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众安房产
ZHONG AN REAL ESTATE

眾安房產有限公司
ZHONG AN REAL ESTATE LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 672)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2015	2014	Percentage of increase
Revenue (RMB million)	**2,883.1**	1,550.1	86.0
Profit attributable to owners of the parent (RMB million)	**420.6**	319.7	31.6
Basic earnings per share (RMB)	**0.18**	0.14	28.6

The board of directors (the "**Board**") of Zhong An Real Estate Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2015 together with the comparative amounts for the previous year. The annual results have been reviewed by the audit committee of the Company:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**2015** ***RMB'000***	2014 *RMB'000*
Revenue	*5*	**2,883,146**	1,550,105
Cost of sales		**(2,426,128)**	(1,159,561)
Gross profit		**457,018**	390,544
Other income and gains	*5*	**276,344**	43,567
Selling and distribution expenses		**(208,848)**	(135,519)
Administrative expenses		**(299,769)**	(304,073)
Other expenses		**(5,616)**	(7,022)
Fair value gain upon transfer to investment properties		**796,581**	656,784
Changes in fair value of investment properties		**29,361**	33,200
Finance costs	*6*	**(34,269)**	(37,809)
Share of profits and losses of:			
Joint ventures		**(2,208)**	(259)
Profit before tax	*7*	**1,008,594**	639,413
Income tax expense	*8*	**(415,292)**	(237,657)
Profit for the year		**593,302**	401,756
Attributable to:			
Owners of the parent		**420,608**	319,725
Non-controlling interests		**172,694**	82,031
		593,302	401,756
Earnings per share attributable to ordinary equity holders of the parent (RMB)	*10*		
Basic		**18 cents**	14 cents
Diluted		**18 cents**	14 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**593,302**	401,756
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of foreign subsidiaries	**(12,933)**	3,980
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(12,933)**	3,980
Total comprehensive income for the year	**580,369**	405,736
Attributable to:		
Owners of the parent	**407,675**	323,705
Non-controlling interests	**172,694**	82,031
	580,369	405,736

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2015	2014
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**182,711**	188,068
Investment properties		**5,244,100**	3,773,200
Properties under development		**4,588,912**	8,444,787
Goodwill		**–**	–
Available-for-sale investments		**3,300**	3,300
Long term prepayments		**359,321**	80,712
Investments in joint ventures		**774**	46,228
Loans and receivables from a joint venture		**–**	390,931
Deferred tax assets		**184,258**	201,926
Restricted cash		**90,100**	–
Total non-current assets		**10,653,476**	13,129,152
CURRENT ASSETS			
Completed properties held for sale		**4,506,299**	4,339,181
Properties under development		**4,661,802**	1,181,754
Inventories		**10,628**	9,608
Trade and bills receivables	*11*	**72,198**	16,954
Prepayments, deposits and other receivables		**537,972**	433,045
Equity investments at fair value through profit or loss		**558**	815
Loans and receivables from a joint venture		**–**	29,769
Restricted cash		**162,216**	620,123
Cash and cash equivalents		**1,454,458**	969,306
		11,406,131	7,600,555
Investment property classified as held for sale		**29,800**	31,000
Total current assets		**11,435,931**	7,631,555
CURRENT LIABILITIES			
Trade payables	*12*	**2,320,479**	1,784,709
Other payables and accruals		**782,531**	507,943
Advances from customers		**3,569,147**	3,124,840
Interest-bearing bank and other borrowings		**2,213,181**	2,045,636
Tax payable		**677,684**	619,909
Total current liabilities		**9,563,022**	8,083,037
NET CURRENT (LIABILITIES)/ASSETS		**1,872,909**	(451,482)
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,526,385**	12,677,670

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	2015	2014
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**3,981,662**	4,920,598
Deferred tax liabilities	**991,957**	763,675
Total non-current liabilities	**4,973,619**	5,684,273
Net assets	**7,552,766**	6,993,397
EQUITY		
Equity attributable to owners of the parent		
Share capital	**220,811**	220,811
Reserves	**6,189,412**	5,781,737
Proposed final dividend	**–**	–
	6,410,223	6,002,548
Non-controlling interests	**1,142,543**	990,849
Total equity	**7,552,766**	6,993,397

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Zhong An Real Estate Limited (the "**Company**") is a limited liability company incorporated as an exempted company in the Cayman Islands on 13 March 2007 under the Companies Law (revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the "**Group**") is principally engaged in property development, leasing and hotel operation. The Group's property development projects during the year are all located in Zhejiang, Anhui and Jiangsu Provinces, the People's Republic of China (the "**PRC**"). There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the Company's directors (the "**Directors**"), the holding company and the ultimate holding company of the Company is Whole Good Management Limited, a company incorporated in the British Virgin Islands on 3 May 2007. Whole Good Management Limited is wholly owned by Mr Shi Kancheng, Chairman and Chief Executive Officer of the Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value as explained in the accounting policies set out below. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries 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 indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. 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 new and revised IFRSs for the first time for the current year's financial statements.

Amendment to IFRS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs 2010-2012 Cycle	Amendments to a number of IFRSs
Annual Improvements to IFRSs 2011-2013 Cycle	Amendments to a number of IFRSs

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

The Company has adopted the amendments to the Listing Rules issued by 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.

