恒大地產集團®
EVERGRANDE REAL ESTATE GROUP

Evergrande Real Estate Group Limited
恒 大 地 產 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

1. Revenue increased by 19.5% from RMB111.4 billion in 2014 to RMB133.1 billion, of which the revenue from property development segment amounted to RMB126.4 billion, accounting for 95.0%.

2. Gross profit increased by 17.7% from RMB31.8 billion in 2014 to RMB37.4 billion. Gross profit margin was 28.1%, representing a drop of 0.4 percentage points.

3. Net profit decreased by 3.8% from RMB18.0 billion in 2014 to RMB17.3 billion.

4. Core business profit (excluding revaluation gains on investment properties and exchange loss) decreased from RMB12.1 billion in 2014 to RMB11.0 billion.

5. Profit margin of core business is 8.3%, representing a 2.6 percentage points decrease.

6. As at 31 December 2015, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB164.0 billion, representing an increase of 175.7% as compared with the end of 2014. Together with the unutilized banking facilities of RMB154.5 billion, the Group had available funds of RMB318.5 billion, which is sufficient for the Group's operation.

7. Contracted sales during the year amounted to RMB201.3 billion, representing a year-on-year increase of 53.1%. The gross floor area of contracted sales was 25.51 million square meters, a year-on-year increase of 40.2%. The average price of contracted sales was 7,892 per square meter, representing a year-on-year increase of 9.2%.

8. Proposed dividend was RMB0.38 per share.

The board of directors (the "Board") of Evergrande Real Estate Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2015	2014
	Note	***RMB million***	*RMB million*
Revenue	*3*	**133,130**	111,398
Cost of sales	*4*	**(95,717)**	(79,614)
Gross profit		**37,413**	31,784
Fair value gains on investment properties		**12,859**	9,393
Other gains	*5*	**323**	534
Other income	*6*	**2,262**	1,431
Selling and marketing costs	*4*	**(13,325)**	(9,154)
Administrative expenses	*4*	**(6,139)**	(4,039)
Other operating expenses	*4*	**(1,077)**	(1,396)
Operating profit		**32,316**	28,553
Fair value gain on financial assets at fair value through profit or loss	*9*	**2,515**	3,757
Finance costs	*7*	**(2,994)**	(1,015)
Share of loss of investments accounted for using equity method		**(392)**	(104)
Profit before income tax		**31,445**	31,191
Income tax expenses	*10*	**(14,105)**	(13,175)
Profit for the year		**17,340**	18,016
Other comprehensive income			
(Item that may be reclassified to profit or loss)			
Change in value of available-for-sale financial assets, net of tax		**30**	157
Other comprehensive income for the year, net of tax		**30**	157
Total comprehensive income for the year		**17,370**	18,173

	Note	Year ended 31 December 2015 RMB million	2014 RMB million
Profit attributable to:			
Shareholders of the Company		**10,460**	12,604
Holders of perpetual capital instruments		**5,088**	4,339
Non-controlling interests		**1,792**	1,073
		17,340	18,016
Total comprehensive income attributable to:			
Shareholders of the Company		**10,490**	12,761
Holders of perpetual capital instruments		**5,088**	4,339
Non-controlling interests		**1,792**	1,073
		17,370	18,173
Earnings per share for profit attributable to shareholders of the Company for the year (expressed in RMB per share)			
— Basic earnings per share	*11*	**0.713**	0.854
— Diluted earnings per share	*11*	**0.703**	0.849
Dividends	*12*	**5,200**	6,732

CONSOLIDATED BALANCE SHEET

	Note	**31 December 2015** *RMB million*	31 December 2014 *RMB million*
ASSETS			
Non-current assets			
Property, plant and equipment		**16,720**	15,504
Land use rights		**3,625**	3,388
Investment properties		**97,146**	61,857
Properties under development		**248**	355
Trade and other receivables	*13*	**10,730**	5,222
Prepayments	*14*	**1,038**	—
Intangible assets		**372**	368
Investments accounted for using equity method		**8,580**	1,062
Available-for-sale financial assets	*8*	**2,595**	123
Deferred income tax assets		**2,752**	2,447
Goodwill		**885**	486
		144,691	90,812
Current assets			
Inventories		**1,311**	578
Properties under development		**329,610**	210,793
Completed properties held for sale		**54,118**	35,682
Trade and other receivables	*13*	**21,708**	16,028
Prepayments	*14*	**37,137**	47,868
Income tax recoverable		**4,131**	2,253
Financial assets at fair value through profit or loss	*9*	**307**	10,950
Restricted cash		**60,932**	29,651
Cash and cash equivalents		**103,090**	29,847
		612,344	383,650
Total assets		**757,035**	474,462
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium		**971**	1,021
Other reserves		**7,637**	5,849
Retained earnings		**42,398**	44,250
		51,006	51,120
Perpetual capital instruments		**75,737**	52,852
Non-controlling interests		**15,399**	8,406
Total equity		**142,142**	112,378

