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建業地產股份有限公司 *

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2015 amounted to approximately RMB12,563 million, representing an increase of approximately 36.1% compared with the year 2014.
- Gross profit margin for the year was 22.2%.
- Profit attributable to equity shareholders of the Company for the year amounted to approximately RMB801 million, representing a decrease of approximately 9.3% compared with the year 2014.
- Net profit margin for the year was 6.4%, as compared with 10.4% for the year 2014.
- Basic earnings per share for the year was RMB32.84 cents, a decrease of approximately 9.5% compared with the year 2014.
- The Board recommends a final dividend of HK11.61 cents (equivalent to approximately RMB9.84 cents) per share.

* *For identification purposes only*

CHAIRMAN'S STATEMENT

Dear shareholders,

I have the pleasure to present, on behalf of the board (the "Board") of directors (the "Directors" and each a "Director") of the Company, the annual consolidated results (the "Annual Results") of Central China Real Estate Limited (the "Company" or "CCRE", together with its subsidiaries, the "Group") for the year ended 31 December 2015.

During the reporting period, growth in global economy slowed down and economic recovery stumbled. In China, downward pressure on the domestic economy continued to mount, slowing down the growth in economy. Nevertheless, following implementation of the three major national strategic plans, namely Zhengzhou Aviation Port Economic Integration Trial Zone, central China economic zone and food production core zone, and successful new urbanisation, the economy of Henan province, where we have most of our business, developed stably and trended positively with annual gross domestic product of approximately RMB3.7 trillion recorded, representing a year-on-year growth of 8.3% and 1.4 percentage point higher than the national average.

Under the backdrop of real estate inventory clearance and steady development of property market in China in 2015, relatively relaxed policy on property market has released demand for home purchase, keeping property prices inflated to a greater degree in tier 1 cities. However, property price has lost rising momentum in tier 2 and tier 3 cities due to excessive inventory, resulting in an increase in quantity but a decrease in price. Given further clearance of inventory, the decrease in prices has been narrowing down and the trend shall change to steady. Sales of commodity housing in nationwide property market amounted to approximately RMB8.73 trillion, representing a year-on-year increase of 14.4%. With accelerating urbanisation in Henan province, sales of commodity housing in Henan province amounted to approximately RMB394.6 billion in 2015, representing a growth of 14.7% which was 0.3 percentage point higher than the national average.

By leveraging the changes in market environment, the Company recorded contracted area sold of 2,731,000 sq.m. in 2015, representing a year-on-year increase of 25%, and contracted sales of approximately RMB15.7 billion by implementing active sale strategies. In addition, our comprehensive strength has been further enhancing, as evidenced by being listed in the Fortune China's 500 list of the Chinese largest corporations for the first time in 2015, and became the only property developer in Henan province on the list. The Company ranked 26th in the "2015 Top 500 Chinese Property Developers" and topped the list of "Top 10 Chinese Property Developers in Regional Operations" for another year, being the only central China-based property developer among the top 30.

During the reporting period, the Company sought to develop various aspects, including the diversification of financing channels, the progress achievement in commercialisation, the launch of light-asset model projects, the completion of Pullman Kaifeng Jianye and the announcement of the New Blue Ocean Strategy, further strengthening and enhancing our capability of operation and management.

The Company continued to be recognised by the capital market for its steady and healthy operational strategy. In April 2015, the issuance of senior notes in an aggregate principal of US$300 million overseas was highly accepted by investors with over-subscription of over 14 times. In July 2015, the Group entered into a strategic cooperation agreement with Zhongyuan Bank in relation to an establishment of the first real estate merger and acquisition funds in Henan province with a size of up to RMB10 billion. In October 2015, the Group entered into a strategic cooperation agreement with Ping An Bank for introducing a new engine for our strategic transformation. Through the support from capital platform both domestic and abroad as well as significant growth in our operational capability, the Company was able to systematically build up its land bank in crucially strategic regions at relatively low costs with approximately 2,650,000 sq.m. of additional land reserves throughout the year.

During the reporting period, the Company, based on the New Blue Ocean Strategy, successfully launched its light-assets expansion model delivering our brand, management and capital, with an aim to maximise our brand value and management advantages and thus provide the Group a new growth driver. Our property commercialisation achieved substantial progress that construction of manufacturing plant for movable pre-fabricated components has commenced jointly with major construction companies. At the end of 2015, our two pilot projects for commercialisation have made progress orderly. In October 2015, the Company announced the grand opening of Pullman Kaifeng Jianye, the first international high-end hotel in Kaifeng, constructed jointly with Accor Group. Pullman Kaifeng Jianye, the fifth international star hotel of the Company, has become the cultural landmark harmoniously blending ancient and modern in such millennium ancient city after years of our painstaking efforts.

In the midst of the Internet age, new business models has been presenting challenges and development to the commercial world. During the reporting period, the Company, after careful assessment of the market trend, held a press conference officially announcing “Development and Growth Hand in Hand — New Blue Ocean Strategy of Jianye Group” and the “Jianye + Strategy” in order to build a commercial ecology of the “Great Jianye”. With the aim to complete E-strategic transformation and upgrade of our properties, and thus achieve a regeneration of our service regime, the Company puts effort in developing the Great Jianye includes innovation of added-value model for customers, strategic partnerships with soonchina.cn, building of the O2O platform for Jianye community, and “E+Family” community services station, serving as vital links to all of the above. The provision of the new services progressively bore fruitful outcomes that our brand effect has been expanding, and that it interpreted a new way of living of “healthiness, honour, sharing and happiness” as promoted by our Company. Transformation is essential in development of property industry as well as the vision of the Company, though property development is always our principal business.

As the Company has been expanding its business into hotel, culture tourism and ecological agriculture segments for years, we are confident that the Company is well positioned to undergo the transformation. The Company believes its brand reputation will be further enhanced by maximizing value of its service resources and fully optimising its synergy, as a result, a concrete foundation will be laid for our long term development in addition to a progressive increase in revenue from the new projects. We will further make self-improvement for our new vision and our new mission, taking advantages of the present with a focus on the full scenario for our long term sustainability.

2016 is the first year of the 13th Five-year Plan of China, the first year of the decisive period China enters to build comprehensive wealthy and healthy society and the challenging year of the Company for its transformation and development. Having taken root in Henan province for 24 years, the Company possesses two major unrivalled advantages to support its long-term development, namely the wide customer base built up for 24 years, and its brand reputation representing "honesty, responsibility, integrity and focus". As such, the Company will launch the "Jianye Junlin Club" for provision of membership-based customer services and "Jianye Tongbao", a payment platform for our customers to settle our services provided in 2016. The Company seeks to adopt reforms of traditional ways of marketing and financing through services upgrade in three years. Such move will catch the attention of the industry and the Company will be the first property developer to achieve a transformation of development model.

As you sow, so shall you reap. As a company accustomed to taking a long-term perspective in formulating development strategies, we will continue to restrain short-sighted actions for long-lasting foundation, and operate the Company in a concrete and effective way for future development. Our people shall enhance our qualities of vigilance, diligence, persistence and excellence. As such, corporate strategies can be implemented in an extensive as well as intensive manner; CCRE could be steadfast at the age of thirty; our talents can deliver our objectives that we long for, which is creating wealth and earning respect.

APPRECIATION

I would like to take this opportunity to express sincere gratitude to all people for their diligent work and contribution in achieving the goals of the Company. In this era of change, the trust and recognition of shareholders remain the driving force for us to go forward. Law of discipline is the truth, and we shall follow the truth to act with no fear of adventure. In search of the keys to survival and growth over the past 24 years from 1992 to 2016, the Company, as a seeker and a cultivator, has been cultivating and harvesting for making progress on a concrete foundation. In the course of business, we are fully aware that satisfying customers demand is always the right direction to run our business. We will reward our shareholders with healthy performance and higher profitability for their trust and expectation by taking good care of our customers through exploration and innovation.

Wu Po Sum
Chairman
31 March 2016

ANNUAL RESULTS

The Board announces the consolidated results (the "Annual Results") of the Group for the year ended 31 December 2015 with comparative figures for the preceding financial year, as follows:

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2015
(Expressed in Renminbi)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Revenue	*3*	**12,562,724**	9,228,763
Cost of sales		**(9,774,701)**	(6,131,300)
Gross profit		**2,788,023**	3,097,463
Other revenue	*4*	**195,884**	150,822
Other net income	*4*	**182,735**	44,906
Selling and marketing expenses		**(560,248)**	(471,461)
General and administrative expenses		**(721,195)**	(639,402)
Other operating income		**48,143**	109,827
		1,933,342	2,292,155
Share of losses of associates		**(1,723)**	(184)
Share of profits less losses of joint ventures		**268,767**	144,717
Finance costs	*5(a)*	**(434,054)**	(491,352)
Profit before change in fair value of investment properties and income tax		**1,766,332**	1,945,336
Net (decrease)/increase in fair value of investment properties		**(25,033)**	11,500
Profit before taxation	*5*	**1,741,299**	1,956,836
Income tax	*6*	**(937,264)**	(999,244)
Profit for the year		**804,035**	957,592
Attributable to:			
Equity shareholders of the Company		**801,290**	883,301
Non-controlling interests		**2,745**	74,291
Profit for the year		**804,035**	957,592
Earnings per share	*7*		
— Basic (RMB cents)		**32.84**	36.27
— Diluted (RMB cents)		**32.84**	36.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015
(Expressed in Renminbi)

	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**804,035**	957,592
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of financial statements of overseas subsidiaries	**(76,831)**	(5,843)
— Cash flow hedge:		
— Effective portion of changes in fair value	**(114,056)**	(105,645)
— Transfer from equity to profit or loss	**102,938**	83,923
Other comprehensive income for the year	**(87,949)**	(27,565)
Total comprehensive income for the year	**716,086**	930,027
Attributable to:		
Equity shareholders of the Company	**713,717**	855,833
Non-controlling interests	**2,369**	74,194
Total comprehensive income for the year	**716,086**	930,027

There is no tax effect relating to the above component of the other comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2015
(Expressed in Renminbi)

	Note	**2015** **RMB'000**	2014 RMB'000
Non-current assets			
Property, plant and equipment		**2,902,180**	2,685,326
Investment properties		**442,870**	377,000
Intangible asset		**146,250**	–
Interests in associates		**25,328**	45,074
Interests in joint ventures	*9*	**6,532,270**	4,043,612
Other financial assets		**109,080**	110,080
Deferred tax assets		**128,558**	150,717
		10,286,536	7,411,809
Current assets			
Trading securities		**76,932**	67,039
Properties for sale	*10*	**15,371,656**	17,665,928
Trade and other receivables	*11*	**1,111,176**	1,021,275
Deposits and prepayments	*12*	**3,658,339**	4,520,545
Tax recoverable		**519,294**	171,583
Restricted bank deposits		**1,311,721**	1,473,408
Cash and cash equivalents		**7,422,350**	5,018,511
		29,471,468	29,938,289
Current liabilities			
Bank loans	*13*	**(1,045,045)**	(1,129,562)
Other loans	*14*	**(725,000)**	(280,000)
Payables and accruals	*15*	**(14,750,237)**	(15,899,045)
Receipts in advance		**(5,602,346)**	(3,277,222)
Senior notes		**(771,354)**	–
Taxation payable		**(1,321,570)**	(1,487,462)
		(24,215,552)	(22,073,291)
Net current assets		**5,255,916**	7,864,998
Total assets less current liabilities		**15,542,452**	15,276,807

	Note	2015 RMB'000	2014 RMB'000
Non-current liabilities			
Bank loans	*13*	**(1,136,733)**	(1,888,723)
Other loans	*14*	**(397,700)**	(890,000)
Patent payable		**(105,000)**	–
Senior notes		**(6,515,531)**	(5,368,712)
Deferred tax liabilities		**(69,969)**	(62,456)
		(8,224,933)	(8,209,891)
NET ASSETS		**7,317,519**	7,066,916
CAPITAL AND RESERVES			
Share capital		**216,322**	215,770
Reserves		**6,582,338**	6,227,392
Total equity attributable to equity shareholders of the Company		**6,798,660**	6,443,162
Non-controlling interests		**518,859**	623,754
TOTAL EQUITY		**7,317,519**	7,066,916

NOTES:

(Expressed in Renminbi)

1 GENERAL

Central China Real Estate Limited ("the Company") is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Room 7701B-7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in property development in Henan Province in the People's Republic of China ("the PRC").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies used in the preparation of the financial statements are consistent with those used in the 2014 annual financial statements except for intangible asset and changes in accounting policies set out as below:

(b) Intangible asset

Intangible asset that is acquired by the Group is stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible asset with finite useful live is charged to profit or loss on a straight-line basis over the asset's estimated useful live. The following intangible asset with finite useful live is amortised from the date they are available for use and its estimated useful live is as follows:

— Patent 10 years

Both the period and method of amortisation are reviewed annually.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

— *Annual Improvements to HKFRSs 2010–2012 Cycle*

— *Annual Improvements to HKFRSs 2011–2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Annual Improvements to HKFRSs 2010–2012 Cycle and 2011–2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, *Related party disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3 REVENUE

The principal activities of the Group are property development, property leasing and hotel operations.

