SUNAC 融創中國

SUNAC CHINA HOLDINGS LIMITED
融 創 中 國 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01918)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- Contract sales amount of the Group was RMB68,210 million, representing a growth rate of 3.6% compared to the same period last year;
- Profit of the Group was RMB3,608.4 million, representing a growth rate of 12% compared to the same period last year;
- Profit attributable to owners of the Company was RMB3,297.8 million, representing a year-on-year increase of 2.4%;
- Weighted-average effective interest rate of the Group was 7.6%, down 1.52 percentage points from the same period last year;
- As at 31 December 2015, cash balance of the Group was RMB27,058.3 million, net gearing ratio was 75.90%;
- The Board proposed to declare a final dividend of RMB0.194 per share for the year ended 31 December 2015.

The board (the "Board") of directors (the "Directors") of Sunac China Holdings 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 with comparative figures for the corresponding period in 2014, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		Year ended 31 December	
	Note	**2015**	2014
		RMB'000	*RMB'000*
Revenue	4	**23,010,943**	25,071,959
Cost of sales	10	**(20,153,678)**	(20,730,079)
Gross profit		**2,857,265**	4,341,880
Selling and marketing costs	10	**(661,054)**	(697,299)
Administrative expenses	10	**(775,015)**	(680,743)
Other income and gains	11	**4,111,990**	1,020,451
Other expenses and losses		**(265,628)**	(119,817)
Operating profit		**5,267,558**	3,864,472
Finance income	12	**123,521**	123,422
Finance expenses	12	**(2,520,575)**	(1,267,380)
Finance expenses - net		**(2,397,054)**	(1,143,958)
Share of post-tax profits of investments accounted for using equity method, net	5	**1,693,207**	2,181,283
Profit before income tax		**4,563,711**	4,901,797
Income tax expenses	13	**(955,308)**	(1,669,168)
Profit for the year		**3,608,403**	3,232,629
Other comprehensive income for the year		**—**	—
Total comprehensive income for the year		**3,608,403**	3,232,629

	Note	**Year ended 31 December** **2015** **_RMB'000_**	2014 *RMB'000*
Profit and total comprehensive income attributable to:			
- Owners of the Company		**3,297,828**	3,222,070
- Non-controlling interests		**310,575**	10,559
		3,608,403	3,232,629
Earnings per share attributable to owners of the Company (expressed in RMB per share):			
- Basic earnings per share	14	**0.97**	0.96
- Diluted earnings per share	14	**0.96**	0.95
Dividends	15	**659,566**	644,414

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

		As at 31 December	
	Note	**2015**	2014
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**68,959**	61,815
Investment properties		**—**	239,000
Intangible assets		**230,269**	148,905
Investments accounted for using the equity method	5	**15,260,581**	12,048,789
Prepayment for equity investments	7	**4,722,036**	944,991
Deferred income tax assets		**1,502,429**	1,451,953
		21,784,274	14,895,453
Current assets			
Properties under development		**34,142,659**	35,700,545
Completed properties held for sale		**15,727,129**	13,682,451
Trade and other receivables	6	**970,481**	2,474,809
Amounts due from related companies		**11,660,049**	17,999,418
Prepayments	7	**4,166,080**	2,568,194
Restricted cash		**4,371,010**	4,384,145
Cash and cash equivalents		**22,687,280**	20,657,285
		93,724,688	97,466,847
Total assets		**115,508,962**	112,362,300
EQUITY AND LIABILITY			
Equity attributable to owners of the Company			
Share capital		**291,329**	289,963
Other reserves		**4,104,442**	3,203,001
Retained earnings		**14,609,618**	12,859,974
		19,005,389	16,352,938
Non-controlling interests		**414,781**	4,629,695
Total equity		**19,420,170**	20,982,633

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	9	**27,214,240**	20,544,113
Deferred income tax liabilities		**4,379,412**	5,886,751
		31,593,652	26,430,864
Current liabilities			
Trade and other payables	8	**10,943,950**	11,615,723
Advanced proceeds from customers		**13,420,386**	12,270,841
Amounts due to related companies		**18,212,922**	20,713,919
Current income tax liabilities		**7,333,489**	6,508,638
Borrowings	9	**14,584,393**	13,839,682
		64,495,140	64,948,803
Total liabilities		**96,088,792**	91,379,667
Total equity and liabilities		**115,508,962**	112,362,300

NOTES

1 General information

Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC").

The Company is a limited company incorporated in the Cayman Islands. The address of its registered office is Landmark Square, 3rd Floor, 64 Earth Close, P.O. Box 30592, Grand Cayman KY1-1203, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 7 October 2010.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the board of directors of the Company on 28 March 2016.

2 Significant accounting policies

These financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair values.

The accounting policies used in preparing the consolidated financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 December 2014 except for the addition of certain standards and interpretations of Hong Kong Financial Reporting Standards ("HKFRS") which have been issued and become effective in current year as described in note 3 "Changes in accounting policy and disclosures".

3 Changes in accounting policy and disclosures

(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 HKFRSs — 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 HKFRSs — 2011 — 2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'.

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in the segment note. Other than that, the remaining amendments are not material to the Group.

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.

(c) ***New standards and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKAS 15.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4 Segment information

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports. The executive directors assess the performance of property development, property investment business and property management business of the Group respectively. The performance of such operating segments is assessed based on a measure of profit/(loss) before income tax.

Segment assets primarily consist of all assets excluding deferred income tax assets and segment liabilities primarily consist of all liabilities excluding deferred income tax liabilities and current income tax liabilities.

The analysis of the Group's profit/(loss) before income tax by segment is as follows:

	Year ended 31 December 2015		
	Property development *RMB'000*	**Property management and others** *RMB'000*	**Total** *RMB'000*
Total segment revenue	**22,511,143**	**561,416**	**23,072,559**
Inter-segment revenue	**—**	**(61,616)**	**(61,616)**
Revenue from external customers	**22,511,143**	**499,800**	**23,010,943**
Segment gross profit	**2,810,857**	**46,408**	**2,857,265**
Selling and marketing costs	**(633,674)**	**(27,380)**	**(661,054)**
Administrative expenses	**(715,095)**	**(59,920)**	**(775,015)**
Other income and gains	**4,109,545**	**2,445**	**4,111,990**
Other expenses and losses	**(258,404)**	**(7,224)**	**(265,628)**
Finance income	**123,521**	**—**	**123,521**
Finance costs	**(2,514,592)**	**(5,983)**	**(2,520,575)**
Share of profit of investments accounted for using equity method, net	**1,693,207**	**—**	**1,693,207**
Profit / (loss) before income tax	**4,615,365**	**(51,654)**	**4,563,711**

	As at 31 December 2015		
	Property development *RMB'000*	**Property Management and others** *RMB'000*	**Total** *RMB'000*
Total segment assets	**113,644,985**	**361,548**	**114,006,533**
Total segment liabilities	**83,840,268**	**535,623**	**84,375,891**

	Year ended 31 December 2014		
	Property development and investment	Property management and others	Total
	RMB'000	*RMB'000*	*RMB'000*
Total segment revenue	24,719,336	417,762	25,137,098
Inter-segment revenue	—	(65,139)	(65,139)
Revenue from external customers	24,719,336	352,623	25,071,959
Segment gross profit	4,326,524	15,356	4,341,880
Selling and marketing costs	(671,986)	(25,313)	(697,299)
Administrative expenses	(629,161)	(51,582)	(680,743)
Other income and gains	1,017,918	2,533	1,020,451
Other expenses	(117,859)	(1,958)	(119,817)
Finance income	123,422	—	123,422
Finance costs	(1,267,380)	—	(1,267,380)
Share of profit of investment accounted for using equity method, net	2,181,283	—	2,181,283
Profit / (loss) before income tax	4,962,761	(60,964)	4,901,797

	As at 31 December 2014		
	Property development and investment	Property management and others	Total
	RMB'000	*RMB'000*	*RMB'000*
Total segment assets	110,725,396	184,951	110,910,347
Total segment liabilities	78,651,367	332,911	78,984,278