	Note	**31 December 2015** *RMB million*	31 December 2014 *RMB million*
LIABILITIES			
Non-current liabilities			
Borrowings		**138,162**	76,401
Other payables	*15*	**2,481**	7,175
Deferred income tax liabilities		**17,569**	10,271
		158,212	93,847
Current liabilities			
Borrowings		**158,744**	79,663
Trade and other payables	*15*	**191,309**	123,673
Receipt in advance from customers		**83,061**	47,348
Current income tax liabilities		**23,567**	17,553
		456,681	268,237
Total liabilities		**614,893**	362,084
Total equity and liabilities		**757,035**	474,462
Net current assets		**155,663**	115,413
Total assets less current liabilities		**300,354**	206,225

Notes:

1 GENERAL INFORMATION

Evergrande Real Estate Group Limited (the "Company") was incorporated in the Cayman Islands on 26 June 2006 as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and is engaged in investment holding. The Company and its subsidiaries (the "Group") are principally engaged in the property development, property investment, property management, property construction, hotel, other property development related services and fast consuming industry in the People's Republic of China (the "PRC"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 November 2009.

These consolidated financial statements are presented in Renminbi Yuan ("RMB") millions, unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") of the Company on 29 March 2016.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") which has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

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

(i) Effect of adopting amendments to standards

The following amendments to standards are mandatory for the Group's financial year beginning on 1 January 2015. The adoption of these amended standards does not have any significant impact to the results and financial position of the Group.

HKAS 19 (Amendment)	Defined Benefit Plans
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle and 2011–2013 Cycle

(ii) New standards and amendments to standards that have been issued but are not effective

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:

HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception[1]
HKAS 27 (Amendment)	Equity method in separate financial statements[1]
Annual improvements 2014	Annual Improvements 2012–2014 cycle[1]
HKAS 1 (Amendment)	Disclosure initiative[1]
HKFRS 14	Regulatory Deferral Accounts[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 9	Financial Instruments[2]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.

The above new standards and amendments to standards will be adopted in the years listed and the Group is in the process of assessing the impact on future accounting periods.

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

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.

3 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and other businesses which mainly include property construction, hotel, other property development related services, insurance and fast consuming products business including production and sales of spring water, grain and edible oil, and dairy. As the CODM of the Group considers most of the revenue and results of the Group are attributable to the market in the PRC, and only an immaterial part (less than 10%) of the Group's assets are located outside the PRC, no geographical segment information is presented.

The directors of the Company assess the performance of the operating segments based on a measure of segment results. Fair value gain on financial assets at fair value through profit or loss, dividend income of available-for-sale financial assets, gain or loss on disposal of available-for-sale financial assets and finance cost and income are not included in the result for each operating segment.

Revenue for the year ended 31 December 2015 consists of sales of properties, rental income of investment properties, property management services and income from other businesses, which are set out below:

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Sales of properties	**126,449**	107,450
Rental income of investment properties	**241**	144
Property management services	**1,318**	1,259
Other businesses	**5,122**	2,545
	133,130	111,398

The segment results and other segment items included in the consolidated statement of comprehensive income for the year ended 31 December 2015 are as follows:

	Property development *RMB million*	Property investment *RMB million*	Property management services *RMB million*	Other businesses *RMB million*	Group *RMB million*
Gross segment revenue	**126,449**	**325**	**3,255**	**18,186**	**148,215**
Inter-segment revenue	**—**	**(84)**	**(1,937)**	**(13,064)**	**(15,085)**
Revenue	**126,449**	**241**	**1,318**	**5,122**	**133,130**
Share of post-tax profit of associates	**174**	**—**	**—**	**—**	**174**
Share of post-tax loss of joint ventures	**14**	**—**	**—**	**(580)**	**(566)**
Segment results	**22,928**	**13,072**	**39**	**(4,481)**	**31,558**
Fair value gain on financial assets at fair value through profit or loss					**2,515**
Dividend income of available-for-sale financial assets					**43**
Gain on disposal of available-for-sale financial assets					**323**
Finance costs					**(2,994)**
Profit before income tax					**31,445**
Income tax expenses					**(14,105)**
Profit for the year					**17,340**
Depreciation and amortisation	**757**	**—**	**8**	**689**	**1,454**
Fair value gains on investment properties	**—**	**12,859**	**—**	**—**	**12,859**

The segment results and other segment items included in the consolidated statement of comprehensive income for the year ended 31 December 2014 are as follows:

	Property development *RMB million*	Property investment *RMB million*	Property management services *RMB million*	Other businesses *RMB million*	Group *RMB million*
Gross segment revenue	107,450	252	2,346	12,893	122,941
Inter-segment revenue	—	(108)	(1,087)	(10,348)	(11,543)
Revenue	107,450	144	1,259	2,545	111,398
Share of post-tax loss of associates	(50)	—	—	—	(50)
Share of post-tax loss of a joint venture	—	—	—	(54)	(54)
Segment results	21,685	9,820	45	(3,126)	28,424
Fair value gain on financial assets at fair value through profit or loss					3,757
Dividend income of available-for-sale financial assets					210
Loss on disposal of available-for-sale financial assets					(185)
Finance costs					(1,015)
Profit before income tax					31,191
Income tax expenses					(13,175)
Profit for the year					18,016
Depreciation and amortisation	545	—	7	584	1,136
Fair value gains on investment properties	—	9,393	—	—	9,393

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

	Property development *RMB million*	**Property investment** *RMB million*	**Property management services** *RMB million*	**Other businesses** *RMB million*	**Group** *RMB million*
Segment assets	**622,060**	**97,146**	**1,193**	**26,851**	**747,250**
Unallocated assets					**9,785**
Total assets					**757,035**
Segment assets include:					
Interest in associates	**154**	**—**	**—**	**—**	**154**
Interest in joint ventures	**634**	**—**	**—**	**7,792**	**8,426**
Segment liabilities	**265,110**	**—**	**969**	**10,772**	**276,851**
Unallocated liabilities					**338,042**
Total liabilities					**614,893**
Capital expenditure	**1,995**	**23,025**	**8**	**1,531**	**26,559**

Segment assets and liabilities as at 31 December 2014 are as follows:

	Property development *RMB million*	Property investment *RMB million*	Property management services *RMB million*	Other businesses *RMB million*	Group *RMB million*
Segment assets	381,637	61,857	702	14,493	458,689
Unallocated assets					15,773
Total assets					474,462
Segment assets include:					
Interest in associates	29	—	—	—	29
Interest in a joint venture	—	—	—	1,033	1,033
Segment liabilities	165,785	—	645	11,766	178,196
Unallocated liabilities					183,888
Total liabilities					362,084
Capital expenditure	3,557	17,566	9	1,849	22,981

Sales between segments are carried out at agreed terms amongst relevant parties. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They exclude deferred tax assets, income tax recoverable, available-for-sale financial assets and financial assets at fair value through profit or loss.

Segment liabilities consist of operating liabilities. Unallocated liabilities comprise taxation and borrowings.

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

4 EXPENSES BY NATURE

Major expenses included in cost of sales, selling and marketing costs, administrative expenses and other operating expenses are analysed as follows:

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Cost of properties sold — including construction cost, land cost and interest cost	**83,302**	70,611
Business tax and other levies *(note (a))*	**7,518**	6,375
Employee benefit expenses — including directors' emoluments	**11,127**	7,882
Advertising expenses	**7,952**	5,070
Sales commissions	**795**	583
Depreciation	**1,278**	983
Amortisation	**176**	153
Auditors' remuneration		
— Audit service	**20**	16
Operating lease expenses	**244**	228
Donations	**249**	311

(a) Business tax

The group entities with business operation in the PRC are subject to business taxes on their revenue at the following rates:

Category	**Rate**
Sales of properties	5%
Property construction and decoration	3%
Property management	5%
Hotel operations	5%
Advertising revenue	5%