Issued but not yet effective IFRSs

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

IFRS 9	*Financial Instruments*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
IFRS 14	*Regulatory Deferral Accounts*[6]
IFRS 15	*Revenue from Contracts with Customers*[3]
IFRS 16	*Leases*[4]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 7	*Disclosure Initiative*[2]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[2]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 No mandatory effective date yet determined but is available for adoption
6 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on income derived from business and has two reportable operating segments as follows:

(a) the residential segment develops and sells residential properties, and provides management and security services to residential properties in Mainland China and Canada;

(b) the commercial segment develops and sells commercial properties, leases investment properties, owns and operates hotel and provides management and security services to commercial properties in Mainland China.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of profit/loss before tax from continuing operations.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2015	**Residential** *RMB'000*	**Commercial** *RMB'000*	**Total** *RMB'000*
Segment revenue:			
Sales to external customers	**2,379,160**	**503,986**	**2,883,146**
Intersegment sales	**11,245**	**–**	**11,245**
Sales to external customers	**2,390,405**	**503,986**	**2,894,391**
Reconciliation:			
Elimination of intersegment sales			**(11,245)**
Revenue from continuing operations			**2,883,146**
Segment results	**(66,841)**	**1,075,435**	**1,008,594**
Segment assets	**10,861,577**	**11,293,164**	**22,154,741**
Reconciliation:			
Elimination of intersegment receivables			**(65,334)**
Total assets			**22,089,407**
Segment liabilities	**8,528,653**	**6,073,322**	**14,601,975**
Reconciliation:			
Elimination of intersegment payables			**(65,334)**
Total liabilities			**14,536,641**
Other segment information:			
Share of profits and losses of:			
Joint ventures	**–**	**2,208**	**2,208**
Impairment losses recognised in the statement of profit or loss	**58,620**	**–**	**58,620**
Depreciation	**5,154**	**12,523**	**17,677**
Investments in joint ventures	**–**	**774**	**774**
Capital expenditure	**6,347**	**7,203**	**13,550**

Year ended 31 December 2014	Residential RMB'000	Commercial RMB'000	Total RMB'000
Segment revenue:			
Sales to external customers	1,341,252	208,853	1,550,105
Intersegment sales	6,291	–	6,291
Sales to external customers	1,347,543	208,853	1,556,396
Reconciliation:			
Elimination of intersegment sales			(6,291)
Revenue from continuing operations			1,550,105
Segment results	(16,366)	655,779	639,413
Segment assets	10,829,245	10,043,821	20,873,066
Reconciliation:			
Elimination of intersegment receivables			(112,359)
Total assets			20,760,707
Segment liabilities	8,293,272	5,586,397	13,879,699
Reconciliation:			
Elimination of intersegment payables			(112,359)
Total liabilities			13,767,310
Other segment information:			
Share of profits and losses:			
Joint ventures	–	259	259
Impairment losses recognised in the statement of profit or loss	14,204	–	14,204
Depreciation	5,823	13,413	19,236
Investments in joint ventures	–	46,228	46,228
Capital expenditure	2,655	2,696	5,351

Geographical information

(a) Revenue from external customers

	2015	2014
	RMB'000	*RMB'000*
Mainland China	**2,883,146**	1,540,157
Canada	**–**	9,948
	2,883,146	1,550,105

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	2015	2014
	RMB'000	*RMB'000*
Mainland China	**10,293,505**	12,358,942
Canada	**121,639**	127,825
	10,415,144	12,486,767

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No sales to a single customer or a group of customers under the common control accounted for 10% or more of the Group's revenue for the years ended 31 December 2015 and 2014.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of properties, property leasing income, property management fee income and hotel operating income during the year, net of business tax and other sales related taxes and discounts allowed.

An analysis of revenue and other income and gains is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**2,882,015**	1,471,965
Property leasing income	**90,072**	93,074
Property management fee income	**41,686**	37,126
Hotel operating income	**48,107**	47,613
Less: Business tax and surcharges	**(178,734)**	(99,673)
	2,883,146	1,550,105
Other income		
Subsidy income*	**476**	1,438
Interest income from a joint venture	**115,633**	29,769
Bank interest income	**27,310**	7,373
Others	**5,818**	3,059
	149,237	41,639
Gains		
Foreign exchange (loss)/gain	**(244)**	1,928
Gain on disposal of investment properties	**1,397**	–
Gain on disposal of joint ventures	**125,954**	–
	127,107	1,928
	276,344	43,567

* There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2015	2014
	RMB'000	*RMB'000*
Interest on bank borrowings	**359,005**	385,278
Interest on other borrowings	**188,703**	185,196
Total interest expenses	**547,708**	570,474
Less: Interest capitalised in properties under development	**(513,439)**	(532,665)
	34,269	37,809

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	**2,317,028**	1,103,320
Depreciation	**17,677**	19,236
Minimum lease payments under operating leases:		
– Office premises	**4,072**	5,115
Auditors' remuneration	**5,299**	4,069
Staff costs including directors' and chief executive's remuneration:		
– Salaries and other staff costs	**154,505**	118,642
– Equity-settled share option expense	**–**	2,207
– Pension scheme contributions	**19,401**	13,488
Equity-settled share option expense to other non-employees	**–**	–
Foreign exchange differences, net	**244**	(1,928)
Direct operating expenses (including repairs and maintenance arising on rental-earning investment properties)	**5,095**	6,656
Gain on disposal of investment properties	**(1,397)**	–
Fair value (gain)/loss, net:		
Fair value gain upon transfer to investment properties	**(796,581)**	(656,784)
Changes in fair value of investment properties	**(29,361)**	(33,200)
Equity investments at fair value through profit or loss – held for trading	**257**	262
Write-down of properties under development to net realisable value	**58,620**	14,204

8. INCOME TAX

The Group's subsidiaries incorporated in Hong Kong and Canada are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong and Canada during the year (2014: nil).

