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雅居樂

AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS

Financial Highlights	For the year ended 31 December		
	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenue (<i>RMB million</i>)	43,004	38,318	+12.2%
Gross profit (<i>RMB million</i>)	10,813	12,431	-13.0%
Net profit (<i>RMB million</i>)	2,302	5,091	-54.8%
Profit attributable to shareholders of the Company (<i>RMB million</i>)	1,390	4,287	-67.6%
Core profit attributable to shareholders of the Company* (<i>RMB million</i>)	2,429	4,035	-39.8%
Basic earnings per share (<i>RMB</i>)	0.358	1.222	-70.7%
Distributed interim dividend per share (<i>HK cents</i>)	-	14.5	-100.0%
Proposed final dividend per share (<i>HK cents</i>)	14.5	25.0	-42.0%
Full year dividend per share (<i>HK cents</i>)	14.5	39.5	-63.3%
Proposed special dividend per share (<i>HK cents</i>)	25.0	-	N/A

* Profit attributable to shareholders of the Company excluding fair value gains on revaluation of investment properties and the related tax effect and foreign exchange loss/gain

Operational Highlights

- During the year, the Group's pre-sales was RMB44,230 million, GFA presold was 5.07 million sq.m. and average selling price was RMB8,725 per sq.m..
- During the year, the Group only acquired land parcels in Changsha and Guangzhou with a total planned GFA of 211,456 sq.m.. Total consideration attributable by the Group was RMB1,537 million and the average land cost was RMB7,269 per sq.m.. As at 23 March 2016, the Group has a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts and the average land cost is RMB1,117 per sq.m..
- During the year, revenue of property management increased by 19.0% when compared with last year. The total contracted GFA of projects managed by the Group was 47.79 million sq.m.. Revenue of hotel operations increased by 27.8% when compared with last year. Revenue of property investment increased by 36.9% when compared with last year. The occupancy rate of Guangzhou Agile Center and Agile International Plaza Shanghai reached 84% and 85% respectively.
- As at 31 December 2015, the total cash and bank balances of the Group were RMB13,137 million, while the undrawn borrowing facilities were RMB2,603 million.
- As at 31 December 2015, the net debt to total equity ratio of the Group was 64.0%, representing the decrease of 11.2 percentage points when compared with 31 December 2014.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report the audited consolidated results of Agile Property Holdings Limited (“**Agile**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2015 as follows:

Results and dividends

During the year, the revenue and gross profit of the Group were RMB43,004 million and RMB10,813 million respectively. Net profit amounted to RMB2,302 million. Overall gross profit margin and net profit margin were 25.1% and 5.4% respectively.

During the year, the Group's total recognised sales of property development was RMB41,421 million, representing an increase of 11.8% when compared with last year. Revenue from property management, hotel operations and property investment also increased by 19.0%, 27.8% and 36.9% respectively when compared with last year.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the “**Board**”) has proposed the declaration of a final dividend of HK14.5 cents per ordinary share for the year ended 31 December 2015. To celebrate the 10th anniversary of the listing of the Company on The Stock Exchange of Hong Kong Limited and to appreciate the long-term support of the shareholders, the Board has also proposed the declaration and payment of a special dividend of HK25.0 cents per ordinary share.

Business review

During the year, the global economy saw a slowdown. In China, the overall economy achieved stable development. Driven by a number of favourable policies, the sentiment in the property market has improved. During the year, the Group capitalised on market opportunities by launching projects in a timely manner at reasonable prices, and dedicated its efforts to inventory clearance with its flexible marketing strategy. During the year, the Group's pre-sales was RMB44,230 million, which is flat compared with last year. The GFA pre-sold was 5.07 million sq.m., with the average selling price being RMB8,725 per sq.m..

The Group believes that timely introduction of products tailored to market demand is particularly important to ensure stable growth of the property development business. In light of the strong end-users' and upgraders' demand, the Group continued to optimise its product mix during the year by focusing on products catering for such demand, supplemented by high-end products tailored to market needs. Meanwhile, as there has been a strong demand for quality tourism property for such purposes including health keeping, retirement and travel, some of the Group's projects will continue to develop products catering for such needs.

In respect of other businesses, with more properties delivered and continuous business expansion during the year, the Group's revenue from property management increased by 19.0%. Revenue from hotel operations also recorded an increase of 27.8% over last year. The Group had 8 hotels in operation, which generated stable revenue for the Group while enhancing the value of the projects where these hotels are located. In respect of the property investment business, Guangzhou Agile Center and Agile International Plaza Shanghai recorded the occupancy rate of 84% and 85% respectively.

Prudent land acquisition strategy

Given its sufficient land bank, the Group slowed down the pace of land acquisition during the year. The Group increased its land bank by only acquiring a total planned GFA of 211,456 sq.m. in Changsha and Guangzhou, with average land cost being RMB7,269 per sq.m.. As at 23 March 2016, the Group has a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts, with average land cost being RMB1,117 per sq.m., which offers a certain competitive edge to the Group's property development business.

Sound financial strategy and enhanced cash flow management

Sound financial position has been the pillar supporting the Group's business development. During the year, the Group made efforts to accelerate the sales turnover and enhance cash management. In addition, the Group has consolidated and optimised its financial structure by capitalising on multi-channel financing and thereby, successfully reducing its debts and gearing ratio, with a view to striking a balance between business development and financial management.