Revenue represents income from sales of properties, rental income and revenue from hotel operations. The amount of each significant category of revenue recognised in revenue during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Income from sales of properties	**12,286,693**	8,995,731
Rental income	**101,274**	99,983
Revenue from hotel operations	**174,757**	133,049
	12,562,724	9,228,763

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

4 OTHER REVENUE AND OTHER NET INCOME

	2015	2014
	RMB'000	*RMB'000*
Other revenue		
Interest income	**188,940**	145,979
Dividend income from equity securities	**5,444**	3,343
Government grants	**1,500**	1,500
	195,884	150,822
Other net income		
Net (loss)/gain on disposals of property, plant and equipment	**(94)**	521
Net (loss)/gain on disposals of subsidiaries	**(116,422)**	8,686
Net gain on deemed disposals of subsidiaries *(note 9(b))*	**39,373**	–
Net fair value gain upon acquisition of subsidiaries *(notes 4(a) and 9(a))*	**369,896**	120,516
Net exchange loss	**(102,694)**	(27,407)
Unrealised and realised gain/(loss) on trading securities	**15,946**	(32,625)
Write down of properties for sale	**(19,849)**	(19,083)
Gain on disposal of an associate	**1,567**	–
Others	**(4,988)**	(5,702)
	182,735	44,906

Note:

(a) On 11 August 2015, the Group entered into equity transfer agreements with a joint venture partner, to acquire its entire equity interests in two entities, of which the Group owned 60% and 51.15% of these entities before acquisition respectively. Upon the completion, these two entities became wholly-owned subsidiaries of the Group. The net fair value gain of RMB369,896,000 upon acquisition of these entities is recognised during the year. Details are set out in note 9(a).

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2015	2014
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans	**210,359**	190,943
Interest on other loans	**154,405**	166,986
Interest on convertible bonds	**–**	73,911
Interest on senior notes	**534,755**	398,283
Other ancillary borrowing costs	**9,795**	2,083
	909,314	829,206
Less: Borrowing costs capitalised*	**(482,575)**	(346,300)
	426,739	482,906
Net change in fair value of derivatives embedded in senior notes	**7,315**	8,446
	434,054	491,352

* Borrowing costs have been capitalised at a rate of 5.54%–11.36% per annum (2014: 4.42%–11.36% per annum).

	2015	2014
	RMB'000	*RMB'000*
(b) Staff costs		
Salaries, wages and other benefits	**324,578**	246,779
Including:		
— Retirement scheme contributions	**29,078**	23,347
— Equity settled share-based payment expenses	**2,295**	5,533

	2015	2014
	RMB'000	*RMB'000*
(c) Other items		
Depreciation and amortisation	**160,464**	148,182
Auditors' remuneration	**5,150**	5,028
Cost of properties sold	**9,639,092**	6,078,916
Sponsorship fee to a football club	**123,560**	41,400
Operating lease charges in respect of properties	**30,423**	24,201
Rental income from investment properties less direct outgoings of RMB2,254,000 (2014: RMB2,416,000)	**(11,946)**	(10,932)
Rental income from properties for sale less direct outgoings of RMB13,822,000 (2014: RMB15,683,000)	**(73,252)**	(70,952)

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2015 *RMB'000*	2014 *RMB'000*
Current tax		
PRC Corporate Income Tax	**513,261**	505,014
PRC Land Appreciation Tax		
— Provision for the year	**438,777**	445,504
— Over-provision in prior years	**(143,604)**	–
Withholding tax	**29,641**	49,823
	838,075	1,000,341
Deferred tax		
Revaluation of properties	**(6,591)**	2,709
PRC Land Appreciation Tax	**22,159**	(3,806)
Others — net fair value gain upon acquisition of subsidiaries	**83,621**	–
	99,189	(1,097)
	937,264	999,244

(i) Pursuant to the rule and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(ii) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.

(iii) PRC Corporate Income Tax ("CIT")

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the PRC subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Certain PRC subsidiaries were subject to CIT calculated based on the deemed profit which represents 10% to 15% (2014: 10% to 15%) of their revenue in accordance with the authorised taxation method pursuant to the applicable PRC tax regulations. The tax rate was 25% (2014: 25%) on the deemed profit. Other PRC subsidiaries, which were subject to the actual taxation method, were charged CIT at a rate of 25% (2014: 25%) on the estimated assessable profits for the year.

(iv) Land Appreciation Tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值税暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值税暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items. Certain PRC subsidiaries were subject to LAT which is calculated based on 1.5% to 4.5% (2014: 1.5% to 4.5%) of their revenue under the authorised taxation method.

(v) Withholding tax

Withholding taxes are levied on the Company's subsidiaries in Hong Kong ("Hong Kong subsidiaries") in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by Hong Kong subsidiaries from PRC subsidiaries ranged from 5% to 12%.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB801,290,000 (2014: RMB883,301,000) and the weighted average of 2,439,624,133 ordinary shares (2014: 2,435,344,660 ordinary shares) in issued during the year, calculated as follows:

	2015	2014
	'000	*'000*
Issued ordinary shares 1 January	**2,435,345**	2,435,345
Effect of exercised share options	**4,279**	–
Weighted average number of ordinary shares	**2,439,624**	2,435,345

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholder of the Company of RMB801,290,000 (2014: RMB883,301,000) and the weighted average number of ordinary shares of 2,439,642,049 shares (2014: 2,436,008,844 shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2015	2014
	RMB'000	*RMB'000*
Profit attributable to equity shareholders (diluted)	**801,290**	883,301

(ii) Weighted average number of ordinary shares (diluted)

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares at 31 December	**2,439,624**	2,435,345
Effect of exercise of share options	**18**	664
Weighted average number of ordinary shares (diluted) at 31 December	**2,439,642**	2,436,009

8 SEGMENT REPORTING

(a) Services from which reportable segments derive their revenue

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, Operating segments.

(b) Revenue from major services

The Group's revenue from its major services is set out in note 3.

(c) Geographical information

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in Henan province in the PRC.

9 INTERESTS IN JOINT VENTURES

	2015	2014
	RMB'000	*RMB'000*
Share of net assets	**3,579,431**	2,634,529
Amounts due from joint ventures	**2,952,839**	1,400,083
	6,532,270	4,043,612

Amounts due from joint ventures, except for an amount of RMB165,000,000 (2014: RMB234,000,000) which is interest bearing at 11.5% (2014: 11.5%) per annum, are unsecured, interest-free and have no fixed terms of repayment, and are expected to be recovered more than one year.

As at 31 December 2015, the Group's 10% equity interest in a joint venture with carrying amount of RMB37,742,000 (2014: RMBNil) was pledged as security of the Group's other loan of RMB7,700,000 (2014: RMBNil) (note 14) and that joint venture's other loan of RMB492,300,000 (2014: RMBNil).

Notes:

(a) On 11 August 2015, the Group entered into two equity transfer agreements with Bridge Trust Company Limited to acquire 40% equity interest in Zhengzhou Central China Tianming Property Company Limited ("CCRE Tianming") and 48.85% equity interest in Henan Coal Chemical Central China Real Estate Development Investment Company Limited ("CCRE Coal Chemical") at the considerations of RMB770,667,000 and RMB712,942,000 respectively.

Upon completion of the above transactions, CCRE Tianming and CCRE Coal Chemical became wholly-owned subsidiaries of the Group, and a net fair value of RMB369,896,000 is recognised in profit or loss during the year (note 4(a)).

On 28 December 2015, the Group further disposed 33.33% equity interest in CCRE Tianming at the consideration of RMB500,000,000. Upon completion of the transaction, CCRE Tianming is regarded as a joint venture as neither the investor nor the Group has controlling power over the board of directors pursuant to articles of association.

(b) During the year, the capital of Bridge Trust-CCRE Group Real Estate Trust Investment Fund V ("Bridge-CCRE Trust V"), Zhongyuan Trust Company Limited ("Zhongyuan Trust") and Orient Minerva Asset Management Company Limited ("Orient Minerva") invested in Henan Central China Hengxin Property Company Limited ("CCRE Hengxin"), Central China Zhiye Union Company Limited ("CCRE Union Zhiye") and Universal Food City Development (Henan) Company Limited ("CCRE Universal") respectively, which were previously wholly-owned subsidiaries of the Group. After the investment by Bridge-CCRE Trust V, Zhongyuan Trust and Orient Minerva, CCRE Hengxin, CCRE Union Zhiye and CCRE Universal are regarded as joint ventures as neither Bridge-CCRE Trust V, Zhongyuan Trust and Orient Minerva nor the Group has controlling power over the board of directors pursuant to the articles of association.

The net gain on deemed disposals of CCRE Hengxin, CCRE Union Zhiye and CCRE Universal of RMB39,373,000 was recognised in profit or loss during the year (note 4).

10 PROPERTIES FOR SALE

	2015	2014
	RMB'000	*RMB'000*
Properties held for future development and under development for sale	**10,421,304**	12,214,200
Completed properties held for sale	**4,950,352**	5,451,728
	15,371,656	17,665,928

At 31 December 2015, properties for sale of RMB15,371,656,000 (2014: Properties held for future development and under development for sale of RMB12,214,200,000) are net of a provision of RMB65,791,000 (2014: RMB56,671,000) in order to state these properties at the lower of their cost and estimate net realisable value.

(a) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2015	2014
	RMB'000	*RMB'000*
In the PRC		
— long leases	**5,685,680**	5,977,368
— medium-term leases	**1,817,624**	2,723,957
	7,503,304	8,701,325

(b) The amount of properties for sale expected to be recovered after more than one year is analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Properties held for future development and under development for sale	**6,428,100**	7,630,470

(c) Certain of the Group's properties for sale was pledged as securities for the Group's bank and other loans. Details are set out in notes 13 and 14 respectively.

At 31 December 2015, the Group's properties for sale of RMB982,472,000 (2014: RMB511,000,000) was pledged as securities for joint ventures' bank loans and other loan (2014: other loan).

(d) The Group temporarily leased out certain completed properties held for sale under operating leases. The lease runs for an initial period of one to twenty years. The Group's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**88,591**	51,290
After 1 year to 5 years	**243,040**	113,538
After 5 years	**486,067**	113,061
	817,698	277,889

The directors confirm that the Group intends to sell the properties together with the respective leases.

11 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Bills receivables *(note (a))*	**2,700**	4,857
Trade receivables *(note (a))*	**44,672**	47,942
Other receivables	**438,049**	153,536
Amounts due from related companies *(note (b))*	**364,376**	476,921
Amounts due from non-controlling interests *(note (c))*	**236,789**	255,179
Amount due from a former joint venture	**–**	10,200
Amount due from a joint venture partner	**–**	51,000
Gross amount due from customers for contract work	**14,085**	14,085
Derivative financial instruments	**10,505**	7,555
	1,111,176	1,021,275

Notes:

(a) The ageing analysis of bills and trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and all of which are neither individually nor collectively considered to be impaired, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Current	**36,313**	41,324
1 to less than 3 months overdue	**141**	3,564
3 to less than 6 months overdue	**3,331**	1,033
6 months to less than 1 year overdue	**686**	–
More than 1 year overdue	**6,901**	6,878
	47,372	52,799

The Group has a defined credit policy. In respect of trade receivables of mortgage sales, no credit terms will be granted to the buyers. The Group normally arranges bank financing for buyers of properties up to 70% of the total purchase price of the property and provides guarantee to secure repayment obligations of such buyers. The Group's guarantee periods commence from the dates of grants of relevant mortgage loans and end upon completion of construction and the mortgage registration documents are delivered to the relevant banks after the issue of the building ownership certificate.

If there is default in payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. Under such circumstances, the Group is able to retain the customer's deposit, take over the ownerships of relevant properties and sell the properties to recover any amounts paid by the Group to the banks since the Group has not applied for individual building ownership certificates for these purchasers until full payment are received. Sales and marketing staff of the Group is delegated to determine credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts, if any.