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

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Total segment assets	**114,006,533**	110,910,347
Deferred income tax assets	**1,502,429**	1,451,953
Total assets per balance sheet	**115,508,962**	112,362,300
Total segment liabilities	**84,375,891**	78,984,278
Deferred income tax liabilities	**4,379,412**	5,886,751
Current income tax liabilities	**7,333,489**	6,508,638
Total liabilities per balance sheet	**96,088,792**	91,379,667

5 Investments accounted for using the equity method

The amounts recognised in the balance sheet are as follows:

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Joint ventures ("JVs")	**10,691,975**	7,927,863
Associates	**4,568,606**	4,120,926
	15,260,581	12,048,789

The share of profits/(losses) from investment recognised in the income statement were as follows:

	2015	2014
	RMB'000	*RMB'000*
JVs	**1,501,411**	1,043,884
Associates	**191,796**	1,137,399
	1,693,207	2,181,283

5.1 Investment in joint ventures

An analysis of the movement of equity investments in JVs is as follows:

	2015	2014
	RMB'000	*RMB'000*
At beginning of year	**7,927,863**	4,925,337
Investments in new JVs	**2,225,123**	1,985,309
Additional investments in existing JVs	**236,000**	—
JVs changing to subsidiaries	**(1,153,375)**	—
Investment in JVs owned by newly acquired subsidiaries	**67,840**	—
JVs changed from subsidiaries	**1,231,459**	—
Disposal of interests in a JV	**(49,995)**	—
Share of profit of JVs, net	**1,501,411**	1,043,884
Share of JVs' declared dividends	**(1,294,351)**	(26,667)
At end of year	**10,691,975**	7,927,863

Except for Summer Sky Investments Limited, which is incorporated in Hong Kong, the remaining JVs of the Group are incorporated in the PRC. All JVs are non-listed companies.

5.2 Investment in associates

An analysis of the movement of equity investments in associates is as follows:

	2015	2014
	RMB'000	*RMB'000*
At beginning of year	**4,120,926**	2,983,527
Share of profit of associates, net	**191,796**	1,137,399
Investment in a new associate	**1,593,075**	—
An associate changing to a subsidiary	**(86,975)**	—
Disposal of an associate	**(18,406)**	—
Shares of associates' declared dividends	**(1,231,810)**	—
At end of year	**4,568,606**	4,120,926

All associates of the Group are incorporated in the PRC and are non-listed companies.

6 Trade and other receivables

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Receivables from non-controlling interests	**334,024**	1,392,778
Trade receivables (Note (b))	**92,011**	368,868
Notes receivables	**200**	4,110
Receivables from a disposal of PUD	**—**	335,000
Other receivables		
- Deposits	**212,349**	166,587
- Payments on behalf of customers	**132,291**	140,171
- Interests	**22,810**	—
- Others	**204,474**	94,973
	998,159	2,502,487
Less: Bad debt provision for other receivables	**(27,678)**	(27,678)
	970,481	2,474,809

Notes:

(a) As at 31 December 2015 and 2014, the carrying amounts of trade and other receivables were all denominated in RMB and approximated their fair value.

(b) At 31 December 2015, the ageing analysis of the trade receivables is performed based on the date of the revenue recognition. The ageing analysis of trade receivables at respective balance sheet dates is as follows:

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Within 90 days	**55,160**	243,987
90 - 180 days	**—**	52,477
181 - 365 days	**34,521**	72,404
over 365 days	**2,330**	—
	92,011	368,868

Trade receivables are analysed as follows:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Fully performing under credit terms	**79,384**	351,422
Past due but not impaired	**12,627**	17,446
	92,011	368,868

During the year ended 31 December 2015, the Group allows a credit period of 90-365 days to certain customers with good credit standing.

As the Group normally holds collateral of the properties before collection of full contract amount and transfer of the legal titles to the customers, the Directors are of the view that the past due trade receivables would be recovered and no provision was made as at 31 December 2015.

7 Prepayments

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Non-current		
Prepayments for equity investment	**4,722,036**	944,991
Current		
Prepaid taxes		
- LAT	**1,214,360**	985,483
- Business tax and surcharge	**697,978**	699,397
- Corporate income tax	**725,876**	499,671
Prepayments for land use rights acquisition	**1,465,969**	342,109
Prepayments for project development costs	**61,897**	41,534
	4,166,080	2,568,194

As at 31 December 2015 and 2014, the carrying amounts of the Group's prepayments were all denominated in RMB.

8 Trade and other payables

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Trade payables (Note (a))	**7,303,339**	6,258,615
Amount due to non-controlling interests	**206,777**	3,217,086
Notes payables	**193,495**	765,284
Interests payable	**416,012**	307,188
Advanced deed tax from customers	**243,707**	284,214
Other taxes payable	**462,031**	312,936
Payroll and welfare payables	**210,160**	186,778
Payables for acquisition consideration	**1,031,517**	48,026
Deposits payable	**386,874**	34,754
Others	**490,038**	200,842
	10,943,950	11,615,723

(a) At 31 December 2015, the ageing analysis of the trade payable is performed based on the date of liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**4,628,637**	3,382,318
90-180 days	**581,236**	285,542
180-365 days	**354,035**	744,725
Over 365 days	**1,739,431**	1,846,030
	7,303,339	6,258,615

9 Borrowings

	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current		
Secured,		
- Bank borrowings	**23,094,089**	16,608,622
- Other borrowings	**1,520,000**	5,150,000
- Senior notes	**8,389,829**	7,869,165
	33,003,918	29,627,787
Unsecured		
- Corporate bonds	**5,967,000**	—
	38,970,918	29,627,787
Less: Current portion of long-term borrowings (Note (a))	**(11,756,678)**	(9,083,674)
	27,214,240	20,544,113
Current		
Secured,		
- Bank borrowings	**1,481,715**	1,514,708
- Other borrowings	**1,300,000**	3,195,300
	2,781,715	4,710,008
Unsecured,		
- Other borrowings	**46,000**	46,000
	2,827,715	4,756,008
Current portion of long-term borrowings (Note (a))	**11,756,678**	9,083,674
	14,584,393	13,839,682
Total borrowings	**41,798,633**	34,383,795

(a) As at 31 December 2015, included in long-term borrowing, RMB2,766million (2014: RMB7,081 million) of borrowings for property development projects will be due for repayment upon an aggregated 20% - 80% pre-sale status in term of gross floor area of the respective projects were achieved. Based on the management's sales forecast, RMB491 million (2014: RMB1,756 million) of borrowings will be due for repayment in the year ending 31 December 2016 and are included in current liabilities.

(b) The Group's long-term borrowings as at 31 December 2015 were repayable as follows:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Between 1 and 2 years	**8,514,824**	4,683,192
Between 2 and 5 years	**18,699,416**	15,860,921
	27,214,240	20,544,113

(c) The weighted-average effective interest rates for the year ended 31 December 2015 was 7.6% (2014: 9.12%).

(d) Fair value of financial liabilities is not measured at fair value on a recurring basis (but fair value disclosures are required).

The carrying amounts of bank borrowings, borrowings from other financial institution are approximate their fair values. The fair values of senior notes as at 31 December 2015 amounted to RMB8,941 million, which were calculated based on the market price of the traded senior notes at the balance sheet date. The fair values of Corporate bonds as at 31 December 2015 amounted to RMB6,222 million, which were calculated based on the active market price at the balance sheet date. The fair values of senior notes are within level 2 of the fair value hierarchy and the fair values of corporate bonds are within level 1 of the fair value hierarchy.