During the year, the Group made efforts to enhance its cash flow management, and adopted flexible sales strategies and diversified payment terms in order to accelerate the sales turnover. Meanwhile, the overall cash collection of the Group recorded an improvement. In addition, the Group further optimised its cost and expenditure control system, controlling the costs and expenses effectively.

As at 31 December 2015, the net debt to total equity ratio of the Group was 64.0%, representing the decrease of 11.2 percentage points when compared with 31 December 2014.

Good corporate governance and multi-channel communications

The Group upholds the concept of "mutual communication for a win-win situation". Subject to the requirements of the Listing Rules and laws, the Group maintains effective mutual communication and builds long-standing, stable relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency.

A responsible corporate citizen in pursuit of sustainable development

Upholding the belief of "benefiting from society, giving back to society", the Group is committed to fulfilling its corporate social responsibilities. During the year, the Group's accumulated volunteer days achieved by over 10,300 participants were equivalent to over 3,400 days, while RMB34 million charitable donations were made. The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low carbon living.

Prospects and strategy

Looking ahead, China's economy is expected to grow steadily in 2016. Recently, the government has introduced a series of policies including lowering the down payment ratio for home buyers and reducing relevant tax on property transactions, which are believed to further improve the sentiment in the property market. In the long run, on the back of China's continuous economic growth, the ongoing urbanisation, the continued increase in people's income and the implementation of the two-child policy, the Group believes that the demand of first time home buyers or upgraders will continue to dominate the market, driving the healthy growth of the property market.

Upholding the philosophy of prudent development, the Group will continue to maintain its inherent strengths, enhance its comprehensive corporate management capability and refine its business and financial management, with a view to further improving its products and service quality, increasing its brand awareness and market influence, as well as enhancing the profitability of each business segment and project. The Group is committed to increasing its competitive edge in other businesses including hotel operations, property investment and property management while ensuring the competitiveness of the property development business in the industry.

With thorough analysis, the Group will further enhance its preliminary product positioning and planning in the early stage, and strategically acquire premium land parcels when opportunity arises. The Group will continue to optimise its product mix by focusing on products catering for end-users' and upgraders' demand, supplemented by tourism property and high-end products tailored to market demand.

In respect of sales, while maintaining reasonable profitability, the Group will adopt flexible sales strategies to improve its sell-through rate and actively clear inventory, in order to accelerate its asset turnover and enhance the cash flows.

Meanwhile, the Group will continue to control costs effectively through product standardisation. While further improving product quality, the Group will shorten the development cycle by strict construction management, with a view to ensuring adequate resources for sale and accelerating the recovery of capital.

The Group will continue to enhance its internal management and implement the optimisation of human resources and remuneration system, further improve the structure of corporate management and streamline its workflows in order to enhance overall execution capability and competitiveness.

The Group is confident that, with the above measures and the efforts of all staff, it will be able to drive its overall business growth steadily and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

Acknowledgement

On behalf of the Board, I would like to extend my heartfelt gratitude to the enormous support from our shareholders and customers, as well as the dedicated efforts of all our staff members, which enable Agile to grow.

CHEN Zhuo Lin

Chairman and President

Hong Kong, 23 March 2016

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2015	2014
	Note	(RMB'000)	(RMB'000)
Continuing Operation			
Revenue	2	43,004,312	38,317,599
Cost of sales		(32,191,005)	(25,886,775)
Gross profit		10,813,307	12,430,824
Selling and marketing costs		(1,785,859)	(1,784,164)
Administrative expenses		(1,444,024)	(1,437,438)
Fair value gains on investment properties	3	62,523	469,625
Other (losses) / gains, net	4	(139,387)	146,034
Other income	5	212,162	979,166
Other expenses		(82,439)	(312,950)
Operating profit		7,636,283	10,491,097
Finance costs, net	6	(1,325,206)	(292,573)
Share of post-tax loss of an associate		(27,190)	(27,636)
Share of post-tax losses of joint ventures		(87,400)	(44,997)
Profit before income tax		6,196,487	10,125,891
Income tax expenses	7	(3,894,950)	(5,034,790)
Profit for the year		2,301,537	5,091,101
Attributable to:			
Shareholders of the Company		1,390,343	4,287,245
Holders of Perpetual Capital Securities		358,565	354,782
Non-controlling interests		552,629	449,074
		2,301,537	5,091,101
Earnings per share from continuing operations attributable to the owners of the Company during the year (expressed in Renminbi per share)			
— Basic	8	0.358	1.222
— Diluted	8	0.358	1.203

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Profit for the year	2,301,537	5,091,101
Other comprehensive income		
- Currency translation differences	16,736	579
- Revaluation gains arising from transfer of property, plant and equipment to investment property, net of tax	21,337	-
Total comprehensive income for the year	2,339,610	5,091,680
Total comprehensive income attributable to:		
- Shareholders of the Company	1,423,395	4,287,650
- Holders of the Perpetual Capital Securities	358,565	354,782
- Non-controlling interests	557,650	449,248
	2,339,610	5,091,680