The provision for the PRC income tax has been provided at the applicable income tax rate of 25% (2014: 25%) on the assessable profits of the Group's subsidiaries in Mainland China.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

	2015	2014
	RMB'000	*RMB'000*
Current – PRC corporate income tax for the year	**64,819**	40,266
Current – PRC LAT for the year	**103,927**	13,804
Deferred	**246,546**	183,587
Total tax charge for the year	**415,292**	237,657

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**1,008,594**	639,413
Tax at the statutory tax rate of 25% (2014: 25%)	**252,149**	159,853
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**2,883**	21,296
Tax losses utilised from previous periods	**(3,231)**	–
Expenses not deductible for tax	**26,535**	20,110
Tax losses not recognised	**59,011**	26,045
Provision for LAT	**103,927**	13,804
Tax effect on LAT	**(25,982)**	(3,451)
Tax charge at the Group's effective rate	**415,292**	237,657

Tax payable in the consolidated statement of financial position represents:

PRC corporate income tax	**294,851**	260,020
PRC LAT	**382,833**	359,889
	677,684	619,909

9. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Proposed final – nil (2014: nil) per ordinary share	**–**	–

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

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent of RMB420,608,000 (2014: RMB319,725,000) and the weighted average number of ordinary shares of 2,348,582,400 (2014: 2,366,604,616) in issue during the year, as adjusted to reflect the rights issued during the year.

The calculation of the basic earnings per share is based on:

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent	**420,608**	319,725

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year	**2,348,582,400**	2,366,604,616

The Group had no potentially dilutive ordinary shares during the years ended 31 December 2015 and 2014.

11. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly lease receivables on credit. The credit period is generally one month, extending up to three months for major customers. All balances of the trade receivables as at the end of the year were neither past due nor impaired and aged within one to three months.

Trade and bills receivables are non-interest-bearing and unsecured.

12. TRADE PAYABLES

An aged analysis of the Group's trade payables as at the end of the reporting period, based on the payment due dates, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within six months	**2,056,558**	1,578,817
Over six months but within one year	**206,986**	152,400
Over one year	**56,935**	53,492
	2,320,479	1,784,709

The above balances are unsecured and interest-free and are normally settled based on the progress of construction.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The audited consolidated revenue of the Group for 2015 was RMB2,883.1 million, representing an increase of about 86.0% from that of 2014. The gross profit for 2015 was RMB457.0 million, representing an increase of about 17.0% from that of 2014. The profit attributable to owners of the parent for 2015 was about RMB420.6 million, representing an increase of about 31.6% from that in 2014. Net core loss (excluding fair value gains in investment properties, after tax) was RMB26.2 million representing a decrease of about 77.4% from that in 2014. The basic earnings per share was RMB0.18 (2014: RMB0.14). The Board did not propose to declare a final dividend for the year ended 31 December 2015 (2014: nil).

Industry Review

In 2015, the real estate industry in China had improved following a series of interest rate cuts made by The People's Bank of China to bolster flagging economic growth during the year under review. Accordingly, the mortgage interest rate and individuals' housing provident fund deposit and lending interest rates were also reduced. The demand for housing from property buyers had increased as their cost of home purchases was significantly reduced.

According to National Bureau of Statistics of China, the gross floor area (GFA) of residential properties sold in 2015 was recorded at about 1.28 billion sq.m., representing an increase of about 6.5% compared to that of 2014, which is slightly lower than the increment of about 7.6% recorded in 2014.

According to the portal site of www.tmsf.com (杭州透明售房網), the GFA of residential properties sold in Hangzhou of the Zhejiang Province was about 13.32 million sq.m., representing an increase of about 39.6% as compared to that of 2014, whereas the average selling price per sq.m. was RMB16,182, representing a decrease of about 3.4% as compared to that of 2014.

According to www. house.365jia.cn (合肥萬家房產網), the GFA of residential properties sold in Hefei of the Anhui Province was about 9.69 million sq.m., representing an increase of about 4.3% as compared to that of 2014. The average selling price per sq.m. was RMB8,606, representing an increase of about 11.0% as compared to that of 2014. According to the portal site of www.huaibei.fang.com (淮北搜房網), the GFA of residential properties sold in Huaibei of the Anhui Province was about 1.06 million sq.m., representing a decrease of about 60.5% as compared to that of 2014. The average selling price per sq.m. was RMB5,421, representing an increase of about 3.0% as compared to that of 2014. According to the portal site of www.eyuyao.com (余姚生活網), the GFA of residential properties sold in Yuyao of the Zhejiang Province was about 0.76 million sq.m., representing a decrease of about 13.2% as compared to that of 2014. The average selling price per sq.m. was RMB9,299, representing a decrease of about 5.6% as compared to that of 2014.