10 Expenses by nature

	2015 *RMB'000*	2014 *RMB'000*
Costs of completed properties sold	**18,384,161**	18,495,001
Business tax and related surcharges	**1,266,692**	1,389,572
Staff costs	**616,745**	625,892
Impairment provision for properties	**45,433**	533,518
Advertisement and promotion costs	**337,126**	333,366
Consulting expenses	**145,516**	81,613
Depreciation and amortisation	**27,938**	24,684
Auditors' remuneration		
- Audit services	**8,764**	5,100
- Non-audit services	**14,613**	300

11 Other income and gains

	2015	2014
	RMB'000	*RMB'000*
Gains from disposals of subsidiaries	**1,857,061**	1,496
Gains from business combinations	**702,875**	—
Gain on disposal of an associate	**172,967**	—
Gain from arrangement of assignment of debt	**150,000**	—
Gains from acquisition of JVs	**126,622**	2,833
Interest income	**1,000,644**	974,683
Others	**101,821**	41,439
	4,111,990	1,020,451

12 Finance income and costs

	2015	2014
	RMB'000	*RMB'000*
Interest expenses	**2,908,656**	3,035,959
Other financial costs	**39,763**	—
Less: capitalised finance costs	**(1,227,932)**	(1,776,914)
	1,720,487	1,259,045
Exchange loss	**800,088**	8,335
	2,520,575	1,267,380
Finance income:		
- Interest income on bank deposits	**(123,521)**	(123,422)
Net finance costs	**2,397,054**	1,143,958

13 Income tax expenses

	2015	2014
	RMB'000	*RMB'000*
Corporate Income Tax ("CIT")		
- Current income tax	**1,667,990**	1,158,896
- Deferred income tax	**(358,819)**	(325,322)
	1,309,171	833,574
LAT	**(353,863)**	835,594
	955,308	1,669,168

(a) ***CIT***

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted-average tax rate applicable to profits of the consolidated entities as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before income tax	**4,563,711**	4,901,797
Income tax calculated at the applicable income tax rates in respective countries or regions	**1,586,767**	1,277,790
LAT	**88,466**	(208,898)
Share of profits of investments accounted for using equity method	**(415,435)**	(524,350)
Other income and gains not subject to tax	**(158,270)**	(1,471)
Tax on losses for which no DTA were recognised	**94,541**	96,127
Tax on temporary differences for which no DTA were recognised	**7,452**	82,536
Utilisation of tax losses with no DTA recognition	**—**	(4,085)
Tax write-back on temporary differences with no DTA recognition	**(18,388)**	(17,056)
Non-deductible expenses	**29,079**	38,074
Dividends tax for PRC subsidiaries, JVs and associates	**94,959**	94,907
	1,309,171	833,574

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries or regions in which the Group operates.

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25%.

In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in the PRC. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

(b) ***LAT***

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures. LAT is included in the consolidated income statements as income tax expense.

14 Earnings per share

(a) ***Basic***

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the year.

	2015	2014
Profit attributable to owners of the parent company (RMB'000)	3,297,828	3,222,070
Weighted-average number of ordinary shares in issue (thousand shares)	3,394,387	3,350,372

(b) ***Diluted***

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015	2014
Profit attributable to owners of the parent company (RMB'000)	3,297,828	3,222,070
Weighted-average number of ordinary shares in issue (thousand shares)	3,394,387	3,350,372
Adjusted for share options (thousand shares)	34,558	34,455
Weighted-average number of ordinary shares for diluted earnings per share (thousand shares)	3,428,945	3,384,827

15. Dividends

The dividends paid in 2015 and 2014 were RMB646.4 million (RMB0.19 per share) and RMB635.7 million (RMB0.191 per share) respectively. A dividend in respect of the year ended 31 December 2015 of RMB0.194 per share, amounting to a total dividend of RMB660 million, is to be proposed at the annual general meeting. These financial statements did not reflect this dividend payable.

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Interim dividend paid of RMB0 (2014: Nill) per ordinary share	**—**	—
Proposed final dividend of RMB0.194 (2014: RMB0.190) per ordinary share	**659,566**	644,414

16 Events after the balance sheet date

(1) *Acquisition of interests in Shanghai Huafeng Real Estate Development Co., Ltd. ("Huafeng")*

On 4 January 2016, the Group effectively acquired an 9.4% interest in Huafeng at a consideration of RMB752 million from Shanghai Pudong Development (Group) Company Limited ("Shanghai Pudong Development"), another ultimate equity owner of Huafeng. According to the agreement, Shanghai Pudong Development is entrusted to hold this acquired equity interest in Huafeng on behalf of the Group.

On 15 January 2016, the Group proposed to acquire the remaining 37.855% equity interest and debts in Shanghai Fengdan Lishe Estate Development Co., Ltd. ("Fengdan") at a consideration of RMB1,324.9 million. This transaction has yet to be approved by the shareholders of the Company in compliance with relevant rules and regulation.

In summary, upon completion of the above trasnaction, the Group will have an effective totaling 76.9% interest in Huafeng.

(2) *Acquisition of equity interest and debts in Suzhou Xinyou Real Estate Co., Ltd. ("Suzhou Xinyou")*

On 13 January 2016, the Group acquired 95% equity interest of Suzhou Xinyou from a third party at the equity consideration of RMB183.65 million and an amount of RMB854.58 million due by Suzhou Xinyou to the seller. The total consideration of which is RMB1,038.23 million. Upon completion of the acquisition, Suzhou Xinyou became a subsidiary of the Company.

(3) *Acquisition of equity interests and debts in Suzhou Der Taihu Bay Properties Co., Ltd. ("Suzhou Der Taihu Bay") and Suzhou Der Taihu Town Real Estate Co., Ltd. ("Suzhou Der Taihu Town")*

On 1 February 2016, the Group entered into agreeements with third parties (the "Sellers"), pursuant to which, the Group agreed to acquire from the Sellers 100% equity interest and debt of Suzhou Der Taihu Bay at the equity consideration of RMB404.46 million and an amount of RMB685.54 million due by Suzhou Der Taihu Bay to the Sellers. The total consideration of which is RMB1,090 million, and 100% equity interest and debt of Suzhou Der Taihu Town at the equity consideration of RMB28.31 million and an amount of RMB51.69 million due by Suzhou Der Taihu Town to the Sellers. The total consideration of which is RMB80 million. Total consideration for the two transactions was RMB1,170 million. Up to the date of this announcement, the acquisitions have yet to be completed. Upon completion of the transactions, Suzhou Der Taihu Bay and Suzhou Der Taihu Town will become subsidiaries of the Company.

(4) ***Acquisition of 70% equity interests and debts in Zhongmu Meisheng Real Estate Co., Ltd. ("Zhongmu Meisheng")***

On 25 February 2016, the Group entered into an equity acquisition agreement with a third party, pursuant to which the Group agreed to acquire 70% equity interest of Zhengzhou Meisheng from the third party at the equity consideration of RMB708.4 million, and an amount of RMB45.52 million due by Zhongmu Meisheng to the seller. The total consideration of which is RMB753.92 million. Up to the date of this announcement, the acquisition has yet to be completed. Upon completion of the transaction, Zhongmu Meisheng will become a subsidiary of the Company.

(5) ***Entered into the cooperation agreement in shanghai projects***

On 18 March 2016, Shanghai Sunac Property Development Co., Ltd. ("Shanghai Sunac"), a wholly owned subsidiary of the Company, entered into the cooperation agreement with an independent third party Shanghai Moke Real Estate Co., Ltd. ("Shanghai Moke"), pursuant to which, Shanghai Sunac and Shanghai Moke will cooperate in the development of two property projects (the "Target projects") in Shanghai through a new jointly invested project company (the "Project company"). Shanghai Sunac and Shanghai Moke will initially hold 40% and 60% equity interests of the Project company respectively. The Project company will acquire the Target projects from Shanghai Moke at the total consideration of RMB4,031.6 million, which is to be fully financed from Shanghai Sunac and Shanghai Moke on 80%:20% basis in form of shareholders' loans by two equal amount batches, i.e. the total loan amounts to be provided by Shanghai Sunac and Shanghai Moke are RMB3,225.3 million and RMB806.3 million respectively. A 50% of the consideration is to be made within five business days after entering into the cooperation agreement. Within two business days after (i) the expiry of the 270-day period after entering into the cooperation agreement or (ii) within 5 business days before the remaining Target projects have completed the transfer registration (whichever is earlier), the Project company will pay the remaining 50% consideration amount to Shanghai Moke and the Target projects will be transferred to the Project company. Then Shanghai Sunac will acquire an additional 40% equity interest of the Project company from Shanghai Moke at the consideration of RMB40 million plus the interest cost, which is estimated not exceeding RMB72.6 million, being the interest accrued on the payables in the amount of RMB1,612 million by Shanghai Sunac in the second shareholder's loan to the Project company, which Shanghai Moke shall receive at an interest rate of 6% per annum for the period commencing from the fifth business day after the date of the cooperation agreement up till the day when Shanghai Sunac has fully paid the second shareholder's loan. In summary, the total investment amount attributable to the Group will be no exceeding RMB3,337.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

REVENUE

Revenue of the Group for the year ended 31 December 2015 was substantially generated from sales of residential and commercial properties. Only a minor portion of the Group's revenue was derived from income from property management services and rental of investment properties located in Tianjin.