Based on assessment, management believes that no impairment allowance is necessary in respect of the overdue balances and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) The amounts due from related companies included an amount of RMB39,015,000 (2014: RMB39,015,000) in relation to sales of properties in previous years to a subsidiary of CapitaLand Limited, the ultimate holding company of a substantial shareholder of the Company. The amount is unsecured, interest-free and recoverable on demand.

The amount due from a related company of RMB226,051,000 (2014: RMB331,190,000) represents the prepaid expected basic return to the trust manager of joint ventures, Bridge Trust Company Limited, according to the cooperation agreements. The amount is unsecured, interest-free and has no fixed terms of repayment.

The amount due from a related company of RMB77,770,000 (2014: RMB77,770,000) represents the management fee paid on behalf of the trust manager of joint ventures, Bridge Trust Company Limited. The amount is unsecured, interest-free and has no fixed terms of repayment.

The remaining amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due from non-controlling interests included (i) amounts of RMB20,000,000 (2014: RMB20,000,000) and RMB15,300,000 (2014: RMB15,300,000) which are secured by the equity interests of certain PRC subsidiaries that partially owned by the non-controlling interests, interest-free and have no fixed terms of repayment; and (ii) an amount of RMB3,500,000 (2014: RMB3,500,000) which is unsecured, interest bearing at 2% per annum and has no fixed terms of repayment.

The remaining amounts due from non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

12 DEPOSITS AND PREPAYMENTS

At 31 December 2015, the balance included deposits and prepayments for leasehold land of RMB2,721,687,000 (2014: RMB3,852,648,000).

13 BANK LOANS

(a) At 31 December 2015, the bank loans were repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year or on demand	**1,045,045**	1,129,562
After 1 year but within 2 years	**234,258**	1,494,753
After 2 years but within 5 years	**404,985**	166,985
After 5 years	**497,490**	226,985
	1,136,733	1,888,723
	2,181,778	3,018,285

(b) At 31 December 2015, the bank loans were secured as follows:

	2015	2014
	RMB'000	*RMB'000*
Bank loans		
— secured	**1,311,778**	1,855,244
— unsecured	**870,000**	1,163,041
	2,181,778	3,018,285

At 31 December 2015, assets of the Group secured against bank loans are analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Properties for sale	**2,653,888**	2,842,201
Property, plant and equipment	**882,079**	1,192,282
Restricted bank deposits	**15,678**	–
	3,551,645	4,034,483

(c) The effective interest rates of bank loans of the Group at 31 December 2015 were ranged from 5.15%–8.00% (2014: 6.22%–8.50%) per annum.

(d) Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2015 and 2014, none of the covenants relating to drawn down facilities had been breached.

14 OTHER LOANS

(a) At 31 December 2015, other loans were repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**725,000**	280,000
After 1 year but within 2 years	**90,000**	890,000
After 2 years but within 5 years	**277,700**	–
After 5 years	**30,000**	–
	397,700	890,000
	1,122,700	1,170,000

As at 31 December 2015, the Group's other loan of RMB7,700,000 (2014: RMBNil) is secured by the Group's 10% equity interests in a joint venture with a carrying amount of RMB37,742,000 (2014: Nil).

(b) At 31 December 2015, the other loans were secured as follows:

	2015	2014
	RMB'000	*RMB'000*
Other loans		
— secured	**592,700**	890,000
— unsecured	**530,000**	280,000
	1,122,700	1,170,000

At 31 December 2015, assets of the Group secured against other loans are analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Properties for sales	**43,673**	339,590
Restricted bank deposits	**20,005**	–
	63,678	339,590

(c) The effective interest rates of other loans of the Group at 31 December 2015 were ranged from 8.0%–11.8% (2014: 7.80%–8.90%) per annum.

15 PAYABLES AND ACCRUALS

	2015	2014
	RMB'000	*RMB'000*
Bills payable *(note (a))*	**740,686**	1,011,627
Trade payables *(note (a))*	**5,031,416**	4,960,382
Other payables and accruals	**2,777,265**	2,295,169
Patent payable	**35,000**	–
Amounts due to joint ventures *(note (b))*	**5,336,229**	6,796,082
Amounts due to non-controlling interests *(note (c))*	**571,630**	691,830
Amount due to an associate *(note (b))*	**21,381**	21,381
Derivative financial instruments		
— held as cash flow hedging instrument	**236,630**	122,574
	14,750,237	15,899,045

At 31 December 2015, included in payables and accruals are retention payable of RMB61,493,000 (2014: RMB56,292,000) which are expected to be settled more than one year.

Notes:

(a) The ageing analysis of bills and trade payables is set out as follows:

	2015	2014
	RMB'000	*RMB'000*
Due within 1 month or on demand	**2,754,128**	2,532,902
Due after 1 month but within 3 months	**985,469**	683,468
Due after 3 month but within 6 months	**578,561**	677,847
Due after 6 month but within 1 year	**588,618**	1,191,816
Due after 1 year	**865,326**	885,976
	5,772,102	5,972,009

(b) The amounts due to joint ventures and an associate are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due to non-controlling interests included amount of RMB100,000,000 (2014: RMB265,000,000 and RMB100,000,000) which is unsecured, interest bearing at 9.41% per annum (2014: 10% per annum and 9.41% per annum respectively) and has no fixed term of repayment.

The remaining amounts due to non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

16 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year

	2015	2014
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of HK$11.61 cents (equivalent to RMB9.84 cents) per ordinary share (2014: HK$13.6 cents (equivalent to RMB10.88 cents) per ordinary share)	**240,387**	264,965

No interim dividend declared and paid during the year.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

17 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2015 not provided for in the financial statements are as follows:

	2015	2014
	RMB'000	*RMB'000*
Properties under development undertaken by the Group		
— Authorised but not contracted for	**13,229,742**	13,303,262
— Contracted but not provided for	**4,693,284**	6,591,546
	17,923,026	19,894,808
Properties under development undertaken by joint ventures attributable to the Group		
— Authorised but not contracted for	**1,901,687**	2,887,871
— Contracted but not provided for	**456,254**	1,137,269
	2,357,941	4,025,140

(b) Commitments for operating leases

At 31 December 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**6,475**	4,548
After 1 year but within 5 years	**16,893**	2,108
After 5 years	**92,207**	–
	115,575	6,656

The Group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of one to thirty years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

18 CONTINGENT LIABILITIES

(a) Guarantees given to financial institutions for mortgage facilities granted to buyers of the Group's and joint venture's properties

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by buyers of the Group's and joint ventures' properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. The Group's guarantee periods commence from the dates of grants of the relevant mortgage loans and end after the buyers obtain the individual property ownership certificate of the property purchased. The amount of guarantees given to banks for mortgage facilities granted to the buyers of the Group's and joint ventures' properties at 31 December 2015 is as follows:

	2015	2014
	RMB'000	*RMB'000*
Guarantees given to banks for mortgage facilities granted to buyers of:		
— the Group's properties	**13,061,140**	10,536,432
— the joint ventures' properties (the Group's shared portion)	**1,751,341**	1,099,554
	14,812,481	11,635,986

The directors do not consider it probable that the Group will sustain a loss under these guarantees during the periods under guarantees as the Group and the joint ventures have not applied for individual building ownership certificates for these buyers and can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group/joint ventures to the banks. The Group and joint ventures have not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group and joint ventures in the event the buyers default payments to the banks.

(b) Guarantees given to financial institutions for bank loans and other loans granted to joint ventures

The Group provided guarantees to bank loans and other loans of joint ventures amounting to RMB3,901,330,000 at 31 December 2015 (2014: RMB3,797,830,000). At the end of the reporting period, the directors do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and their transaction prices were RMBNil.

FINANCIAL HIGHLIGHTS

SUMMARY OF CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	2015	2014	Changes
Revenue *(RMB'000)*	**12,562,724**	9,228,763	36.1%
Gross profit *(RMB'000)*	**2,788,023**	3,097,463	–10.0%
Gross profit margin	**22.2%**	33.6%	–11.4*
Gross profit from core businesses *(RMB'000)*	**2,647,601**	2,916,815	–9.2%
Net profit *(RMB'000)*	**804,035**	957,592	–16.0%
Net profit margin	**6.4%**	10.4%	–4.0*
Net profit from core businesses *(RMB'000)*	**1,093,304**	1,204,627	–9.2%
Net profit margin from core businesses	**8.9%**	13.4%	–4.5*
Profit attributable to equity shareholders *(RMB'000)*	**801,290**	883,301	–9.3%
Basic earnings per share *(RMB)*	**0.3284**	0.3627	–9.5%
Diluted earnings per share *(RMB)*	**0.3284**	0.3626	–9.4%
Final dividends per share *(HK$)*	**0.1161**	0.1360	–14.6%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	2015	2014	Changes
Total cash (including cash and cash equivalents and restricted bank deposits) *(RMB'000)*	**8,734,071**	6,491,919	34.5%
Total assets *(RMB'000)*	**39,758,004**	37,350,098	6.4%
Total liabilities *(RMB'000)*	**32,440,485**	30,283,182	7.1%
Total equity (including non-controlling interests) *(RMB'000)*	**7,317,519**	7,066,916	3.5%
Total borrowings *(RMB'000)*	**10,591,363**	9,556,997	10.8%
Net borrowings *(RMB'000)*	**3,133,330**	4,538,486	–31.0%
Current ratio	**121.7%**	135.6%	–13.9*
Net gearing ratio	**42.8%**	64.2%	–21.4*
Net asset value per share *(RMB)*	**3.00**	2.90	3.4%
Equity attributable to equity shareholders *(RMB)*	**2.78**	2.65	4.9%

Notes: * change in percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall performance

The Group measured a progressive growth in property sales in 2015 through our great effort in expediting sales and strategy of accelerated inventory clearance, represented by a year-on-year growth in revenue of 36.1%. Being the icon of the fourth generation of our product, Tianzhu Project led the sale contribution from Zhengzhou increased to 30% of income from sales of properties for the year, which also brought a higher average selling price to the Group. However, the overall gross profit margin was lower in the year as affected by the strategy of accelerated inventory clearance.

Apart from sales of properties, the Group has been expanding its revenue base and spreading over operational risks by diversifying businesses in hotels and cultural tourism projects. The management believes that partial resources injected into these new businesses shall improve the Group's industry value-chain by integrating the properties, hotels, cultural tourism projects and offering "tailor-made" services to our customers.

Our net profit from core business in sales of properties, excluding expenditure in hotels and cultural tourism projects achieved RMB1,093 million in 2015. Nevertheless, our net profit from core business had measured a decrease of 9.2% in 2015 as compared to last year due to the strategy of accelerated inventory clearance.

Revenue: Our revenue increased by 36.1% to approximately RMB12,563 million in 2015 from approximately RMB9,229 million in 2014, primarily due to an increase in income from sales of properties.

- **Income from sales of properties:** Revenue from property sales increased by 36.6% to approximately RMB12,287 million in 2015 from approximately RMB8,996 million in 2014, due to an increase in sold area to 2,037,117 sq.m. in 2015 from 1,680,758 sq.m. in 2014 and an increase in average selling price to RMB5,993 per sq.m. in 2015 from RMB5,408 per sq.m. in 2014. The increase in sold area was stimulated by our strategy of accelerated inventory clearance. The increase in the average selling price was due to the change of the product mix and the increase in the proportion of sales from Zhengzhou.

- **Rental income:** Revenue from property leasing increased by 1.3% to approximately RMB101 million in 2015 from approximately RMB100 million in 2014, which was mainly derived from rental income of the properties held.

- **Revenue from hotel operation:** Revenue from hotel operation increased by 31.3% to approximately RMB175 million in 2015 from approximately RMB133 million in 2014. The increase was mainly due to the continuous improvement in hotel operation in each hotel.

Cost of sales: Our cost of sales increased by 59.4% to approximately RMB9,775 million in 2015 from approximately RMB6,131 million in 2014. The increase in cost of sales was due to the increase in GFA sold in property sales as mentioned above, as well as the increase in land and construction costs resulted by the change of the product mix.

Gross profit: As a result of the aforesaid changes in revenue and cost of sales, our gross profit decreased by 10.0% to approximately RMB2,788 million in 2015 from approximately RMB3,097 million in 2014, while our gross profit margin decreased from 33.6% in 2014 to 22.2% in 2015.

Other revenue: Our other revenue increased by 29.9% to approximately RMB196 million in 2015 from approximately RMB151 million in 2014. This was primarily due to an increase in interest income from advances to related parties and third parties.

Other net income: Other net income of approximately RMB183 million in 2015 was primarily attributable to the fair value gain upon acquisition of subsidiaries offset by the net loss on disposals of subsidiaries.

