GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

US$700 million 4.75 per cent. Bonds Due 2016
(Stock Code: 5982)

US$500 million 4.375 per cent. Notes Due 2017
(Stock Code: 5786)

CNY1,500 million 5.50 per cent. Bonds due 2018
(Stock Code: 85945)

2015 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Revenue increased by 104% from FY2014 to approximately RMB5,802 million
- Profit for the year attributable to owners of the Company for FY2015 was approximately RMB220 million, an increase of 104% from 2014
- Basic/Diluted EPS increased by 100% from FY2014 to RMB0.08 for FY2015
- Contracted sales reached approximately RMB17,388 million for 2015, an increase of 35% from FY2014
- Decrease in average financing cost to 4.78% as at 31 December 2015 from 5.2% from the year ended 31 December 2014
- Land bank reached approximately 14.6 million square meters as at 31 December 2015
- Acquisition of lands in Suzhou and Jiangxi respectively in October and November 2015
- Placing of 228,000,000 new shares at a total amount of approximately HKD1.7 billion in May 2015
- Grand opening of Greenland Financial Information Services Co., Ltd in May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2015

	Notes	**2015** **RMB'000**	2014 RMB'000
Revenue	*5*	**5,801,958**	2,840,025
Cost of sales		**(4,658,127)**	(2,060,909)
Gross profit		**1,143,831**	779,116
Other income	*6*	**177,505**	11,808
Selling and marketing costs		**(318,911)**	(265,450)
Administrative expenses		**(509,743)**	(427,585)
Other operating expenses	*7*	**(245,287)**	(12,697)
Net gain (loss) on disposal of interests in subsidiaries		**590**	(500)
Results from operating activities		**247,985**	84,692
Finance income	*10*	**59,086**	82,980
Finance expenses	*11*	**(844,182)**	(186,180)
Net finance expenses		**(785,096)**	(103,200)
Share of (loss) profit of associates		**(1,007)**	94
Share of profit (loss) of joint ventures		**4**	(2,726)
Loss before revaluation gain on investment properties and income tax		**(538,114)**	(21,140)
Revaluation gain on investment properties	*16*	**1,115,249**	522,212
Profit before income tax		**577,135**	501,072
Income tax expenses	*12*	**(545,490)**	(436,951)
Profit for the year		**31,645**	64,121
Profit for the year attributable to:			
Owners of the Company		**220,240**	107,690
Non-controlling interests		**(188,595)**	(43,569)
		31,645	64,121

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
Earnings per share			
Ordinary share (basic and diluted) (RMB)	*14*	**0.08**	0.04
Convertible preference share (basic and diluted) (RMB)	*14*	**0.08**	0.04
Profit for the year		**31,645**	64,121
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on foreign operations		**–**	(23,374)
Total comprehensive income for the year		**31,645**	40,747
Attributable to:			
Owners of the Company		**220,240**	96,003
Non-controlling interests		**(188,595)**	(55,256)
Total comprehensive income for the year		**31,645**	40,747

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	*15*	**1,546,906**	1,619,850
Intangible assets		**1,386**	1,431
Land use rights		**74,738**	76,924
Other financial assets		**174,567**	2,800
Investment properties	*16*	**7,246,000**	5,722,000
Properties under development		**15,587,580**	17,599,647
Interests in associates		**–**	3,603
Interests in joint ventures	*17*	**296,187**	938,022
Long-term receivable	*19*	**–**	596,096
Deferred tax assets		**269,727**	185,915
Total non-current assets		**25,197,091**	26,746,288
Current Assets			
Properties under development		**8,716,805**	4,489,993
Completed properties held for sale		**4,885,603**	1,727,423
Trade, other receivables and advance deposits	*18*	**4,917,358**	2,584,310
Tax recoverable		**297,292**	176,650
Long-term receivable within one year	*19*	**–**	125,561
Other financial assets		**143,000**	–
Restricted cash		**621,618**	156,693
Cash and cash equivalents		**5,207,187**	5,032,763
Total current assets		**24,788,863**	14,293,393
Total assets		**49,985,954**	41,039,681

	Notes	**2015** *RMB'000*	2014 *RMB'000*
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,132,855**	1,068,154
Share premium		**3,416,546**	2,362,986
Reserves		**829,466**	834,203
Retained earnings		**1,550,565**	1,353,595
Total equity attributable to owners of the Company		**6,929,432**	5,618,938
Non-controlling interests		**758,676**	371,648
Total equity		**7,688,108**	5,990,586
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans		**6,577,283**	4,454,928
Long-term payable		**26,494**	30,437
Bonds	*21*	**4,714,521**	8,763,401
Deferred tax liabilities		**875,234**	491,791
Total non-current liabilities		**12,193,532**	13,740,557
Current Liabilities			
Interest-bearing loans		**3,265,938**	1,227,105
Trade, other payables and advance receipts	*20*	**21,471,556**	19,314,718
Tax payable		**831,413**	760,715
Bonds within one year	*21*	**4,529,407**	–
Long-term payable within one year		**6,000**	6,000
Total current liabilities		**30,104,314**	21,308,538
Total liabilities		**42,297,846**	35,049,095
Total equity and liabilities		**49,985,954**	41,039,681
Net current liabilities		**(5,315,451)**	(7,015,145)
Total assets less current liabilities		**19,881,640**	19,731,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 December 2015

1. GENERAL

Greenland Hong Kong Holdings Limited ("The Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies. In 2006, the companies comprising the Group underwent a reorganisation (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). On 30 June 2006, the Company became the holding company of the subsidiaries now comprising the Group. The Company's shares were listed on the Hong Kong Stock Exchange since 10 October 2006.

On 27 August 2013, the subscription of shares of the Company (the "Subscribed Shares") by Gluon Xima International Limited ("GXIL") was successfully completed. GXIL is an indirectly wholly-owned subsidiary of Greenland Holdings Corporation Limited ("Greenland Holdings"). Greenland Holdings is a state-controlled enterprise group headquartered in Shanghai, with its main business in real estate, energy and finance.

The Subscribed Shares represent approximately 60% of the entire issued share capital of the Company and approximately 60% of the voting rights of the Company as enlarged by the Subscribed Shares. Immediately after the subscription, Greenland Holding Group Company Limited became the ultimate controlling shareholder of the Company. At 30 June 2015, Greenland Holdings become the Ultimate Controlling shareholder of the Group.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the "Group") is the development for sale and rental of residential properties in the PRC and the development of hotels.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

2.1 Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year.