For the year ended 31 December 2015, the Group remained focused on the development of real estate properties in five main regions of the PRC, namely, Beijing, Tianjin, Shanghai, Chongqing and Hangzhou. In addition, the Group has actively developed new regions including the cities of Chengdu, Xi'an, Jinan, Nanjing and Wuhan to expand its business.

Total revenue of the Group for the year ended 31 December 2015 amounted to RMB23,010.9 million, representing a decrease of 8.2%, as compared with the total revenue of RMB25,072.0 million for the year ended 31 December 2014.

During the year ended 31 December 2015, total income of the subsidiaries, joint ventures and associates of the Group amounted to RMB54,866.9 million (year ended 31 December 2014: RMB57,334.8 million), among which RMB39,111.7 million was attributable to owners of the Company, increased by RMB2,556.2 million from RMB36,555.5 million for the year ended 31 December 2014.

The following table sets forth certain details of the revenues of the Group:

	For the year ended 31 December			
	2015		2014	
	RMB'000	*%*	*RMB'000*	*%*
Sales of properties	**22,508,851**	**97.82**	24,708,739	98.55
Property management service income and others	**499,800**	**2.17**	352,623	1.41
Rental income from investment properties	**2,292**	**0.01**	10,597	0.04
Total	**23,010,943**	**100.00**	25,071,959	100.00
Total gross floor area ("GFA") delivered (square meters "sq.m.")	**1,810,917**		1,647,104	
Average selling prices ("ASP") sold (RMB per sq.m.)	**12,430**		15,001	

For the year ended 31 December 2015, the revenue from sales of real estate properties decreased by RMB2,199.9 million or 8.9%, as compared with that for the year ended 31 December 2014, of which total gross floor area delivered increased by 163,813 sq.m. as compared with that for the year ended 31 December 2014. The decrease in revenue from sales of real estate properties was primarily due to the decrease in average selling price of properties sold from RMB15,001 per sq.m. for the year ended 31 December 2014 to RMB12,430 per sq.m. for the year ended 31 December 2015, representing a year-on-year decrease of 17.1%. This is mainly due to the following:

(i) as compared to the figure for the year ended 31 December 2014, for the year ended 31 December 2015 delivered area of properties with higher unit price such as Tianjin Majestic Capital, Beijing West Chateau and Chongqing Asia Pacific Enterprise Valley decreased as these projects were approaching the closure of sales. As a result, sales revenue from such properties accounted for a lower percentage of the Group's total revenue from sales of real estate properties, which in turn dragged down the Group's overall average selling price of properties sold; and

(ii) for the year ended 31 December 2015, revenue from sales of property products with lower unit price (mainly located in Tianjin, Chongqing and Chengdu) accounted for a higher percentage of the Group's total revenue from sales of properties.

COST OF SALES

Cost of sales comprises the costs that the Group incurred in relation to its direct development activities for the properties delivered, as well as costs for property management operations and leasing.

For the year ended 31 December 2015, cost of sales of the Group amounted to RMB20,153.7 million, representing a decrease of RMB576.4 million, or 2.8%, as compared with RMB20,730.1 million for the year ended 31 December 2014. The decrease in cost of sales was mainly attributable to the drop of average cost of sales of the properties sold. As the same reason mentioned in above Revenue section, due to the change of the sales mix for the year ended 31 December 2015, the Group's overall average cost of sales dropped in alignment with the drop of the overall average selling price.

GROSS PROFIT

For the year ended 31 December 2015, the gross profit of the Group amounted to RMB2,857.3 million, representing a decrease of RMB1,484.6 million, as compared with RMB4,341.9 million for the year ended 31 December 2014. Decrease in gross profit was mainly due to the decrease in sales revenue and gross margin of the Group.

Gross margin was at 12.4% for the year ended 31 December 2015 as compared with 17.3% for the year ended 31 December 2014. Excluding the impact of fair value revaluation and impairment provision for properties, gross profit margin of the Group was 19.0% for the year ended 31 December 2015.

Decrease in gross profit margin was mainly attributable to:

(i) as compared to the figure for the year ended 31 December 2014, delivered area of properties with higher gross margin (mainly including Tianjin Majestic Capital, Beijing West Chateau, Chongqing Olympic Garden and Chongqing Asia Pacific Enterprise Valley) for the year ended 31 December 2015 decreased as these projects were approaching the closure of sales. As a result, sales revenue from such properties accounted for a lower percentage of the Group's total revenue from sales of real estate properties, which in turn dragged down the Group's overall average gross margin of properties sold; and

(ii) Due to the fluctuations in the local real estate market, the average selling price of the delivered properties which accounted for a higher percentage of the total revenue during the current year (mainly located in Tianjin and Chongqing) was lower than the expected level.

In addition during the year ended 31 December 2015, gross profit of the subsidiaries, joint ventures and associates of the Group amounted to RMB10,390.7 million, among which RMB6,780.0 million was attributable to owners of the Company. During the year ended 31 December 2014, gross profit of the subsidiaries, joint ventures and associates of the Group amounted to RMB12,874.9 million, among which RMB8,173.5 million was attributable to owners of the Company.

SELLING AND MARKETING COSTS AND ADMINISTRATIVE EXPENSES

Selling and marketing costs of the Group slightly dropped to RMB661.1 million for the year ended 31 December 2015 from RMB697.3 million for the year ended 31 December 2014.

Administrative expenses of the Group increased by RMB94.3 million (or 13.9%) to RMB775.0 million for the year ended 31 December 2015 from RMB680.7 million for the year ended 31 December 2014, primarily attributable to the increase in administrative expenses incurred due to the expansion of business scale and extension of business scope of the Group for the year ended 31 December 2015.

OTHER INCOME AND GAINS

The Group's other income and gains increased by RMB3,091.5 million from RMB1,020.5 million for the year ended 31 December 2014 to RMB4,112.0 million for the year ended 31 December 2015, primarily due to the following:

(i) the gains of RMB2,180.0 million from disposing certain equity interests of the Group's subsidiaries and certain equity interests and debts of the Group's associates; and

(ii) the gains of RMB829.5 million from business combinations and the acquisition of interests in certain joint ventures.

OTHER EXPENSES AND LOSSES

The Group's other expenses and losses increased by RMB145.8 million from RMB119.8 million for the year ended 31 December 2014 to RMB265.6 million for the year ended 31 December 2015, mainly due to the disposal of the Group's subsidiary, namely Wuxi Sunac Greentown Hubin Real Estate Co., Ltd., resulting in a loss of RMB147.8 million.

OPERATING PROFIT

In light of the foregoing, the Group's operating profit increased by RMB1,403.1 million from RMB3,864.5 million for the year ended 31 December 2014 to RMB5,267.6 million for the year ended 31 December 2015, primarily due to:

(i) a decrease of RMB1,484.6 million in gross profit;

(ii) an increase of RMB3,091.5 million in other income and gains and an increase of RMB145.8 million in other expenses and losses; and

(iii) an increase of RMB58.0 million in operating expenses.

FINANCE COSTS

The Group's finance costs increased by RMB1,253.2 million from RMB1,267.4 million for the year ended 31 December 2014 to RMB2,520.6 million for the year ended 31 December 2015, mainly attributable to:

(i) the impact of market exchange rate fluctuation, leading to a significant increase in the Group's foreign exchange net loss from RMB8.3 million for the year ended 31 December 2014 to RMB800.1 million for the year ended 31 December 2015; and

(ii) the increase in expensed interest by RMB421.7 million from RMB1,259.0 million for the year ended 31 December 2014 to RMB1,680.7 million for the year ended 31 December 2015, mainly due to a lower interest capitalisation ratio.