Selling and marketing expenses: Our selling and marketing expenses increased by 18.8% to approximately RMB560 million in 2015 from approximately RMB471 million in 2014. Such increase was primarily due to increased advertising and promotional expenses associated with our new projects and hotel operation, and the raise in salaries, other benefits and commissions paid to our sales and marketing staff.

General and administrative expenses: Our general and administrative expenses increased by 12.8% to approximately RMB721 million in 2015 from approximately RMB639 million in 2014. This increase was primarily due to an increase in salaries and other benefits paid to our administrative staff as well as depreciation of our fixed assets of hotel operation.

Other operating income: Other operating income decreased by 56.2% to approximately RMB48 million in 2015 from approximately RMB110 million in 2014. The decrease was mainly due to lower consulting fee income after the completion of certain joint ventures' projects.

Share of losses of associates: Such amount mainly represents the Group's share of losses on the investment in St. Andrews Golf Club (Zhengzhou) Company Limited.

Share of profits less losses of joint ventures: Our share of profits less losses of joint ventures increased by 85.7% to approximately RMB269 million in 2015 from approximately RMB145 million in 2014, primarily due to an increase in the recognition of revenue of the joint ventures. The revenue of the Group's joint ventures amounted to approximately RMB3,542 million (2014: RMB1,385 million), representing sales of 467,119 sq.m. (2014: 165,928 sq.m.) during 2015, in which revenue of RMB1,931 million (2014: RMB702 million), representing sales of 242,497 sq.m. (2014: 83,753 sq.m.), was attributable to the Group.

Finance costs: Our finance costs decreased by 11.7% to approximately RMB434 million in 2015 from approximately RMB491 million in 2014.

Net decrease in fair value of investment properties: A decrease of approximately RMB25 million in fair value of our investment properties in 2015 was recorded, as compared to an increase of approximately RMB12 million in 2014.

Income tax: Income tax comprises corporate income tax, land appreciation tax ("LAT") and withholding tax payable on dividend declared by PRC enterprises to non-PRC resident enterprises. Our income tax decreased by 6.2% from RMB999 million in 2014 to RMB937 million in 2015 due to a decrease in gross profit. Effective tax rate increased from 51.1% in 2014 to 53.8% in 2015. The effective tax rate increased over this period was primarily due to deferred taxation provided for the fair value gain upon acquisition of subsidiaries.

Profit for the year: As a result of the foregoing, our profit for the year decreased by 16.0% to approximately RMB804 million in 2015 as compared to approximately RMB958 million in 2014.

Financial resources and utilisation: As at 31 December 2015, the Group's cash and cash equivalents amounted to approximately RMB7,422 million (31 December 2014: approximately RMB5,019 million). During the year, the Group distributed a final dividend of approximately RMB267 million to the shareholders of the Company in relation to full-year profit attributable to the year ended 31 December 2014. Final dividend in relation to profit attributable to the year ended 31 December 2015 proposed after the end of reporting period amounts to approximately RMB240 million.

Structure of Borrowings and Deposits

We continue to adopt a prudent financial policy and centralise our funding and financial management. Therefore, we are able to continue to maintain a high cash-on-hand ratio and a reasonable level of gearing. During the year, we successfully issued the senior notes with principal amount of US$300,000,000 at a coupon rate of 8.75% due 2021 (the "US$300m Senior Notes"). As at 31 December 2015, the repayment schedule of the Group's bank and other borrowings was as follows:

Repayment Schedule	**As at 31 December 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
Bank loans		
Within one year	**1,045,045**	1,129,562
More than one year, but not exceeding two years	**234,258**	1,494,753
More than two years, but not exceeding five years	**404,985**	166,985
Exceeding five years	**497,490**	226,985
	2,181,778	3,018,285
Other loans		
Within one year	**725,000**	280,000
More than one year, but not exceeding two years	**90,000**	890,000
More than two years, but not exceeding five years	**277,700**	–
Exceeding five years	**30,000**	–
	1,122,700	1,170,000
Senior notes		
Within one year	**771,354**	–
More than one year, but not exceeding two years	**886,916**	798,528
More than two years, but not exceeding five years	**3,756,619**	3,348,624
Exceeding five years	**1,871,996**	1,221,560
	7,286,885	5,368,712
Total borrowings	**10,591,363**	9,556,997
Deduct:		
Cash and cash equivalents	**(7,422,350)**	(5,018,511)
Restricted bank deposits secured bank loans and other loans	**(35,683)**	–
Net borrowings	**3,133,330**	4,538,486
Total equity	**7,317,519**	7,066,916
Net gearing ratio (%)	**42.8%**	64.2%

Pledge of assets: As at 31 December 2015, we had pledged completed properties, properties under development, properties for future development, property, plant and equipment and bank deposits with an aggregate carrying amount of approximately RMB3,615 million (2014: approximately RMB4,374 million) to secure general bank credit facilities and other loans granted to us. We also pledged properties under development and property, plant and equipment with aggregate carrying amount of approximately RMB1,299 million (2014: approximately RMB538 million) to secure bank loans and other loans of joint ventures.

Financial guarantees: As at 31 December 2015, we provided guarantees of approximately RMB14,812 million (2014: approximately RMB11,636 million) to banks in favor of customers in respect of the mortgage loans provided by the banks to these customers for the purchase of the developed properties of our Group as well as those of its joint ventures. We also provided guarantees to bank loans and other loans of joint ventures amounting to approximately RMB3,901 million as at 31 December 2015 (2014: approximately RMB3,798 million).

Capital commitment: As at 31 December 2015, we had contractual commitments undertaken by subsidiaries and joint ventures attributable to our Group, the performance of which was underway or ready, in respect of property development amounting to approximately RMB5,150 million (2014: approximately RMB7,729 million), and we had authorised, but not yet contracted for, a further approximately RMB15,131 million (2014: approximately RMB16,191 million) in expenditure in respect of property development.

Foreign exchange risk: Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 31 December 2015, our major non-RMB assets and liabilities are (i) bank deposits and loans denominated in H.K. dollar and (ii) the senior notes denominated in U.S. dollar and SGD. We are subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB currencies. The majority of our foreign currency transactions and balances are denominated in H.K. dollar, U.S. dollar and SGD.

Interest rate risks: The interest rates for a portion of our loans were floating. Upward fluctuation in interest rates will increase the interest cost of new and existing loans. We currently do not use derivative instruments to hedge its interest rate risks.

Human resources and remuneration policy: As at 31 December 2015, we had 2,153 employees (31 December 2014: 2,241 employees). Staff remuneration is determined on the basis of individual performance, experience and prevailing industry practices. We review our remuneration policy and arrangements on a regular basis and staff may be rewarded with bonuses and cash payments depending on individual performance appraisals. Our policies for insurance and provident fund are in compliance with national and local laws and regulations on labour affairs and social welfare. At the date of this announcement, there was no significant labor dispute which had or might have an adverse impact on our business operations.

REVIEW OF OPERATIONS

(I) Market and Operations Review

1. *The Macro-economic Environment*

   In 2015, the downward pressure on the Chinese economy continued to mount. With the key fundamental of seeking progress while securing stability as upheld by the PRC government pursuant to the "Four Comprehensive" strategies, the PRC government adapted to the new normal in China's economic development and pushed forward "supply-side" reforms as new driver of economic growth with an aim to secure a steady annual growth in overall economy of China. In 2015, China's gross domestic product (GDP) amounted to approximately RMB67.67 trillion, representing a year-on-year growth of 6.9%.

   The government of Henan province has implemented with determination the strategies developed by the central government. By progressive implementation of the three major national strategies, steady growth in provincial economy has been maintained parallel to excellent progress of new urbanisation, rapid development of national Central China urban agglomeration, transformation and upgrade of industry clusters as well as functions enhancement of central business district and commercial district with unique characteristics. The economic growth in Henan province was slightly higher than the average in China, the annual GDP of Henan province increased by 8.3% to approximately RMB3.70 trillion, 1.4 percentage point higher than the growth rate of the GDP in China.

2. *The Property Market*

   Given rigid demand for housing and demand for housing improvement from residents stimulated by the central government in 2015 as well as supportive policies on property sector promoting spending and destocking, residential transaction volume and property price steadily rebounded upon frequent relaxed policies. The policies adopted by the government were favorable to the development of property industry. However, current inventory level remained high and, thus, pace of growth in investment in property development slowed down during the year. In 2015, sales in the nationwide property market amounted to approximately RMB8.73 trillion, a year-on-year growth of 14.4%. Sales of commodity housing in the nationwide property market amounted to approximately 1,284,950,000 sq.m., a year-on-year growth of 6.5%. Investment in property development nationwide was approximately RMB9.60 trillion, a year-on-year growth of 1.0%.

   A certain level of rigid demand for housing has been released by the relentless efforts of the PRC government to fully facilitate new urbanisation by encouraging rural-urban migration and launching a subsidy programme for home purchase by farmers, property market in Henan province, as a result, has been developing steadily. In 2015, sales of commodity housing in Henan province was approximately RMB394.6 billion, a year-on-year growth of 14.7%, the GFA of commodity housing sold was approximately 85,560,000 sq.m., a year-on-year growth of 8.6%. Investment in property development in Henan province was approximately RMB481.9 billion, a year-on-year growth of 10.1% which was 9.1 percentage points higher than the average in China.

(II) Project Development

During the reporting period, the Company further improved its industry value-chain by integrating its businesses into interactive segments including property, hotel, cultural tourism and green house. Considerable synergy was created, as a result, by the formation of business segments under the operation of the unified platform of the Company. On the one hand, the property business has been broadening customer base by introducing quality customers to the Company. On the other hand, rapid development of other business segments, such as hotel, cultural tourism and green house, has provided our property customers with featured services as well as "tailor-made" services required by online or offline customers. The major business segments of the Company have established a mutually-beneficial relationship.

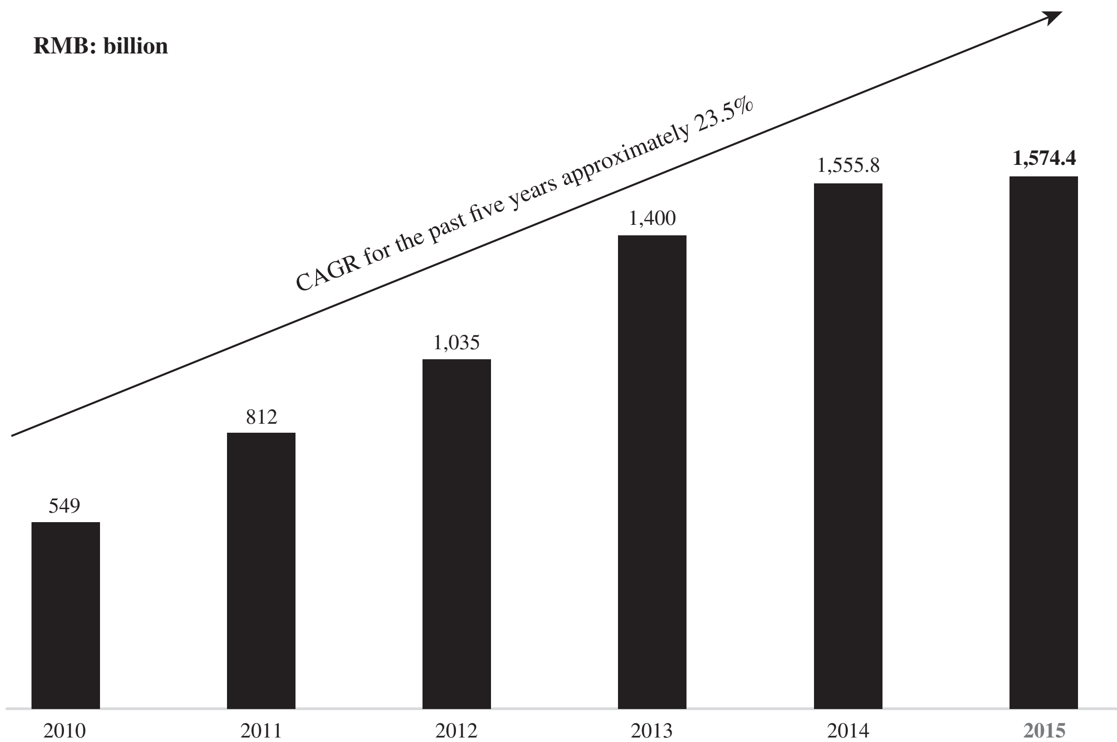
Given the brand advantages of the Company, we have commenced its light-asset business delivering our brand and management. Such business allows the Company to maximise its brand value and enhance profitability of the Company, further consolidating our brand advantages.