Amendments to IAS 9	Defined Benefit Plan: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle

The application of amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 New and revised IFRSs in issue but not yet effective:

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRSs	
IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to IAS 1	Disclosure Initiative[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of depreciation and Amortisation[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after a date to be determined
5 Effective for annual periods beginning on or after 1 January 2017

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company (the "Directors") anticipate that the adoption of IFRS 9 in the future may have an impact on the amounts reported in respect of the Group's consolidated financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Directors anticipate that the application of IFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the financial effect until the Group performs a detailed review.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors will assess the impact of the application of IFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of IFRS 16 until the Group performs a detailed review.

Except as described above, the directors of the Company anticipate that the application of amendments to IFRSs will have no material effect on the Group's consolidated financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the following accounting policies which conform to International Financial Reporting Standards ("IFRSs") issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual account have been amended with reference to the new CO and to streamline with IFRSs. According the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

3.2 Basis of preparation

As of 31 December 2015, the Group's net current liabilities are approximately RMB5,315 million. The Directors consider the Group is able to operate as a going concern, taken into account the cash flows generated from operating activities, and undrawn loan facilities from banks, amounting approximately RMB4,001 million, to meet its liquidity requirements in the next twelve months. The consolidated financial statements have been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following critical accounting judgement and key sources of estimation uncertainty are used in the preparation of the consolidated financial statements.

(i) Valuation of investment properties

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every six months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arms' length transaction.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

(ii) Impairment of non-financial assets

If circumstances indicate that the carrying amounts of non-financial assets (other than investment properties, properties under development, completed properties held for sale, inventories and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

(iii) Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation.

In respect of properties under development, the estimate of net realisable value requires the application of a risk-adjusted discount rate to the estimated future cash flows to be derived from these properties. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions. As of 31 December 2015, the amount of the write-down of completed properties held for sale is RMB212,263,000.

(iv) Recognition of deferred tax assets

At 31 December 2015, the Group has recognised deferred tax assets in relation to the unused tax losses. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of enterprise income tax and land appreciation tax.

(v) PRC land appreciation taxes

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC land appreciation taxes calculation and payments with most of local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these PRC land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the taxation and tax provisions in the years in which such taxes have been finalised with local tax authorities.

(vi) Write-down of receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The allowance for doubtful debts is the difference between the debts carrying amount and the present value of the estimated future cash flows. The recognition of allowance of doubtful debts requires judgement and estimation. If differences occurs from re-estimation, it will influence the carrying amount of debts in the re-estimation period. As of 31 December 2015, the amount of the write-down of receivables is RMB56,235,000.

5. REVENUE

	2015	2014
	RMB'000	*RMB'000*
Sales of properties	**5,290,053**	2,262,698
Rental income	**60,227**	66,643
Hotel operation income	**179,210**	168,106
Education income	**114,005**	89,739
Property management income and other related services	**158,463**	252,839
	5,801,958	2,840,025

6. OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Gain on re-measurement of joint ventures to acquisition date fair value in business combination	**89,726**	–
Gain on disposal of property, plant and equipment	**76,728**	140
Government grants	**3,547**	2,220
Forfeited deposits from customers	**2,809**	2,921
Gain on disposal of an associate	**546**	–
Gain on disposal of a joint venture	**–**	5,150
Others	**4,149**	1,377
	177,505	11,808

7. OTHER OPERATING EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Write-down (reversal of impairment) of properties under development and completed properties held for sale	**158,031**	(16,298)
Write-down (reversal of impairment) of receivables	**56,220**	(562)
Penalties	**25,720**	24,354
Loss on disposal of other investment	**1,000**	–
Donations	**600**	–
Loss on disposal of property, plant and equipment	**75**	–
Others	**3,641**	5,203
Total	**245,287**	12,697

8. PERSONNEL EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Wages and salaries	**222,990**	204,320
Contributions to defined contribution plans	**42,249**	41,779
Staff welfare, bonuses and other allowances	**21,073**	14,064
Equity-settled share-based payment expenses	**416**	11,574
Total	**286,728**	271,737

9. EXPENSES BY NATURE

	2015	2014
	RMB'000	*RMB'000*
The following expenses are included in results from operating expenses		
Cost of properties sold	**4,060,997**	1,616,688
Auditors' remuneration		
– audit services	**2,660**	2,460
– audit-related services	**–**	320
Depreciation of property, plant and equipment	**111,447**	104,403
Amortisation of land use rights	**2,186**	1,897
Amortisation of intangible assets	**45**	45
Operating lease charges	**24,316**	24,837

10. FINANCE INCOME

	2015	2014
	RMB'000	*RMB'000*
Interest income on bank deposits	**22,270**	30,551
Interest income on long-term receivable measured at amortised cost	**36,816**	52,429
Finance income	**59,086**	82,980

11. FINANCE EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Interest expenses on interest-bearing loans, and bonds	**1,271,109**	619,748
Interest expenses on long-term payable measured at amortised cost	**2,088**	2,502
Less: interest capitalised	**(1,071,995)**	(453,726)
Net interest expenses on interest-bearing loans, bonds	**201,202**	168,524
Foreign exchange loss	**759,164**	17,656
Less: exchange loss capitalised	**(116,184)**	–
Net exchange loss	**642,980**	17,656
Finance expenses	**844,182**	186,180

12. INCOME TAX EXPENSES

(i) **Income tax in the consolidated statement of profit or loss and comprehensive income represents:**

	2015	2014
	RMB'000	*RMB'000*
Current tax		
Provision for PRC enterprise income tax for the year	**311,717**	78,457
Under provision in prior years	**12,186**	17,947
Provision for land appreciation tax for the year	**127,256**	181,326
	451,159	277,730
Deferred tax		
Origination and reversal of temporary differences	**83,485**	141,063
Benefit of tax losses recognised	**–**	18,158
Land appreciation tax	**10,846**	–
	94,331	159,221
Total income tax expense	**545,490**	436,951

Enterprise income tax

No provision for Hong Kong Profits Tax has been made (2014: Nil) as the Group did not earn any income subject to Hong Kong Profits Tax during the year.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the Enterprise Income Tax Law of the PRC, the Group's main operating companies were subject to PRC income tax at a rate of 25% (2014: 25%).