5 OTHER GAINS — NET

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Gain on disposal of a subsidiary	**—**	719
Gain/(loss) on disposal of available-for-sale financial assets	**323**	(185)
	323	534

6 OTHER INCOME

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Interest income from bank deposits	**1,007**	312
Forfeited customer deposits	**202**	27
Gain on disposal of investment properties	**185**	306
Dividend income of available-for-sale financial assets	**43**	210
Others	**825**	576
	2,262	1,431

7 FINANCE COSTS

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Interest expenses		
— Bank and other borrowings	**(17,831)**	(11,964)
— Senior notes	**(1,539)**	(1,684)
— PRC corporate bonds	**(925)**	—
— Less: interest capitalised	**20,295**	13,633
	—	(15)
Exchange loss from borrowings	**(2,842)**	(47)
Less: exchange losses capitalised	**655**	—
	(2,187)	(47)
Other finance costs	**(807)**	(953)
	(2,994)	(1,015)

8 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December	
	2015	2014
	RMB million	*RMB million*
At 1 January	**123**	3,845
Acquisition of subsidiaries	**282**	—
Additions	**4,824**	2,105
Disposals	**(2,683)**	(6,037)
Net gains recognise in equity	**49**	210
	2,595	123

Available-for-sale financial assets include the following:

	31 December	
	2015	2014
	RMB million	*RMB million*
Listed equity securities	**287**	—
Unlisted fund investments	**928**	123
Unlisted equity securities	**1,230**	—
Unlisted debt securities	**150**	—
	2,595	123

As at 31 December 2015, available-for-sale financial assets are denominated in USD and RMB.

There were no impairment provisions on available-for-sale financial assets made during the year ended 31 December 2015 (2014: nil).

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
As at 1 January	**10,950**	—
Acquisition of subsidiaries	**46**	—
Additions	**2,367**	7,193
Disposals	**(15,571)**	—
Fair value gains	**2,515**	3,757
As at 31 December	**307**	10,950

As at 31 December 2015, financial assets at fair value through profit or loss represented the Group's equity investments in certain companies listed on the Main Board of the Stock Exchange (2014: China A-Share listed companies), which are quoted in an active market.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'Fair value gain on financial assets at fair value through profit or loss' in the consolidated statement of comprehensive income.

The fair value of all equity securities is based on their quoted prices as of 31 December 2015 and 2014 in an active market.

10 INCOME TAX EXPENSES

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Current income tax		
— Hong Kong profit tax	**1**	—
— PRC corporate income tax	**5,811**	6,627
— PRC land appreciation tax	**4,453**	4,223
	10,265	10,850
Deferred income tax		
— PRC corporate income tax	**2,377**	832
— PRC land appreciation tax	**1,463**	1,493
	14,105	13,175

The applicable PRC corporate income tax rate for the year ended 31 December 2015 in 25% (2014: 25%).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The group companies in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the current period in respect of operations in Hong Kong. (2014: nil).

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate of 25% (2014: 25%) on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

PRC withholding income tax

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

PRC land appreciation tax

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 land use rights and all property development expenditures.

11 EARNINGS PER SHARE

(a) Basic

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

	Year ended 31 December	
	2015	2014
Profit attributable to shareholders of the Company *(RMB million)*	**10,460**	12,604
Weighted average number of ordinary shares in issue *(millions)*	**14,667**	14,762
Basic earnings per share *(RMB)*	**0.713**	0.854

(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's dilutive potential ordinary shares consist of share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Year ended 31 December	
	2015	2014
Profit attributable to equity holders of the Company *(RMB million)*	**10,460**	12,604
Weighted average number of ordinary shares in issue *(millions)*	**14,667**	14,762
Adjustments for share options *(millions)*	**217**	86
Weighted average number of ordinary shares for diluted earnings per share *(millions)*	**14,884**	14,848
Diluted earnings per share *(RMB)*	**0.703**	0.849

12 DIVIDENDS

A final dividend in respect of the year ended 31 December 2015 of RMB0.38 per share amounting to approximately RMB5,200 million has been proposed by the Board on 29 March 2016, which is subject to approval by the shareholders in the forthcoming Annual General Meeting. These financial statements have not reflected this dividend payable.

