturity period. In July 2015, the Company successfully issued the US$350 million 10.0% senior notes due 2020 with a term of five years, and applied the net proceeds of these notes towards the repayment of certain existing indebtedness, including the redemption of the senior notes of RMB1.97 billion at a coupon rate of 10.5% due 2016. In October 2015, Xiamen Zhongjun Industrial Co., Ltd. ("Xiamen Zhongjun"), a wholly-owned subsidiary of the Company, was approved to issue domestic corporate bonds with a term of five years and in principal amount of up to RMB3.5 billion. The first tranche domestic corporate bonds had an issue size of RMB2 billion with a coupon rate of 5.18%. In December 2015, Xiamen Zhongjun issued the second tranche domestic corporate bonds successfully, and had an issue size of RMB1.5 billion with a coupon rate of 5.3% (together with the first tranche of domestic corporate bonds of RMB2 billion, the "2015 Domestic Bonds"). The issuer of both tranches shall be entitled to raise the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

Before publication of this announcement, the Group made a drawdown of a syndicated loan of US$400 million in February 2016, which is for a term of three and a half years and carries an interest rate of LIBOR plus 4.2% per annum. It was mainly used to redeem the US$350 million 11.5% senior notes due 2017.

FINANCIAL REVIEW

Revenue

The revenue of the Group mainly derives from sales of properties, rental income and property management fees.

The annual revenue increased significantly by approximately 55.2% from approximately RMB6,887,392,000 in 2014 to approximately RMB10,690,080,000 in 2015, which was attributable to the significant increase in property sales income.

- **Sales of properties**

  Income from property sales increased significantly by approximately 55.9% from approximately RMB6,709,957,000 in 2014 to approximately RMB10,460,796,000 in 2015, which was mainly due to the significant increase in delivered area of approximately 121.1% from approximately 608,796 sq.m. in 2014 to approximately 1,346,185 sq.m. in 2015, despite the decrease in average unit selling price from approximately RMB11,022 per sq.m. in 2014 to approximately RMB7,771 per sq.m. in 2015.

- **Rental income**

  Rental income increased by approximately 33.2% from approximately RMB87,791,000 in 2014 to approximately RMB116,970,000 in 2015, which was mainly attributable to the increase in contribution of rental income from shopping mall of Fortune Plaza • World City in Quanzhou.

- **Property management fees**

  Property management fees increased by approximately 25.3% from approximately RMB89,644,000 in 2014 to approximately RMB112,314,000 in 2015, which was mainly attributable to the increase in number and floor area of properties under management.

Cost of Sales

Cost of sales increased significantly by approximately 71.2% from approximately RMB4,485,001,000 in 2014 to approximately RMB7,679,498,000 in 2015. The increase in cost of sales was mainly attributable to the significant increase in the delivered area of properties.

Gross Profit

Gross profit increased by approximately 25.3% from approximately RMB2,402,391,000 in 2014 to approximately RMB3,010,582,000 in 2015. Gross profit margin decreased from approximately 34.9% in 2014 to approximately 28.2% in 2015. The decrease in gross profit margin was attributable to higher proportion of mid-end products with relatively lower gross profit margin delivered and the offering of special offers and discounts to customers on certain projects of third- and fourth-tier cities during the year.

Other Income and Gains

Other income and gains decreased by approximately 17.2% from approximately RMB96,836,000 in 2014 to approximately RMB80,165,000 in 2015. The decrease in other income and gains was mainly attributable to the inclusion of a hedged gain reclassified to profit or loss upon termination of cash flow hedges of approximately RMB26,884,000 in 2014, while there was no such income in 2015.

Changes in Fair Value of Investment Properties

The fair value gains of investment properties significantly decreased by approximately 46.9% from approximately RMB749,701,000 in 2014 to approximately RMB398,022,000 in 2015. The changes in the fair value of investment properties was mainly attributable to the addition of retail shops and an office building of SCE Mall and retail shops and an office building of The Regent in Quanzhou.

Selling and Marketing Expenses

Selling and marketing expenses increased by approximately 21.2% from approximately RMB248,227,000 in 2014 to approximately RMB300,828,000 in 2015. The increase in selling and marketing expenses was mainly attributable to the increase in advertisements and promotion activities. The ratio of selling and marketing expenses to revenue decreased from approximately 3.6% in 2014 to approximately 2.8% in 2015, which was due to the effective cost control of the Group.

Administrative Expenses

Administrative expenses increased by approximately 16.1% from approximately RMB343,157,000 in 2014 to approximately RMB398,479,000 in 2015. The increase in administrative expenses was mainly attributable to the increase in administrative staff costs to cope with the needs of business expansion and exchange losses arising from the depreciation of Renminbi in the second half of 2015.

Finance Costs

Finance costs increased significantly by approximately 67.7% from approximately RMB160,388,000 in 2014 to approximately RMB269,041,000 in 2015. Finance costs mainly represented partial borrowing costs which have not been capitalised as certain funds have not been used for project developments.