According to the portal site of www. house.zxip.com (慈溪房產網), the GFA of residential properties sold in Cixi of the Zhejiang Province was about 0.94 million sq.m., representing an increase of about 36.8% as compared to that of 2014. The average selling price per sq.m. was RMB9,036, representing a decrease of about 12.0% as compared to that of 2014.

Business Review

The recognised revenue of properties sold and delivered by the Group in 2015 was about RMB2,882.0 million, representing an increase of about 95.8% compared to that of 2014. The increase was due to the increase in GFA of properties sold and delivered by the Group in 2015.

The GFA of properties sold and delivered by the Group in 2015 was about 249,673 sq.m. (2014: 137,653 sq.m.), representing an increase of about 81.4% as compared to that of 2014.

The recognised average selling price per sq.m. achieved by the Group in 2015 was about RMB11,543, representing an increase of about 7.9% from RMB10,693 in the previous year. It is due to the increase in greater portion of sales of properties in the Zhejiang Province with an overall relatively higher selling price than that of the sales recognised in 2014.

During the year under review, the total recognised GFA sold for the major projects of the Group and the respective recognised revenue are as follows:

Projects **Zhejiang Province**	**Recognised GFA** *sq.m.*	**Recognised revenue** *RMB million*	**Percentage of interest in the project attributable to the Group**
Hangzhou			
Hidden Dragon Bay	10,339	80.8	67.6%
Jiarun Mansion	22,239	310.8	73.1%
Landscape Bay	13,952	161.9	92.6%
White Horse Manor	106,813	1,210.6	90.0%
Others*	–	6.2	
Yuyao			
Dragon Bay	8,923	286.2	90.0%
Jade Mansion	21,115	392.6	93.0%
Anhui Province			
Hefei			
Green Harbour	27,370	227.1	84.2%
Huaibei			
Vancouver City	38,922	205.8	100.0%
	249,673	2,882.0	

* Including: Landscape Garden, New White Horse Apartments and White Horse Noble Mansion.

The average cost of properties sold per sq.m. of the Group was about RMB9,515 in 2015, representing an increase of about 19.9% from RMB7,939 in the previous year. It was due to the increase in construction costs recognised from projects with relatively higher construction costs in Hangzhou which made up a greater portion than those in 2014.

Progress of development on the major projects

Hangzhou, Zhejiang Province

Landscape Bay

This is a residential project located on the south bank of Qiantang River, Xiaoshan District, Hangzhou, Zhejiang Province, which was completed in phases in previous years, with a total GFA of about 300,012 sq.m.. The project includes island-style townhouses, high-rise apartments with river view, car park lots and clubhouse. The entire project was completed in 2011. The volume of sales of this project during the year under review was within expectation.

Hidden Dragon Bay

This is an integrated commercial complex in Wenyan Town, Xiaoshan District, Hangzhou, Zhejiang Province with a total GFA of about 241,695 sq.m.. The project includes low-rise luxurious leisure mansions for corporations, high-rise serviced apartments, a shopping mall, street shops and car park lots. The project was completed in April 2013. The volume of sales of this project during the year under review was within expectation.

International Office Centre

This is a large-scale integrated commercial project in Qianjiang Century Town (錢江世紀城), Xiaoshan District, Hangzhou, Zhejiang Province with a total planned GFA of about 1,896,860 sq.m. in 3 phases, Phases A to C. Phase A of the International Office Centre includes two hotels, office buildings, a shopping mall, serviced apartments and underground car parking lots. The serviced apartments, a shopping mall and underground car parking lots of Plot A3 of Phase A, with a total GFA of about 327,996 sq.m., were completed but the renovation works were in progress as at 31 December 2015. Plots A1 and A2 of the International Office Centre are expected to be completed by December 2018.

White Horse Manor

This is a residential project in Xiaoheshan, Yuhang District, Hangzhou, Zhejiang Province with a total GFA of about 243,497 sq.m.. It consists of high-rise residential buildings and low-density residential townhouses situated at a hilly terrain with beautiful scenery and green vegetation. The townhouse units are built with American architectural design and on the terrain with spacious view. The project is in proximity to local universities and Xixi Wetland. As at 31 December 2015, the construction was completed. The result of the pre-sale of the project during the year under review was within expectation.

Ideal Bay

This is a residential project in Linping, Yuhang District, Hangzhou, Zhejiang Province with a total GFA of about 538,856 sq.m.. The project consists of townhouses in British architectural design and high rise apartment units. As at 31 December 2015, the construction was in progress. It is expected that the townhouse portion and the high-rise residential portion will be completed in around June 2016. The pre-sale of the project during the year under review was within expectation.

Chaoyang No. 8

This is a project with multi-storey residential apartments and commercial amenities in Shushan Town, Xiaoshan District, Hangzhou, Zhejiang Province and its total GFA is about 199,224 sq.m.. It is at the prime location with Hangzhou Metro Line No.2 terminal in the proximity. As at 31 December 2015, the construction was in progress. The project, as a whole, is expected to be completed in around May 2017. The pre-sale of the project during the year under review was within expectation.