A final dividend in respect of the year ended 31 December 2014 of RMB0.43 per share totaling RMB6,732 million was paid on 2 July 2015.

13 TRADE AND OTHER RECEIVABLES

	31 December	
	2015	2014
	RMB million	*RMB million*
Trade receivables — third parties *(note (a))*	**19,659**	12,219
Other receivables:	**12,779**	9,031
— associates *(note (b))*	**575**	1,774
— joint ventures *(note (b))*	**1,687**	1
— non-controlling interests *(note (b))*	**1,284**	999
— third parties *(note (c))*	**9,233**	6,257
	32,438	21,250
Less: non-current portion	**(10,730)**	(5,222)
Trade receivables — third parties *(note (a))*	**(10,327)**	(4,837)
Other receivables — third parties	**(403)**	(385)
Current portion	**21,708**	16,028

As at 31 December 2015 and 2014, the fair value of trade and other receivables approximated their carrying amounts.

(a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements.

The ageing analysis of trade receivables as at the respective balance sheet dates is as follows:

	31 December	
	2015	2014
	RMB million	*RMB million*
Within 90 days	**9,242**	4,966
Over 90 days and within 180 days	**122**	519
Over 180 days and within 365 days	**5,662**	4,183
Over 365 days	**4,633**	2,551
	19,659	12,219

As of 31 December 2015, trade receivables of RMB663 million (31 December 2014: RMB274 million) were past due but not impaired. These accounts are mainly related to a number of customers who did not have a recent history of default, and the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers. The directors of the Company consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2015 (2014: nil). The ageing analysis of these trade receivables is as follows:

	31 December	
	2015	2014
	RMB million	*RMB million*
Within 90 days	**306**	182
Over 90 days and within 180 days	**132**	61
Over 180 days and within 365 days	**142**	31
Over 365 days	**83**	—
	663	274

The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group has retained the legal titles of the properties sold to these customers before the trade receivables are settled.

The carrying amounts of the Group's trade and other receivables are denominated in RMB.

(b) Amounts are unsecured, interest free and repayable on demand.

(c) Amounts mainly represented the deposits for construction projects.

14 PREPAYMENTS

	31 December	
	2015	2014
	RMB million	*RMB million*
Prepaid business taxes and other taxes	**3,647**	1,826
Prepayments and advances to third parties:	**34,528**	46,042
— for acquisition of land use rights	**28,689**	44,887
— for acquisition of subsidiaries	**2,820**	—
— others	**3,019**	1,155
	38,175	47,868
Less: non-current portion		
— prepayment for acquisition of property, plant and equipment	**(1,038)**	—
	37,137	47,868

15 TRADE AND OTHER PAYABLES

	31 December 2015 RMB million	2014 RMB million
Trade payables		
— third parties	**132,517**	91,889
Other payables:	**54,465**	34,780
— associates	**701**	1,102
— joint ventures	**598**	—
— payable to the unit holders of consolidated investment entities *(note (ii))*	**1,760**	5,620
— third parties *(note (iii))*	**14,029**	13,475
— payables for acquisition of land use rights	**13,674**	8,546
— payables for acquisition of subsidiaries	**16,267**	—
— payables for acquisition of a joint venture	**2,157**	—
— amounts due to non-controlling interests *(note (i))*	**5,279**	6,037
Accrued expenses	**3,488**	2,186
Payroll payable	**1,498**	882
Other taxes payable	**1,822**	1,111
	193,790	130,848
Less: non-current portion		
Other payables:	**(2,481)**	(7,175)
— third parties	**(127)**	(256)
— payable to the unit holders of consolidated investment entities *(note (ii))*	**(1,760)**	(5,620)
— amounts due to non-controlling interests *(note (i))*	**(594)**	(1,299)
Current portion	**191,309**	123,673

(i) Amounts included certain cash advances from non-controlling interests of approximately RMB527 million (2014: RMB690 million) which bear average interest rate at 12% per annum (2014: 12%), and are repayable according to respective loan agreements.

(ii) Amounts represented cash advances from the unit holders of consolidated investment entities of approximately RMB1,760 million (2014: RMB5,620 million) which bear average interest rate at 9.6% per annum (2014: 8%) and are repayable in 2019.

(iii) Amounts mainly represented deposits and temporary receipts.