Land appreciation tax

Land appreciation tax is levied on properties developed for sale by the Group at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all property development expenditures. Land appreciation tax of RMB127,256,000 has been included in profit or loss during the year (2014: RMB181,326,000).

Deferred land appreciation tax is levied on investment properties which is held within a business model whose objective is to consume all of the economic benefits through sale. Deferred land appreciation tax of RMB10,846,000 has been included in profit or loss during the year (2014: Nil).

(ii) Reconciliation between tax expense and accounting profit at applicable tax rate:

	2015	2014
	RMB'000	*RMB'000*
Profit before income tax	**577,135**	501,072
Less: Current land appreciation tax	**(127,256)**	(181,326)
Deferred land appreciation tax	**(10,846)**	–
	439,033	319,746
Tax calculated at the rates applicable to respective companies that comprise the Group	**109,758**	79,936
Tax effect of share of results of associates and joint ventures	**(251)**	658
Non-deductible expenses, net of non-taxable income	**50,418**	33,797
Unrecognised deferred tax assets	**235,277**	123,287
Under provision in prior years	**12,186**	17,947
	407,388	255,625
Current land appreciation tax	**127,256**	181,326
Deferred land appreciation tax	**10,846**	–
Total	**545,490**	436,951

In accordance with the accounting policy, the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries for the year as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

13. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of previous financial year, declared and paid during the year	**–**	104,247

The Board of Directors has resolved not to propose dividends in respect of the year ended 31 December 2015.

14. EARNINGS PER SHARE

(a) Earnings per ordinary share (basic)

Earnings per ordinary share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to ordinary shares by the weighted average number of ordinary shares in issue during the year and excluding ordinary shares purchased by the Group and held for Share Award Scheme.

	2015	2014
Profit attributable to owners of the Company allocated to ordinary shares *(RMB'000)*	**170,006**	46,812
Weighted average number of ordinary shares (basic)	**2,097,268,026**	1,109,057,392

(b) Earnings per convertible preference share (basic)

Earnings per convertible preference share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to convertible preference shares by the number of convertible preference shares in issue during the year.

	2015	2014
Profit attributable to owners of the Company allocated to convertible preference shares *(RMB'000)*	**50,234**	60,878
Weighted average Number of convertible preference shares (basic) (2014: approximate number of convertible preference shares)	**619,701,588**	1,485,530,000

(c) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding based on the assumption that all dilutive potential ordinary shares are converted as follows:

	2015	2014
Weighted average number of ordinary shares (basic)	**2,097,268,026**	1,109,057,392
Effect of convertible preference shares	**619,701,588**	1,485,530,000
Effect of Share Award Scheme	**4,757,972**	23,585,822
Weighted average number of ordinary shares (diluted)	**2,721,727,586**	2,618,173,214

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Motor vehicles *RMB'000*	Fixtures, fittings & equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
Balance at 1 January 2014	842,206	32,243	41,193	327,781	27,183	1,270,606
Additions	–	999	8,369	34,704	56,353	100,425
Transfer from properties under development	677,877	39,660	–	–	–	717,537
Transfer to investment properties *(note 16)*	(6,866)	–	–	–	–	(6,866)
Disposals	–	–	(13,514)	(2,809)	–	(16,323)
Balance at 31 December 2014	1,513,217	72,902	36,048	359,676	83,536	2,065,379
Addition/Adjustments	(8,948)	3,961	10,714	48,924	6,535	61,186
Addition through business combination	–	–	182	452	–	634
Transfer to completed properties held for sale	(3,809)	–	–	–	–	(3,809)
Disposals	(32,105)	–	(227)	(813)	–	(33,145)
Balance at 31 December 2015	1,468,355	76,863	46,717	408,239	90,071	2,090,245
Depreciation						
Balance at 1 January 2014	161,425	26,749	26,969	132,484	–	347,627
Charge for the year	48,372	8,413	4,371	43,247	–	104,403
Disposals	–	–	(4,876)	(1,625)	–	(6,501)
Balance at 31 December 2014	209,797	35,162	26,464	174,106	–	445,529
Charge for the year	58,002	8,567	5,584	39,294	–	111,447
Transfer to completed properties held for sale	(1,177)	–	–	–	–	(1,177)
Disposals	(11,475)	–	(204)	(781)	–	(12,460)
Balance at 31 December 2015	255,147	43,729	31,844	212,619	–	543,339
Carrying amounts						
At 31 December 2014	1,303,420	37,740	9,584	185,570	83,536	1,619,850
At 31 December 2015	1,213,208	33,134	14,873	195,620	90,071	1,546,906

(i) All buildings owned by the Group are located in the PRC.

(ii) As at 31 December 2015, property, plant and equipment with a total carrying value of RMB1,033,690,000 (2014: RMB887,798,000) were pledged as collateral for the Group's borrowings.

16. INVESTMENT PROPERTIES

	2015	2014
	RMB'000	*RMB'000*
Investment properties under development		
Balance at 1 January	**3,994,000**	–
Cost capitalised	**798,067**	3,497,682
Net increase in fair value recognised in profit and loss	**1,063,933**	496,318
Balance at 31 December	**5,856,000**	3,994,000

	2015	2014
	RMB'000	*RMB'000*
Interest capitalisation included in the above		
Balance at 1 January	**–**	–
Cost capitalised	**272,674**	–
Balance at 31 December	**272,674**	–
Completed investment properties		
Balance at 1 January	**1,728,000**	1,719,000
Cost capitalised	**–**	31,240
Transfer from property, plant and equipment *(note 15)*	**–**	6,866
Disposal	**(389,316)**	(55,000)
Net increase in fair value recognised in profit and loss	**51,316**	25,894
Balance at 31 December	**1,390,000**	1,728,000
	7,246,000	5,722,000

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

At 31 December 2015 and 2014, the Group's investment properties are measured at level 3 category of fair value measurement and during the year ended 31 December 2015, there were no transfers into or out of Level 3.

All the Group's investment properties are stated at fair value at 31 December 2015 and 2014. The fair values of investment properties were arrived at based on valuations carried out by Debenham Tie Leung Limited ("DTZ").