Hangzhou Qiandao Lake Run Zhou Resort Hotel

This is a hotel project in Qiandaohu Town, Chunan County, Hangzhou, Zhejiang Province with a GFA of about 46,691 sq.m.. This hotel will be built at the shore of Qiandao Lake with a beautiful lake view and natural habitat. As at 31 December 2015, the construction was in progress. It is expected that the project will be completed by the second half of 2016.

College Square

This is a residential project located at Yuhang District, Hangzhou, Zhejiang Province and its total GFA is about 146,605 sq.m.. It consists of high rise residential apartments and shopping units. It is very close to the old city of Yuhang District and situated at the planned hi-tech center of Hangzhou. The construction will be commenced in the second quarter of 2016 and is expected to be completed in around the second quarter of 2018. The pre-sales will be commenced in June 2016.

White Horse Palace

This is a residential project located at Xiaoshan District, Hangzhou, Zhejiang Province and its total GFA is about 68,345 sq.m.. It consists of high rise residential apartments and townhouses. It is at one of the core areas of Xiaoshan District. The construction will be commenced in the second quarter of 2016 and is expected to be completed in around the second quarter of 2018. The pre-sales will be commenced in June 2016.

Yuyao, Zhejiang Province

Dragon Bay

This is a high-end low-density residential project in Yuyao, Zhejiang Province, which was completed in 2013, with a total GFA of 196,809 sq.m.. The project consists of French, European and Spanish-style low-rise residential buildings. The sale during the year under review was within expectation.

Jade Mansion

This is a low-density residential project in Yuyao, Zhejiang Province with a total GFA of 292,807 sq.m.. The project consists of 3 phases with townhouses and residential apartments and it is next to the Dragon Bay. As at 31 December 2015, the construction of Phase I with townhouse was completed and Phase II is in the planning stage. The construction of Phase III with residential apartments will be completed in around June 2016. The pre-sale of this project during the year under review was within expectation.

Zhong An Times Square

This is a large-scale integrated commercial project in Yuyao, Zhejiang Province, with a total GFA of about 628,408 sq.m. in 2 phases. It is next to the Dragon Bay and the Jade Mansion, which are projects spanning along a river. The project consists of 2 phases. Phase I is planned to include a shopping mall, a boutique hotel and two commercial office towers and underground car parking spaces while Phase II is planned to include two hotels, one Grade A office tower and six high-rise serviced apartment buildings, underground car parking spaces and street shops. As at 31 December 2015, the construction of Phase II of this project is nearly completed while Phase I of this project is still in progress and is expected to be completed by the end of 2016. The pre-sales of residential apartments, offices and shops in Phase II have been commenced during the year under review while property leasing is expected to commence in September 2016.

Zhong An Landscape Garden, Cixi

This is a residential project with commercial portion which provides ancillary services to the local residents. The total GFA is about 510,125 sq.m.. It consists of multi-storey apartments and commercial block which will be constructed in phases. As at 31 December 2015, the first phase of the multi-storey apartments was under construction and it will be completed in around May 2016. The pre-sale of the multi-storey apartments during the year under review was within expectation.

Hefei, Anhui Province

Green Harbour

This is a low-density residential project in Hefei, Anhui Province, which was completed in previous years. The pre-sale of this project during the year under review was within expectation.

Huaibei, Anhui Province

Vancouver City

This is a low density residential project in Huaibei, Anhui Province, which includes townhouses, multi-storey apartments and shopping units. The project is developed in phases, out of which five phases were completed. The pre-sale during the year under review was within expectation.

The construction of a hotel, VC Hotel, with GFA of about 67,061 sq.m. in Phase 6D will be completed in the second half of 2016.

Jiangsu Province

Jia Run Square

This is a large-scale integrated commercial property project in Suzhou, Jiangsu Province and it is close to Jinji Lake. It consists of offices, shopping mall, serviced apartments and a hotel with a total GFA of about 251,391 sq.m.. The construction will be completed in around December 2016.

During the year under review, the project was held and developed by a property development company (the "**Joint Venture**"). The Joint Venture was held as to 50% by the Group (through an indirect, non-wholly owned subsidiary of the Company) and 50% by Jiangsu GCL Real Estate Company Limited ("**Jiangsu GCL**"). On 24 December 2015, the Group entered into an agreement with Jiangsu GCL for the disposal of its entire equity interest of the Joint Venture to Jiangsu GCL as the Group intended to concentrate its resources on the development of commercial projects in other cities in the Yangtze River Delta Region where higher asset turnover and return on investment are anticipated and the disposal was completed as at 31 December 2015.

Tianjin

This is a land re-development project in Hexi District, Tianjin. The reallocation and demolition works will be commenced in around April 2016. It is expected that this allocated land will, upon completion of the re-development project, be transferred to the local government by June 2016. This re-development project is a part of the urban renewal project of the Tianjin government.

Overseas

Amber Rise

A project was set up in Vancouver, Province of British Columbia, Canada with a GFA of about 7,719 sq.m.. The site is located at wealthy district with about 20 minutes drive to downtown of Vancouver city. Totally 11 townhouses with individual swimming pools and deluxe design will be built in 2 phases. Construction will be commenced in the fourth quarter of 2016 and it is expected that the entire project will be completed by end of 2018.