The ageing analysis of trade payables of the Group is as follows:

	31 December	
	2015	2014
	RMB million	*RMB million*
Within one year	**119,488**	81,223
Over one year	**13,029**	10,666
	132,517	91,889

The trade and other payables are denominated in the following currencies:

	31 December	
	2015	2014
	RMB million	*RMB million*
— Denominated in RMB	**180,409**	127,298
— Denominated in other currencies	**13,381**	3,550
	193,790	130,848

BUSINESS REVIEW

In 2015, the start of the "New Normal" following three decades of robust growth, China's GDP growth slowed to 6.9%[1] through the year, yet with innovations and startups among industrial restructuring to usher in vitality as new drivers. To ease economic downturn and promote structural optimization and upgrading, the central government advocated stimulating both supply and demand with an aim at stronger sustainability and overall enhancement in productivity. At the Central Economic Working Conference held in December, a kickoff of the Reform of the Supply Side, five missions namely "De-capacity, de-stocking, de-leveraging, cost reduction and weak link improvement" were put forward to boost productivity comprehensively and sustain the stable economic momentum.

The profound change continued in China's real estate industry. In line with the key note of "Stabilizing demand, de-stocking and accelerating transformation", a string of accommodative policies on both supply and demand ends led to a significant recovery in market turnover. The transaction volume of commodity housing nationwide increased year-on-year by 14.4% to RMB8,728.1 billion[2], a record high which surpassed the level in 2013. However, the area sold was 1,284.95 million square meters[3], representing a decrease from 2013. The area of new housing construction and the land acquisition area for residential use dropped by 14.0% and 31.7% respectively whilst total area for sale recorded an increase of 15.6% year-on-year, mirroring a gradually saturated market. On the other hand, with further market divergence and clearer urban value regression, 30 large and medium cities accounted for nearly half of the total sales nationwide. Developers returned to first and second-tier cities for land reserves, leading to the land premium in first and second-tier cities increasing by more than 40% in the latter half of the year and 30% by the end of the year respectively, compared to the underperforming land market in third-tier cities.

Facing the unprecedented and profound transformation in the industry as well as the complicated market environment, the Board, based on its well-grounded judgments, was devoted to capture the opportunities in the market through constantly strengthening the principal business and foundation of real estate and optimizing the regional layout of residential property projects by leveraging its strong execution. The major operation indicators continued to increase: contracted sales set a new record of RMB201.34 billion, representing a year-on-year increase of 53.1%; GFA of contracted sales was 25.512 million square meters, representing a year-on-year growth of 40.2%; and the average contract selling price was RMB7,892 per square meter, representing a year-on-year increase of 9.2%. As at 31 December 2015, the GFA on the land reserves was 156 million square meters, and the accumulated average cost was RMB1,173 per meter. The area under construction was 58.618 million square meters while 330 projects were under construction. As at 31 December 2015, cash balance held by the Group (including cash and cash equivalents and restricted cash) was RMB164.02 billion.

1 *Source:* "Preliminary Calculation Results of the Fourth Quarter and Full-year GDP of China for 2015" issued by the National Bureau of Statistics of China

2 *Source:* "National Real Estate Development and Sales for 2015" issued by the National Bureau of Statistics of China

3 *Source:* "National Real Estate Development and Sales for 2015" issued by the National Bureau of Statistics of China

Land Reserves

The Group focused on sustainable profitability, selected quality land reserves for replenishment, and balanced the regional layout of its projects among first-, second- and third-tier cities better.

The Group acquired gross floor area of 34.847 million square meters for its new projects. The Group acquired 82 new projects and is also acquiring more land in the surrounding area of 6 of its existing projects. Among the newly acquired projects, 3 are located in first-tier cities, and 48 in second-tier cities. The number of new projects in the first- and second-tier cities accounted for 62.2% of the number of all the new projects and the investment in land for new projects in the first- and second- tier cities account for 75% of the total investment in land. The main purpose of these acquisitions was to further optimize the regional layout of the projects among first- to third-tier cities, with an objective of improving our overall profitability. Newly acquired projects cover 54 cities, with a majority of them located in Beijing, Shenzhen, Nanjing, Chengdu, Chongqing, Jinan, Taiyuan, Harbin, Nanning, Wuhan, Dalian, Shantou, Quanzhou, Dongguan and Xiamen. The cost of newly acquired land reserves was RMB2,045 per square meter.

