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COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB113.22 billion for the year ended 31 December 2015, representing an increase of approximately 33.9% compared with the year 2014. Of which revenue from property sales amounted to RMB109.46 billion, representing an increase of 33.7% compared with the year 2014. Recognized sales of GFA reached approximately 17.67 million sq.m., representing an increase of approximately 45.1% compared with the year 2014.
- Core net profit attributable to owners of the Company amounted to RMB9.71 billion, representing an increase of 5.1% compared with 2014.
- As at 31 December 2015, the Group's weighted average borrowing cost was 6.20%, representing a decrease of 139 basis points compared with 2014.
- For the year of 2015, the Group together with its associates and joint ventures achieved contracted sales of approximately RMB140.16 billion with contracted sales GFA of approximately 21.53 million sq.m, representing a year-on-year increase of 7.1% and 10.7%, respectively, of which contracted sales achieved in the second half of the year was approximately RMB85.69 billion, representing a significant increase of approximately RMB31.22 billion or 57.3% compared with the first half.
- In 2015, the estimated GFA of the land parcels acquired by the Group was 38.21 million sq.m. with a total consideration of approximately RMB55.95 billion.
- The Board recommended the payment of a final dividend of RMB6.47 cents per share, in the form of cash. The total annual dividend reached RMB12.95 cents per share. The total annual dividend payout accounted for 30% of the total core net profit.

The board of directors (the "Director(s)") (the "Board") of Country Garden Holdings Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group" or "Country Garden") for the year ended 31 December 2015.

BUSINESS REVIEW AND OUTLOOK

In 2015, the Group's total revenue reached approximately RMB113.22 billion, representing a year-on-year increase of approximately 33.9%, of which property development segment reached approximately RMB109.46 billion, representing a year-on-year increase of approximately 33.7%. The Group's gross profit before provision of land appreciation tax reached approximately RMB22.86 billion, representing a year-on-year increase of approximately 3.7%. The profit attributable to owners of the Company reached approximately RMB9.28 billion. The core net profit of the Group (profit attributable to owners of the Company excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase) reached approximately RMB9.71 billion, representing a year-on-year increase of approximately 5.1%. The Group's basic earnings per share reached approximately RMB42.54 cents.

The Board recommended the payment of a final dividend of RMB6.47 cents per share in the form of cash and the total annual dividend reached RMB12.95 cents per share. The total annual dividend payout accounted for 30% of the total core net profit.

The contracted sales of the Group and its associates and joint ventures achieved approximately RMB140.16 billion for the year, representing a year-on-year increase of 7.1%, of which contracted sales in the second half reached approximately RMB85.69 billion, representing a significant increase of 57.3% compared with the first half. Besides, the contracted sales gross floor area ("GFA") was approximately 21.53 million sq.m, representing a year-on-year increase of 10.7%. The cash generated from the sales of properties reached approximately RMB117.00 billion, which represents the second time for the Group to record a cash collection of more than RMB100 billion. During the year, the Company launched a total of 61 new projects.

In terms of target markets, 52% of the Group's sales were contributed by those projects targeting the first and second tier cities in China, and the remaining 46% by the third and fourth tier cities. The Group's enhanced land quality, product development and marketing capabilities led to an increase in both sales and sell-through ratio.

The partnership scheme in accordance with Country Garden's features provided a strong incentive to boost results: in order to meet the needs of the enterprise development under the new circumstances, the management of the Group introduced a co-investment system since October 2014 and realized alignment of interest among managers, the Group and shareholders of the Company. The scheme has run smoothly since its implementation. As of the end of 2015, the partnership scheme had been introduced to a total of 168 projects, of which 73 projects were launched for sale with an aggregated contracted sales of RMB33.8 billion. The net profit margin of contracted sales of 2015 is expected to be around 12% and with an expected positive net cash flow cycle within 8.2 months. The scheme has laid a solid foundation for the improvement of results in future.

The Group has always been committed to optimizing the capital structure, expanding financing channel and reducing financing cost while ensuring its sound operation. As of the end of 2015, the Group's weighted average borrowing cost was 6.20%, representing a year-on-year decrease of 139 basis points. As at the end of the period, the Group's available cash amounted to RMB47.88 billion, while the undrawn bank facilities were RMB91.35 billion. The Group has sufficient working capital and has been well recognized and supported by the major financial institutions. The financial position of the Group maintained healthy.

During the period, we were also proactively carrying out the strategy for overseas expansion, with an aim to seek new profit growth driver for the Group while maintaining a sound operation. After nearly three years' preparation and investment, the Group's urban development project – Forest City in Johor, Malaysia, launched and almost sold out its first phase in late 2015. Forest City is a long-term strategic project jointly developed by Country Garden and the Johor government with

an expected total development term of 20 years. Its planned area was approximately 14 square kilometers, free hold. Located in Iskandar Malaysia, Forest City is only a bridge away from Singapore and enjoys various preferential policies, which could be treated as a “special zone in the special zone”. Country Garden has jointly completed the planning together with its domestic and foreign well-known partners, and is now building Forest City into an icon of future cities. Its profit margin is expected to be higher than the general domestic-developed projects. Meanwhile, we will gradually proceed with the construction of the project according to the market responses, with an aim to bring in continuous and steady profit and drive the long-term development of the Group.

Property management and community related business would be the new profit growth driver of the Group in future, and Country Garden was committed to exploring the broad future of the real estate industry in community business. As of 31 December 2015, the property management business of the Group covered 382 projects with contracted management area of about 138 million sq.m, of which about 83.42 million sq.m. was already under the management of our property management team with the rest pending delivery. Country Garden has served approximately 580,000 households of owners and residents in total across the country. During the year of 2015, the revenue of the property management and community related business of the Group was approximately RMB1.47 billion, representing a year-on-year increase of approximately 52.4%. The Group may actively utilize the capital market in future to diversify the Group’s sources of revenue, achieve sustainable development and add value to the Company.