The fair values of investment properties are determined using direct comparison approach, which are amount to RMB5,895,000,000, which assumes sale of each of the properties in its existing state by making reference to comparable sales transactions as available in the relevant market. The investment properties which are amount to RMB1,351,000,000, are valued by income capitalization approach by capitalizing the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

	Valuation Techniques	Unobservable input	Range	*Notes*
Investment properties				
Mainland China	Income capitalization approach	Capitalization rate	5%–9%	*(i)*
		Average unit market rent per month	RMB37–RMB278 per sq.m per month	*(ii)*
	Direct comparison approach	Average market unit rate	RMB10,000–RMB75,000 per sq.m	*(ii)*

Notes: Descriptions of the sensitivity in unobservable inputs and interrelationship:

(i) The fair value measurement is negatively correlated to the unobservable input that a lower factor will result in a higher fair value.

(ii) The fair value measurement is positively correlated to the unobservable input that a higher factor will result in a higher fair value.

As at 31 December 2015, the Group has not obtained the State-owned Land Use Rights Certificate for the investment properties, which are amounted to RMB106,000,000 (2014: RMB3,236,000,000).

As at 31 December 2015, investment properties with a total carrying value of RMB207,707,000 (2014: RMB1,421,051,000) were pledged as collateral for the Group's borrowings.

17. INTERESTS IN JOINT VENTURES

	2015	2014
	RMB'000	*RMB'000*
Hainan Tianyuan Lifeng Group *(note 22)*	**–**	655,611
Forever Rich Enterprise Limited ("Forever Rich") *(i)*	**296,187**	282,411
	296,187	938,022

(i) **Forever Rich**

	2015	2014
	RMB'000	*RMB'000*
Cost of investment	**306,092**	286,367
Share of post-acquisition losses	**(9,905)**	(3,956)
	296,187	282,411

Name of joint venture	**Principle activity**	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held by the Group in 2015 and 2014**
Forever Rich	Property development	Suzhou, Jiangsu Province, the PRC	50%

Summary of financial information of Forever Rich, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2015	2014
	RMB'000	*RMB'000*
Gross amounts:		
Current assets	**1,655,184**	388,933
Non-current assets	**11,920**	583,972
Current liabilities	**1,074,730**	408,083
The above amounts of assets and liabilities including the following:		
Cash and cash equivalents	**98,466**	193,583
Revenue	–	–
Loss for the period	**(11,897)**	(7,913)
Total comprehensive income	**(11,897)**	(7,913)
The above profit(loss) for the year includes the following:		
Depreciation and amortisation	**(231)**	(40)
Finance income	**3,713**	2,862
Finance expenses	**–**	(902)
Income tax expense	**3,924**	2,476
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements		
Net assets of the joint venture	**592,375**	564,822
Proportion of the Group's ownship interest in the joint venture	**50%**	50%
Carrying amount of the Group's interest in the joint venture	**296,187**	282,411

18. TRADE, OTHER RECEIVABLES AND ADVANCE DEPOSITS

	2015	2014
	RMB'000	*RMB'000*
Receivables due from related parties	**1,735,544**	1,144,770
Trade receivables due from third parties	**299,613**	86,149
Advance payments to contractors	**570,786**	64,617
Advance deposits for acquisition of land use rights	**311,693**	480,010
Non-trade receivables	**1,574,806**	535,740
Other tax prepayments	**481,151**	273,039
Allowance for doubtful debts	**(56,235)**	(15)
Total	**4,917,358**	2,584,310

The receivables due from related parties are non-trade, unsecured, non-interest bearing and repayable on demand. Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year. Tax prepayments mainly represent prepayment of business tax, land appreciation tax and income tax during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The following is an aged analysis of trade receivables that are not impaired based on the sales recognition date at the end of each reporting period.

Age of receivables that are past due but not impaired:

	2015	2014
	RMB'000	*RMB'000*
0–90 days	**273,115**	83,523
91–180 days	**276**	728
181–365 days	**13,387**	1,898
	286,778	86,149

Movement in the allowance for doubtful debts

	2015	2014
	RMB'000	*RMB'000*
Balance at beginning of the year	**15**	577
Impairment losses recognized on receivables	**56,220**	15
Amounts recovered during the year	**–**	(577)
Balance at end of the year	**56,235**	15

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to RMB12,835,000 (2014: Nil) and impaired non-trade receivables amounting to RMB43,400,000 (2014: RMB15,000) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

Age of impaired trade, non-trade receivables

	2015	2014
	RMB'000	*RMB'000*
Trade receivable		
Over 365 days	**12,835**	–
Non-trade receivables		
0-90 days	**43,385**	15
Over 365 days	**15**	–
Total	**56,235**	15

19. LONG-TERM RECEIVABLE

	Term	**2015**	2014
		RMB'000	*RMB'000*
Long-term receivable	10 years	**–**	721,657
Less: Long-term receivable due within 1 year		**–**	(125,561)
Long-term receivable due after 1 year		**–**	596,096

The amount is repayable as follows:

Within 1 year	**–**	125,561
Over 1 year and within 2 years	**–**	113,237
Over 2 years and within 5 years	**–**	292,214
After 5 years	**–**	190,645
	–	721,657

Long-term receivable represents shareholders' loan provided to Tianhong Shiye and Tianhong Investment. The amount is non-interest bearing and repayable in 10 annual instalments of RMB130,000,000 each, starting from 11 June 2012.

Due to the acquisition of Tianhong Shiye and Tianhong Investment on 1 October 2015, they are accounted for as subsidiaries of the Company the long-term receivable is eliminated upon consolidation. Interest income of RMB36,816,000 (2014: RMB52,429,000) was recognized in relation to the long-term receivable during 1 January 2015 to 30 September 2015.

20. TRADE, OTHER PAYABLES AND ADVANCE RECEIPTS

	Group	
	2015	2014
	RMB'000	*RMB'000*
Payables due to related parties		
Trade related		
– Other related parties	**6,059**	68,153
Non-trade related		
– Dividends payable	**6,805**	6,805
– Other related parties	**5,098,660**	6,485,163
	5,111,524	6,560,121
Trade payables	**4,313,172**	2,891,092
Advance receipts from customers	**9,283,538**	4,704,349
Other taxes payable	**23,929**	44,237
Dividends payable	**230**	225
Unpaid land cost	**702,174**	3,784,618
Non-trade payables and accrued expenses	**2,036,989**	1,330,076
	16,360,032	12,754,597
Total	**21,471,556**	19,314,718

The payables due to related parties are unsecured, non-interest bearing and repayable on demand.