CONSOLIDATED BALANCE SHEET

		As at 31 December 2015	As at 31 December 2014
	Note	(RMB'000)	(RMB'000)
ASSETS			
Non-current assets			
Property, plant and equipment		6,651,965	7,696,021
Land use rights		1,940,762	2,288,324
Properties under development		6,798,703	9,663,011
Intangible assets		54,400	60,863
Investment properties	3	6,369,011	5,846,317
Interest in an associate		3,375	30,565
Interests in joint ventures		1,133,448	1,220,848
Available-for-sale financial assets		117,500	117,500
Other receivables	10	3,554,716	2,039,716
Deferred income tax assets		570,208	501,790
		27,194,088	29,464,955
Current assets			
Properties under development		44,523,607	50,518,110
Completed properties held for sale		16,888,695	16,138,247
Prepayments for acquisition of land use rights		5,540,880	3,700,798
Trade and other receivables	10	8,383,115	11,674,857
Prepaid income taxes		1,645,454	721,307
Restricted cash		5,729,642	5,362,080
Cash and cash equivalents		7,407,450	6,067,802
		90,118,843	94,183,201
Total assets		117,312,931	123,648,156
EQUITY			
Capital and reserve attributable to the shareholders of the Company			
Share capital and premium	11	5,097,967	5,097,967
Shares held for Share Award Scheme		(156,588)	(156,588)
Other reserves		3,044,577	2,453,809
Retained earnings		26,322,308	26,255,811
		34,308,264	33,650,999
Perpetual Capital Securities		4,488,659	4,483,409
Non-controlling interests		3,198,064	2,960,884
Total equity		41,994,987	41,095,292

CONSOLIDATED BALANCE SHEET (Continued)

		As at 31 December 2015	As at 31 December 2014
	Note	<u>(RMB'000)</u>	<u>(RMB'000)</u>
LIABILITIES			
Non-current liabilities			
Borrowings		23,543,043	25,850,994
Deferred income tax liabilities		1,243,798	1,315,858
		<u>24,786,841</u>	<u>27,166,852</u>
Current liabilities			
Borrowings		16,487,415	16,470,701
Trade and other payables	12	15,620,891	17,333,365
Advanced proceeds received from customers		7,110,576	9,215,606
Current income tax liabilities		11,312,221	12,366,340
		<u>50,531,103</u>	<u>55,386,012</u>
Total liabilities		<u>75,317,944</u>	<u>82,552,864</u>
Total equity and liabilities		<u>117,312,931</u>	<u>123,648,156</u>

Notes:

1 Basis of preparation

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

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

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRS – 2010 – 2012 Cycle, on HKFRS 8, “Operating segments”, HKAS 16, “Property, plant and equipment” and HKAS 38, “Intangible assets” and HKAS 24, “Related party disclosures”.

Amendments from annual improvements to HKFRS – 2011 – 2013 Cycle, on HKFRS 3, “Business combinations”, HKFRS 13, “Fair value measurement” and HKAS 40, “Investment property”.

Impacts of other standards, amendments and interpretations, which are effective for the financial year beginning on 1 January 2015 are not material to the Group.

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

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

1 Basis of preparation (continued)

(c) *New and amended standards and interpretations issued but are not effective for financial year commencing on 1 January 2015 and have not been early adopted by the Group*

<u>Standards/ Amendments/ Interpretation</u>	<u>Subject of amendment</u>	<u>Effective for annual periods beginning on or after</u>
HKFRS 14	Regulatory deferral accounts	1 January 2016
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date of this amendment was postponed indefinitely.
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	2012-2014 cycle of the annual improvements	1 January 2016
Amendment to HKAS 1	Disclosure initiative	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 9	Financial instruments	1 January 2018

The Group is in the process of making an assessment of the impact of the above standards, amendments to standards and interpretation on the financial statements of the Group in their initial applications.

There are no other standards, amendments or interpretations to HKFRS that are not yet effective that would be expected to have a material impact on the Group.

2 Segment information

The executive directors of the Company, who are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. The associate and joint ventures of the Group are principally engaged in property development and are included in the property development segment. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the PRC. Most of the non-current assets are located in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results. Finance costs are not included in the result of each operating segment.

The Group has a large number of customers, none of whom contributed 5% or more of the Group's revenue.

Analysis of revenue by the category for the years ended 31 December 2015 and 2014 is as follows:

Revenue:	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Sales of developed properties	41,421,174	37,036,636
Property management services	812,940	683,147
Hotel operations	673,735	527,362
Rental income from investment properties	96,463	70,454
	43,004,312	38,317,599

2 Segment information (continued)

Segment results and capital expenditure for the years ended 31 December 2015 and 2014 are as follows:

Year ended 31 December 2015

	<u>Property development</u> (RMB '000)	<u>Property management</u> (RMB '000)	<u>Hotel operations</u> (RMB '000)	<u>Property investment</u> (RMB '000)	<u>Elimination</u> (RMB '000)	<u>Group</u> (RMB '000)
Gross segment sales	41,421,174	1,118,097	673,735	96,463	-	43,309,469
Inter-segment sales	-	(305,157)	-	-	-	(305,157)
Sales to external customers	41,421,174	812,940	673,735	96,463	-	43,004,312
Fair value gains on investment properties (note 3)	-	-	-	62,523	-	62,523
Operating profit/(loss)	7,500,544	122,483	(80,799)	94,055	-	7,636,283
Share of post-tax loss of an associate	(27,190)	-	-	-	-	(27,190)
Share of post-tax losses of joint ventures	(87,400)	-	-	-	-	(87,400)
Segment result	7,385,954	122,483	(80,799)	94,055	-	7,521,693
Finance costs, net (note 6)						(1,325,206)
Profit before income tax						6,196,487
Income tax expenses (note 7)						(3,894,950)
Profit for the year						2,301,537
Depreciation	130,981	5,068	231,297	-		367,346
Amortisation of land use rights and intangible assets	23,610	533	56,816	-		80,959
Write-down of completed properties held for sale	123,647	-	-	-		123,647
Segment assets	100,725,054	1,196,588	7,962,339	6,369,011	(1,155,723)	115,097,269
Unallocated assets						2,215,662
Total assets						117,312,931
Segment assets include:						
Interest in an associate	3,375	-	-	-		3,375
Interests in joint ventures	1,133,448	-	-	-		1,133,448
Segment liabilities	17,445,745	464,201	5,945,204	32,040	(1,155,723)	22,731,467
Unallocated liabilities						52,586,477
Total liabilities						75,317,944
Capital expenditure	130,419	3,505	219,805	210,886		564,615