Contracted sales in 2015

As at 31 December 2015, the contracted GFA sold by the Group was about 375,188 sq.m. (2014: 410,848 sq.m.) with the amount of about RMB3,413.3 million (2014: RMB3,532.9 million). Set out below are the details of the contracted sales from the major projects:

Projects **Zhejiang Province**	**Contracted GFA sold** *sq.m.*	**Contracted amount** *RMB million*	**Percentage of interest in the project attributable to the Group**
Hangzhou			
Chaoyang No. 8	44,105	598.4	90%/65.8%
Hidden Dragon Bay	8,124	60.8	67.6%
Ideal Bay	75,414	512.2	45.9%
Jiarun Mansion	28,878	402.9	73.1%
Landscape Bay	15,745	182.2	92.6%
White Horse Manor	26,283	288.9	90.0%
Others*	80	7.1	
Yuyao			
Dragon Bay	6,373	191.6	90.0%
Jade Mansion	23,165	261.7	93.0%
Zhong An Times Square (Phase II)	31,757	282.3	93.0%
Cixi			
Zhong An Landscape Garden, Cixi	32,978	142.5	90.0%/65.8%
Anhui Province			
Hefei			
Green Harbour	19,684	172.7	84.2%
Huaibei			
Vancouver City	62,602	310.0	100.0%
	375,188	3,413.3	

* Including: Landscape Garden, New White Horse Apartments and White Horse Noble Mansion.

It is expected that the GFA available for sale or operation from the projects to be completed in 2016 would be about 1,685,406 sq.m., the details of which are as follows:

Projects	Expected completion date	GFA available for sale/lease/ operation	Percentage of interest in the project attributable to the Group	Usage
Ideal Bay	June 2016	538,856	45.9%	For sale
Jade Mansion (Phase III)	June 2016	128,450	93%	For sale
Hangzhou Qiandao Lake Run Zhou Resort Hotel	September 2016	46,691	73.1%	For operation
Zhong An Times Square (Phase II)	June 2016	322,935	93.0%	For sale
Vancouver City (Phase 3)	December 2016	132,537	100.0%	For sale
Vancouver City (Phase 4)	June 2016	60,513	100.0%	For sale
VC Hotel (Vancouver City (Phase 6D))	December 2016	67,061	67.6%	For operation
Zhong An Landscape Garden, Cixi	June 2016	82,890	90.0%/65.8%	For sale
Zhong An Times Square (Phase I)	December 2016	305,473	93.0%/68.0%	For operation and sale
Total		1,685,406		

Land bank

As at 31 December 2015, the total GFA of the Group's land bank was about 6,383,190 sq.m., out of which the total unsold or undelivered GFA of the completed properties projects was about 918,651 sq.m.. As at 31 December 2015, the average acquisition cost of the Group's overall land bank was about RMB1,125 per sq.m..

During the year under review, the GFA of properties of which the construction was newly commenced by the Group was about 60,752 sq.m..

Other business development

The Group strives to build up a diversified business portfolio so as to provide more stable income in the future and to mitigate operational risk. We will broaden the scope of property services which includes hotel operation, leasing, property management services, nursery stock and agricultural plantation, in order to extend the downstream services of our property development business and to maintain a steady and solid operation of our Group.

Hotel operation

Holiday Inn Xiaoshan Hangzhou, a hotel of the Group, is located next to the Highlong Plaza in Xiaoshan District, Hangzhou, Zhejiang Province. It is managed by Holiday Inn (China) Co., Limited, a well-known international hotel brand within the InterContinental Hotels Group, and recorded a revenue of about RMB48.1 million for 2015, which was slightly higher than the revenue of about RMB47.6 million recorded in 2014. The occupancy rate was about 54.5% (2014: 46.6%).

Leasing

The leasing revenue for 2015 was about RMB90.1 million, representing a decrease of about 3.2% compared to RMB93.1 million in 2014.

Currently, Highlong Plaza provides the main source of leasing income. This plaza consists of office buildings, a shopping centre, a hotel, serviced apartments and underground car parking lots. The serviced apartments at Highlong Plaza were sublet to and managed by independent operators, Ningbo Sanbi Hotel and Hangzhou Youbang Hotel, during the year under review. The performance of the operation was satisfactory.

The shopping units of Hidden Dragon Bay with GFA of about 24,328 sq.m. had contributed another source of rental income during the year.

The overall leasing rate was 75% (2014: 85%)

Property management

The Group provides quality property management services to the communities located in properties developed by the Group and other developers. The services are further enhanced by including the provision of travel tours, housekeeping and nanny services, etc.. The provision of customer-oriented services and the wide variety of services offered have strengthened the Group's corporate brand management.

Other services

The Group is also developing nursery stock plantation for agricultural purposes and managing organic plantations for producing agricultural products. The customers are mainly the home-owners of the properties to which property management services are provided by the Group. Such value-added downstream services will form an integral part of the Group's property development and management businesses, and are expected to fortify further the Group's corporate branding.