The Group transferred the right of return of entrusted loan to a financial institution. As of 31 December 2015, the amount due to the financial institution is RMB43,000,000.

The following is an aged analysis of trade payables from the time when the construction services are received from suppliers.

	2015	2014
	RMB'000	*RMB'000*
0–90 days	**3,669,507**	2,705,616
91–180 days	**510,249**	52,681
181–365 days	**33,350**	35,920
365 days–3 years	**100,066**	96,875
	4,313,172	2,891,092

21. BONDS

On 18 October 2013, the Company issued 4.75% bonds due 2016 (the "A Bond") with an aggregated nominal value of USD700,000,000 at a value equal to 99.655% of the face value. The A Bond is listed on the Hong Kong Stock Exchange. The Bonds carry interest at the rate of 4.75% per annum, payable semi-annually on 18 April and 18 October in arrears, and will mature on 18 October 2016, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately USD692,424,000 (equivalent to RMB4,249,546,000).

On 23 January 2014, the Company issued 5.50% bonds due 2018 (the "B Bond") with an aggregated nominal value of RMB1,500,000,000 at a value equal to 99% of the face value. The B Bond is listed on the Hong Kong Stock Exchange. The B Bond carries interest at the rate of 5.50% per annum, payable semi-annually on 23 January and 23 July in arrears and will mature on 23 January 2018, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately RMB1,490,465,000.

On 7 August 2014, the Company issued 4.375% bonds due 2017 (the "C Bond") with an aggregated nominal value of USD500,000,000 at a value equal to 99.31% of the face value. The C Bond is listed on the Hong Kong Stock Exchange. The C Bond carries interest at the rate of 4.375% per annum, payable semi-annually on 7 February and 7 August in arrears and will mature on 7 August 2017, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD 492,287,000 (equivalent to RMB3,035,935,000).

The A Bond, B Bond and C Bond (the "Bonds") have the benefit of a keepwell deed from Greenland Holding Group Company Limited, the intermediate controlling shareholder of the Company.

The Bonds embedded certain options as below:

(i) The issuer's redemption option all for A Bond (redemption option No. 1)

The Company may at any time redeem the A Bond, in whole but not in part, at a redemption price equal to the Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date. "Make Whole Price" means, with respect to a Bond at any redemption date, the amount calculated is the greater of (1) the present value of the principal amount of such Bond, plus all required remaining scheduled interest payments due on such Bond from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue plus 0.5 per cent, and (2) the principal amount of such Bonds.

(ii) The issuer's redemption option for taxation reason (redemption option No. 2)

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, at their principal amount (together with any interest accrued to the date fixed for redemption) in the event of certain changes affecting taxes of a relevant jurisdiction.

(iii) The holder's redemption option (redemption option No. 3)

Following the occurrence of a Put Event, the holder of any Bonds will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Event Put Date at 101% of their principal amount, together with accrued interest to the Put Event Put Date.

A "Put Event" will be deemed to occur if:

(1) there is a change of control, and

(2) within a period ending six months after the date notice of the change of control first becomes public (which period shall be extended so long as the Bonds are under consideration (as publicly announced within such six month period) for a possible rating downgrade), a rating downgrade occurs.

The redemption option No. 1 held by the Company is separately accounted for at fair value at the initial recognition date and each reporting date as derivative financial instruments in accordance with the accounting policy to the financial statements.

The exercise price of both redemption option No. 2 held by the Company and the redemption option No. 3 held by the bondholder is approximately equal to the amortised cost of the host contract. Hence, the redemption options No. 2 and No. 3 have risks and characteristics that are closely related to those of the host contract and are not separated from the host contract.

The movements of different components of Bonds are set out below:

	Liability component *RMB'000*	**Call option of the Company** *RMB'000*	**Total** *RMB'000*
As at 1 January 2014	4,269,203	–	4,269,203
Net proceeds from bonds issued in 2014	4,526,400	–	4,526,400
Interests and issue cost amortized during the year	334,255	–	334,255
Interest paid during period	(245,811)	–	(245,811)
Exchange loss	12,407	–	12,407
As at 31 December 2014	8,896,454	–	8,896,454
Interests and issue cost amortized during the year	452,964	–	452,964
Interest paid during period	(423,897)	–	(423,897)
Exchange loss	456,177	–	456,177
As at 31 December 2015	9,381,698	–	9,381,698

Represented by	**31 December 2015** *RMB'000*	31 December 2014 *RMB'000*
– Other payables–accrued interests	**137,770**	133,053
– Bonds	**9,243,928**	8,763,401
– Total	**9,381,698**	8,896,454

Liability component of the Bonds represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 4.934%–5.734% per annum for the year ended 31 December 2015.

At 31 December 2015, the liability component of the Bonds was repayable as follows:

Represented by	**31 December 2015** *RMB'000*	31 December 2015 *RMB'000*
Bonds within one year	**4,529,407**	–
Bonds		
After one year but within two years	**3,218,901**	4,251,935
After two years but within five years	**1,495,620**	4,511,466
Total	**4,714,521**	8,763,401

22. ACQUISITION OF SUBSIDIARIES

The Group and other two shareholders jointly controlled Hainan Tianhongjiye Shiye Co., Ltd ("**Tianhong Shiye**"), Hainan Tianhongjiye Investment Co., Ltd ("**Tianhong Investment**") and Hainan Tianhong Jiye Real Estate Co., Ltd. ("**Tianhong Real Estate**") (collectively called "**Hainan Tianyuan Lifeng Group**") since 2010. According to the agreement with other shareholders, the Group controlled Tianhong Shiye and Tianhong Investment and lost significant influence on Tianhong Real Estate since 1 October 2015. The interest of Tianhong Real Estate is classified as available for sale investment.