The hotel business continued to facilitate project acquisition and sales. As of 31 December 2015, the Group operated 45 five-star hotels or five-star standard hotels and 6 four-star hotels or four-star standard hotels, with 13,819 guest rooms in total. The revenue from the hotel business was approximately RMB1.45 billion, representing an increase of approximately 28.5% as compared to the same period of last year. Most hotels of the Group are located within our communities. The Group would strive to enhance the capital market value of hotel assets in future.

The construction, fitting and decoration segment was one of the organic components of the Group’s vertically integrated value chain. In the year of 2015, this segment achieved revenue of approximately RMB13.63 billion, of which approximately RMB0.75 billion was from external customers. The efficient coordination and cooperation between the construction, fitting and decoration segment and the property development segment strengthened the competitiveness of the Group in cost control, progress supervision and optimization of resources allocation.

Meanwhile, the Group was also striving to develop and enhance the value of its commercial properties. As of 31 December 2015, the GFA of the investment properties reached 1.05 million sq.m with a fair value of approximately RMB8.69 billion, and the completed GFA reached 0.90 million sq.m. with a fair value of approximately RMB7.68 billion. In 2015, the rental income from the investment properties amounted to approximately RMB91.75 million.

In respect of team building, the Group accelerated the strategic talent recruiting and training. As of 31 December 2015, 256 PhDs have joined the management trainee program and these talents would gradually become the core members of the Group.

With regard to the macroeconomic situation, the property market has stabilized and rebounded after the industry adjustment with further deepening urbanization under the backdrop of the new norm. The industry is facing new opportunities thanks to the frequent launch of favorable policies. Country Garden is convinced that both the nation and the people will benefit from the long-term stable development of the property industry and property developers should actively participate in the urbanization process.

To us the world is up for grabs, and all members of Country Garden will work together to add value to capital market, customers and the society, with an aspiration of becoming one of the most competitive enterprises in the world.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2015	2014
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		20,019,841	18,642,518
Investment properties		8,686,295	7,035,579
Intangible assets		121,539	29,247
Land use rights		2,052,170	2,034,522
Properties under development		52,727,068	44,638,652
Investments in associates		884,492	34,492
Investments in joint ventures		803,934	21,374
Available-for-sale financial assets		214,998	208,667
Trade and other receivables	3	642,950	–
Deferred income tax assets		3,786,942	2,770,111
		<u>89,940,229</u>	<u>75,415,162</u>
Current assets			
Properties under development		135,107,046	105,993,980
Completed properties held for sale		34,114,127	23,203,236
Inventories		1,978,437	2,095,143
Trade and other receivables	3	42,242,116	25,370,902
Prepaid taxes		9,490,355	8,739,706
Restricted cash		11,637,126	8,453,490
Cash and cash equivalents		36,240,752	18,760,590
Financial assets at fair value through profit or loss	4	1,188,096	–
Derivative financial instruments	5	18,043	–
		<u>272,016,098</u>	<u>192,617,047</u>
Current liabilities			
Advanced proceeds received from customers		96,516,079	91,792,491
Trade and other payables	6	73,385,200	40,924,965
Income taxes payable		8,905,412	8,976,132
Senior notes		–	2,538,757
Bank and other borrowings		22,778,038	12,390,679
Derivative financial instruments	5	10,198	–
		<u>201,594,927</u>	<u>156,623,024</u>
Net current assets		<u>70,421,171</u>	<u>35,994,023</u>
Total assets less current liabilities		<u>160,361,400</u>	<u>111,409,185</u>

		As at 31 December	
		2015	2014
	<i>Note</i>	RMB'000	RMB'000
Non-current liabilities			
Senior notes		20,878,179	19,735,005
Debentures	7	15,258,499	–
Bank and other borrowings		30,829,079	26,404,258
Deferred government grants		239,520	239,520
Deferred income tax liabilities		3,815,717	2,587,976
		<u>71,020,994</u>	<u>48,966,759</u>
Equity attributable to owners of the Company			
Share capital and premium	8	29,212,611	24,262,047
Other reserves		3,942,139	4,243,448
Retained earnings		32,135,960	28,180,710
		<u>65,290,710</u>	<u>56,686,205</u>
Non-controlling interests			
Perpetual capital securities		19,528,000	3,090,000
Other non-controlling interests		4,521,696	2,666,221
		<u>24,049,696</u>	<u>5,756,221</u>
Total equity		<u>89,340,406</u>	<u>62,442,426</u>
Total equity and non-current liabilities		<u>160,361,400</u>	<u>111,409,185</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2015 RMB'000	2014 RMB'000
Revenue	2	113,222,640	84,548,803
Cost of sales		(90,359,341)	(62,493,670)
Gross profit		22,863,299	22,055,133
Other income and gains – net	9	423,985	185,996
Gains arising from changes in fair value of and transfer to investment properties		809,812	1,880,036
Selling and marketing costs		(4,688,695)	(4,356,272)
Administrative expenses		(3,230,024)	(3,159,928)
Operating profit		16,178,377	16,604,965
Finance income	10	221,079	254,747
Finance costs	10	(1,510,589)	(450,329)
Finance costs – net	10	(1,289,510)	(195,582)
Share of results of associates and joint ventures		(55,758)	(40,258)
Profit before income tax		14,833,109	16,369,125
Income tax expenses	11	(5,121,428)	(5,757,225)
Profit for the year		9,711,681	10,611,900
Profit attributable to:			
– Owners of the Company		9,276,485	10,229,159
– Non-controlling interests			
Perpetual capital securities		356,104	207,169
Other non-controlling interests		79,092	175,572
		435,196	382,741
		9,711,681	10,611,900