1. Property Development

The Company continued to grow in 2015. The Company orderly commenced all works set out in the annual operating plan. By leveraging our strengths, the Company persistently focused on Henan and developing the cities where we operate, and moderately stocked up a number of high quality projects in those cities with better prospects for development with an aim to ensure stable operation and sound development of the Company.

(a) Sales Performance

During the reporting period, a progressive growth in property sales was achieved through our great effort in expediting sales. In 2015, the contracted area sold by the Company was approximately 2,731,000 sq.m., an increase of 25%; and the contracted sales approximately amounted to RMB15,744 million, an increase of 1%. As sales amount of commodity property in Henan province was RMB394.6 billion, the market share of the Company in Henan province was approximately 4%. The compound annual growth rate of the Company's contracted sales in the past five years was approximately 23.5%.



Geographical Breakdown of Contracted Sales in 2015

City	Contracted sales amount *(RMB million)*			Contracted GFA *('000 sq.m.)*		
	2015	2014	*Change %*	**2015**	2014	*Change %*
Zhengzhou	**4,939**	5,471	–10%	**568**	413	38%
Kaifeng	**231**	106	>100%	**29**	4	>100%
Luoyang	**1,321**	1,275	4%	**214**	164	30%
Pingdingshan	**584**	567	3%	**123**	108	14%
Anyang	**338**	223	52%	**95**	58	64%
Hebi	**544**	10	>100%	**126**	4	50%
Xinxiang	**632**	522	21%	**143**	113	26%
Jiaozuo	**558**	542	3%	**111**	93	20%
Puyang	**568**	603	–6%	**118**	127	–7%
Xuchang	**844**	922	–8%	**173**	166	4%
Luohe	**637**	684	–7%	**139**	123	13%
Sanmenxia	**369**	337	10%	**79**	62	27%
Shangqiu	**1,030**	1,073	–4%	**207**	146	42%
Zhoukou	**526**	454	16%	**127**	105	22%
Zhumadian	**772**	693	11%	**172**	156	10%
Nanyang	**1,141**	1,178	–3%	**160**	172	–7%
Xinyang	**348**	477	–27%	**68**	89	–24%
Jiyuan	**362**	421	–14%	**79**	78	2%
Total	**15,744**	15,558	1%	**2,731**	2,181	25%

(b) Newly Commenced Projects

During the reporting period, the Company commenced construction of 26 projects with newly commenced GFA of 2,575,420 sq.m., which was slight below the figure set out in the plan formulated at the beginning of the year. To better adapt to market adjustment, the Company has increased the effort in market research, adjusted and optimised design and construction plan for some projects in accordance with needs of potential customers as well as carried out additional preparation works in pre-construction phase, and thus construction progress of some newly commenced projects has been below expectations. Dynamic optimisation of product solutions has further improved the competitiveness and market performance of the Company, maintaining an appropriate and reasonable inventory structure of the Company.

Details of Newly Commenced Projects for 2015

City	Project name	Principal use of property	Newly commenced GFA *(sq.m.)*
Zhengzhou	Triumph Plaza	Commercial	215,319
Zhengzhou	Spring Time	Residential	222,241
Zhengzhou	Wisdom Port	Commercial	56,987
Zhengzhou	Tianzhu	Residential	187,069
Zhengzhou	Suoxu River Garden	Residential	158,147
Zhengzhou	Gongyi Code One City	Residential	105,434
Zhengzhou	Tihome Jianye International City	Residential	401,761
Kaifeng	Chrysanthemum Garden	Residential	98,164
Kaifeng	Dongjingmenghua	Commercial	10,733
Luoyang	Wisdom Port	Commercial	66,400
Luoyang	Yanshi Forest Peninsula	Residential	26,601
Luoyang	Poly Champagne International	Residential	138,112
Aiyang	Tangyin Forest Peninsula	Residential	42,831
Hebi	Code One City	Residential	178,110
Xinxiang	Code One City Kindergarten	Commercial	2,355
Xinxiang	Changyuan Forest Peninsula Kindergarten	Commercial	2,291
Xuchang	Code One City	Residential	106,945
Xuchang	Yanling Eco-City	Residential	55,163
Xuchang	Yanling Jianye Hot Spring Hotel	Hotel	20,000
Luohe	Xicheng Forest Peninsula	Residential	158,280
Shangqiu	Eighteen Cities	Residential	70,219
Shangqiu	Zhecheng U-Town	Residential	63,449
Shangqiu	Yongcheng U-Town	Residential	59,423
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Commercial	42,273
Zhumadian	Suiping Forest Peninsula	Residential	22,096
Jiyuan	U-Town	Residential	65,017
Total			2,575,420

(c) Projects under Development

As at 31 December 2015, the Company had 46 projects under development with a total GFA of approximately 4,716,494 sq.m., including 7 projects in Zhengzhou and 39 projects in other cities of Henan province.

Details of Projects under Development as at 31 December 2015

City	Project name	Principal use of property	Total GFA *(sq.m.)*
Zhengzhou	Tianzhu	Residential	174,413
Zhengzhou	Zhengxi Forest Peninsula	Residential	8,816
Zhengzhou	Triumph Plaza	Commercial	247,208
Zhengzhou	Gongyi Code One City	Residential	224,912
Zhengzhou	Suoxu River Garden	Residential	158,147
Zhengzhou	Tihome Jianye International City	Residential	616,114
Zhengzhou	Wulong City	Residential	592,938
Xuchang	Changge Sweet-Scented Osmanthus Garden	Residential	52,237
Xuchang	Code One City	Residential	106,945
Xuchang	Yanling Eco-City	Residential	49,774
Xuchang	Yanling Jianye Hot Spring Hotel	Hotel	20,000
Xinyang	Code One City	Residential	3,656
Xinxiang	Changyuan Forest Peninsula Kindergarten	Commercial	2,291
Xinxiang	Code One City	Residential	75,213
Shangqiu	Eighteen Cities	Residential	125,982
Shangqiu	Zhecheng U-Town	Residential	72,748
Sanmenxia	Code One City	Residential	106,781
Puyang	Code One City	Residential	81,298
Puyang	Sweet-Scented Osmanthus Garden	Residential	22,608
Pingdingshan	Eighteen Cities	Residential	101,146
Pingdingshan	Sweet-Scented Osmanthus Garden Kindergarten	Commercial	5,983
Pingdungshan	Wugang Forest Peninsula	Residential	10,036
Nanyang	Triumph Plaza	Residential and commercial	282,019
Nanyang	Forest Peninsula	Commercial	2,556
Luohe	Linying Sweet-Scented Osmanthus Garden	Residential	37,083
Luohe	Xicheng Forest Peninsula	Residential	160,940
Luoyang	Yanshi Forest Peninsula	Residential	31,943
Luoyang	Golf Garden	Residential	10,789
Luoyang	Wisdom Port	Commercial	66,400
Luoyang	Sweet-Scented Osmanthus Garden	Residential	143,295
Luoyang	Poly Champagne International	Residential	138,112
Kaifeng	Dongjingmenghua	Commercial	43,360
Kaifeng	Chrysanthemum Garden	Residential	98,164
Jiaozuo	Park Lane	Residential	42,372
Jiyuan	U-Town	Residential	65,017
Hebi	Code One City	Residential	178,110
Hebi	Sweet-Scented Osmanthus Garden	Residential	112,605

City	Project name	Principal use of property	Total GFA
			(sq.m.)
Anyang	Forest Peninsula	Residential	16,698
Anyang	Sweet-Scented Osmanthus Garden	Residential	106,477
Anyang	Tangyin Forest Peninsula	Residential	42,831
Anyang	Huaxian Code One City	Residential	50,073
Zhumadian	Eighteen Cities	Residential	58,505
Zhumadian	Suiping Forest Peninsula	Residential	50,501
Zhumadian	Xiping Forest Peninsula	Residential	45,330
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Residential and commercial	42,273
Zhoukou	Forest Peninsula	Residential	31,795
Total			4,716,494

(d) Projects Completed

During the reporting period, the Company had 39 projects/phases completed in total with a total completed GFA of approximately 2,908,811 sq.m. which was higher than the figure set out in the plan formulated at the beginning of the year.

Details of Projects Completed for 2015

City	Project name	Principal use of property	Saleable GFA
			(sq.m.)
Zhengzhou	Zhengxi Forest Penenisula	Residential	59,458
Zhengzhou	Zhengxi U-Town	Residential	31,400
Zhengzhou	Tianzhu	Residential	256,296
Zhengzhou	Triumph Plaza	Commercial	22,517
Zhengzhou	Spring Time	Residential	231,201
Zhengzhou	Wisdom Port	Commercial	56,987
Zhengzhou	Tihome Jianye International City	Residential	341,671
Luoyang	Yanshi Forest Peninsula	Residential	41,789
Sanmenxia	Code One City	Residential	68,892
Sanmenxia	Lingbao Forest Peninsula	Residential	14,166
Pingdingshan	Wugang Forest Peninsula	Residential	40,757
Pingdingshan	Eighteen Cities	Residential	136,704
Pingdingshan	Baofeng Forest Peninsula	Residential	15,273
Hebi	Huaxian Code One City	Residential	35,882
Xinxiang	Code One City (First Batch)	Residential	107,393
Xinxiang	Code One City Kindergarten	Commercial	2,163
Xinxiang	Changyuan Forest Peninsula	Residential	112,580

City	Project name	Principal use of property	Saleable GFA *(sq.m.)*
Jiaozuo	Xiuwu Forest Peninsula	Residential	36,722
Jiaozuo	Code One City Kindergarten	Commercial	2,954
Puyang	Jianye City	Residential	51,349
Puyang	Code One City	Residential	170,245
Puyang	Sweet-Scented Osmanthus Garden	Residential	95,895
Xuchang	Changge Sweet-Scented Osmanthus Garden	Residential	65,450
Xuchang	Yanling Eco-City	Residential	9,293
Luohe	Xicheng Forest Peninsula	Residential	18,534
Luohe	Code One City	Residential	103,259
Luohe	Linying Sweet-Scented Osmanthus Garden	Residential	46,425
Shangqiu	Eighteen Cities	Residential	40,410
Shangqiu	Yongcheng U-Town	Residential	59,423
Zhoukou	Forest Peninsula	Residential	37,653
Zhoukou	Huaiyang Sweet-Scented Osmanthus Garden	Residential	56,129
Zhumadian	Eighteen Cities	Residential	100,322
Zhumadian	Suiping Forest Peninsula	Residential	20,504
Zhumadian	Xiping Forest Peninsula	Residential	28,018
Nanyang	Forest Peninsula	Residential	141,554
Nanyang	Triumph Plaza	Residential and commercial	115,124
Nanyang	Forest Peninsula Primary School	Commercial	11,597
Xinyang	Code One City	Residential	99,308
Jiyuan	U-Town	Residential	23,514
Total			2,908,811

2. *Hotels*

The Company recognises that multiple businesses provide an enterprise with steady revenue, expand its revenue base and diversify operational risks. Through development and successful operation of a series of high-end hotel projects, the Company has equipped itself with comprehensive and matured ability to develop, invest in and operate high-end hotels, and has established sound working relationship with internationally renowned hotel conglomerates such as Starwood, InterContinental and AccorHotels. The Company's hotels are identified with high-quality services and are popular among, and well recognised by, high-income consumers. In addition to generating profit, this enhances the Company's brand and overall reputation, and promotes the image and popularity of the other business segments of the Company, thereby generating higher profitability.

As at 31 December 2015, the Company had 5 hotels completed and 1 hotel under development with a total GFA of approximately 240,000 sq.m.. Revenue from hotel operation in the reporting period increased by 31.3% as compared with that in the same period last year, demonstrating a sustainable and steady revenue from the hotel segment.

Le Méridien Zhengzhou

Le Méridien Zhengzhou is located at the junction of Zhengbian Road and Zhongzhou Avenue, Zhengzhou and its launch was on 31 October 2013. It is a five-star hotel with a site area of approximately 5,391 sq.m. and a total GFA of 65,007 sq.m.. Le Méridien Zhengzhou inherits the European traditional elegance blending with modern culture and luxury design. It has 350 guest rooms or suites and is currently managed by Starwood Hotels Management Group.

Aloft Zhengzhou Shangjie

Aloft Zhengzhou Shangjie is located at No. 101, Zhongxin Road, Shangjie District, Zhengzhou and it commenced operation on 6 August 2011. It is a four-star hotel with a site area of approximately 12,701 sq.m. and a total GFA of 19,457 sq.m.. Aloft Zhengzhou Shangjie is an intelligent composite hotel comprising food & beverage, accommodation, conference and entertainment in fashionable and simplistic design. It has 172 guest rooms or suites and is currently managed by Starwood Hotels Management Group.