Awards and recognitions

The Group had received the following awards and accolades from the PRC government and recognized authorities during the year under review:

Awarded by	Awards	Awarded parties/projects
China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal	Top 100 China Real Estate Development Enterprise for 2015	Zhong An Real Estate Limited
China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal	Top 10 China Real Estate Development Enterprise by Regional Operation for 2015	Zhong An Real Estate Limited
China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal	Top 100 China Real Estate Listed Companies of Comprehensive Strength	Zhong An Real Estate Limited
China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal	Top 20 China Real Estate Development Enterprise (Zhejiang Province)	Zhong An Real Estate Limited
Ministry of Commerce of Xiaoshan District	The Top 10 Chairman of Board (General Manager) 2014	Ms. Jin Ni (金妮), the Chairman of the Board of Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd., (a subsidiary of the Company)
Beigan Road of Xiaoshan District	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd. is awarded the title of "Advance Enterprise 2014" and RMB 30,000 as a prize of achieving scale economics effect	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd.
People's Government of Xiaoshan District	Modern Service Concentrated Zone of Xiaoshan District	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd.

Awarded by	Awards	Awarded parties/projects
People's Government of Xiaoshan District	"Overall Tax Creation Commercial Building Management Entity 2014" and RMB 100,000	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd.
Publicity Department of Xiaoshan District Committee, Education Bureau of Xiaoshan District, Women Development Association of Xiaoshan District, Xiaoshan Daily	"Care for Children" a series of activities for the first-year teenage countdown party in Xiaoshan District 2016 – Outstanding Organizational Unit	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd.
Talented Teenage Award Fund of Zhejiang Province	Charitable Activity Caring Unit 2015	Hangzhou Zhong An Highlong Commercial Buildings Co., Ltd.

Human resources

As at 31 December 2015, the Group employed a total of 2,247 staff (2014: 2,225). In 2015, the staff cost of the Group was about RMB173.9 million (2014: about RMB134.3 million), representing an increase of about 29.5%. The increase was mainly due to hiring higher caliber staff during the year under review. The employees' remuneration policy was determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal on a yearly basis for its employees, the results of which are taken into account of in the annual salary review and promotion assessment. The Group's employees are considered for the entitlement of annual discretionary bonus according to certain performance conditions and appraisal results. To attract high calibre people and solidify the management of the Group, eligible participants (including employees of the Group) may be granted options to subscribe for shares in the Company pursuant to the share option scheme adopted by the Company. The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness.

Dividend policy

The Board determines the dividend policy of the Company according to financial condition, operating results, capital requirements, shareholders' equity, contractual restraint and other factors considered relevant by the Board.

FINANCIAL ANALYSIS

Gross profit

For the year ended 31 December 2015, the Group recorded audited gross profit of about RMB457.0 million, representing an increase of about 17.0% as compared to that of about RMB390.5 million in the previous year. The increase in gross profit is the net effect of (i) the increase in recognised revenue from the properties sold and delivered which contributed to an increase in gross profit and (ii) the decrease, due to adverse market conditions, in the scale of selling prices for the pre-sales that had taken place in the periods between 2013 and 2014, of those properties sold and delivered in the year under review.

Other income

Other income increased by more than 5 times to about RMB276.3 million in 2015 from about RMB43.6 million in 2014. The increase was primarily due to an increase in interest income earned from a joint venture and the disposal of the Group's entire equity interest of a joint venture during the year under review.

Selling and distribution costs

The selling and distribution expenses increased by about 54.1% to about RMB208.8 million in 2015 from about RMB135.5 million in 2014. This increase was primarily due to the increase in the marketing expenses spent for the pre-sales of launched projects to counter fierce competition in the unfavourable market condition in 2015. The level of contracted sales achieved for 2015 was similar to that of 2014.

Administrative expenses

The administrative expenses decreased by about 1.4% to about RMB299.8 million in 2015 from about RMB304.1 million in 2014. This was primarily due to the non-recurrent, one-off expenses incurred in 2014 in connection with the listing of a subsidiary during the year under review.

Other expenses

The other expenses decreased by about 20.0% to about RMB5.6 million in 2015 from about RMB7.0 million in 2014 which was due to the decrease in charitable donation made during the year under review.

Fair value gain upon transfer to investment properties

The fair value gain increased by about 21.3% to about RMB796.6 million in 2015 from about RMB656.8 million in 2014. This was due to the valuation of a property of International Office Centre A3 with GFA of 83,585 sq.m. which were classified as investment properties in 2015 and the value was greater than that recognised in 2014.

Finance costs

The finance costs decreased by about 9.4% to about RMB34.3 million in 2015 from about RMB37.8 million in 2014. This drop was primarily due to a decrease in bank loans in 2015.

Income tax expenses

The income tax expenses increased by about 74.7% to about RMB415.3 million in 2015 from about RMB237.7 million in 2014. The rise was due to an increase in assessable profits in 2015 arising mainly from the increase in (i) recognised revenue of property business and (ii) fair value gain upon transfer of completed properties to investment properties.

Capital structure

As at 31 December 2015, the Group had aggregate cash and cash equivalents and restricted cash of about RMB1,706.8 million (2014: RMB1,589.4 million). It was the same level of that in 2014. The current ratio was 1.20 (2014:0.94).

As at 31 December 2015, the bank loans and other borrowings of the Group repayable within one year and after one year were about RMB2,213.2 million and RMB3,981.7 million respectively (2014: RMB2,045.6 million and RMB4,920.6 million respectively). The decrease was mainly due to the increase in repayment of bank loans and borrowings in the year under review.