		Year ended 31 December	
		2015	2014
<i>Note</i>		RMB'000	RMB'000
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
	– Revaluation gains on properties upon transfer from property, plant and equipment and land use rights to investment properties, net of tax	–	1,464,237
Items that may be reclassified to profit or loss:			
	– Change in fair value of available-for-sale financial assets, net of tax	4,748	2,338
	– Currency translation differences	(899,069)	6,452
Other comprehensive (loss)/income for the year, net of tax		(894,321)	1,473,027
Total comprehensive income for the year		8,817,360	12,084,927
Total comprehensive income attributable to:			
	– Owners of the Company	8,453,384	11,700,200
	– Non-controlling interests		
	Perpetual capital securities	356,104	207,169
	Other non-controlling interests	7,872	177,558
		363,976	384,727
		8,817,360	12,084,927
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
Basic	<i>12</i>	42.54	53.45
Diluted	<i>12</i>	42.53	53.45
		2015	2014
		RMB'000	RMB'000
Dividends			
	Interim dividend paid	1,463,704	–
	Final dividend proposed	1,448,530	3,001,893
		2,912,234	3,001,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

- (i) The new or revised standards, amendments and interpretations to existing standards, which are mandatory for the financial year beginning on 1 January 2015, are either currently not relevant to the Group or had no material impact on the Group's consolidated financial statements.
- (ii) New Hong Kong Companies Ordinance (Cap. 622).

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

- (iii) New and revised standards and amendments to existing standards that have been issued and are relevant to the Group, but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted.

		Effective for the financial year beginning on or after
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	Annual improvements project	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018

The Group is in the process of assessing the impact of the above new standards and amendments to existing standards on the Group's consolidated financial statements.

2 SEGMENT INFORMATION

The executive directors of the Company reviews the Group's internal reporting in order to assess performance and allocate resources. The executive directors has determined the operating segments based on these reports.

The executive directors considers the business from product perspective. From a product perspective, executive directors assesses the performance of:

- Property development;
- Construction, fitting and decoration;
- Property investment;
- Property management; and
- Hotel operation.

The executive directors assesses the performance of the operating segments based on a measure of operating profit.

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, investment properties, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude deferred income tax assets, available-for-sale financial assets, financial assets at fair value through profit and loss and derivative financial instruments. Segment liabilities consist primarily of operating liabilities. They exclude senior notes, debentures, bank and other borrowings, deferred income tax liabilities, income taxes payable and derivative financial instruments.

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

Revenue consists of the following:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Sales of properties	109,460,370	81,897,856
Rendering of construction, fitting and decoration services	746,355	467,872
Rental income	91,747	86,714
Rendering of property management services	1,469,307	964,066
Rendering of hotel services	1,454,861	1,132,295
	<u>113,222,640</u>	<u>84,548,803</u>

Sales between segments are carried out according to the terms and condition agreed by the respective segments' management.

The Group's entire revenue is attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2015 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property investment RMB'000	Property management RMB'000	Hotel operation RMB'000	Total Group RMB'000
Segment revenue	109,460,370	13,634,456	91,747	1,940,853	1,508,247	126,635,673
Inter-segment revenue	–	(12,888,101)	–	(471,546)	(53,386)	(13,413,033)
Revenue (from external customers)	109,460,370	746,355	91,747	1,469,307	1,454,861	113,222,640
Depreciation and amortisation	421,128	35,444	–	13,482	359,718	829,772
Operating profit/(loss)	15,039,299	170,418	903,529	253,864	(188,733)	16,178,377
At 31 December 2015						
Total segment assets after elimination of inter-segment balances	326,818,471	7,268,206	8,686,295	975,304	12,999,972	356,748,248
Capital expenditure	1,507,855	15,746	344,564	4,287	917,683	2,790,135
Total segment liabilities after elimination of inter-segment balances	160,280,150	8,180,750	8,011	737,945	933,943	170,140,799

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2014 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property investment RMB'000	Property management RMB'000	Hotel operation RMB'000	Total Group RMB'000
Segment revenue	81,897,856	21,449,077	86,714	964,066	1,213,636	105,611,349
Inter-segment revenue	–	(20,981,205)	–	–	(81,341)	(21,062,546)
Revenue (from external customers)	81,897,856	467,872	86,714	964,066	1,132,295	84,548,803
Depreciation and amortisation	424,158	30,312	3,817	11,352	319,673	789,312
Operating profit/(loss)	15,027,422	(3,300)	1,906,185	(89,492)	(235,850)	16,604,965
At 31 December 2014						
Total segment assets after elimination of inter-segment balances	235,028,152	8,607,178	7,035,579	1,499,951	12,882,571	265,053,431
Capital expenditure	1,926,777	27,023	–	17,660	3,172,700	5,144,160
Total segment liabilities after elimination of inter-segment balances	124,665,546	6,616,117	–	1,029,748	645,565	132,956,976

As at 31 December 2015, segment assets of the property development segment included the amounts of investments in associates and joint ventures accounted for using the equity method totalling approximately RMB1,688,426,000 (2014: RMB55,866,000).