In addition, the Group's total interest cost decreased from RMB3,036.0 million for the year ended 31 December 2014 to RMB2,908.7 million for the year ended 31 December 2015, given that the weighted-average effective interest rate from 9.1% for the year ended 31 December 2014 to 7.6% for the year ended 31 December 2015, of which the weighted-average effective interest rate of new borrowings decreased from 7.6% for the year ended 31 December 2014 to 6.4% for the year ended 31 December 2015. It was a result of the Group's continuous efforts in optimising its debt structure, controlling its cost of refinancing and replacing previous financing with high cost, which led to the continued decrease in weighted-average effective interest rate.

SHARE OF PROFIT OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET

For the year ended 31 December 2015, the Group recognised a share of profit of RMB1,693.2 million from investments accounted for using equity method, a decrease of RMB488.1 million as compared with RMB2,181.3 million for the year ended 31 December 2014. The decrease was due to the revenue from sales of properties developed by joint ventures and associates with higher gross margin (mainly including Beijing Jinmao Residence, Beijing Jinmao Palace and Tianjin Horizon Capital) accounted for a lower percentage of total revenue from sales of properties developed by joint ventures and associates of the Group for the year ended 31 December 2015, leading to a decrease in the overall operating profit of the Group's joint ventures and associates as compared with that of the year ended 31 December 2014.

PROFIT

Benefited from the rapid growth in the sales results and the high quality balanced development in operation scale of the Group, the Group's profit attributable to owners of the Company for the year ended 31 December 2015 increased to RMB3,297.8 million as compared with RMB3,222.1 million for the year ended 31 December 2014.

The following table shows the profit attributable to owners of the Company and non-controlling interests for the respective year indicated:

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**3,608,403**	3,232,629
Attributable to:		
Owners of the Company	**3,297,828**	3,222,070
Non-controlling interests	**310,575**	10,559
	3,608,403	3,232,629

Excluding the impact of the gains from acquisition of equity interests, the fair value change of investment properties, exchange losses and impairment provision for properties, the Group's core profit attributable to owners of the Company for the year ended 31 December 2015 decreased by 9.5% to RMB3,377.1 million as compared with RMB3,729.7 million for the year ended 31 December 2014.

CASH POSITION

The Group operates in a capital intensive industry and has historically financed, and expects to continue to finance, its working capital, capital expenditures and other capital requirements through proceeds from the pre-sale and sale of properties, borrowings from commercial banks and other parties, capital contributions from shareholders and new share issuances. The Group's short-term liquidity requirements relate to servicing its debt and meeting its working capital requirements, and the Group's sources of short-term liquidity include cash balances, proceeds from pre-sales and sales of properties and new loans. The Group's long-term liquidity requirements relate to funding the development of its new property projects and repaying its long-term debt, and the Group's sources of long-term liquidity include loans, capital contributions from shareholders and share issuances.

The Group's cash and cash equivalents (including restricted cash) increased by 8.1% to RMB27,058.3 million as at 31 December 2015 from RMB25,041.4 million as at 31 December 2014. The non-restricted cash increased to RMB22,687.3 million as at 31 December 2015 from RMB20,657.3 million as at 31 December 2014.

The increase in non-restricted cash is principally attributable to:

(i) the net cash inflow of RMB15,942.0 million from operating activities benefited from the increase in the proceeds from pre-sale and sale of properties;

(ii) the net cash outflow of RMB12,531.9 million from investing activities, mainly due to increase in new projects in Shanghai, Chengdu, Xi'an, Jinan and Nanjing obtained by the Group, either through direct investment or through acquisition of equity interests of project companies;

(iii) the net cash outflow of RMB1,623.0 million from financing activities, primarily due to the net inflow of RMB5,603.4 million from borrowings and the payment of interest costs, net inflow of RMB45.5 million from the issuance of additional shares upon exercise of options, net outflow of RMB6,287.6 million from trading with non-controlling interests, net outflow of RMB646.4 million from distribution of dividends and net outflow of RMB337.9 million to restricted cash arising from guarantees for borrowings; and

(iv) increase in cash balance of RMB242.8 million due to the impact of fluctuation in exchange rates.

The Group believes that both the Group's current working capital is safe and sound, and the Group has sufficent financial resources business growth in the foreseeable future.

BORROWING AND COLLATERAL

The Group's total borrowings increased by RMB7,414.8 million from RMB34,383.8 million as at 31 December 2014 to RMB41,798.6 million as at 31 December 2015, among which the new issuance of corporate bonds during the year resulted in an increase of RMB5,967.0 million in the balance of borrowings, the change of consolidation scope of the Group resulted in a net increase of RMB2,074.3 million in the balance of borrowings, and exchange rate fluctuation resulted in an increase of RMB1,007.7 million in the balance of borrowings which were denominated in foreign currencies. Excluding the factors as mentioned above, the borrowings balance as at 31 December 2015 decreased by RMB1,634.2 million compared with that as at 31 December 2014.

As at 31 December 2015, an amount of RMB35,785.6 million among the Group's total borrowings (as at 31 December 2014: RMB34,337.8 million) was secured or jointly secured by the Group's properties under development and completed properties held for sale totalling RMB23,841.5 million (as at 31 December 2014: RMB32,182.7 million), and certain equity interests of the Group's subsidiaries (including those legally transferred as collateral).

NET DEBT TO TOTAL ASSETS RATIO, GEARING RATIO AND NET GEARING RATIO

Net debt to total assets ratio is calculated as net debt divided by total assets. Net debt is calculated as total borrowings (including current and long-term borrowings) less cash and cash equivalents (including restricted cash). As at 31 December 2015, the net debt to total assets ratio of the Group was 12.8%, as compared with 8.3% as at 31 December 2014.

Gearing ratio is calculated as net debt divided by total capital. Total capital is calculated as total equity plus net debt. As at 31 December 2015, the gearing ratio of the Group was 43.2%, as compared with 30.8% as at 31 December 2014.

Net gearing ratio is calculated as net debt divided by total equity. As at 31 December 2015, the net gearing ratio of the Group was 75.9%, as compared with 44.5% as at 31 December 2014.

The Group considers that the above financial ratios are still at a healthy, safe and manageable level and will continue to monitor and manage its financial structure and potential risks during its course of development.

INTEREST RATE RISK

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially unaffected by changes in market interest rates.

The Group's interest rate risk arises principally from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings at fixed rates expose the Group to fair value interest-rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the tables are the liabilities stated at carrying amounts by maturity date.

	As at 31 December 2015 *RMB' million*	As at 31 December 2014 *RMB' million*
Floating rates		
Less than 12 months	**5,751**	5,406
1 to 5 years	**12,182**	9,258
Sub-total	**17,933**	14,664
Fixed rates		
Less than 12 months	**8,833**	8,434
1 to 5 years	**15,033**	11,286
Sub-total	**23,866**	19,720
Total	**41,799**	34,384

As at 31 December 2015, the Group did not use any interest rate swaps to hedge its exposure to interest rate risk. The Group carries out monthly monitoring on its interest rate exposure by considering refinancing, renewal of existing positions and alternative financing.

FOREIGN EXCHANGE RISK

The Group conducts its business principally in RMB, since all of the operating entities are based in the PRC. As the Group has some bank deposits denominated in foreign currencies and senior notes and foreign syndicated loans denominated in US dollars or HK dollars, the Group faces foreign exchange risk. Affected by market exchange rate fluctuations, the Group recorded a net loss on foreign exchange of RMB800.1 million for the year ended 31 December 2015 (as at 31 December 2014: RMB8.3 million). However, the Group's operating cash flow and liquidity are not subject to significant effect from fluctuations in exchange rates. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates and subsequent to 31 December 2015, the Group had made certain currency hedging arrangements in response to the risk of fluctuation in foreign exchange rates.