Holiday Inn Nanyang

Holiday Inn Nanyang is located at the junction of State Road 312 and Binhe Road in Nanyang which is in close proximity to Baihe River Tourist Attraction and it commenced operation on 8 August 2012. It is a five-star garden design style hotel with a site area of approximately 66,700 sq.m. and a total GFA of 50,574 sq.m.. Holiday Inn Nanyang is the first multi-functional hotel in Nanyang for the purposes of commerce, holiday, administration and conference. It has 360 guest rooms or suites and is currently managed by InterContinental Hotels Group.

Four Points by Sheraton Luohe

Four Points by Sheraton Luohe is located at No. 6, Songshan Road West Branch, Yancheng District, Luohe, Henan and it commenced operation on 23 November 2012. It is a five-star hotel with a site area of 35,326 sq.m. and a total GFA of 37,398 sq.m.. Four Points by Sheraton Luohe is an intelligent composite hotel comprising business conference, food & beverage, accommodation, leisure and entertainment in classic and fashionable design. It has 244 guest rooms or suites and is a perfect choice for business conference as well as leisure and entertainment. It is currently managed by Starwood Hotels Management Group.

Pullman Kaifeng Jianye

Pullman Kaifeng Jianye is located at No. 16, Longting North Road, Longting District, Kaifeng and it commenced operation on 8 October 2015. It is a five-star hotel with a site area of 58,349 sq.m. and a total GFA of approximately 43,836 sq.m.. Pullman Kaifeng Jianye is a resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. The building is a post-modern architecture in Northern Song style. It has 186 guest rooms or suites and is currently managed by Accor Hotels Group.

Xuchang Yanling Jianye Hot Spring Hotel (under development)

Xuchang Yanling Jianye Hot Spring Hotel is planned to be the first hotel under independent operation of the Group with a site of 26,000 sq.m. and a total GFA of 19,940 sq.m.. Xuchang Yanling Jianye Hot Spring Hotel will be a hot spring resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. It has 51 guest rooms or suites upon completion of construction. Its soft launch is planned to be in April 2018.

3. *Cultural Tourism*

Henan is one of the birthplaces of China and Chinese civilisation with numerous antiquities and heritage as well as enormous tourist resources. Cultural tourism is a low-carbon and sunrise industry as well as one of businesses for development under our strategic transformation. During the reporting period, the Company extended its business value-chain to adapt to a new trend of the property market by obtaining low-price lands and enhancing property value through development of cultural tourism. Tourism and property development have been complementary to each other, bolstering healthy development of the Company. Currently, the Company is principally engaging in the development of Jianye•Huayi Brothers Film Culture Town (建業•華誼兄弟電影文化小鎮), Zhengping Fang Cultural and Creativity Park (正平坊文化創意園) in Luoyang and Jianye Ivi 1895 (建業•艾美1895).

Jianye•Huayi Brothers Film Culture Town The Group entered into a strategic cooperation agreement with Huayi Brothers and Zhongmou County People's Government on 19 May 2015, pursuant to which a joint venture established jointly by the Group and Huayi Brothers would develop a film real scene and entertainment project in Zhongmou County in Zhengzhou. As planned, the project occupies a site area of approximately 1,330,000 sq.m., in which 530,000 sq.m. for cultural tourism and approximately 800,000 sq.m. for development and construction. The gross floor area of the project will be approximately 1.80 million sq.m..

Zhengping Fang Cultural and Creativity Park in Luoyang It is a real scene cultural performance and leisure park co-developed with director Wang Chaoge (王潮歌). The Luoyang Municipal People's government considers the project of great importance and it will be one of the top attractions in Luoyang and even Central China.

Jianye Ivi 1895 It is a new format of movie and cultural interactive theatre by using the latest internet cloud platform technology, providing consumers comprehensive cultural and entertaining space with "exclusive and tailor-made" products. The Company will open 15 Ivi theatres in Henan province in 3 years as set out in our development plan.

4. *Yanling Green House*

Yanling Jianye Green House is located in Yanling County, Xuchang City, Henan Province, less than 100 km from Zhengzhou City, and has easy accessibility. The project occupies a total site area of approximately 3,330,000 sq.m.. The construction of Yanling Jianye Green House commenced in July 2012 and it has become a sizable green house after three-year construction. The project has been progressively developing into a competitive and influential industrial base covering "seedling base", "high-end floral arrangement", "supply of green products" and "leisure, tourism and food and beverage".

Visitors of the green base was approximately 100,000 in 2015. With increasing customer base of the Company and synergistic effect of the service resources, such as community services, call center and the Supreme Card, the Company has provided its customers and people in Henan with green and safe foods as well as tourist attractions.

5. *Light-asset Model Projects*

Having taken root in Henan province for 23 years, the Company has launched light-asset model projects to deliver management in exchange for royalty fee by making good use of its advantages of strong brand, management and resource consolidation. As such move has allowed the Company to achieve expansion amid adverse economic conditions and reduce operational risks, the projects will be a "win-win cooperation" between the Company and our partners. In 2015, the Group entered into three contracts for light-asset model projects. The Company has anticipated a royalty fee of approximately RMB150 million to be received upon the completion of construction and sales of the three projects. The Group received an amount of RMB9 million of royalty fee in 2015 in accordance with the terms of the contracts.

(III) Land Reserves

During the reporting period, the Company acquired land reserves with a GFA of approximately 2.65 million sq.m. through public land auctions. As at 31 December 2015, the Company had land reserves with a total GFA of 18.63 million sq.m. and obtained the state-owned land use rights certificates in respect of sites with total GFA of 14.76 million sq.m..

1. *Public Land Auctions*

On 19 January 2015, the Group acquired the land use rights of four land parcels located at the north of State Road 311 in Chenhuadian Town, Yanling County in a listing for sale process held by Yanling County Tendering and Bidding Transaction Management Centre* (鄢陵縣招標投標交易管理中心) for transfer of land use rights.

The purchase prices for the acquisitions were approximately RMB25 million, RMB26 million, RMB29 million and RMB12 million, respectively. Land parcel No. YC-14-30 has a site area of 38,689 sq.m., land parcel No. YC-14-31 has a site area of 44,903 sq.m., land parcel No. YC-14-32 has a site area of 49,408 sq.m., and mandatory detailed planned plot ratio of the three land parcels is 1.0–2.0; land parcel No. YC-14-33 has a site area of 17,087 sq.m., and mandatory detailed planned plot ratio of the land parcel is 0.4–1.0.

On 22 January 2015, the Group acquired the land use rights of two land parcels located at the west of Zhongyuan Road, the south of Tuobin Road South, the north of Yongsu Road and the east of Tieshan Road in Yongcheng City in a listing for sale process held by Yongcheng City Land and Resources Bureau* (永城市國土資源局) for transfer of state-owned land use rights. The purchase prices for the acquisitions were approximately RMB88 million and RMB90 million, respectively. Yonggua land parcel No. 2014-29 has a site area of 64,411 sq.m. and Yonggua land parcel No. 2014-30 has a site area of 64,412 sq.m., and mandatory detailed planned plot ratio of the two land parcels is 1.0–2.0.

On 13 February 2015, the Group acquired the land use rights of four land parcels located at the east of Huafei Road East, the south of Xiwang Road, the north of Xiwang Road and the east of Yulin Road, Zhengzhou City in a tendering (listing) for sale process at Land Transaction Hall (土地交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer of land use rights. The purchase prices for the acquisitions were approximately RMB7 million, RMB69 million, RMB143 million and RMB362 million, respectively. Zhengzhengchu No. [2015] 5 land parcel has a site area of 5,084 sq.m.; Zhengzhengchu No. [2015] 6 land parcel has a site area of 13,968 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.21; Zhengzhengchu No. [2015] 7 land parcel has a site area of 19,386 sq.m. with a mandatory detailed planned plot ratio of 1.0-5.54; Zhengzhengchu No. [2015] 8 land parcel has a site area of 55,720 sq.m. with a mandatory detailed planned plot ratio of 1.0–4.76.

On 24 April 2015, the Group acquired the land use rights of seven land parcels located at the south of Sanhuan South, the west of Zhengping Expressway, the north of Sihuan South and the east of Songshan South Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer of state-owned land use rights. The purchase prices for the acquisitions were approximately RMB111 million, RMB98 million, RMB21 million, RMB126 million, RMB118 million, RMB129 million and RMB69 million, respectively. Zhengzhengchu No. [2015] 24 land parcel has a site area of 27,794 sq.m.; Zhengzhengchu No. [2015] 27 land parcel has a site area of 29,262 sq.m.; Zhengzhengchu No. [2015] 28 land parcel has a site area of 29,739 sq.m.; Zhengzhengchu No. [2015] 29 land parcel has a site area of 32,826 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.5; Zhengzhengchu No. [2015] 25 land parcel has a site area of 17,869 sq.m. with a mandatory detailed planned plot ratio of 1.0-4.9; Zhengzhengchu No. [2015] 26 land parcel has a site area of 5,997 sq.m.; Zhengzhengchu No. [2015] 30 land parcel has a site area of 19,122 sq.m. with a mandatory detailed planned plot ratio of 1.0–3.0.

On 17 September 2015, the Group acquired the land use rights of one land parcel located at the south of Kaiyuan Road and the east of Tianyuan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB234 million. Zhengzhengchu No. [2015] 48 land parcel has a site area of 34,608 sq.m. with a mandatory detailed planned plot ratio of 1.1-3.3.

On 25 September 2015, the Group acquired the land use rights of two land parcels located at the west of Zhongzhou Avenue and the south of Jinda Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB287 million and RMB231 million respectively. Zhengzhengchu [2015] 50 land parcel has a site area of 49,834 sq.m. with a mandatory detailed planned plot ratio of less than 3.0; Zhengzhengchu [2015] 51 land parcel has a site area of 44,876 sq.m. with a mandatory detailed planned plot ratio of 1.1-2.5.

On 15 October 2015, the Group acquired the land use rights of two land parcels located at the east of Wenying Road, the south of Jinshui Avenue (the south of relief road), the west of Wenchuang, the north of Haoyue Road in Greenery Theme Park, Zhongmu County, Zhengzhou in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Zhongmu County, Zhengzhou City for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB63 million and RMB75 million respectively. Muzhengchu [2015] 124 land parcel has a site area of 36,482 sq.m. with a mandatory detailed planned plot ratio of less than 1.5; Muzhengchu [2015] 125 land parcel has a site area of 43,667 sq.m. with a mandatory detailed planned plot ratio of less than 1.5.

On 21 October 2015, the Group acquired the land use rights of one land parcel located at the south of Kaiyuan Road and the east of Tianyuan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB128 million. Zhengzhengchu No. [2015] 59 land parcel has a site area of 19,077 sq.m. with a mandatory detailed planned plot ratio of 1.1-3.3.

On 17 November 2015, the Group acquired the land use rights of one land parcel located at the west side of Zhiyuan Avenue and the north side of Bode Road West in Luyi County, Zhoukou City in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Luyi County, Zhoukou City for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB71 million. Luyi County LY2014-29 land parcel has a site area of 65,944 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.0.

On 19 November 2015, the Group acquired the land use rights of one land parcel located at the south of Guangwu Road, the east of Chezhan Road and the west of Gongye Road in Nanyang City in a tendering (listing) for sale process at State-owned Land and Resources Hall (國土資源交易大廳) in Nanyang City for transfer state-owned land use rights. The purchase price for the acquisition was approximately RMB262 million. Nanyang G2015-19 land parcel has a site area of 49,520 sq.m. with a mandatory detailed planned plot ratio of 3.0-4.5.

2. *Equity Acquisitions*

On 28 February 2015, the Group acquired 50% equity interest in Xinyang Central China Tianming Real Estate Company Limited* (信陽建業天明住宅建設有限公司) held by Tianming City Construction and Development Company Limited* (天明城鄉建設開發集團有限公司). Upon the completion of the equity transfer, Xinyang Central China Tianming Real Estate Company Limited* (信陽建業天明住宅建設有限公司) was wholly-owned by the Group.

On 28 February 2015, the Group acquired 50% equity interest in Xinyang Tianheng Real Estate Company Limited* (信陽天恒置業有限公司) held by Tianming City Construction and Development Company Limited* (天明城鄉建設開發集團有限公司). Upon the completion of the equity transfer, Xinyang Tianheng Real Estate Company Limited* (信陽天恒置業有限公司) was wholly-owned by the Group.