Reportable operating profits are reconciled to net profit as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Total operating profit	16,178,377	16,604,965
Finance costs – net	(1,289,510)	(195,582)
Share of results of associates and joint ventures	(55,758)	(40,258)
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Profit before income tax	14,833,109	16,369,125
Income tax expenses	(5,121,428)	(5,757,225)
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Profit for the year	<u>9,711,681</u>	<u>10,611,900</u>

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Total segment assets after elimination of inter-segment balances	356,748,248	265,053,431
Deferred income tax assets	3,786,942	2,770,111
Available-for-sale financial assets	214,998	208,667
Financial assets at fair value through profit or loss	1,188,096	–
Derivative financial instruments	18,043	–
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Total assets	<u>361,956,327</u>	<u>268,032,209</u>
	<hr/>	<hr/>
Total segment liabilities after elimination of inter-segment balances	170,140,799	132,956,976
Deferred income tax liabilities	3,815,717	2,587,976
Income taxes payable	8,905,412	8,976,132
Senior notes	20,878,179	22,273,762
Bank and other borrowings	53,607,117	38,794,937
Debentures	15,258,499	–
Derivative financial instruments	10,198	–
	<hr/>	<hr/>
Total liabilities	<u>272,615,921</u>	<u>205,589,783</u>

3 TRADE AND OTHER RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade receivables (<i>note (a)</i>)	14,764,833	8,690,063
Land auction and other deposits	6,999,069	2,600,236
Other receivables	6,175,220	3,746,574
Amounts due from customers for contract work	563,378	1,269,592
Prepayments for land use rights	4,275,331	3,280,822
Amounts due from related parties except for contract work	4,597,657	3,020,574
Loans to related parties	775,971	–
Other prepayments	4,733,607	2,763,041
	<hr/>	<hr/>
	42,885,066	25,370,902
Less: non-current portion of loans to related parties	(642,950)	–
	<hr/>	<hr/>
Current portion of trade and other receivables	<u>42,242,116</u>	<u>25,370,902</u>

As at 31 December 2015, the fair value of trade and other receivables approximated their carrying amounts.

- (a) Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on revenue recognition date is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within 90 days	12,706,910	7,399,889
Over 90 days and within 180 days	853,260	640,911
Over 180 days and within 365 days	821,220	436,609
Over 365 days	383,443	212,654
	14,764,833	8,690,063

At 31 December 2015 and 2014, trade receivables were denominated in RMB.

Trade receivables are analysed as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Fully performing under credit terms	14,128,350	8,451,516
Past due but not impaired	636,483	238,547
	14,764,833	8,690,063

Past due but not impaired receivables mainly represent receivables from sales of properties. The directors consider that these receivables would be recovered and no provision was therefore made against past due receivables as at 31 December 2015 (2014: nil). The ageing analysis of these trade receivables is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Over 90 days and within 180 days	369,799	97,515
Over 180 days and within 365 days	234,982	95,164
Over 365 days	31,702	45,868
	636,483	238,547

The other classes within trade and other receivables did not contain impaired assets and there had been no material default history for these receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. Trade receivables were collateralised by the properties sold.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Listed equity security – China (a)	<u>1,188,096</u>	<u>–</u>

- (a) On 16 November 2015, the Group entered into a share purchase agreement to subscribe for 51,977,311 shares (representing a 9.16% equity interest) issued by Shenzhen Tiantu Investment Management Co., Ltd. (“Tiantu”), which is mainly engaged in investment activities and listed on the National Equities Exchange and Quotations (“NEEQ”) in the PRC, at a consideration of approximately RMB1,188,096,000. NEEQ is not regarded as an active market for accounting purpose as the transaction volume is low; the fair value of the investment was determined with reference to the transaction price of the private placement of shares of Tiantu to certain investors immediately prior to its listing on NEEQ in November 2015.

5 DERIVATIVE FINANCIAL INSTRUMENTS

	2015		2014	
	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>
Forward foreign exchange contracts	<u>18,043</u>	<u>10,198</u>	<u>–</u>	<u>–</u>

The notional principal amount of the outstanding forward foreign exchange contracts at 31 December 2015 was RMB485,718,000 (2014: nil). These contracts will mature in 2016.

6 TRADE AND OTHER PAYABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade payables (<i>note (b)</i>)	53,478,430	26,875,334
Other payables	13,722,445	7,813,785
Other taxes payable	2,443,970	2,223,947
Salaries payable	3,369,731	3,491,833
Accrued expenses	<u>370,624</u>	<u>520,066</u>
	<u>73,385,200</u>	<u>40,924,965</u>

- (a) As at 31 December 2015, the carrying amounts of trade and other payables approximated their fair values.

(b) The ageing analysis of trade payables mainly based on the date of invoices was as follows:

	2015 RMB'000	2014 RMB'000
Within 90 days	47,826,776	25,106,015
Over 90 days and within 180 days	3,098,282	740,388
Over 180 days and within 365 days	1,564,830	510,070
Over 365 days	988,542	518,861
	53,478,430	26,875,334

7 DEBENTURES

Name of bond	Par value RMB'000	Issue date	Term of the bond	Net proceeds RMB'000	Effective interest rate
RMB Debentures of the Company issued in 2015	1,000,000	29/12/2015	5 years	985,000	5.55%
RMB Debentures I tranche I of Zengcheng Country Garden Property Development Co., Ltd. ("Zengcheng Country Garden") issued in 2015	3,000,000	03/08/2015	3 years	2,989,500	4.33%
RMB Debentures I tranche II of Zengcheng Country Garden issued in 2015	3,000,000	12/08/2015	3 years	2,991,000	4.31%
RMB Debentures II tranche I of Zengcheng Country Garden issued in 2015	4,000,000	09/11/2015	4 years	3,985,200	5.15%
RMB Debentures II tranche II of Zengcheng Country Garden issued in 2015	4,000,000	07/12/2015	4 years	3,988,000	5.26%
RM Debentures of Country Garden Real Estate Sdn. Bhd. issued in 2015	174,219	30/12/2015	2 years	173,099	6.35%
Total	<u>15,174,219</u>			<u>15,111,799</u>	