Income Tax Expense

Income tax expense for the year amounted to approximately RMB980,435,000, which approximates to that of last year of approximately RMB972,048,000. The percentage of corporate income tax and land appreciation tax charge for the year over turnover decreased significantly from approximately 7.4% and approximately 5.8% in 2014, respectively, to approximately 5.5% and approximately 3.2% in 2015, respectively. The decrease was mainly due to higher proportion of mid-end products with relatively lower gross profit margin delivered during the year.

Core Profit for the Year

Core profit for the year (profit for the year excluding changes in fair value of investment properties and other expenses, net of tax) increased significantly by approximately 31.7% to approximately RMB1,323,135,000 in 2015. It was mainly attributable to the significant increase in revenue.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2015, the Group's cash and bank balances were denominated in different currencies as set out below:

	2015	2014
	RMB'000	*RMB'000*
Renminbi	**5,881,050**	4,348,630
Hong Kong dollars	**78,199**	74,617
US dollars	**287,779**	308,911
Total cash and bank balances	**6,247,028**	4,732,158

According to the relevant laws and regulations of the PRC, certain property development companies of the Group are required to place certain amounts of cash and bank deposits into designated bank accounts to provide guarantees for the development of the relevant properties. The Group also places certain deposits in banks in the PRC to secure certain loans from banks in Hong Kong and certain bills issued from domestic banks. As at 31 December 2015, the amount of restricted cash and pledged deposits were approximately RMB989,957,000 (31 December 2014: approximately RMB871,469,000) and approximately RMB421,992,000 (31 December 2014: approximately RMB327,008,000), respectively.

Borrowings and Pledged Assets

The maturity of the borrowings of the Group as at 31 December 2015 is as follows:

	2015	2014
	RMB'000	*RMB'000*
Bank and other borrowings:		
Within one year or on demand	**3,840,519**	3,699,883
In the second year	**1,641,515**	2,917,500
In the third to fifth years, inclusive	**980,770**	1,417,410
	6,462,804	8,034,793
Senior notes and domestic bonds:		
In the second year	**2,301,335**	1,987,179
In the third to fifth years, inclusive	**5,688,146**	2,205,041
	7,989,481	4,192,220
Total borrowings	**14,452,285**	12,227,013

The borrowings were denominated in different currencies as set out below:

	2015	2014
	RMB'000	*RMB'000*
Bank and other borrowings:		
Renminbi	**4,336,683**	6,551,724
Hong Kong dollars	**706,298**	728,623
US dollars	**1,419,823**	754,446
	6,462,804	8,034,793
Senior notes and domestic bonds:		
Renminbi	**3,463,811**	1,987,179
US dollars	**4,525,670**	2,205,041
	7,989,481	4,192,220
Total borrowings	**14,452,285**	12,227,013

As at 31 December 2015, approximately RMB5,930,085,000 (31 December 2014: approximately RMB7,475,455,000) of bank and other borrowings was secured by the Group's bank deposits, property and equipment, investment properties, prepaid land lease payments, properties under development and completed properties held for sale with a total carrying value of approximately RMB12,262,961,000 (31 December 2014: approximately RMB13,785,002,000), and capital stocks of certain subsidiaries. The senior notes of US$350 million at a coupon rate of 11.5% due 2017 issued in November 2012 and January 2013 (the "2012 Senior Notes"), the senior notes of US$350 million at a coupon rate of 10.0% due 2020 issued in July 2015 (the "2015 Senior Notes") and approximately RMB532,719,000 (31 December 2014: approximately RMB559,338,000) of bank and other borrowings were guaranteed by certain subsidiaries of the Company and secured by pledges over their capital stocks.

As at 31 December 2015, except for certain bank and other borrowings of approximately RMB1,725,770,000 (31 December 2014: approximately RMB3,322,912,000) bearing interest at fixed interest rate, all the Group's bank and other borrowings bear interest at floating interest rate. As at 31 December 2015 and 31 December 2014, the senior notes of RMB2 billion at a coupon rate of 10.5% due 2016 issued in January 2011 (the "2011 Senior Notes"), the 2012 Senior Notes, the 2015 Senior Notes and the 2015 Domestic Bonds bear interest at fixed interest rate.

Gearing Ratio

The net gearing ratio was calculated by dividing the net amount of borrowings (including bank and other borrowings, the senior notes and domestic bonds after deduction of cash and cash equivalents, restricted cash and pledged deposits) by total equity. As at 31 December 2015, the net gearing ratio was 70.7% (31 December 2014: 68.0%).

Exchange Rate Fluctuation Exposures

The Group's business are located in the PRC and all of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB. The majority of the Group's assets and liabilities are denominated in RMB. Save as certain bank deposits, bank and other borrowings, the 2012 Senior Notes and the 2015 Senior Notes which were denominated in foreign currencies, exchange rate changes of RMB against foreign currencies will not have material adverse effect on the results of operations of the Group. No foreign currency hedging arrangement was made as at 31 December 2015. The Group will closely monitor its exposure to fluctuation in foreign currencies exchange rates.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group provided financial guarantees to the banks in respect of the following items:

	2015	2014
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	**11,363,195**	7,379,505

In addition, the Group's share of the joint ventures' own financial guarantees, which are not included in the above, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities provided for certain purchasers of the joint ventures' properties	**228,818**	538,200

Furthermore, as at 31 December 2015, the Group provides guarantee to banks in connection with loan facilities amounted to RMB2,080,000,000 (31 December 2014: RMB1,700,000,000) granted to a joint venture.