2 Segment information (continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2015 as follows:

	<u>Assets</u> <i>(RMB'000)</i>	<u>Liabilities</u> <i>(RMB'000)</i>
Segment assets/liabilities	115,097,269	22,731,467
Unallocated:		
Deferred income taxes	570,208	1,243,798
Prepaid income taxes	1,645,454	-
Current income tax liabilities	-	11,312,221
Current borrowings	-	16,487,415
Non-current borrowings	-	23,543,043
	<hr/>	<hr/>
	117,312,931	75,317,944
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2 Segment information (continued)

Year ended 31 December 2014

	Property development <i>(RMB '000)</i>	Property management <i>(RMB '000)</i>	Hotel operations <i>(RMB '000)</i>	Property investment <i>(RMB '000)</i>	Elimination <i>(RMB '000)</i>	Group <i>(RMB '000)</i>
Gross segment sales	37,081,756	951,900	527,362	70,454	-	38,631,472
Inter-segment sales	(45,120)	(268,753)	-	-	-	(313,873)
Sales to external customers	37,036,636	683,147	527,362	70,454	-	38,317,599
Fair value gains on investment properties (note 3)	-	-	-	469,625	-	469,625
Operating profit/(loss)	10,191,932	65,997	(256,475)	489,643	-	10,491,097
Share of post-tax loss of an associate	(27,636)	-	-	-	-	(27,636)
Share of post-tax losses of joint ventures	(44,997)	-	-	-	-	(44,997)
Segment result	10,119,299	65,997	(256,475)	489,643	-	10,418,464
Finance costs, net (note 6)						(292,573)
Profit before income tax						10,125,891
Income tax expenses (note 7)						(5,034,790)
Profit for the year						5,091,101
Depreciation	98,445	4,868	238,807	-		342,120
Amortisation of land use rights and intangible assets	26,102	439	58,675	-		85,216
Write-down of completed properties held for sale	100,310	-	-	-		100,310
Segment assets	107,743,799	1,423,822	8,433,235	5,846,317	(1,022,114)	122,425,059
Unallocated assets						1,223,097
Total assets						123,648,156
Segment assets include:						
Interest in an associate	30,565	-	-	-		30,565
Interests in joint ventures	1,220,848	-	-	-		1,220,848
Segment liabilities	21,318,055	387,579	5,813,666	51,785	(1,022,114)	26,548,971
Unallocated liabilities						56,003,893
Total liabilities						82,552,864
Capital expenditure	375,956	5,161	614,099	341,666		1,336,882

2 Segment information (continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2014:

	<u>Assets</u> (RMB'000)	<u>Liabilities</u> (RMB'000)
Segment assets/liabilities	122,425,059	26,548,971
Unallocated:		
Deferred income taxes	501,790	1,315,858
Prepaid income taxes	721,307	-
Current income tax liabilities	-	12,366,340
Current borrowings	-	16,470,701
Non-current borrowings	-	25,850,994
	<u>123,648,156</u>	<u>82,552,864</u>

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid income taxes. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment, land use rights for self-owned properties, investment properties and intangible assets.

3 Investment properties

	2015 (RMB'000)	2014 (RMB'000)
Opening net book amount	5,846,317	5,793,800
Capitalised subsequent expenditure	210,886	341,666
Disposals	(34,359)	(62,906)
Transfer from/(to) property, plant and equipment	209,586	(712,734)
Transfer from completed properties held for sale	-	16,866
Transfer from land use rights	45,609	-
Revaluation gains recognised in consolidated income statement	62,523	469,625
Revaluation gains recognised as other comprehensive income	<u>28,449</u>	<u>-</u>
Closing net book amount	<u><u>6,369,011</u></u>	<u><u>5,846,317</u></u>

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) As at 31 December 2015, investment properties of RMB5,284,391,000 (2014: RMB4,746,101,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings.

4 Other (losses)/gains, net

	2015 (RMB'000)	2014 (RMB'000)
Gains on disposal of property, plant and equipment	141,428	174,754
Exchange losses, net (note (a))	(194,751)	(28,720)
Others	<u>(86,064)</u>	<u>-</u>
	<u><u>(139,387)</u></u>	<u><u>146,034</u></u>

Note:

- (a) Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings which are included in the finance costs, net (note 6).