3. *Land reserves acquired after the reporting period*

On 27 January 2016, the Group acquired the land use rights of two land parcels located at the south of Kaiyuan Road and the west of Xiangshan Road, Zhengzhou City in a tendering (listing) for sale process at State-owned Land Hall (國土交易大廳) held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer state-owned land use rights. The purchase prices for the acquisitions were approximately RMB99 million and RMB203 million respectively. Zhengzhengchu [2015] 125 land parcel has a site area of 15,746 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.2; Zhengzhengchu [2015] 126 land parcel has a site area of 28,888 sq.m. with a mandatory detailed planned plot ratio of 1.0-3.5.

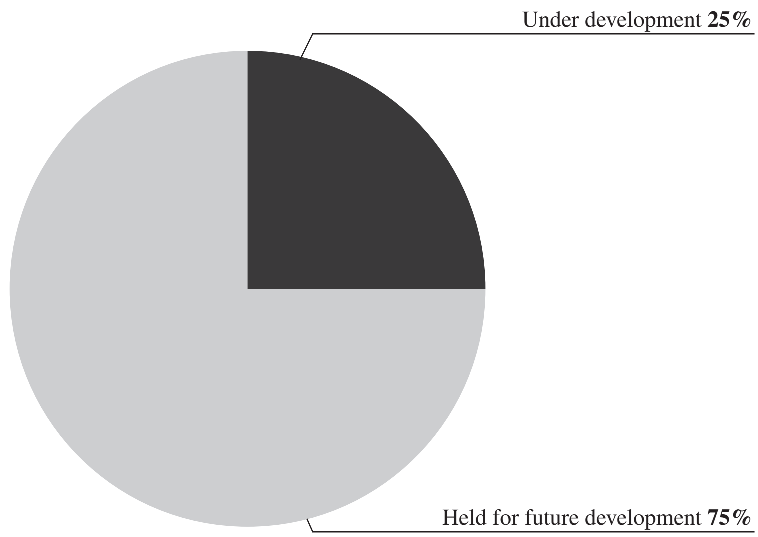
On 28 January 2016, the Group acquired the land use rights of one land parcel located at the south of Heluo Road and the west of Chuncheng Road in Luoyang City in a tendering (listing) for sale process held by Luoyang City Public Resources Trading Centre* (洛陽市公共資源交易中心) for transfer of state-owned land use rights. The purchase price for the acquisition was approximately RMB172 million. Luoyang land parcel No. LYTD-2015-64 has a site area of 37,416 sq.m. with a mandatory detailed planned plot ratio of 1.0-4.18.

On 2 February 2016, the Group acquired the land use rights of one land parcel located at the south of South Bank of the Yellow River, the north of Beihuan Road, the east of National Highway 209 and the west of West Gate of Yellow River Park in the north of urban district, Sanmenxia City in a tendering (listing) for sale process held by Sanmenxia City Public Resources Trading Centre* (三門峽市公共資源交易中心) for transfer of state-owned land use rights. The purchase price for the acquisition was approximately RMB139 million. Sanmenxia land parcel No. 1-8-8 has a site area of 44,223 sq.m. with a mandatory detailed planned plot ratio of 1-1.8.

Distribution of land reserves

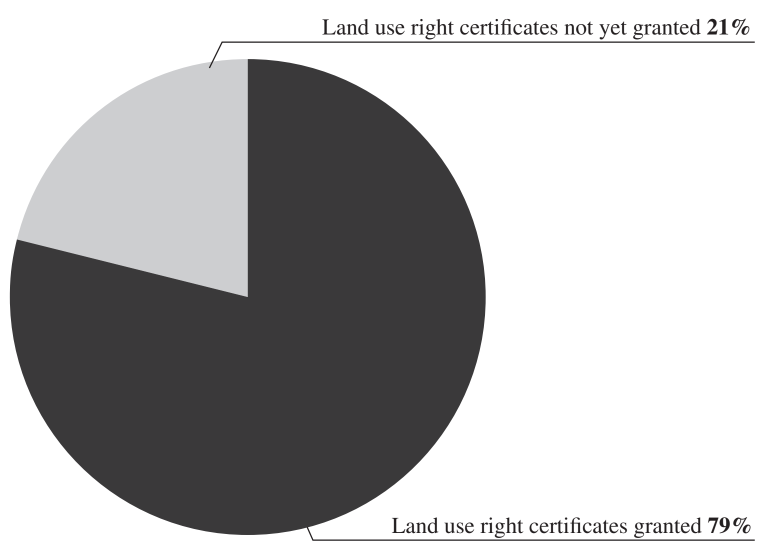
1. *Distribution of the Company's land reserves by current development status*

Fig: percentage of land under development and land held for future development to the Company's land reserves (as at 31 December 2015)



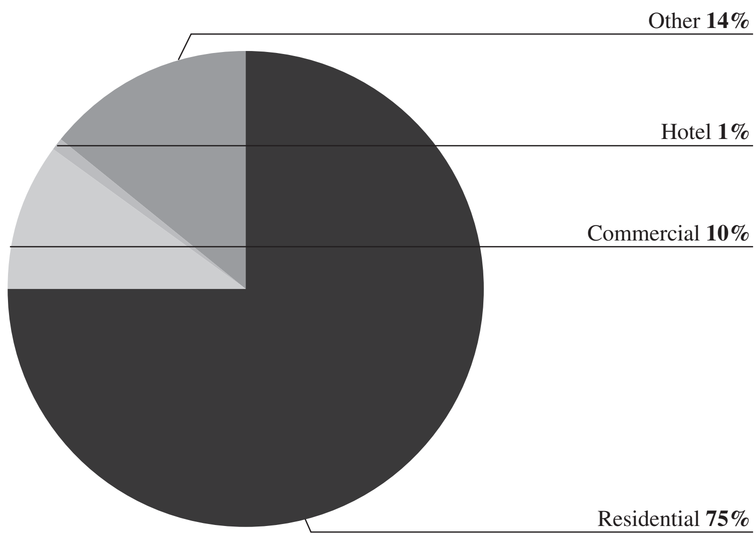
2. *Distribution of the Company's land reserves by land use right certificates*

Fig: percentage of the Company's land reserves for which land use right certificates had been granted and those had not been granted (as at 31 December 2015)



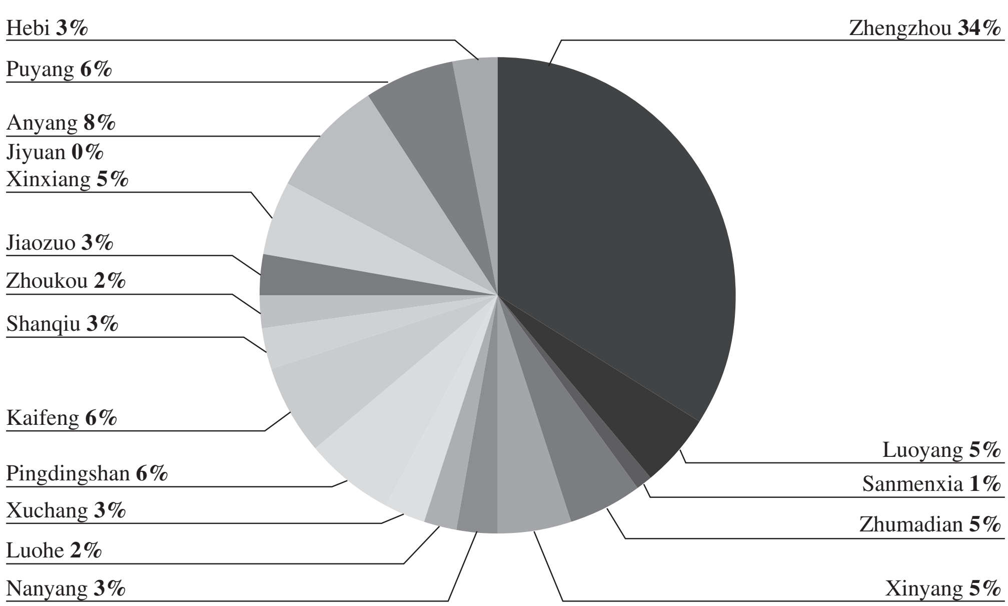
3. Distribution of the Company's land reserves by property types

Fig: Distribution of the Company's land reserve by property types (as at 31 December 2015)



4. Distribution of the Company's land reserves by cities

Fig: Distribution of the Company's land reserves by cities (as at 31 December 2015)



(IV) Product Research and Development

We, as always, adhere the general principles of serialisation, standardisation and commercialisation for product development, and progressively scale up its products to commercialised scale on a concrete foundation of serialisation and standardisation we laid for years. For product development of the Group, customers' experience has been considered as the essence, "green, low-carbon and energy-saving" as the notion as well as technology and intelligence as the direction for research and development of product.

1. *Architectural design*

   During the reporting period, the Company continued to carry out in-depth research on architectural design, improve the design for enhanced control and management of standardised construction and impose cost control on every stage of architectural design with an aim to achieve optimised balance between product quality and costs. In addition to our residential projects, the application of the technology for "green, low-carbon and energy-saving" has been expanded to our commercial projects for development. Meanwhile, intelligent technology has been infused into product design for further providing our guests comfort and warmth.

2. *Serialisation, standardisation and commercialisation*

   During the reporting period, the Company continued to carry out in-depth research on product serialisation and standardization, and launch serialised and standardised products that responding to changing demand from our customers in different stages of product development by leveraging internet and adopting customer-oriented measures that requesting customers to comment on pre-construction and design work of our products, so as to secure liveliness and vigorousness of our products in substance.

   With an aim to advancing product serialisation and standardisation as well as exploiting technology for long-term commercialisation in relation to the commercialisation for residential properties, the Company has applied technology for commercialisation to design and construction of its two projects available for sale jointly with a major domestic constructor. As a result, product quality has been greatly enhanced, taking a considerable step towards large-scale commercialisation of its products.

(V) Customer Service and Customer Relations

In 2015, the Company established a novice added-value services model for customers, including a full-scale development of the Online-to-offline (O2O) platform and the golden 1-km services model for community. Meanwhile, we have continued to strengthen the development of customer services regime and elevate our customer service standards, in a bid to further enhance satisfaction of our customers.

In 2015, the Company focused on the development of O2O platform for community by fully taking the advantages of property communities, commencing the development of online Jianye APP smart service terminal as well as offline "E+home" community services for the benefit of residents in our communities. By openly consolidating corporate, community and its surrounding resources, we have provided our customers interactive and convenient services listed on our menu, such as daily groceries purchase, property management, family information, hotel spending, football fans interaction and parent-child education, through internet platform, smart palm platform and community smart service terminal. The establishment of O2O platform for community has set a higher standards for the hardware of our products, more importantly, it has provided our customers a brand new model of service experience, giving them a strong sense of safety, happiness and belonging in the community and satisfying different demands from our customers, significantly enhancing, as a result, their better life index.

To express our gratitude for our customers by creating them a new life style brought about by CCRE mega service regime, the Company has integrated its internal resources in 2015 for, in particular, addressing the demands from our customers. Good neighbor interactive network has been constructed by organizing a series of activities in relation to "CCRE Green Base Tours" and "Juvenile Football Summer Camp" with an aim to create unrivalled experience for our customers, enhance their satisfaction and build up a sense of pride as a customer of CCRE.

In addition, the Company has established comprehensive workflow for customer services regime by prioritizing our works in customer services and assessing every workflow, such as design, sales, engineering, properties and customer services, in order to prevent all problems frequently faced by customers in the course of property development, thus enhancing the standards of our comprehensive customer services. In 2015, the Company tightened its joint acceptance standards for housing construction, improved its quality of housing upon delivery and launched a system for pre-construction research and a risk pre-alarm system upon housing delivery. Further, the Company stepped up the functions of 9617777 service hotline by expanding the community service channels through internet, such as 9617777 wechat and mobile APP, providing our customers a luxury and convenient lifestyle and further enhancing satisfaction of our customers.

BUSINESS OUTLOOK

(I) Market Outlook

(1) The Macro-economic Landscape

The Company anticipates that Chinese economic environment in 2016 will remain arduous. The PRC government will step up "supply-side" reforms that benefitting the development of a regime for innovation, ensuring the market will play a decisive role in resources allocation. The PRC government will carry out the "supply-side" reforms by boosting mass entrepreneurship and innovation as well as supporting the Internet Plus initiative which will inject more dynamism into the economy and enhance productivity of the society, and thus secure a steady growth in economy.