CAPITAL COMMITMENTS

As at 31 December 2015, the capital commitments of the Group are as follows:

	2015	2014
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for properties under development, prepaid land lease payments and construction of investment properties in Mainland China	**7,902,863**	7,327,039

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for joint ventures' properties under development in Mainland China	**365,210**	267,635

OUTLOOK

In 2016, China's economy is expected to experience a continued decline, while the favourable industry policies in relation to the real estate sector and the loose monetary policy will not change in the short-term. Overall, the positive incentive effect from the policy-based support has emerged. At the same time, the Group is also aware that the development of the real estate sector finally depends on its internal adjustment and shall be back to the normal track of growth. In view of the rigid demand for housing resulted from the net inflow of population in the first- and second-tier cities, the Group remains optimistic about the prospects of the real estate markets in these cities. For third- and fourth-tier cities, however, the destocking pressure will remain high in a considerable period of time. In 2016, in addition to enhancing its leading position in Fujian Province, the Group will stick to its regional focus strategy and keep a close eye on any other development opportunities in the first- and second-tier cities, striving to achieve continuing operation and business expansion.

Leveraging its operational experience in the real estate sector accumulated over the years, the Group has developed a high-quality and high-turnover operation model, and established its own systems in acquiring land resources, project development, marketing management and capital operation, laying a solid foundation for its business development in the future. With the joint efforts of all staff, the Group is expected to make a more diversified and greater progress in 2016.

In 2016, the Group expects to launch eight new projects for pre-sales, including Polaris and Changping Project in Beijing, Sunshine City Phase 2 in Shenzhen, Marina Bay in Tianjin, Uptown in Nanchang, and SCE Plaza, International Finance Centre Phase 2 and Sunshine Park Phase 2 in Quanzhou. In addition, the projects of the Group's joint ventures and associate in Beijing, Tianjin and Quanzhou will also be launched in 2016. Together with the unsold portions of the projects previously launched, the area available for sale of the Group and its joint ventures and associate will amount to approximately 1.8 million sq.m. in 2016. The Group expects that the contracted sales of Group will continue to grow in 2016, and the proportion of contracted sales in first- and second-tier cities outside Fujian Province will continue to increase, which will lay a foundation for the future results of the Group.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**Annual General Meeting**") of the Company will be held on Tuesday, 17 May 2016. Notice of the Annual General Meeting will be published and dispatched in accordance with the Listing Rules in due course.

DIVIDEND

The Board has proposed the payment of a final dividend of HK5 cents per ordinary share for the year ended 31 December 2015. The proposed final dividend, subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting, will be paid on or around Monday, 4 July 2016 to the shareholders whose names appear on the register of members of the Company on Wednesday, 15 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(a) For the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Tuesday, 17 May 2016, the register of members of the Company will be closed from Thursday, 12 May 2016 to Tuesday, 17 May 2016, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 11 May 2016.

(b) For the purpose of determining shareholders who are qualified for the proposed final dividend, subject to the approval by the shareholders of the Company in the forthcoming Annual General Meeting, the register of members of the Company will be closed from Tuesday, 14 June 2016 to Wednesday, 15 June 2016, both days inclusive. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 13 June 2016.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 6 January 2010 in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises three independent non-executive Directors, with Mr. Ting Leung Huel Stephen as the chairman, Mr. Lu Hong Te and Mr. Dai Yiyi as members. Mr. Ting Leung Huel Stephen, the chairman of the Audit Committee, has considerable experience in accounting and financial management, which is in line with the requirement of Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group, the consolidated financial statements of the Group for the year ended 31 December 2015 and this annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct for securities transactions by Directors. The Company has made specific enquiries to all Directors and all Directors have confirmed that they have strictly complied with the Model Code during the year under review.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

During the year ended 31 December 2015, the Company and the Board have been in compliance with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules, save as disclosed below:

Under Paragraph A.2.1 in of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Wong Chiu Yeung performed his duties as both the chairman and the chief executive officer of the Company. The Board believes that the serving by the same individual as chairman and chief executive officer during the rapid development of the business is beneficial to the consistency of business plans and decision-making of the Company.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND OF THE COMPANY

This results announcement of the Company for the year ended 31 December 2015 is published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.sce-re.com.

By order of the Board
China SCE Property Holdings Limited
Wong Chiu Yeung
Chairman

Hong Kong, China, 17 March 2016

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Chiu Yeung, Mr. Chen Yuanlai, Mr. Cheng Hiu Lok, Mr. Li Wei and Mr. Huang Youquan; and the independent non-executive Directors are Mr. Ting Leung Huel Stephen, Mr. Lu Hong Te and Mr. Dai Yiyi.