5 Other income

	2015 (RMB'000)	2014 (RMB'000)
Interest income	120,162	86,067
Forfeited deposits from customers	30,244	43,496
Gains on disposal of investment properties	-	13,574
Net income from a project of initial land development	-	799,834
Miscellaneous	61,756	36,195
	<u>212,162</u>	<u>979,166</u>

6 Finance costs, net

	2015 (RMB'000)	2014 (RMB'000)
Interest expenses:		
- Bank borrowings, syndicated loans and other borrowings	(2,006,481)	(2,337,392)
- Senior notes	(1,414,452)	(1,207,992)
- Convertible Bonds	-	(108,410)
Less: interest capitalised	3,003,801	3,444,325
Exchange losses from borrowings and Convertible Bonds	(1,132,380)	(83,104)
Less: exchange losses capitalised	224,306	-
	<u>(1,325,206)</u>	<u>(292,573)</u>

7 Income tax expenses

	2015 (RMB'000)	2014 (RMB'000)
Current income tax		
- PRC corporate income tax	1,697,456	2,777,876
- PRC land appreciation tax	2,172,129	2,447,623
- PRC withholding income tax	172,955	328,275
Deferred income tax		
- PRC enterprise income tax	<u>(147,590)</u>	<u>(518,984)</u>
	<u>3,894,950</u>	<u>5,034,790</u>

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use rights and expenditures directly related to property development activities.

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") effective on 1 January 2008.

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfill requirements under the tax treaty arrangements between the PRC and Hong Kong.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the Group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

8 Earnings per share

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

	2015	2014
Profit attributable to shareholders of the Company (RMB'000)	1,390,343	4,287,245
Weighted average number of ordinary shares in issue (thousands share)	<u>3,882,578</u>	<u>3,508,170</u>
Basic earnings per share (RMB per share)	<u><u>0.358</u></u>	<u><u>1.222</u></u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2015, there is no diluted potential ordinary share. As at 31 December 2014, the Company has a dilutive potential ordinary share - convertible debt. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	2015	2014
Profit attributable to shareholders of the Company (RMB'000)	1,390,343	4,287,245
Interest expenses of Convertible Bonds charged to the income statement for the year (RMB'000)	-	-
Exchange gains on debt component (RMB'000)	<u>-</u>	<u>24,047</u>
Profit used to determine diluted earnings per share (RMB'000)	<u><u>1,390,343</u></u>	<u><u>4,311,292</u></u>
Weighted average number of ordinary shares in issue (thousands share)	3,882,578	3,508,170
Assumed conversion of Convertible Bonds (thousands share)	<u>-</u>	<u>76,590</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands share)	<u><u>3,882,578</u></u>	<u><u>3,584,760</u></u>
Diluted earnings per share (RMB per share)	<u><u>0.358</u></u>	<u><u>1.203</u></u>

9 Dividends

	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Interim dividend paid of nil (2014: HK\$0.145) per ordinary share	-	400,104
Less: Dividend for shares held for Share Award Scheme	<u>-</u>	<u>(3,961)</u>
	<u>-</u>	<u>396,143</u>
Proposed final dividend of HK\$0.145 (2014: HK\$0.25) per ordinary share	473,963	772,931
Proposed special dividend of HK\$0.25 (2014: nil) per ordinary share	818,663	-
Less: Dividend for shares held for Share Award Scheme	<u>(11,375)</u>	<u>(6,801)</u>
	<u>1,281,251</u>	<u>766,130</u>
	<u>1,281,251</u>	<u>1,162,273</u>

A final dividend in respect of 2015 of HK\$0.145 per ordinary share and a special dividend of HK\$0.25 per ordinary share have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 13 May 2016. The final dividend will be distributed out of the Company's retain earnings and the special dividend will be distributed out of the Company's share premium. These consolidated financial statements have not reflected these dividends payable.

10 Trade and other receivables

	2015 (RMB'000)	2014 (RMB'000)
Trade receivables (note (a))	3,847,636	5,247,731
Other receivables due from:		
- An associate	2,439,716	2,039,716
- Joint ventures	2,327,315	2,159,293
- Third parties	2,046,575	1,832,928
Prepaid business taxes and other taxes	188,998	156,589
Deposits for acquisition of land use rights	786,000	1,959,673
Prepayments	301,591	318,643
Total trade and other receivables	<u>11,937,831</u>	<u>13,714,573</u>
Less: Other receivable due from an associate and a joint venture-non-current portion	<u>(3,554,716)</u>	<u>(2,039,716)</u>
Trade and other receivables-current portion	<u><u>8,383,115</u></u>	<u><u>11,674,857</u></u>

Generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Group's senior management after assessing the credit history of those customers. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Note:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2015 and 2014, the ageing analysis of the trade receivables is as follows:

	2015 (RMB'000)	2014 (RMB'000)
Within 90 days	2,749,274	3,505,485
Over 90 days and within 365 days	712,419	1,352,159
Over 365 days and within 2 years	267,104	341,284
Over 2 years	118,839	48,803
	<u>3,847,636</u>	<u>5,247,731</u>

11 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares (HK\$'000)	Equivalent nominal value of ordinary shares (RMB'000)	Share premium (RMB'000)	Total (RMB'000)
Authorised					
As at 31 December 2015 and 2014	10,000,000,000	1,000,000			
Movements of issued and fully paid share capital					
Year ended 31 December 2014					
At 1 January 2014	3,447,350,000	344,735	363,047	3,279,678	3,642,725
Shares allotted for Share Award Scheme (note (a))	34,470,000	3,447	2,714	153,874	156,588
Rights issue	435,227,500	43,523	34,492	1,264,162	1,298,654
At 31 December 2014	3,917,047,500	391,705	400,253	4,697,714	5,097,967
Year ended 31 December 2015					
At 1 January 2015 and at 31 December 2015	3,917,047,500	391,705	400,253	4,697,714	5,097,967