The consolidated interest expenses in 2015 amounted to about RMB34.3 million (2014: RMB37.8 million) in total. Interests in the amount of about RMB513.4 million (2014: RMB532.7 million) were capitalized during the year under review. Interest coverage (including amount of interests capitalized) was 0.43 times (2014: 0.02 times). As at 31 December 2015, the ratio of total liabilities to total assets of the Group was 0.66 (2014: 0.66).

The ratio of bank loans and other borrowings to total assets was 0. 28 (2014: 0. 34). The net gearing ratio of the Group (defined as net debt divided by total equity) was 0.59 (2014: 0.77) (net debt is defined as total debt less cash and cash equivalent, and total restricted cash).

Capital commitments

As at 31 December 2015, the capital commitments of the Group were about RMB1,266.6 million (2014: RMB2,071.4 million), which were mainly capital commitments for construction costs. It is expected that the Group will finance such commitments from its own funds and external financing (such as bank loans).

Guarantees and contingent liabilities

As at 31 December 2015, the contingent liabilities of the Group was about RMB3,867.1 million (2014: RMB2,520.8 million), which were mainly the guarantee given by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties.

Pledge of assets

As at 31 December 2015, investment properties of the Group with carrying value of about RMB3,692.3 million (2014: RMB2,094.0 million), properties under development of about RMB2,741.7 million (2014: RMB2,658.7 million), completed properties of about RMB2,378.4 million (2014: 2,160.1 million), property and equipment of about RMB144.3 million (2014: RMB153.7 million), time deposits of about RMB123.1 million (2014: 320.0 million) and the 100% equity interest of a subsidiary of the Company with total equity of about RMB6.0 million (2014: nil) were pledged to secure the banking facilities and other borrowings for the Group.

Foreign exchange risk

As the sales, purchase and bank borrowings of the Group in 2015 and 2014 were made mainly in Renminbi, the foreign exchange risk exposed by the Group was relatively minor. The Group did not use foreign exchange hedging instruments to hedge foreign exchange risks in 2015 and 2014.

Interest rate risks

The interest rates for certain portion of the Group's loans were floating. Upward fluctuations in interest rates will increase the interest cost of new loans and existing loans. The Group currently does not use derivative instruments to hedge its interest rate risks.

Subsequent events

As announced on 21 January 2016, Zhong An Group Co, Ltd.* (眾安集團有限公司) (a 90% owned subsidiary of the Company in the PRC) and Shanghai Xu Deng Enterprise Co., Ltd.* (上海旭登實業有限公司), an independent third party, jointly made a successful bid, through open tender auction, for the land use right of a piece of land situated at east to Panshui River* (潘水河), south to Panshui River* and the planned Greenland, west to Xiaoran West Road (蕭然西路) and north to the planned plot of land (G13), Chengxiang Unit* (城廂單元), Xiaoshan District, Hangzhou, Zhejiang Province, the PRC (the "**Site**") at the total land grant price of RMB673,000,000 (equivalent to approximately HK$801,973,355). The Site is granted for residential development for a term of 70 years. The area of the Site is approximately 57,394 sq.m. and its total GFA is approximately 114,788 sq. m..

Save as disclosed above, there was no matter occurred that bears significant effect to the Group between the year end date and the date of this announcement.

Prospects

As the central government of China will continue to maintain a sustainable GDP growth and promulgate various proactive policies to stimulate economic growth, it is expected that the People's Bank of China will remain prudent but more accommodative on China's monetary policies in 2016.

The Group believes that with the continuous advocation of urbanization by the central government, there is always a demand for value-for-money and end-use residential properties.

The Group continues to adopt a prudent approach in acquiring land for development of projects which will be sold at a fair price and lead to quick cash inflow. This will, in turn, result in a quick asset turnover. Furthermore, the Group will continue to maintain sufficient cash flow and to achieve relative low finance cost through enhancing the financing structure of the Group.

Last but not least, the Group will continue to focus on property development in cities, particularly, second and third tier-cities, with relatively high GDP per capita in the Yangtze River Delta. Leveraging on the Group's capabilities in quality property management and the provision of other value-added services to the communities within the properties developed by the Group, corporate branding is expected to be enhanced further and synergetic results will be produced.

DIVIDEND

The Directors do not recommend the payment of dividend for the year ended 31 December 2015 (2014: nil).

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

CORPORATE GOVERNANCE

During the year under review, the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Rule Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save for the deviation from the code provision A.2.1 of the Code which states that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

The roles of the chairman and the chief executive officer of the Company are performed by Mr Shi Kancheng.

The Board considers that the taking of the roles of both chairman and chief executive officer by the same person provides the Company with consistent leadership and enables the Company to carry out the planning and implementation of business plans and decisions efficiently.

The Board will review the management structure of the Group from time to time and adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (comprising all the independent non-executive Directors) had reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2015 and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosure.

LIST OF DIRECTORS

As at the date of this announcement, the executive Directors of the Company are Mr Shi Kancheng, Mr Lou Yifei, Ms Shen Tiaojuan and Mr Zhang Jiangang and the independent non-executive Directors of the Company are Professor Pei Ker Wei, Dr Loke Yu and Mr Zhang Huaqiao.

DISCLOSURE OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual report of the Group containing all the relevant information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Zhong An Real Estate Limited
Shi Kancheng
Chairman

The PRC, 22 March 2016

* *denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only*