(1) Subsidiaries acquired

	Principal activity	**Date of acquisition**	**Proportion or voting equity interests acquired** *%*	**Consideration transferred** *RMB'000*
Tianhong Shiye	Property development	1 October 2015	50.1	214,007
Tianhong Investment	Property development	1 October 2015	50.1	364,515
				578,522

(2) Assets acquired and liabilities recognised at the date of acquisition

	Tianhong shiye *RMB'000*	**Tianhong Investment** *RMB'000*	**Total** *RMB'000*
Current assets			
Cash and cash equivalents	12,251	97,827	110,078
Trade, other receivables and advance deposits	885,114	627,935	1,513,049
Properties hold for sale	607,062	1,784,057	2,391,119
Non-current assets			
Properties, plants and equipment	506	128	634
Deferred tax assets	32,284	–	32,284
Current liabilities			
Trade, other trade payables and advance receipts	(1,066,126)	(1,128,723)	(2,194,849)
Interest-bearing loans	–	(460,000)	(460,000)
Deferred tax liabilities	(43,932)	(193,648)	(237,580)
	427,159	727,576	1,154,735

(3) Non-controlling interests

The non-controlling interest (49.9% ownership interest) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to RMB576,213,000. This fair value was estimated by applying an income approach.

(4) Goodwill arising on acquisition

	Tianhong shiye *RMB'000*	**Tianhong Investment** *RMB'000*	**Total** *RMB'000*
Consideration transferred	214,007	364,515	578,522
Plus: non-controlling interests (49.9%)	213,152	363,061	576,213
Less: fair value of identifiable net assets acquired	(427,159)	(727,576)	(1,154,735)
Goodwill arising on acquisition	–	–	–

(5) Gain on re-measurement of joint ventures to acquisition date fair value in business combination

	Tianhong Shiye *RMB'000*	**Tianhong Investment** *RMB'000*	**Total** *RMB'000*
Gain on re-measurement of joint ventures to acquisition date fair value in business combination	22,780	66,946	89,726

(6) Net cash inflows on acquisition of subsidiaries

	Year ended 31 December 2015 ***RMB'000***
Cash and cash equivalent balances acquired	**110,078**

(7) Impact of acquisitions on the results of the Group

Included in the loss for the year RMB14,713,000 is attributable to the additional business generated by the two subsidiaries. Revenue for the year includes RMB617,480,000 in respect of the two subsidiaries.

Had these business combinations been effected at 1 January 2015, the revenue of the Group would have been RMB6,209,184,000, and the profit for the year would have been RMB31,645,000. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had the two subsidiaries been acquired at the beginning of the current year, the directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

23. SUBSEQUENT EVENT

On 4 March 2016, the extraordinary general meeting give permission to the connected transaction of disposed 67.14% equity interest and shareholder loans in Shanghai Sipo Education Development Co., Limited ("Shanghai Sipo") to Shanghai Xinhua Publishing Group Company Limited. The total consideration will be approximately RMB349,000,000. Up to the date of this report, the event has been completed.

BUSINESS REVIEW

Results

In 2015, China has been undergoing economic restructuring with its growth slowed down. To address the stress caused by the economic downturn, the People's Bank of China cut the interest rate and the reserve requirement ratio several times. Besides, a range of favorable property market policies were also intensively introduced, including lowering the down payment levels for second- and first-time homebuyers, expanding the number of loans available through housing provident funds and adjusting their home purchase limit, etc. Stimulated by these policies, China's property market showed a general trend of recovery, yet it varied among different cities. The property prices in first- and second-tier cities in China stabilized and picked up, while third- and fourth-tier cities still focused on unloading inventories. Facing the macroeconomic downturn and the property market fragmentation, the Group's overall performance was satisfactory. During the year ended 31 December 2015 ("the year under review"), the Group's total contracted sales grew by about 35% to approximately RMB17,388 million.

During the year, the Group recorded a total revenue of approximately RMB5,802 million, an increase of 104% from last year. The increase was mainly attributable to more GFA sold and delivered during the year. Net profit attributable to owners of the Company was approximately RMB220,000,000, with a year-on-year growth of approximately 104%. Basic and diluted earnings per share attributable to equity holders of the Company amounted to RMB0.08 per share, compared to RMB0.04 per share of last year. The Board of Directors has resolved not to declare any dividend in respect of the year ended 31 December 2015.

During the year under review, the total gross floor area ("GFA") sold and delivered amounted to 618,616 square meters, a 246% increase from 178,875 square meters sold and delivered during 2014. The average selling price ("ASP") was approximately RMB8,511 per square meter. Revenue derived from property sales was approximately RMB5,290 million, representing a growth of 134% from RMB2,263 million in 2014. The key projects completed and delivered in 2015 are as follows:

Item	**City**	**Approximate area sold and delivered in 2015**	**Approximate sales recognized in 2015**	**Average selling price**
		sqm	*RMB'000*	*RMB/sqm*
Nanning Greenland Center	Nanning	83,155	1,061,531	12,766
The Metropolitan	Kunming	90,538	699,627	7,727
Greenland Hai Chang Liu	Haikou	76,999	613,360	7,966
Cambridge Forest New Town	Shanghai	53,819	518,181	9,628
Greenland City	Haikou	111,825	421,671	3,771
Greenland Taiping Lake Resort	Huangshan	61,154	375,979	6,148
Greenland Bihu International	Ningbo	33,872	370,939	10,951
Greenland Xi Shui Dong	Wuxi	22,941	305,879	13,333
Greenland Hai Po Lan Ting	Kunming	13,399	200,227	14,943
Greenland Yunduhui Square	Kunming	23,465	154,851	6,599
Oriental Garden	Shanghai	10,369	152,967	14,752
Greenland Lakeside Villa	Xuzhou	19,455	145,802	7,494
Greenland Emerald Bay	Changshu	6,897	82,840	12,011
Greenland The Florea	Haikou	3,442	57,020	16,566
Global 188	Suzhou	3,159	56,247	17,805
Greenland Shanding Park	Taiyuan	3,901	46,017	11,796
Tiffany	Shanghai	226	1,694	7,496
Sub-total		**618,616**	**5,264,832**	**8,511**
Greenland The Florea – carparking lot	Haikou		4,917	
Greenland Emerald Bay – carparking lot	Changshu		4,800	
Tiffany – carparking lot	Shanghai		4,690	
Greenland Xi Shui Dong – carparking lot	Wuxi		4,584	
Greenland Hai Chang Liu – carparking lot	Haikou		3,520	
Cambridge Forest New Town – carparking lot	Shanghai		2,710	
Sub-total			**25,221**	
Total property sales			**5,290,053**	

Contracted Sales

The Group has gained the advantage from the monumental scale and brand impact of the parent company Greenland Holdings Corporation Limited ("Greenland Holdings"), while showcasing the precise positioning and flexible pricing strategy of its projects. During the year under review, the Group achieved total contracted sales of RMB17.388 billion, with a year-on-year growth of RMB4.461 billion, representing an increase of 35%. The total contracted GFA amounted to 1,570,736 square meters, with a year-on-year decline of 129,731 square meters, representing a decrease of 8%.