Note:

- (a) On 10 December 2013, the Board of Directors of the Company adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust (“**Employee Share Trust**”), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the Bank of Communication Trustee Limited as trustee (“**Employee Share Trustee**”) to hold on trust. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2015, the Board resolved in its meeting held on 26 August 2015 that the award of first 30% Awarded Shares lapsed effective from 26 August 2015. The other 30% of these Awarded Shares vest on 20 June 2016 and the remaining 40% of these Awarded Shares vest on 20 June 2017. As at 31 December 2015, the shares under the Share Award Scheme held by the Employee Share Trustee amounted to RMB156,588,000 (31 December 2014: RMB156,588,000), which was presented within equity in the consolidated balance sheet. For the year ended at 31 December 2015, no expenses in relation to the Share Award Scheme were recognised in the consolidated income statement as the performance condition were not fulfilled and no Award Share have been vested (2014: nil).

12 Trade and other payables

	2015 (RMB'000)	2014 (RMB'000)
Trade payables (note (a))	11,625,492	13,489,633
Other payables due to:		
- Related parties	656,568	558,009
- Third parties	1,885,014	1,700,255
Staff welfare benefit payable	45,114	41,665
Accruals	793,474	966,349
Other taxes payable	615,229	577,454
	<u>15,620,891</u>	<u>17,333,365</u>

Note:

(a) The ageing analysis of trade payables of the Group as at 31 December 2015 and 2014 is as follows:

	2015 (RMB'000)	2014 (RMB'000)
Within 90 days	9,951,225	11,026,173
Over 90 days and within 180 days	1,150,087	1,303,306
Over 180 days and within 365 days	415,797	663,625
Over 365 days	108,383	496,529
	<u>11,625,492</u>	<u>13,489,633</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB43,004 million (2014: RMB38,318 million), representing an increase of 12.2% over 2014. The operating profit was RMB7,636 million (2014: RMB10,491 million), representing a decrease of 27.2% over last year. Profit attributable to shareholders was RMB1,390 million (2014: RMB4,287 million), representing a decrease of 67.6% over last year. Basic earnings per share and diluted earnings per share were RMB0.358 (2014: RMB1.222) and RMB0.358 (2014: RMB1.203) respectively.

Land bank

As at 23 March 2016, the Group had a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan and Yunnan Regions, Northeast China Region, Northern China Region and Kuala Lumpur of Malaysia. The average land cost was RMB1,117 per sq.m., which was competitive.

Given its sufficient land bank and market changes, the Group had slowed down the pace of land acquisition during the year and only acquired land parcels in Changsha and Guangzhou with a total planned GFA of 211,456 sq.m.. Total consideration attributable by the Group was RMB1,537 million.

The following table sets forth the details of the newly acquired land parcels:

Land parcel name	City/District	Attributable Interest(%)	Planned GFA (sq.m.)
Central China Region			
Site in Agile Evian Town Changsha	Changsha	100	148,026
Subtotal			148,026
Southern China Region			
Site in Haizhu District, Guangzhou	Guangzhou	100	63,430
Subtotal			63,430
Total			211,456

Property development and sales

During the year, the Group's total recognised sales from property development was RMB41,421 million, representing an increase of 11.8% when compared with RMB37,037 million in 2014. The total recognised GFA sold was 4.79 million sq.m., representing an increase of 20.1% when compared with last year. The recognised average selling price decreased by 6.9% to RMB8,642 per sq.m. in 2015 from RMB9,278 per sq.m. in 2014, mainly due to the change of geographical distribution and product mix of recognised sales.

Property management

During the year, revenue from property management of the Group was RMB813 million, representing an increase of 19.0% when compared with RMB683 million in 2014, which was mainly attributable to an increase in the total contracted GFA under management to 47.79 million sq.m. (2014: 23.09 million sq.m.).

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable recurring revenue stream for the Group. During the year, the Group recorded revenue from hotel operations of RMB674 million, representing an increase of 27.8% when compared with RMB527 million in 2014. It was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou Hotel and Howard Johnson Agile Plaza Chengdu.

Property investment

To further diversify the business portfolio so as to generate a stable income, the Group upheld prudent development strategy to designate certain commercial properties for long-term rental yields. During the year, revenue from property investment of the Group was RMB96 million, representing an increase of 36.9% when compared with RMB70 million in 2014.

Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including cost of construction, fitting-out and design, land use rights, interest capitalised and business tax.

Cost of sales increased by 24.4% to RMB32,191 million in 2015 from RMB25,887 million in 2014. The increase was mainly due to (i) the increase of the total recognised sales during the year and (ii) the increase in the unit cost of sales, in particular, costs of construction, fitting-out and land use rights.

Gross profit

During the year, the Group's gross profit was RMB 10,813 million, representing a decrease of 13.0% when compared with RMB12,431 million in 2014. The Group's gross profit margin decreased to 25.1% in 2015 from 32.4% in 2014. The fall in gross profit margin was mainly attributable to (i) the change in the proportion of the Group's recognised sales as contributed by different cities/districts, as well as increased weightings by projects with relatively low gross profit margin, and (ii) the increase in unit cost of sales, in particular new projects with higher unit land cost.

Fair value gains on investment properties

During the year, the Group recorded fair value gains on investment properties amounting to RMB63 million. After deducting RMB16 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB47 million.