Name of bond	Opening balance RMB'000	Issued in the year RMB'000	Accrued interest on par value for the year RMB'000	Amortisation of the discount RMB'000	Effect arising on translation differences in foreign currencies RMB'000	Closing balance RMB'000
RMB Debentures of the Company issued in 2015	-	985,000	410	39	-	985,449
RMB Debentures I tranche I of Zengcheng Country Garden issued in 2015	-	2,989,500	52,126	1,387	-	3,043,013
RMB Debentures I tranche II of Zengcheng Country Garden issued in 2015	-	2,991,000	48,674	1,110	-	3,040,784
RMB Debentures II tranche I of Zengcheng Country Garden issued in 2015	-	3,985,200	28,208	1,028	-	4,014,436
RMB Debentures II tranche II of Zengcheng Country Garden issued in 2015	-	3,988,000	13,414	384	-	4,001,798
RM Debentures of Country Garden Real Estate Sdn. Bhd. issued in 2015	-	173,099	29	1	(110)	173,019
Total	<u>-</u>	<u>15,111,799</u>	<u>142,861</u>	<u>3,949</u>	<u>(110)</u>	<u>15,258,499</u>

Notes:

- (i) The RMB Debentures issued by Zengcheng Country Garden were guaranteed by the Company.
- (ii) The RM Debentures issued by Country Garden Real Estate Sdn. Bhd. were jointly guaranteed by the Company, Bright Start Group Ltd., and Top Favour Holdings Ltd., (both are wholly owned subsidiaries of the Company), and secured by all of Country Garden Real Estate Sdn.'s present and future assets, a first ranking charge over shares by Bright Start Group Ltd. and Top Favour Holdings Ltd., over their respective shares in Country Garden Real Estate Sdn., including but not limited to bonus shares, right shares and other new shares or rights entitlements.
- (iii) The RMB Debentures II tranche I and tranche II issued by Zengcheng Country Garden and the RMB Debentures of the Company contain a liability component and coupon rate adjustment options:

Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The directors consider that the fair values of the above coupon rate adjustment options were insignificant on initial recognition and at 31 December 2015.

- (iv) The fair values of the debentures at 31 December 2015 were RMB15,335,091,000 (2014: nil). The fair values are calculated using the market price of the debentures on the date of statement of financial position. The fair value measurement of RMB Debentures I tranche I and II issued by Zengcheng Country Garden is categorised within the level 1 of fair value hierarchy as they are listed on Shanghai Stock Exchange. The fair value measurement of other debentures is categorised within the level 3 of fair value hierarchy as they are private placements.

8 SHARE CAPITAL AND PREMIUM

Note	Number of ordinary shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000	Treasury shares RMB'000	Group total RMB'000
Authorised							
At 1 January 2014, 31 December 2014 and 2015, HKD0.10 per share	100,000,000,000	10,000,000					
Issued and fully paid							
At 1 January 2014	18,457,534,177	1,845,753	1,789,737	18,759,518	20,549,255	(380,236)	20,169,019
Issue of shares as a result of the scrip dividend scheme	622,296,869	62,230	49,398	1,542,203	1,591,601	–	1,591,601
Issue of shares as a result of a rights issue	<u>1,271,988,736</u>	<u>127,199</u>	<u>100,869</u>	<u>2,400,558</u>	<u>2,501,427</u>	<u>–</u>	<u>2,501,427</u>
At 31 December 2014 and 1 January 2015	20,351,819,782	2,035,182	1,940,004	22,702,279	24,642,283	(380,236)	24,262,047
Issue of shares (a)	<u>2,236,200,000</u>	<u>223,620</u>	<u>176,861</u>	<u>4,773,703</u>	<u>4,950,564</u>	<u>–</u>	<u>4,950,564</u>
At 31 December 2015	<u>22,588,019,782</u>	<u>2,258,802</u>	<u>2,116,865</u>	<u>27,475,982</u>	<u>29,592,847</u>	<u>(380,236)</u>	<u>29,212,611</u>

Note:

- (a) On 20 April 2015, the Company issued 2,236,200,000 new shares to Ping An Life Insurance Company of China, Ltd. (“Ping An”). The issued shares represent approximately 10.99% of the Company’s then existing issued share capital and approximately 9.90% of the Company’s issued share capital as enlarged by the above subscription. The issue price per share was HKD2.816, which was arrived at after arm’s length negotiations between the subscriber and the Company and after having considered the market price of the shares before the transaction date.

9 OTHER INCOME AND GAINS – NET

	2015 RMB'000	2014 RMB'000
Refund of land usage tax and other government grants	183,690	68,470
Gains on bargain purchase	118,315	–
Forfeiture of advances received from customers	68,232	16,330
Gains on disposals of investment properties	13,156	–
Dividend income on available-for-sale financial assets	9,560	6,100
Change in fair value of derivative financial instruments	7,845	–
Gain on disposal of a subsidiary	1,547	–
Losses on disposals of property, plant and equipment	(1,347)	(1,143)
Gains on disposals of properties under development	–	43,300
Others	<u>22,987</u>	<u>52,939</u>
	<u>423,985</u>	<u>185,996</u>

10 FINANCE COSTS – NET

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Finance income:		
– Interest income on short-term bank deposits	<u>221,079</u>	<u>254,747</u>
Finance costs:		
– Interest expense:		
– Senior notes	(1,880,984)	(2,244,632)
– Bank and other borrowings	(3,033,909)	(2,634,812)
– Debentures	<u>(146,810)</u>	<u>–</u>
	(5,061,703)	(4,879,444)
Less: amounts capitalised on qualifying assets	<u>5,061,703</u>	<u>4,879,444</u>
	–	–
– Net foreign exchange losses on financing activities	(1,640,840)	(260,836)
Less: amounts capitalised on qualifying assets	<u>437,620</u>	<u>–</u>
	(1,203,220)	(260,836)
– Loss on early redemption of senior notes	<u>(307,369)</u>	<u>(189,493)</u>
Net finance costs	<u>(1,510,589)</u>	<u>(450,329)</u>
Finance costs – net	<u>(1,289,510)</u>	<u>(195,582)</u>