Henan province actively participates in "The Belt and Road Initiative" by closely combining the implementation of the three major national strategic plans, namely "networking with the eastern and the western regions, connecting the globe and constructing the hub". With industry transfers from coastal areas to the central region in China, the industrial structure and industry transfers in Henan province will be upgraded, providing a strong engine for economic development in Henan province.

(2) The Property Market

Against the backdrop of on-going fine-tuning of monetary policy and implementation of stabilisation policy by the PRC government in 2016, the property market basically shows improvement. However, the difference in property demand among the tiers of city are increasingly noticeable that considerable demand for housing in tier 1 and tier 2 cities while housing glut in most of tier 3 and tier 4 cities.

(II) Business Planning

In 2016, the Company will formulate its construction plans in a reasonable manner, ensuring those plans are in coordination with its sales plans and construction completion plans. In addition, the Company will put efforts to facilitate product upgrades and regenerations and optimise strategies for standardization, so as to gather stronger competitiveness. Save as the above, the Company will accelerate the implementation of light-asset projects for increasing its revenue.

1. Construction Plans[#]

In 2016, the Company expects to commence construction of a total of 28 projects or phases, with a GFA of 3,272,610 sq.m., an increase of 27% as compared with the actual scale of construction in 2015. The construction works of the Company will expand in its major cities for development.

City	Project name	Principal use of property	GFA planned for construction *(sq.m.)*
Zhengzhou	Blossom Garden Phase I	Residential	581,988
Zhengzhou	Suoxu River Garden Phase II	Residential	128,692
Zhengzhou	Huayuan Kou	Residential	156,200
Zhengzhou	Wulong City	Residential	210,000
Zhengzhou	Jiuru House	Residential	169,154
Zhengzhou	Jianye Tihome International City	Residential	276,975
Luoyang	Poly Champagne International	Residential	200,914
Luoyang	Huayang Fengdu Phase I	Residential	138,963
Kaifeng	Dongjingmenghua	Residential and commercial	31,100
Pingdingshan	Wugang Forest Peninsula Phase III	Residential	41,240
Pingdingshan	Eighteen Cities Phase III	Residential	91,932
Anyang	Tangyin Forest Peninsula Phase II	Residential	23,786
Anyang	Sweet-Scented Osmenthus Garden Phase I	Commercial	11,021
Anyang	Sweet-Scented Osmenthus Garden Phase II	Residential	74,522
Hebi	Code One City Phase II	Residential	195,818
Xinxiang	Code One City Phase III (1st Batch)	Residential	89,899
Xinxiang	U-Town Phase II	Residential	26,218
Jiaozuo	Park Lane Phase I	Residential	65,977
Jiaozuo	Park Lane Phase II	Residential	71,711
Jiaozuo	Xiuwu Forest Peninsula Phase III	Residential	40,501
Luohe	Code One City Phase V	Residential	104,488
Sanmenxia	Code One City Phase V	Residential	18,541
Shangqiu	Eighteen Cities Phase IV	Residential	99,568
Shangqiu	Yongcheng U-Town Phase II	Residential	30,000
Zhoukou	Forest Peninsula Phase VI	Residential	55,998
Zhoukou	Luyi Forest Peninsula Phase I	Residential	60,711
Zhumadian	Eighteen Cities Phase IV	Residential	183,223
Nanyang	Code One City Phase I	Residential	93,470
Total			3,272,610

2. Completion Plans#

The Company expects to complete 32 projects (phases) with an expected completed GFA of 2,082,388 sq.m. in 2016.

City	Project name	Principal use of property	Expected completed GFA *(sq.m.)*
Zhengzhou	Tihome Jianye International City	Residential	77,030
Zhengzhou	Gongyi Code One City Phase I	Residential	119,144
Zhengzhou	Suoxu River Garden Phase I	Residential	145,348
Zhengzhou	Spring Time	Residential	49,045
Zhengzhou	Jiuru House	Residential	169,154
Kaifeng	Dongjingmenghua	Commercial	72,189
Luoyang	Wisdom Port	Commercial	50,936
Pingdingshan	Eighteen Cities Phase I	Residential	16,649
Pingdingshan	Eighteen Cities Phase II	Residential	21,250
Anyang	Tangyin Forest Peninsula Phase II	Residential	39,011
Anyang	Sweet-Scented Osmanthus Garden Phase II	Residential	88,395
Hebi	Code One City Phase I	Residential	79,031
Hebi	Huaxian Code One City Phase I	Residential	56,076
Xinxiang	U-Town Phase II	Residential	26,218
Jiaozuo	Park Lane Phase I	Residential	68,719
Jiaozuo	Forest Peninsula Phase III	Residential	3,386
Jiaozuo	Code One City Kindergarten	Commercial	2,954
Puyang	Code One City Phase III	Residential	76,758
Xuchang	Changge Sweet-Scented Osmanthus Garden Phase II	Residential	50,020
Xuchang	Yanling Eco-City Phase II	Residential	52,267
Luohe	Xicheng Forest Peninsula Phase I	Residential and commercial	78,481
Luohe	Linying Sweet-Scented Osmanthus Garden Phase I (2nd Batch)	Residential	27,652
Sanmenxia	Code One City Phase IV	Residential	40,643
Shangqiu	Eighteen Cities Phase II	Residential and commercial	120,728
Shangqiu	Eighteen Cities Phase III	Residential	26,154
Shangqiu	Zhecheng U-Town Phase II	Residential	36,195
Shangqiu	Yongcheng U-Town Phase I	Commercial	11,454
Zhoukou	Forest Peninsula Phase V	Residential	8,652
Zhumadian	Eighteen Cities Phase III	Residential and commercial	101,920
Nanyang	Triumph Plaza Phase II	Residential and commercial	250,407
Xinyang	Jianye City Phase I	Residential	36,092
Jiyuan	U-Town Phase II	Residential	80,430
Total			2,082,388

Note:

Construction plans and completion plans may be adjusted in accordance with the approval progress by the government toward projects and other environmental factors.

RISK MANAGEMENT

The Company are committed to improve our risk management capability for ensuring on-going profitability and steady growth of our business.

Risk Management Philosophy of CCRE:

Risk is inherent in CCRE's business and the markets in which it operates. The challenge is to identify risks and then manage these so that they can be reduced, transferred or avoided. We recognises that risk management is the responsibility of everyone within the Group. Rather than being a separate and standalone process, risk management is integrated into business processes including strategy development, business planning, capital allocation, investment decisions, internal control and day-to-day operations.

Material Risks of the Group

During 2015, our business planning process has identified the following as material risks of the Company:

Risk Description	Risk Changes in 2015	Key Measures for Risk Management
Financial Risks		
The Company's credit ratings may be downgraded. A downgrade may trigger higher costs of corporate financing of the Company in the future.	CCRE's outlook was cut to "negative" from "stable" by Standard & Poor's, a credit-rating agency.	1. Evaluate business strategies, review capital structure and lock in long-term funding to ensure liquidity; and 2. Maintain sufficient undrawn credit facilities to fulfill the liquidity demand of the Company.
Senior notes of the Company are denominated in USD and SGD, and source of revenue of the Company is in RMB. RMB exchange rate volatility may expose the Company to foreign currency risk.	RMB exchange rate volatility has become a market norm.	1. Hedge currency exposures in line with the Company's business strategy; and 2. Closely monitor the effects of RMB exchange rate volatility on the Company.

Risk Description	Risk Changes in 2015	Key Measures for Risk Management
Product Risks		
There is uncertainty in requirements by the government on project planning. Changes requested by the government at stage of approval may increase our development costs.	Uncertainty in requirements by the government increases due to the changing urban planning and every kind of new policies.	Keep abreast of relevant local policies and planning adjustments, enhance communication with governmental departments for minimising repeated reporting on construction for approval.
Market Risks		
Collective complaint on deemed property devaluation by customers caused by market price volatility.	Certain projects have received collective complaints by customers on property price volatility.	Enhance training provided to sales staff. Allow customers to fully understand the terms of transaction as well as the rights and obligations of seller and buyer.
Investment Risk		
Government's progress of land clearance or adjustment on urban planning of individual projects may be below expectation and affect the development progress.	Risk level remains broadly the same.	Enhance communication and coordination with governmental departments for satisfying criteria of commencement of construction of the projects promptly.
Procurement Risk		
Massive impact of changes in oil price made on petroleum products.	Impact of changes in oil price by nearly 50% during the year on prices of materials, such as pipes and fittings, waterproof coating and warmth keeper.	1. Introduce a mechanism for price adjustment included in central procurement tendering for eliminating continual impact of subsequent oil price volatility on prices of materials; and 2. Shorten procurement cycle.

Risk Description	Risk Changes in 2015	Key Measures for Risk Management
Policy Risks In 2015, the PRC government launched a series of policy, such as repeatedly lowering ratio and reducing interest rates, relaxing home purchase curb, 90/70 policy and control on mortgage, reduction of minimum down payment and provident fund and adoption of two-child policy, effectively facilitating property sales.	Risk level has been decreasing.	1. Closely monitor the changes in policies; 2. Adjust product structure promptly; and 3. Flexibly adjust the sales rhythm and strategy.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2015 which would materially affect the Group's operating and financial performance as of the date of this announcement.

ISSUANCE OF SENIOR NOTES

On 15 April 2015, the Company issued the US$300m Senior Notes due 2021 at a coupon rate of 8.75% per annum for the purposes of refinancing and for general corporate purposes. Further details relating to the issue of the US$300m Senior Notes are disclosed in the announcements of the Company dated 14 and 15 April 2015. The issuance was completed on 23 April 2015 and US$300m in Senior Notes started bearing interest on that date.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend for the year ended 31 December 2015 at HK11.61 cents (equivalent to approximately RMB9.84 cents) (2014: HK13.6 cents) to the shareholders whose names appear on the register of members on Monday, 23 May 2016. Subject to the shareholders' approval of the proposed final dividend at the annual general meeting to be held on Tuesday, 17 May 2016 (the "2016 AGM"), the dividend cum-date and ex-date will be Wednesday, 18 May 2016 and Thursday, 19 May 2016 respectively, and the final dividend will be paid to the shareholders on or about Monday, 6 June 2016. The proposed final dividend has not been reflected in the financial statements as at 31 December 2015.

ANNUAL GENERAL MEETING

The 2016 AGM will be held on Tuesday, 17 May 2016 and the notice thereof will be published and despatched to the shareholders of the Company in a manner as required by the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2016 AGM, the register of members of the Company will be closed from Friday, 13 May 2016 to Tuesday, 17 May 2016 (both days inclusive), during which period no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong 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 Thursday, 12 May 2016, for registration.

For the purposes of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Monday, 23 May 2016, during that day no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong 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, 20 May 2016, for registration.

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improve its corporate governance and disclosure practices. For the year ended 31 December 2015, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix 14 to the Listing Rules with the exception of code provisions A.6.7 and E.1.2 as addressed below.

1. **Code provision A.6.7 — This code provision stipulates that independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.**

   All Directors have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation.

Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang and Ms. Wu Wallis (alias Li Hua), all being non-executive Directors, and Mr. Xin Luo Lin and Mr. Muk Kin Yau, being independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 15 May 2015 (the "2015 AGM") as they were out of town for other businesses.

2. **Code provision E.1.2 — This code provision requires the Chairman to invite the chairmen of the audit, remuneration and nomination committees to attend the annual general meetings.**

   Mr. Xin Luo Lin, an independent non-executive Director and the chairman of the remuneration committee of the Company, was unable to attend the 2015 AGM as he was out of town for other business.

   In his absence, the other members of the remuneration committee, namely Mr. Wu Po Sum and Mr. Cheung Shek Lun, attended the 2015 AGM and answered questions raised at the meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code for the year ended 31 December 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Annual Results, including the accounting principles and practices adopted by the Group, and discussed auditing, risk management and internal control systems and financial reporting matters as well as the audited financial statements for the year ended 31 December 2015 with the management.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This Annual Results announcement is published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.centralchina.com. The Company's annual report for the year ended 31 December 2015 will be published on both websites and will be despatched to the shareholders of the Company in due course.

By Order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 31 March 2016

For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HK$ is based on the exchange rate of RMB1.00 = HK$1.18. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in question in RMB or HK$ has been or could have been or may be converted at such or another rate or at all.

As at the date of this announcement, the Board comprises eight Directors, of which Mr. Wu Po Sum and Ms. Yan Yingchun are executive Directors, Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang and Ms. Wu Wallis (alias Li Hua) are non-executive Directors, Mr. Cheung Shek Lun, Mr. Muk Kin Yau and Mr. Xin Luo Lin are independent non-executive Directors.

* *For identification purposes only*