Other (losses)/gains, net

During the year, the Group recorded other losses, net of RMB139 million, compared with other gains, net of RMB146 million in 2014. It was mainly attributable to the net exchange loss of translation of financial assets and liabilities except for borrowings, which are denominated in foreign currency into Renminbi at the prevailing period-end exchange rate.

Other income

During the year, the Group recorded other income of RMB212 million, representing a decrease of 78.3% when compared with RMB979 million in 2014, which was mainly due to a net income of RMB800 million from a project of initial land development was recorded in 2014, but no such relevant income in 2015. Other income mainly included interest income of bank deposits and forfeited deposits from customers.

Selling and marketing costs

During the year, the Group recorded selling and marketing costs of RMB1,786 million, which were comparable with RMB1,784 million in 2014. The selling and marketing costs as a percentage of revenue decreased to 4.2% in 2015 from 4.7% in 2014, which was mainly attributable to the change of the Group's operation, by increasing the sales of properties through third party agents, especially in cooperation with online agents so as to save the selling and marketing costs by us.

Administrative expenses

During the year, the Group recorded administrative expenses of RMB1,444 million, which were comparable with RMB1,437 million in 2014. The administrative expenses as a percentage of revenue decreased to 3.4% in 2015 from 3.8% in 2014, it was mainly attributable the Group's optimisation of human resources and the effective control of administrative costs.

Other expenses

During the year, the Group recorded other expenses of RMB82 million, representing a decrease of 73.7% when compared with RMB313 million in 2014. It was mainly due to a redemption cost of Convertible Bonds of RMB219 million and early redemption of premium of senior notes incurred in 2014, but no such relevant expense in 2015. Meanwhile, the Group recorded charitable donations of RMB34 million (2014: RMB61 million).

Finance costs, net

During the year, the Group recorded a net finance cost of RMB1,325 million, representing an increase of 352.9% when compared with RMB293 million in 2014, which was mainly due to the exchange loss from translation of foreign currency borrowings on balance sheet date and the interest expenses not eligible for capitalisation related to completed construction properties.

Share of post-tax loss of an associate

During the year, the share of post-tax loss in Guangzhou Li He Property Development Company Limited (an associate in which the Group holds 20% equity interest) was RMB27 million (2014: RMB28 million).

Share of post-tax losses of joint ventures

During the year, the Group recorded share of post-tax losses of joint ventures of RMB87 million (2014: RMB45 million).

Profit attributable to shareholders

Profit attributable to shareholders was RMB1,390 million (2014: RMB4,287 million), representing a decrease of 67.6% when compared with 2014. After excluding fair value gains on revaluation of investment properties and the related tax effect and foreign exchange loss/gain, the core profit attributable to shareholders of the Company in 2015 was RMB2,429 million (2014: RMB4,035 million), representing a decrease of 39.8% when compared with 2014.

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2015, the total cash and bank balances of the Group were RMB13,137 million (31 December 2014: RMB11,430 million), comprising cash and cash equivalents of RMB7,407 million (31 December 2014: RMB6,068 million) and restricted cash of RMB5,730 million (31 December 2014: RMB5,362 million).

Some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties.

As at 31 December 2015, the Group's undrawn borrowing facilities were RMB2,603 million (31 December 2014: RMB3,501million).

Borrowings

As at 31 December 2015, the Group's total borrowings amounted to RMB40,030 million, of which bank borrowings, senior notes and other borrowings amounted to RMB15,824 million, RMB17,048 million and RMB7,158 million respectively.

Repayment schedule	As at 31 December 2015 (RMB million)	As at 31 December 2014 (RMB million)
Bank borrowings		
Within 1 year	10,043	11,448
Over 1 year and within 2 years	1,672	4,406
Over 2 years and within 5 years	3,588	3,541
Over 5 years	521	631
Subtotal	15,824	20,026
Senior notes		
Over 1 year and within 2 years	10,672	-
Over 2 years and within 5 years	6,376	13,155
Subtotal	17,048	13,155
Other borrowings		
Within 1 year	6,444	5,023
Over 1 year and within 2 years	449	3,649
Over 2 years and within 5 years	265	469
Subtotal	7,158	9,141
Total	40,030	42,322

As at 31 December 2015, the Group's bank borrowings (including syndicated loans) of RMB12,073 million (31 December 2014: RMB10,475 million) were secured by the Group's land use rights, properties and bank deposits. As at 31 December 2015, the Group's other borrowings of RMB4,786 million (31 December 2014: RMB5,580 million) are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The offshore loans and senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB4,579 million as at 31 December 2015 (31 December 2014: RMB5,250 million).

During the year, the Company issued US\$500 million 9% senior notes due by 2020 in order to refinance its existing indebtedness, improving the Company's liquidity and optimising its debt structure effectively.

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2015, the gearing ratio was 64.0% (2014: 75.2%), still at a stable level.

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars and Malaysian Ringgit, and the Group's certain senior notes were mainly denominated in United States dollars. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

Cost of borrowings

In 2015, the total cost of borrowings of the Group was RMB3,421 million, representing a decrease of RMB233 million when compared with RMB3,654 million in 2014. The decrease was mainly attributable to lower average balance of bank borrowings in 2015. Taking into consideration of exchange differences arising from foreign currencies borrowings, the weighted average interest rate for the Group's bank borrowings, senior notes and other borrowings as at 31 December 2015 was 8.5%.