11 INCOME TAX EXPENSES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current income tax		
– PRC corporate income tax	4,482,128	4,252,464
– Land appreciation tax (<i>note (c)</i>)	<u>1,111,139</u>	<u>1,644,863</u>
	5,593,267	5,897,327
Deferred income tax		
– PRC corporate income tax	(571,794)	(183,997)
– Withholding income tax on profit to be distributed in future (<i>note (d)</i>)	<u>99,955</u>	<u>43,895</u>
	(471,839)	(140,102)
	<u>5,121,428</u>	<u>5,757,225</u>

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group companies as follows:

	2015	2014
	RMB'000	RMB'000
Profit before income tax	14,833,109	16,369,125
Tax calculated at PRC corporate income tax rate of 25% (2014: 25%)	3,708,277	4,092,281
Land appreciation tax deductible for calculation of income tax purpose	(277,785)	(411,216)
Utilisation of tax losses not recognised as deferred income tax assets	(2,613)	(1,674)
Income not subject to tax	(4,472)	(5,574)
Expenses not deductible for tax	486,927	394,650
	3,910,334	4,068,467
Withholding income tax on profit to be distributed in future (<i>note (d)</i>)	99,955	43,895
Land appreciation tax (<i>note (c)</i>)	1,111,139	1,644,863
Income tax expenses	5,121,428	5,757,225

Note:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2014:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) PRC corporate income tax has been provided at corporate income tax rate of 25%.
- (c) PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.
- (d) Withholding income tax is provided on the dividends to be distributed by the PRC subsidiaries of the Group. The relevant overseas holding companies have successfully obtained endorsement from various PRC tax bureaus to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the dividends to be distributed by the PRC subsidiaries of the Group.

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	2015	2014
Profit attributable to owners of the Company (RMB'000)	9,276,485	10,229,159
Weighted average number of ordinary shares in issue (thousands)	21,806,325	19,138,531
Earnings per share – Basic (RMB cents per share)	42.54	53.45

(b) Diluted

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

	2015	2014
Profit attributable to owners of the Company (RMB'000)	<u>9,276,485</u>	<u>10,229,159</u>
Weighted average number of ordinary shares in issue (thousands)	21,806,325	19,138,531
Adjustments – share options and awarded shares (thousands)	<u>7,471</u>	<u>902</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>21,813,796</u>	<u>19,139,433</u>
Earnings per share – Diluted (RMB cents per share)	<u>42.53</u>	<u>53.45</u>

13 DIVIDENDS

	2015	2014
	RMB'000	RMB'000
Interim dividend paid of RMB6.48 cents (2014:nil) per share	1,463,704	–
Proposed final dividend of RMB6.47 cents per share (2014: RMB14.75 cents)	<u>1,448,530</u>	<u>3,001,893</u>

On 19 August 2015, the Board of Directors declared the payment of a 2015 interim dividend of RMB6.48 cents per share, totalling RMB1,463,704,000 has been declared by the board of directors on 19 August 2015 and paid in cash in November 2015 (2014: nil).

The final dividend in respect of 2014 of RMB14.75 cents (equivalent to HKD18.70 cents) per share, totalling RMB3,333,127,000 (including the dividend payable to Ping An as a result of the issue of shares to Ping An in April 2015 (note 8(a)), has been approved in the Annual General Meeting on 20 May 2015 and paid in cash in July 2015.

The directors recommend the payment of a 2015 final dividend of RMB6.47 cents per share, totalling RMB1,448,530,000, which has taken into account the effect of the buy-back of the Company's shares subsequent to 31 December 2015 and up to the date of this annual results announcement. Such dividend is to be approved by the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend payable.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from five business segments: (i) property development, (ii) construction, fitting and decoration, (iii) property investment, (iv) property management, and (v) hotel operation. Revenue increased by 33.9% to approximately RMB113,222.6 million in 2015 from approximately RMB84,548.8 million in 2014. 96.7% of the Group's revenue was generated from the sales of properties (2014: 96.9%) and 3.3% from other segments (2014: 3.1%).

Property Development

Despite of the slowdown of the development momentum of the real estate industry in 2015, revenue generated from property development maintained a continuous steady growth as a result of the steady growth of property sales, strict construction control and timely delivery of units. Revenue generated from property development increased by 33.7% to approximately RMB109,460.4 million in 2015 from RMB81,897.9 million in 2014. The total GFA recognized increased by 45.1% to 17.67 million sq.m. in 2015 from 12.18 million sq.m. in 2014. However, the recognized average selling price of property decreased by 7.9% to RMB6,194 per sq.m. in 2015 from RMB6,724 per sq.m. in 2014, mainly due to the recognized high-rise building GFA increased to 78.6% of total GFA in 2015 from 69.2% in 2014.

Construction, Fitting and Decoration

Construction, fitting and decoration revenue from external parties increased by 59.5% to approximately RMB746.4 million in 2015 from RMB467.9 million in 2014, primarily due to an increase in the volume of services rendered to related parties and third parties of the Group.

Property Management

The Group's property management covers 382 projects. Property management revenue from external parties increased by 52.4% to approximately RMB1,469.3 million in 2015 from approximately RMB964.1 million in 2014, primarily due to an increase in GFA under management, in line with the expansion of the Group's operations. In addition, the Group's property management subsidiaries began to expand its business beyond the properties developed by the Group. As at 31 December 2015, the Group's contracted management area was 138 million sq.m., among which 12.00 million sq.m. was developed by external developers; 83.42 million sq.m. was already under the management of our property management team, of which 1.07 million sq.m. was developed by external developers.

Hotel Operation

Hotel operation revenue from external parties increased by 28.5% to RMB1,454.9 million in 2015 from RMB1,132.3 million in 2014, primarily due to increased revenue from existing hotels and the opening of new hotels.