CONTINGENT LIABILITIES

The Group provided guarantees to banks for mortgage facilities granted to certain purchasers of the Group's properties to secure the obligations of such purchasers for repayment of their mortgage loans. As at 31 December 2015, the amount was RMB4,879.8 million as compared with RMB5,090.8 million as at 31 December 2014. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which generally takes place within an average period of six months of the properties delivery date; or (ii) the satisfaction of the mortgage loans by the property purchasers. The Group's guarantee period starts from the dates of grant of the mortgage.

BUSINESS REVIEW AND OUTLOOK

Business Highlights

Summary of Principal Properties

As at 31 December 2015, the Group is engaging in a total of 92 property development projects. The following table sets forth certain details of the Group's projects based on actual data or estimates of the Group and associated project companies as of 31 December 2015.

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac West Chateau	Beijing	Mid-rise apartments, retail properties and car parks	190,665	447,803	334,892	June 2013	100.0%
Yaao Jinmao Residence	Beijing	High-rise apartments, retail properties and car parks	84,684	253,074	169,941	September 2014	49.0%
Wangjing Jinmao Palace	Beijing	High-rise apartments, retail properties and car parks	54,485	154,156	125,220	July 2017	49.0%
Fontainebleau Chateau	Beijing	High-rise apartments, townhouses, retail properties and car parks	131,629	403,441	340,987	January 2016	49.5%
Glory Chateau	Beijing	High-rise and mid-rise apartments, townhouses, detached villas and car parks	183,531	467,888	345,785	December 2017	51.0%
Beijing One Sino Park	Beijing	Mid-rise apartments and car parks	25,210	100,843	73,592	November 2016	51.0%
Chang'an Image	Beijing	High-rise apartments, serviced apartments, retail properties and car parks	101,831	490,251	370,478	October 2019	48.0%
Mentougou New Town	Beijing	Serviced apartments, retail properties and car parks	33,987	151,815	129,787	June 2017	70.0%
One Central	Beijing	High-rise apartments, offices and car parks	14,297	118,964	109,675	December 2016	40.0%
Fortune Center	Jinan	High-rise and mid-rise apartments, retail properties and car parks	138,351	516,279	506,236	June 2018	60.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sino-Singapore	Jinan	High-rise apartments, retail properties and car parks	258,586	772,946	770,648	June 2020	60.0%
Fortune Peak	Jinan	High-rise apartments, retail properties, offices, serviced apartments and car parks	106,913	484,696	482,490	January 2021	60.0%
Cambridge Mansion	Jinan	High-rise apartments, retail properties and car parks	33,421	148,681	136,118	December 2016	60.0%
B3 Project	Jinan	Retail properties, offices, serviced apartments and car parks	17,604	131,695	127,387	July 2021	60.0%
Sunac Magnetic Capital	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	460,840	1,247,860	1,188,902	December 2013	100.0%
Sunac Mind-Land International	Tianjin	High-rise apartments, detached villas, retail properties and car parks	497,501	813,704	751,224	December 2012	100.0%
Sunac Glorious Mansion	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	121,412	307,706	307,706	December 2013	100.0%
Sunac Central Academy	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	268,421	761,621	703,812	December 2016	100.0%
Sunac PL Du Pantheon	Tianjin	High-rise apartments, townhouses, retail properties and car parks	70,600	244,491	227,050	December 2014	100.0%
Horizon Capital	Tianjin	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	111,446	394,481	388,287	October 2018	49.0%
Tianjin Dream of Mansion	Tianjin	Mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	120,059	241,876	220,372	April 2018	50.0%
Sunac Binhai Center	Tianjin	Retail properties, offices, serviced apartments and car parks	17,161	209,687	202,501	December 2017	80.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Orchid Garden	Tianjin	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	15,742	86,649	84,841	June 2018	47.0%
R3 Project	Tianjin	Retail properties, offices and car parks	121,214	447,919	447,919	March 2022	47.0%
River and Sea	Tianjin	High-rise apartments, retail properties and car parks	59,660	286,860	282,764	July 2018	47.0%
Bay Island	Tianjin	High-rise and mid-rise apartments, townhouses, retail properties, offices, serviced apartments and car parks	248,119	602,656	567,668	September 2019	54.0%
Sunac Top Mansion of the Dongting	Tianjin	High-rise apartments, mid-rise apartments, retail properties and car parks	109,537	269,124	244,166	December 2015	100.0%
Tiantuo Project	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	370,698	1,323,601	1,299,005	December 2018	40.8%
Tiantuo North Project	Tianjin	High-rise apartments and retail properties	56,791	230,900	230,900	March 2018	40.8%
Tianjin Majestic Mansion	Tianjin	Mid-rise apartments and car parks	60,088	97,634	95,092	December 2016	40.8%
The National Village	Tianjin	High-rise and mid-rise apartments, retail properties, townhouses and car parks	321,417	867,989	866,875	December 2019	39.2%
Sunac City	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	261,350	667,171	622,749	October 2019	100.0%
Master Classic	Xi'an	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	18,634	256,095	251,731	June 2018	54.5%
Xi'an Dream of Mansion	Xi'an	High-rise and mid-rise apartments, retail properties and car parks	95,121	312,363	293,447	October 2018	28.6%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac Olympic Garden	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, offices, serviced apartments and car parks	1,713,641	2,576,975	2,018,944	December 2015	100.0%
Sunac Eton Manor	Chongqing	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	179,204	405,901	303,940	December 2014	100.0%
Sunac Guardian Manor	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	159,793	563,089	382,715	December 2015	100.0%
Versails	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties and car parks	382,783	1,371,242	971,538	December 2018	81.0%
Sunac Asia Pacific Enterprise Valley	Chongqing	High-rise apartments, serviced apartments, retail properties, offices and car parks	118,912	744,236	576,237	June 2014	100.0%
Sunac The European Garden for City - West	Chongqing	High-rise and mid-rise apartments, townhouses, serviced apartments, retail properties and car parks	499,325	1,292,900	944,553	December 2021	100.0%
Powpre Fontainebleau	Chongqing	Townhouses, retail properties and car parks	147,400	147,142	124,342	December 2017	90.0%
Hastin Avenue	Chongqing	High-rise apartments, retail properties and car parks	74,731	482,797	328,286	December 2018	51.0%
The European Garden for City - East	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, serviced apartments and car parks	834,509	2,119,885	1,527,128	December 2024	51.0%
Chongqing Rose Garden	Chongqing	Detached villas, retail properties and car parks	135,167	170,393	136,620	December 2018	90.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
EXPO City	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, serviced apartments, offices, retail properties and car parks	583,136	1,528,232	1,073,076	December 2019	51.0%
Camb Garden	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	138,735	472,258	318,674	December 2018	36.8%
Tegangchang Project	Chongqing	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	95,974	502,783	340,852	December 2020	50.1%
Sunac Sky Villa	Chengdu	High-rise apartments, retail properties and car parks	107,917	454,893	410,003	September 2015	100.0%
Sunac Sky Villa Condominiums	Chengdu	High-rise apartments, retail properties and car parks	30,331	123,210	116,879	September 2015	100.0%
Sunac Guanghua Center	Chengdu	High-rise apartments, retail properties, offices and car parks	76,066	366,892	343,183	May 2015	100.0%
Sunac Villa Royale	Chengdu	Townhouses, detached villas, retail properties and car parks	205,254	271,819	270,127	September 2018	100.0%
Sunac CC Land Plaza	Chengdu	High-rise apartments, retail properties, offices and car parks	16,833	112,590	103,086	December 2018	100.0%
Sunac Residence du Lac	Chengdu	High-rise apartments, retail properties and car parks	99,893	398,797	374,737	September 2018	100.0%
Sunac Tianfu Snugger	Chengdu	High-rise apartments, retail properties and car parks	99,609	814,951	753,955	December 2018	100.0%
Sunac Dayslangjindi	Chengdu	High-rise apartments, retail properties and car parks	11,851	87,032	79,763	November 2015	100.0%
Sunac Dianxin Road Project	Chengdu	High-rise apartments, retail properties and car parks	11,858	91,205	84,100	April 2019	100.0%
Sunac Magnolia Garden	Shanghai	High-rise and mid-rise apartments and car parks	58,163	126,092	116,738	June 2013	100.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Magnolia Garden-Glorious Garden	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	72,803	162,914	146,726	June 2015	49.0%
Magnolia Mansion	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	60,206	118,731	98,172	December 2015	50.0%
Sunac Shanghai Rose Garden	Shanghai	Detached villas	803,353	240,040	138,413	November 2014	100.0%
Francais Demeure	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	75,091	182,469	146,413	December 2015	49.0%
Sunac Shanghai One Sino Park	Shanghai	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	105,045	656,865	580,154	May 2019	100.0%
Sunac the Bund 188	Shanghai	Retail properties, serviced apartments and car parks	10,239	57,866	49,823	September 2016	100.0%
Sunac Central Garden	Shanghai	High-rise apartments, retail properties, serviced apartments, offices and car parks	211,626	608,428	529,016	May 2019	100.0%
Sunac Magnolia Mansion	Shanghai	High-rise apartments and car parks	66,170	178,903	151,491	June 2017	100.0%
Rose Mansion	Shanghai	High-rise apartments and car parks	45,710	126,100	81,980	December 2017	50.0%
Fortune Riverside	Shanghai	High-rise apartments, offices and car parks	36,988	159,107	146,894	December 2018	47.0%
Huafeng Project	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	626,200	1,115,947	1,010,100	December 2025	48.6%
Taohuayuan Project	Nanjing	Mid-rise apartments, townhouses, detached villas and car parks	212,900	111,900	70,796	September 2018	51.0%
Sunac G87 Project	Nanjing	Mid-rise apartments, retail properties and car parks	62,234	155,701	133,522	December 2017	100.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Sunac Magnolia Square	Changzhou	High-rise and mid-rise apartments, townhouses, retail properties and car parks	413,253	1,031,766	938,600	November 2019	97.0%
Fairy Land	Suzhou	Detached villas	213,852	263,930	126,730	December 2018	56.7%
Sunac Suzhou Majestic Mansion	Suzhou	Mid-rise apartments, detached villas	155,664	215,266	121,472	December 2013	100.0%
Sunac Suzhou Shishan Majestic Mansion	Suzhou	Mid-rise apartments and car parks	104,401	180,514	129,397	December 2016	100.0%
Sunac Wuxi Magnolia Garden	Wuxi	High-rise apartments, retail properties and car parks	180,826	564,911	543,538	December 2015	85.0%
Wuxi Magnolia Garden West	Wuxi	High-rise apartments, retail properties, offices and car parks	171,572	533,068	511,760	December 2018	39.0%
Sunac Royal Garden	Yixing	High-rise apartments, townhouses, detached villas, retail properties and car parks	268,945	465,986	405,259	May 2018	100.0%
Comphorwood Mansion	Wuxi	High-rise and mid-rise apartments, detached villas, retail properties and car parks	203,070	665,694	555,179	November 2019	51.0%
Sunac Swan Lake	Wuxi	High-rise and mid-rise apartments, detached villas, retail properties, serviced apartments and car parks	706,889	1,392,554	1,283,904	December 2016	100.0%
Sunac Dream of City	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	452,384	866,808	788,145	June 2014	100.0%
Sunac Melodious Manor	Hangzhou	Mid-rise apartments, townhouses and car parks	59,360	123,527	82,345	December 2014	100.0%
Above the West Lake	Hangzhou	High-rise apartments, retail properties, offices, serviced apartments and car parks	58,184	280,197	156,589	December 2017	49.0%