During the year under review, the projects in Yangtze River Delta were the main source of contracted sales of the Group, contributing 55% of the contracted sales, in which the Shanghai Projects accounted for 30%. Other key projects that offered significant volumes of contracted sales included the Hainan Projects (24%), Zhejiang Projects (13%), Guangxi Projects (12%) and Jiangsu Projects (12%). The ASP was about RMB11,070 per square meter in the year.

Finance Business

As the PRC government unveiled the "Internet Plus" action plan in 2015, the Group has entered the internet finance world and established Greenland Financial Information Services Co., Ltd ("Greenland Financial Services") in May 2015, with strategic cooperation agreements with three financial institutions, namely Shanghai Lujiazui International Financial Asset Exchange, Zhong An Online P&C Insurance Co. Ltd. and China Orient Asset Management (International) Holding Limited. In late August, a self-developed mobile internet finance platform app for Greenland Financial Services, the "Greenland Guangcai" (綠地廣財), was launched online. In November, the app was connected to the China Eastern Airlines' app platform; in the same month, Greenland Financial Services embarked on its strategic cooperation with Qihoo 360's "Your Wealth Platform" (你財富平台), on which Greenland Financial Services could release the internet investment and finance products up to RMB50 billion. In December, Greenland Financial Services expanded its collaboration with Zhong An Online P&C Insurance Co., further securing the safety of the registered users' capital. During late December, "Greenland Guangcai" integrated with Greenland Group's global member platform G-Club. Besides, the "Greenland Crowdfunding" specialized platform, which developed by Greenland Financial Services and Greenland Holdings' sales and marketing department, was also launched in December.

Established for only six months, Greenland Financial Services has achieved initial success and surpassed its annual target, reflecting the Group's competency and confidence in the development of finance business. As at 31 December 2015, the number of registered users of "Greenland Guangcai" was over 320,000, with B2B and B2C platforms' combined transactions hitting as much as RMB5.286 billion.

Regarding the products, Greenland Financial Services has successfully developed and launched a series of Greenland's products, including "Dichanbao" (地產寶), "Rongtongbao" (融通寶), "Zhiyebao" (置業寶), "Caifuying" (財富贏), "Zhishubao" (指數寶) and "Crowdfunding" (眾籌), covering a wide array of product lines with fixed income and floating income. A duplicable multi-layer business model can eventually be established.

Looking forward, the Group will strive to identify high-quality assets, develop more innovative products as well as create more cooperation opportunities, so as to become the leader in the internet finance sector.

During the year under review, with the astonishing speed of development and the extraordinary innovation capability of internet finance, Greenland Financial Services was awarded the "Innovation of Internet Financing Platform in 2015" by Lujiazui Global Financial Innovation Summit, while Mr. Yang Xiaodong, Chief Executive Officer of Greenland Financial Services, was awarded the title of "Lujiazui Financial Figures, Leader of Internet Real Estate Finance".

Other Businesses

Besides the sales of property, the core business activity, and finance business, the revenue of the Group was also contributed by the earnings arising from other segments including lease of properties, education, property management and other related services, hotel and related services operation and education.

Land Bank

In the second half of 2015, the Group acquired two quality property projects, adding approximately 1 million square meters to its land bank.

In October, the Group acquired a high-quality piece of residential land in south Wujiang District, Suzhou City for RMB1,260 million. Located at the north of Zhongxin East Road and the south of Sixian Road, the project occupies a total GFA of 490,000 square meters. The average floor price is approximately RMB2,558 per square meter. The land is planned to be developed into a high-quality residential community in Wujiang District, and will become another landmark project in Suzhou City besides Global 188. It will also further contribute to the optimization of the Group's land bank structure in the Yangtze River Delta.

In November, the Group successfully won the original No.3 grain depot commercial and residential land at the riverside of Xihu District in Nanchang City. The new project is located at the intersection of the old town of Xihu District and the new town area in Chaoyang District, with a total GFA of 495,800 square meters. The average floor price is approximately RMB3,067 per square meter. The area is planned to be built as a landmark to show Nanchang's urban renewal achievements and represent the provincial capital in the middle of Nanchang City. It is the first time that the Group has entered Nanchang market, which helps Greenland Group form a better plan for the key areas.

As at 31 December 2015, the Group held a land bank of approximately 14.6 million square meters, with prime sites strategically located in key cities in the Yangtze River Delta and southern China coastal area. The land bank is sufficient to support the Group's development pipeline for the next three to five years. In the coming years, the Group will continue to leverage the abundant resources of Greenland Holdings and the cost-effective financing channels offered by Greenland Hong Kong, and constantly look for quality sites which demonstrate growth potential.

Outlook

While the growth of China's economy slowed down in 2015, it is expected that China will face innumerable economic difficulties and challenges in 2016. Nonetheless, 2016 marks the beginning of the 13th Five-Year Plan. The Group believes that the PRC government will stabilize economic growth via different policies, in order to lay a solid foundation to facilitate the 13th Five-Year Plan. For the property market, the central government has emphasized explicitly that destocking the property inventory will be one of the five missions of the structural reform in 2016. With the continuous implementation of the easing measures for the property market at the beginning of 2016, the Group foresees that the property market will benefit from a new round of easing measures. The property market will continuously recover, yet the trend of fragmentation will continue as well.

With the overall listing in August 2015, the parent company, Greenland Holdings officially entered the A-share market. Together with Greenland Hong Kong acting as an overseas capital platform, Greenland Holdings completed the capital platform layout spanning across A-share and H-share. The Group's development also receives tremendous support from the parent company Greenland Holdings. From August 2015, Greenland Holdings continuously purchased more than 94,000,000 shares in total of the Company, affirming the Group's value and business prospects.

Riding on the ample resources and strengths in scale of Greenland Holdings, the Group will continue to steadily develop property business and further improve the regional layout based on the distinguishing features of different markets. To capture economies of scale, the Group will focus on the high-quality projects in the first- and second-tier cities to promote the robust development in the Yangtze River Delta and Pan-Pearl River Delta. Besides, the Group will strive to be the leader in the sector by constantly improving and perfecting "Greenland Guangcai" as well as promoting the integration of existing product lines with different business divisions and external platforms, resulting in expanded services and enriched service quality. The Group will also continue to showcase innovation capability to connect the property business with the finance business, while Greenland Financial Services will introduce more innovative financial products. The Group will facilitate the layout of the new business models for asset management and wealth management, contributing to the new momentum of growth.