Property Investment

Revenue generated from property investment increased by 5.8% to approximately RMB91.7 million in 2015 from RMB86.7 million in 2014 primarily due to increase in rental area. Gains arising from changes in fair value of and transfer to invest properties was approximately RMB809.8 million in 2015, decreased by 56.9% compared with approximately RMB1,880.0 million in 2014. As at 31 December 2015, the total GFA of the investment properties held amounted to approximately 1.05 million sq.m. The fair value of these investment properties amounted to approximately RMB8,686.3 million, including approximately RMB7,676.6 million of completed properties and approximately RMB1,009.7 million of properties under development.

Finance Costs – Net

The Group recorded net finance costs of approximately RMB1,289.5 million in 2015, compared with net finance costs of approximately RMB195.6 million in 2014. The Group recorded interest expenses of approximately RMB5,061.7 million in 2015, compared with interest expenses of approximately RMB4,879.4 million in 2014. The above interest expenses were fully capitalized in qualifying assets and had no impact on finance costs. The increase of net finance costs were mainly due to (i) the approximately RMB307.4 million finance costs resulted from the early redemption of the senior notes due 2018 in 2015, (ii) the increase in foreign exchange loss of approximately RMB942.4 million resulted from the depreciation of the exchange rate of RMB against US\$.

Core Net Profit

After deduction of the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains or losses, loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase, the core net profit attributable to owners of the Company in 2015 was approximately RMB9,707.4 million, increased by approximately 5.1% when compared with RMB9,238.4 million in 2014.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2015, the Group's cash and bank deposits (including restricted cash) amounted to approximately RMB47,877.9 million (31 December 2014: approximately RMB27,214.1 million). As at 31 December 2015, 97.7% (31 December 2014: 90.7%) of the Group's cash and bank deposits were denominated in Renminbi and 2.3% (31 December 2014: 9.3%) were denominated in other currencies (mainly US dollars, HK dollars, Malaysian Ringgit and Australia dollars).

As at 31 December 2015, the carrying amount of the restricted cash was approximately RMB11,637.1 million (31 December 2014: approximately RMB8,453.5 million). Pursuant to relevant regulations, certain of the project companies were required to deposit a portion of proceeds from pre-sales of properties into designated bank accounts. Before the completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials and equipments, making interim construction payments and paying tax, with the prior approval of the relevant local authorities.

Equity Financing

On 13 October 2014, the Group issued 1,271,988,736 rights shares and raised approximately RMB2.50 billion. The proceeds was expected to be applied to refinance the existing indebtedness of the Group and as general working capital. On 20 April 2015, the Group issued 2,236,200,000 new shares of the Company to Ping An Life Insurance Company of China, Ltd. and raised net proceeds of approximately RMB4.95 billion. The proceeds were expected to be applied by the Group for its development and as general working capital. In 2015, the use of equity fund raising remained unchanged.

Net Current Assets and Current Ratio

As at 31 December 2015, net current assets of the Group were approximately RMB70,421.2 million (31 December 2014: approximately RMB35,994.0 million). The current ratio being current assets over current liabilities was approximately 1.3 as at 31 December 2015, which increased from 1.2 as at 31 December 2014.

Debt and Charges on Group Assets

The Group had an aggregated debt as at 31 December 2015 of approximately RMB89,743.8 million (31 December 2014: approximately RMB61,068.7 million), including bank and other borrowings, senior notes and debentures of approximately RMB53,607.1 million, RMB20,878.2 million and RMB15,258.5 million respectively (31 December 2014: approximately RMB38,794.9 million, RMB22,273.8 and nil respectively).

For bank and other borrowings, approximately RMB22,778.0 million, RMB30,336.9 million and RMB492.2 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2014: approximately RMB12,390.7 million, RMB25,875.5 million and RMB528.8 million respectively). As at 31 December 2015 and 31 December 2014, the majority of the bank and other borrowings were secured by certain land use rights and properties of the Group or guaranteed by the Group.

Net Gearing Ratio

Net gearing ratio is measured by the net debt (total debt net of available cash, which equals to the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sold properties) over total equity excluding perpetual capital securities. Net gearing ratio increased from 57.0% as at 31 December 2014 to 60.0% as at 31 December 2015.

Key Risk Factors and Uncertainties

The following content lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks Pertaining to the Property Market and Operation

The Group's businesses and prospects are largely dependent on the performance of property market in mainland China. The property market in the mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and conservation policies. The Group is

also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences. The Group continues to implement its strategies to develop and strengthen penetration of different regional markets thereby reducing its dependence on specific markets. The Group's operation is subject to a number of risk factors distinctive to property development, property investment, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations. Additionally, accidents may happen despite the Group has set up systems and policies for accident prevention, which may lead to financial loss, litigation, or damage in reputation.

Interest Rate Risk

The Group's bank and other borrowings bear floating rates. The weighted average interest rate of the Group's bank and other borrowings decreased to 6.88% in 2015 from 7.16% in 2014. The Group has implemented certain interest rate management which includes, among the others, close monitoring of interest rate movements and refinancing on existing banking facilities or entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

The Group's main business is denominated in Renminbi. Foreign exchange risk mainly arises from the outstanding foreign currency borrowings (mainly denominated in US dollars, HK dollars, Malaysian Ringgit and Australia dollars). In 2015, the Group has started to reduce the proportion of US dollar and HK dollar debts, and adopted foreign currency hedging instruments to achieve better management over foreign exchange risk.

Contingent Liabilities

As at 31 December 2015, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB60,636.2 million (31 December 2014: approximately RMB49,375.9 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. As at 31 December 2015, the amount of approximately RMB50.9 million (31 December 2014: approximately RMB113.4 million) was to be discharged two years from the day when the mortgaged loans become due; and approximately RMB60,585.3 million (31 December 2014: approximately RMB49,262.5 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally to be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgage loan by the purchasers of properties.

The Board considers that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty, and therefore no provision has been made in the financial statements for the guarantees.

In addition, as at 31 December 2015, the Group had provided guarantees for approximately RMB1,781.9 million (31 December 2014: approximately RMB2,299.0 million) in its portion of equity interests for the borrowings of the associates and joint ventures of the Group.