Project Summary as of 31 December 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Completion time/estimated completion time	Interest attributable to the Group
Wonderful Mansion	Hangzhou	High-rise apartments, retail properties and car parks	20,480	89,184	65,428	May 2015	50.0%
Sunac In Hangzhou	Hangzhou	Retail properties, offices, serviced apartments and car parks	10,418	154,055	108,374	October 2016	60.0%
Sunac Fuchun Chateau	Hangzhou	Mid-rise apartments, townhouses, retail properties and car parks	98,024	167,197	113,493	June 2017	100.0%
Riverside City I	Hangzhou	High-rise apartments, retail properties and car parks	62,760	220,617	170,071	June 2016	65.0%
Sunac Riverside City II	Hangzhou	High-rise apartments, retail properties and car parks	80,587	256,589	189,091	June 2016	100.0%
Marquis Mansion	Hangzhou	High-rise apartments, retail properties and car parks	32,220	126,765	92,687	June 2017	26.0%
Sunac The Times	Hangzhou	High-rise apartments, retail properties and car parks	61,871	182,592	182,592	October 2018	100.0%
Sunac Zhengwu District Project	Hefei	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	56,747	187,149	187,149	October 2018	100.0%
One Park	Wuhan	High-rise apartments, retail properties, serviced apartments, offices and car parks	251,766	1,175,007	1,155,589	July 2021	46.0%
Riyuewan Project	Hainan	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	364,319	558,517	541,791	December 2021	50.0%
		Total	**16,978,246**	**43,115,096**	**36,732,403**		

Review of 2015

In 2015, the growth in the economy of China continued its downtrend with increasing downside pressure. The economy experienced the pains arising from transformation and upgrading on entering a critical period. During the year, the central government continued to ramp up reforms, eliminated outmoded production capacity and actively cultivated new drives for economic growth. Meanwhile, by stepping up the implementation of monetary policies including cuts in interest rates and reserve requirement ratio to increase the supply of capital in the market to lower the financing costs of the real economy and boost investment and consumption. The effect of the real estate industry in stimulating the economy also received heightened attention from the government, and the government clearly expressed its support for de-stocking and sound development of the real estate industry, and quickly adjusted its past policy of imposing restraints to the policy of offering full support to the industry in most of the cities. Under this backdrop, various changes occurred in the real estate market at the end of 2015: tier 1 cities enjoying a balanced supply and demand or even a shortage of supply took the lead to rebound; and the transaction volume of most tier 2 cities with a balanced supply and demand continued to rise, with significant appreciation in the price of properties. Of course, supply and demand remained the decisive factor for market trends, and the market of most of the tier 3 and tier 4 cities with oversupply was still relatively weak.

The Company has always upheld its regional-based development strategy, and the cities in which it has a presence are core tier 1 and tier 2 cities with a balanced supply and demand, the overall operating results of the Company remained stable in 2015. In 2015, profit attributable to owners of the Company reached RMB3,297.8 million, a year-on-year increase of 2.4%; contracted sales reached RMB68,210 million, a year-on-year increase of 3.6%; interest-based sales reached RMB43,537 million, a year-on-year increase of 10.3%. With results sustaining a stable growth, the financial position of the Company continued to remain sound. As at 31 December 2015, the carrying amount of cash of the Company reached RMB27,058.3 million and net gearing ratio was 75.9%, remaining at a sound level. In addition, the Company grasped the opportunity of opening up of domestic corporate bonds in a timely manner and proactively built and developed domestic financing platforms, and successfully issued RMB6 billion corporate bonds at low costs, most of which were used for replacing previous financing with high costs, and effectively lowering the overall debt cost and enhancing the debt structure of the Company.