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2015, the outstanding guarantees were RMB 22,449 million (31 December 2014: RMB14,658 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2015 was RMB440 million (2014: RMB272 million) and RMB208 million (2014: RMB142 million) respectively.

Pursuant to the terms of the guarantees, upon default in mortgage payments by the purchasers, the Group is liable to pay the banks any outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers but the Group is entitled to take over the legal title and the possession of the related properties. The Group's guarantee commences from the date of grant of mortgage loans by the mortgagees. No provision has been made for the guarantees given as the net realisable value of the related properties is enough to cover the loss after the repayment of any outstanding mortgage principals together with the accrued interest and penalty in defaulted repayments.

In addition, the Group and other four parties (the “**Five Shareholders**”) have jointly provided guarantees for Li He in respect of certain loan facilities amounting to RMB8,910 million (31 December 2014: RMB11,170 million). The Group's share of the guarantee amounted to RMB1,782 million (31 December 2014: RMB2,234 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB2,404 million (2014: RMB3,067 million). The Group's share of the guarantees amounted to RMB651 million (2014: RMB799 million).

Commitments

As at 31 December 2015, the commitments of the Group in connection with the property development activities were RMB16,303 million (31 December 2014: RMB21,804 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB93 million (31 December 2014: RMB951 million).

Human resources

As at 31 December 2015, the Group had a total of 12,984 employees, among which 112 were senior management and 359 were middle management. By geographical locations, there were 12,917 employees in mainland China and 67 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2015, the total remuneration costs, including directors' remuneration, were RMB1,792 million (2014: RMB1,676 million).

Outlook

Looking forward, in order to maintain a prominent position in the intensively competitive market and secure growth in revenue and profit, the Group will continue to provide more-value-for-money products and comprehensive services with innovative and humanised planning and design, in addition to the market-leading internet-based property management platform. Furthermore, the Group will continue to expand the property management business in order to broaden the source of income.

Meanwhile, in order to improve the cash flow, the Group will implement flexible sales strategy, with improvement on sell-through rate and inventory clearance. Furthermore, the Group will further optimise the finance structure by implementing flexible financing strategy and fully utilising the financing channels onshore and offshore, with a view to controlling risk and lowering the financing cost effectively. Meanwhile, enhancement of internal management and effective cost control will continue.

In order to cope with the future development, the Group will enhance its land bank by acquiring premium land parcels with prudent manner and at reasonable price.

DIVIDENDS

During the year, the Company did not declare any interim dividend (2014: HK14.5 cents). The Board has proposed the payment of a final dividend of HK14.5 cents (2014: HK25.0 cents) per ordinary share and a special dividend of HK25.0 cents (to be distributed out of the Company's share premium) (2014: Nil) per ordinary share to the shareholders. Subject to the approval by the shareholders at the annual general meeting of the Company to be held on Friday, 13 May 2016 ("**2016 AGM**"), the proposed final dividend and special dividend are expected to be paid on Friday, 3 June 2016 to shareholders whose names appear on the register of members of the Company on Tuesday, 24 May 2016.

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of shareholders who are entitled to attend and vote at the 2016 AGM

Latest time for lodging transfer : 4:30 p.m. on Monday, 9 May 2016
documents of shares
Period of closure of register of : Tuesday, 10 May 2016 to Friday, 13 May 2016 (both dates
members inclusive)

To determine the shareholders' entitlement to the final dividend and special dividend

Ex-entitlement date for final : Wednesday, 18 May 2016
dividend and special
dividend
Latest time for lodging transfer : 4:30 p.m. on Thursday, 19 May 2016
documents of shares
Period of closure of register of : Friday, 20 May 2016 to Tuesday, 24 May 2016 (both
members dates inclusive)
Record date : Tuesday, 24 May 2016

To qualify for attending and voting at the 2016 AGM and/or entitlement to the final dividend and special dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer documents of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notice of 2016 AGM will be published on the respective website of the Company at www.agile.com.cn and Hong Kong Exchanges and Clearing Limited ("**HKEX**") at www.hkex.com.hk and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). A copy of the said notice will also be published on the website of Singapore Exchange Limited ("**SGX**") at www.sgx.com.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2015, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

PUBLIC FLOAT

From information that is publicly available to the Company and within the knowledge of its Directors for the year ended 31 December 2015 and as at the date of this announcement, at least 25% of the Company's total issued share capital is held by the public.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by directors ("**Securities Dealing Code for Directors**"), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. After enquiry, each of the Directors of the Company has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2015, the Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules ("**CG Code**") except for certain deviations as specified with considered reasons below.

The code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive shall be separate and not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Chen Zhuo Lin of the operations of the Group and the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Chen Zhuo Lin, in his dual capacity as the Chairman and President, will provide strong and consistent leadership for the development of the Group. The Board also believes that this structure is in the best interest of the Company and will not impair the power of the Board and such arrangement will be subject to review from time to time.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, HONG KONG EXCHANGES AND CLEARING LIMITED AND SINGAPORE EXCHANGE LIMITED

This announcement is published on the respective website of the Company at www.agile.com.cn, HKEx at www.hkex.com.hk and SGX at www.sgx.com. The annual report of the Company for the year ended 31 December 2015 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises thirteen members, being Mr. Chen Zhuo Lin* (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Cheung Wing Yui, Edward#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors

By Order of the Board
Agile Property Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 23 March 2016

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.