Capital and Property Development Commitments

As at 31 December 2015, the commitments of the Group in connection with capital and property development expenditures amounted to approximately RMB84,825.3 million (31 December 2014: approximately RMB72,652.3 million). This amount primarily arose from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments principally from pre-sold proceeds of the properties and partly from bank borrowings.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 31 December 2015, the Group had approximately 68,150 full-time employees (31 December 2014: 64,869).

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates. The Group is subject to social insurance contribution plans or other pension schemes organized by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this announcement, there were no significant labor disputes which adversely affect or likely to have an adverse effect on the operations of the Group.

In order to adapt itself to the fast growing and ever changing market, the Group came up with the partnership scheme, aligning the interests of employees with that of the Company. Not only could this profit and loss sharing program help lowering operational cost and increasing profit and returns, but also makes employees better understand the company's culture of "home experience", and further develop together with the Company.

Besides, since 2014 the Group has recruited 256 PhDs worldwide, through its global recruiting program. These newly recruited talents will become the mainstay of the Group in future.

Forward Looking

Being one of the most important sectors of Chinese economy, the real estate industry is expected to be supported by the government's stimulus package in 2016, the strong needs of quality housing brought by first time buyers and upgraders will be the driving force of the sector's long term development. On the other hand, the competition of property development industry will be more intensive. To embrace the new market situation of diversification and integration, the Group will continue to adopt steady financial policies and risk control measures, strengthen its contracted sales and cash collection and apply strict cost control to strengthen operating cash flows and ensure investment return. As to the land bank, a more prudent and practical approach will be applied on new land acquisition to ensure the quality of future projects and optimize geographic exposure. Under the background of steady growth, the Group will focus on increasing of profitability to achieve high quality and all rounded development. Looking forward, the Company will actively maximize the value of assets under its management with financial measures. Hotel portfolio disposal and spinning off property management services business are all possible options under consideration. To Country Garden, the urbanization is far from over, the Company will continue to focus on the residential and related demands brought by urbanization, building three business units including property development, community amenities, investment and finance establishing a resources integration platform covering all stages of lives for our clients.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of this announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Company's external auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PwC on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all of the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The annual results have been reviewed by the Audit Committee.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence. For the year ended 31 December 2015, the Company has applied the principles and complied with all code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard of dealings set out therein throughout the year ended 31 December 2015. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEME

On 20 March 2007, a share option scheme (the "Share Option Scheme") was approved and adopted by the then shareholders of the Company for a period of 10 years commencing on the adoption date. Since the adoption date, the Board may, at its discretion, grant share options to any eligible person to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme. During the year, 375,989 share options were lapsed due to one of the employees of the Group, being a grantee resigned.

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of the employee incentive scheme (“Employee Incentive Scheme”) for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company, together with the scheme rules were approved by the Board officially. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance performance and efficiency. During the year, the Company had not purchased any shares of the Company from the market, and had not acquired any shares of the Company by way of scrip dividend nor rights issue. As of 31 December 2015, the cumulative total number of the shares acquired under the Employee Incentive Scheme were 107,771,551 shares (31 December 2014: 107,771,551 shares).

The Board will continue monitoring the Employee Incentive Scheme for the benefit of the senior management and employees of the Group and if it shall consider appropriate and/or desirable, modify or replace the Employee Incentive Scheme with and/or adopt other incentive scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company has early redeemed in full the US\$900,000,000 11.125% senior notes due 2018 (the “2018 Notes”), which were listed on the Singapore Exchange Securities Trading Limited, at the redemption price equal to 105.5625% of the principal amount thereof, being US\$950,062,500, plus accrued and unpaid interest of US\$10,012,500 to the redemption date. The total redemption price paid by the Company on the redemption date is US\$960,075,000. Please refer to the announcements of the Company dated 27 February 2015 and 31 March 2015 for details of the above-mentioned.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2015.

FINAL DIVIDENDS

The Directors recommend the payment of a final dividend of RMB6.47 cents (2014: RMB14.75 cents) per share for the year ended 31 December 2015 to shareholders whose names appear on the register of members of the Company on Tuesday, 24 May 2016 (record date) (“Eligible Shareholders”).

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from Wednesday, 18 May 2016 to Tuesday, 24 May 2016. It is expected that the final dividend warrants will be dispatched to Eligible Shareholders on or around Wednesday, 6 July 2016.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the shareholders of the Company (“Shareholders”) to attend, speak and vote at the forthcoming annual general meeting of the Company (“2016 AGM”), and the Eligible Shareholders’ entitlement to the proposed final dividend, the register of members of the Company (“Register of Members”) will be closed as appropriate as set out below:

- (i) For determining Shareholders' eligibility to attend, speak and vote at 2016 AGM:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Tuesday, 10 May 2016
Closure of Register of Members	Wednesday, 11 May 2016 to Monday, 16 May 2016 (both days inclusive)

- (ii) Subject to the passing of the final dividend proposal agenda in 2016 AGM, for determining Eligible Shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Friday, 20 May 2016
Closure of Register of Members	Monday, 23 May 2016 to Tuesday, 24 May 2016 (both days inclusive)
Record Date	Tuesday, 24 May 2016

For purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

PUBLICATION OF ANNUAL RESULTS

The annual results announcement is published on the Company's website (<http://www.countrygarden.com.cn>) and the Stock Exchange designated website (<http://www.hkexnews.hk>).

By Order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Hong Kong, 15 March 2016

As of the date of this announcement, the executive Directors are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Vice Chairman), Mr. MO Bin (President), Mr. ZHU Rongbin (Associate President), Mr. WU Jianbin (Chief Financial Officer), Ms. YANG Ziyang, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The independent non-executive Directors are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. MEI Wenjue and Mr. YEUNG Kwok On.