Regarding the land market, the return of many peer companies to tier 1 cities and a few core tier 2 cities resulted in heated competition in the land market of these regions and cities, and prices that escalated too rapidly. The Company has always maintained a prudent attitude, and decided to give up some over-priced land lots;

while proactively made judgements to get hold of market opportunities to avoid the over-heated open market of tier 1 cities by replenishing quality land lots through acquisition and merger on the one hand, and proactively acquiring reasonably priced land lots in existing tier 2 cities. In 2015, the Company made relatively good breakthroughs in its regional layout, seizing opportunities to establish its presence in cities including Jinan, Nanjing, Chengdu, Xi'an and Wuhan, cities which the Company has been paying attention to and holds a long-term positive view in their prospects. Expanding into these cities has further enhanced the regional layout of the Company, which will lend strong support to the sustainable and stable development of the Company in future. In 2015, the Company acquired 27 land lots, increasing its land bank by 10.15 million sq.m., with all projects located in core tier 1 and tier 2 cities. As at 31 December 2015, the Company had land bank of approximately 27.2 million sq.m., attributable land bank of approximately 18.05 million sq.m. The breakdown of land bank by city is as follows:

Region	**Total Land Bank (sq.m.)**	**Proportion**	**Attributable Land Bank (sq.m.)**	**Proportion**
Beijing Region (including Jinan)	3,622,383	14%	2,031,545	11%
Tianjin Region (including Xi'an)	5,862,095	22%	3,342,570	19%
Shanghai Region (including Suzhou, Nanjing, Wuxi, Yixing, Changzhou)	5,285,883	19%	4,198,194	23%
Chongqing and Chengdu Region (including Chongqing, Chengdu)	9,234,707	34%	6,513,580	36%
Hangzhou Region (including Hefei)	1,461,326	5%	1,146,555	6%
Hainan	558,517	2%	279,258	2%
Wuhan	1,175,007	4%	540,503	3%
Total	27,199,918	100%	18,052,205	100%

Outlook for 2016

In 2016, it is expected that the economy of China will still face greater pressure, both internally and externally. The Company expects that the central government will continue to render support to the economy to maintain its stability through proactive economic reforms, prudent fiscal policies and more accommodating monetary policies. While the possibility of a substantial slide in the economy is slim, a continued slackening in growth is highly probable, and the short-term pains arising from economic transformation and upgrading will continue to linger for a while in the short run. For the real estate industry, the Company considers that for a long period of time in the future, although to a certain extent some regulation may be imposed on individual cities that are overheated, the major tendency of the policy will still be supporting de-stocking and sound development of the industry in general. Further, with an accommodating monetary environment in place, tier 1 and tier 2 cities with a balanced supply and demand will maintain a decent momentum for development. Meanwhile, as the Company always believes, the market will continue with its differentiation, and the market of individual tier 2 cities that have an imbalanced supply and demand but cannot attract population inflow, as well as that of most tier 3 and tier 4 cities, will continue be under greater pressure.

In 2016, the Company expects that approximately 20 brand new projects will be launched for sale, with an expected value of over RMB35 billion, and adding the property inventories that have not yet been launched for sale by the end of 2015 as well as the property inventories to be newly launched from previous projects, the property inventories available for sale in 2016 will worth over RMB130 billion. These properties are all located in approximately 20 core tier 2 cities with a sound market, and such premium inventories available for sale will offer assurance for the Company to achieve a more rapid growth in its sales in 2016.

In 2016, the Company will continue to adhere to focus on its regional development strategy to consolidate the edge of its existing layout: on the one hand, continuing to consolidate the leading position and competitive edge of the Company in Beijing, Tianjin, Shanghai, Chongqing and Hangzhou and advantage; and on the other hand, identifying more development opportunities in newly tapped Guangzhou and Shenzhen regions as well as cities including Nanjing, Jinan and Wuhan. The Company will remain prudent when investing in new projects, and on the premise of definitely securing sufficient cash flow, the Company will also keep a close watch on the open market and make full play of our edge in the merger and acquisition market, so as to acquire a quality land bank at a reasonable price in a sustainable and flexible manner.

In 2016, the Company will also continue to uphold its high-end and elegant strategy, on the one hand, consolidating its existing product production and quality control systems and further improving accessory systems in the industrial parks; and on the other hand, expediting the implementation of the high-end lifestyle value system "Living a Perfect Lifestyle" featuring whole product cycle and whole life cycle, so as to strive to be comprehensive and systematic in shaping its edge in products and services for continuous enhancement of the Group's brand value.

In 2016, the Company will continue to adhere to its mode of operation featuring high turnover, and better its management of cash flow and gearing ratio to achieve the steady development of the Company on the premise of definitely securing sufficient cash flow. Meanwhile, the Company will also continue to take full advantage of the opportunities in the domestic capital market, and develop and enhance domestic financing platforms to further lower the financing cost and enhance the debt structure of the Company.

FINAL DIVIDENDS

At the meeting of the Board on 28 March 2016, the Board proposed to declare a final dividend of RMB0.194 per share, approximately RMB660 million in aggregate, for the year ended 31 December 2015. Subject to shareholders' approval in the forthcoming annual general meeting of the Company to be held on 19 May 2016 (the "AGM"), the proposed final dividends are expected to be paid on or about 3 August 2016 to shareholders whose names appear on register of members of the Company as at 27 May 2016. The proposed final dividend will be paid in Hong Kong dollars, such amount to be calculated by reference to the middle rate published by the People's Bank of China for the conversion of Renminbi to Hong Kong dollars as at 19 May 2016.

ANNUAL GENERAL MEETING

The AGM will be held on Thursday, 19 May 2016 and the notice of AGM will be published and dispatched in the manner as requited by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16 May 2016 to Thursday, 19 May 2016 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 13 May 2016.

For the purpose of determining the shareholders' entitlement to the final dividend, the register of members of the Company will also be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016 (both days inclusive), during which period no transfer of shares will be registered. To ensure the entitlement to the final dividend, which will be resolved and voted on at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday 24 May 2016.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules as the guidelines for the directors' dealings in the securities of the Company. Following specific enquiries of all Directors, each of them confirmed that they have complied with the required standards as set out in the Model Code during the year ended 31 December 2015 in relation to their securities dealings, if any.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its own code on corporate governance and has, throughout the year ended 31 December 2015, complied with all applicable code provisions under the Corporate Governance Code, save and except for the only deviations from code provisions A.2.1 and E.1.2.

Code provision A.2.1 provided that, the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2015 to 7 September 2015, the roles of the chairman and chief executive officer of the Company were performed by Mr. Sun Hongbin. Although Mr. Sun Hongbin assumed both the roles of chairman and chief executive officer, the divisions of responsibilities between the two roles were at all times clearly defined. The role of the chairman is to monitor the duties and performance of the Board, whereas the role of chief executive officer is to manage the Group's business. As such, the Board was of the view that vesting the roles of both chairman and chief executive officer in the same person at that time provided the Company with strong and consistent leadership and allowed for effective and efficient planning and implementation of business decisions and strategies. In order to enhance the level of corporate governance, Mr. Sun Hongbin ceased to be the chief executive officer of the Company and Mr. Wang

Mengde, an executive Director, has been appointed as the chief executive officer of the Company with effect from 7 September 2015. Subsequent to the resignation of Mr. Sun Hongbin and appointment of Mr. Wang Mengde as chief executive officer of the Company, the Company has complied with code provision A.2.1 of the Corporate Governance Code.

Code provision E.1.2 provided that, the chairman of the Board should attend the annual general meeting and be available to answer questions at the meeting. Mr. Sun Hongbin (chairman of the Board) was unable to attend the Company's annual general meeting held on 19 May 2015 as he had to attend certain business matters in the PRC on the same day. Accordingly, the Company was unable to fully comply with code provision E.1.2 of the Corporate Governance Code.

The Board recognises and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on Listing Rules and other regulatory requirements. The Company has an established internal reporting practice throughout the Group in monitoring the operation and business development of the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3 of the Corporate Governance Code. The Audit Committee consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai, and is chaired by Mr. Poon Chiu Kwok who has possessed appropriate accounting and related financial management expertise. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company and to perform other duties and responsibilities as assigned by the Board.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the Group's audited annual results for the year ended 31 December 2015 and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure. The financial information set out in this announcement has been reviewed by the Audit Committee, approved by the Board and agreed by the Group's auditor, PricewaterhouseCoopers.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of HKEx news (www.hkexnews.hk) as well as the website of the Company (www.sunac.com.cn). The Company's 2015 annual report will be dispatched to shareholders along with the AGM circular, the notice of AGM and proxy form and such documents will be published on the aforementioned websites in due course.

By the order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 28 March 2016

As at the date of this announcement, the executive Directors are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. LI Shaozhong, Mr. CHI Xun, Mr. SHANG Yu and Mr. JING Hong; the non-executive Director is Mr. ZHU Jia, and the independent non-executive Directors are Mr. POON Chiu Kwok, Mr. LI Qin, Mr. MA Lishan and Mr. TSE Chi Wai.