The Group has borrowings denominated in US dollars and Hong Kong dollars while its earnings are mainly denominated in RMB. Please see also Note 21 to the Consolidated Statement of Financial Position in this report. The depreciation of RMB affected the result of the Group to a certain extent in the year under review. In March 2016, the Company entered into Framework Forward FX Contract to hedge against RMB/USD currency risk and will continue to monitor developments in the USD:RMB exchange rate and place orders under the Framework Forward FX Contract as it deems appropriate in the circumstances.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for 2015 increased by approximately 104% from approximately RMB2,840 million in 2014 to approximately RMB5,802 million.

Sales of property, the core business activity, generated revenue of approximately RMB5,290 million (2014: approximately RMB2,263 million), accounting for approximately 91% of the total revenue, and representing an approximately 134% increase as compared with last year. The revenue of the Group from other segments included lease of properties, property management and other related services, hotel and related services operation and education.

Year ended 31 December

	2015	2014	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties	**5,290,053**	2,262,698	3,027,355
Hotel and related services	**179,210**	168,106	11,104
Property management & other related services	**158,463**	252,839	(94,376)
Education	**114,005**	89,739	24,266
Lease of properties	**60,227**	66,643	(6,416)
Total	**5,801,958**	2,840,025	2,961,933

Cost of Sales

Cost of sales increased by approximately 126% from RMB2,061 million in 2014 to approximately RMB4,658 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit increased to approximately RMB1,144 million from RMB779 million in 2014. Gross profit declined from 27% to 20%, which was mainly due to the delivery of social housing during 2015.

Other Income

During the year under review, the Group recorded other gains of approximately RMB178 million increased from RMB12 million in 2014, which was mainly attributable to the gain arising from acquisition of Hai Chang Liu project and disposal of fixed assets.

Other Operating Expenses

During the year under review, the Group recorded other operating expenses of approximately RMB245 million that increased from RMB13 million in 2014, which was mainly attributable to the penalty costs and impairment loss from assets.

Operating Expenses

Due to the development and expansion of the Group, administrative expenses and selling and marketing costs experienced an increase from RMB428 million and RMB265 million in 2014 to RMB510 million and RMB319 million, respectively.

Net Finance Expenses

The net finance expenses rose from RMB103 million in 2014 to RMB785 million in 2015. This increase was mainly because of the foreign exchange loss due to depreciation of RMB.

Fair Value Gain on Investment Properties

The Group recorded fair value gain on investment properties of approximately RMB1,115 million, as compared with a gain of RMB522 million in 2014. The fair value gain was mainly attributable to the investment properties in Shanghai and Nanning.

Income Tax Expenses

Income tax rose by 25% from RMB437 million in 2014 to RMB545 million in 2015, mainly due to more EIT provision accrued for the delivered properties during the year.

Profit Attributable to Owners of the Company

The Group's profit attributable to owners amounted to approximately RMB220 million, an increase of 104% compared to RMB108 million in 2014.

Financial Position

As at 31 December 2015, total equity of the Group was RMB7,688 million (31 December 2014: RMB5,991 million). Total assets amounted to RMB49,986 million (31 December 2014: RMB41,040 million), while total liabilities were RMB42,298 million (31 December 2014: RMB35,049 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied to the business operations and investment in development projects.

As at 31 December 2015, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) over total equity) stood at a level of 172% (31 December 2014: 155%) and total cash and cash equivalents (including restricted cash) amounted to RMB5,829 million, with total borrowings of RMB19,087 million and an equity base of RMB7,688 million.

Treasury Policy

The business transactions of the Group were mainly denominated in Renminbi. Apart from fund raising transactions in the capital market, there is limited exposure in foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at Group level.

To minimize interest risk, the Group continued to closely monitor and manage its loan portfolio by its existing agreed interest margin spread with market interest rates and offers from banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

As at 31 December 2015, the Group pledged properties, land use rights and time deposits with a carrying value of RMB7.3 billion to secure bank facilities, and the total secured loan balance outstanding amounted to RMB3.2 billion.

Financial Guarantees

As at 31 December 2015, the Group provided guarantees to banks for:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Mortgage	**4,513,174**	2,969,788

Capital Commitment

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Property development activities:		
– Contracted but not provided for	**5,566,083**	2,828,778

Human Resources

As at 31 December 2015, the Group employed a total of 2,772 employees (31 December 2014: 2,240). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance. Share award schemes were adopted to attract and retain talent. The Group also provides various staff programs to improve their skills and develop their respective expertise.

CORPORATE GOVERNANCE

During the year ended 31 December 2015, the Company has complied with the provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for code provisions A.2.1., A.4.2 and E.1.2 as described below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2015 to 31 December 2015, Mr. CHEN Jun has undertaken the role of both Chairman of the Board and Chief Executive Officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Pursuant to the Company's articles of association, any person appointed as a Director by the Board shall stand for re-election at the next following annual general meeting of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the directors to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Code E.1.2 stipulates that the chairman of the Board should attend annual general meetings. The chairman of the Board did not attend the annual general meeting of the Company held on 5 June 2015 due to other business commitments.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Tuesday, 7 June 2016. A notice convening the annual general meeting will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

The register of members of the Company will be closed from Friday, 3 June 2016 to Tuesday, 7 June 2016 (both days inclusive) during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the annual general meeting to be held on Tuesday, 7 June 2016, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 2 June 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2015, save for the placing of 228,000,000 new shares of the Company on 26 May 2015. Please see the announcement of the Company dated 18 May 2015 for further details. Also, the trustee of the share award scheme, pursuant to the terms of the trust deed of the share award scheme purchased on the Stock Exchange a total of 7,478,000 shares of the Company at a total consideration of HK$50,073,992 and during the year ended 31 December 2015, the Company repurchased 62,144,000 shares and the aggregated price paid for such purchases amounted to HKD248 million.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2015.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive Directors of the Company.

The audit committee has reviewed the annual results for the year ended 31 December 2015 with the management of the Company.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 21 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Mr. You Defeng; and the independent non-executive directors of the Company are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.