Completed construction occupied 25.288 million square meters of the Group's land reserves, and the total land reserves balance at the end of 2015 was 156 million square meters, representing an increase of 8.97 million square meters or 6.1% year-on-year. The land reserves of the Group are located in 162 cities in China and cover all of the first-tier cities and most provincial capitals in China. We have 375 projects in total, with 54.7% of them located in the first- and second-tier cities, accounting for 72% of the total investment in land. The average cost of land reserves was approximately RMB1,173 per square meter, which was relatively low in the industry.

The Group leverages on cooperation with other parties to acquire new projects for the purpose of enhancing the capital utilization rate. As at 31 December 2015, 112 projects were carried out through cooperation with other parties which resulted in an accumulative reduction in land premium payment of RMB68.69 billion.

Contracted Sales

With the increasing contracted sales price, volume and record-breaking sales amount which considerably exceeded the full-year target, the Group ranked top in terms of GFA of contracted sales for consecutive years.

In 2015, the Group's contracted sales increased by 53.1% year-on-year to RMB201.34 billion, representing 134.2% of the RMB150 billion target set at the beginning of the year or 111.9% of the raised target of RMB180 billion. GFA of contracted sales was 25.512 million square meters, representing a year-on-year growth of 40.2%; and the average contract selling price was RMB7,892 per square meter, representing a year-on-year increase of 9.2%.

The unrivalled sales performance is mainly attributable to the Group's far-sighted optimization of the regional layout of its projects, upgrading of decoration and facilities among other product value additions, as well as its flexible and practical sales strategy and selling price. In addition, the Group opportunistically marketed certain stores and parking lots, which contributed to the increase in the sales volume and price as compared with last year. The average single-month trading price of the Group all exceeded RMB7,000 per square meter, with June and December recording RMB8,645 and RMB8,767 per square meter respectively. In total, single-month sales in 7 months in 2015 exceeded RMB15 billion. The Board believes that the increasing selling price and sales amount are favorable for maintaining the net profit margins of the major business of the Group.

During the year, the Group launched 81 new projects located in 48 cities for sale, including Beijing, Shanghai, Guangzhou, Zhengzhou, Wuhan, Haikou, Chengdu, Chongqing, Taiyuan, Xi'an, Jinan, Nanning, Kunming, Harbin, Changchun, Dongguan, Foshan, Quanzhou, Xiamen and Suzhou, of which 65.4% are located in the first- and second-tier cities. With new presence in 16 of the above cities, we had an aggregate of 357 projects for sale as at the end of the year, which are located in 157 cities including 4 first-tier, 35 second-tier and 118 third-tier cities[1].

For the whole year, the contracted sales amounted to RMB201.34 billion, with RMB14.31 billion in the first-tier cities, accounting for 7.1% of the total contracted sales, and RMB105.38 billion in the second-tier cities, accounting for 52.3% of the total contracted sales. The aggregate sales in the first- and second-tier cities as a percentage of that of the Group was 59.4%, another increase of 3.9 percentage points as compared to 11.4 percentage points in 2014. This indicated a success under the strategy of optimizing regional project layout over the years, as witnessed by the balanced sales among first- to third-tier cities.

[1] First-tier cities: Beijing, Shanghai, Guangzhou, Shenzhen;

Second-tier cities: Provincial capitals, municipalities directly under the central government, cities specifically designated in the state plan and prefecture-level cities with over RMB500 billion GDP and a population of more than 7 million, except for Beijing, Shanghai and other first-tier cities;

Third-tier cities: Other prefecture-level cities

Property Development

The Group arranged reasonable construction planning and focused on the coordination between sales planning and construction completion planning. Moreover, the Group vigorously promoted product upgrades and implemented an elevated standardization strategy to enhance its market competitiveness.

During the year, the new construction commencement GFA, completed GFA and GFA under construction were 42.556 million square meters, 25.288 million square meters and 58.618 million square meters, representing an increase of 40.2%, 22.5% and 15.2%, respectively, as compared to the previous year.

During the year, the Group launched 81 new projects, representing a year-on-year rise of 52.8%. Most of the new projects are premium projects acquired during the year of 2014. The Group delivered a total of 319 projects for the whole year with a transaction amount of RMB126.45 billion. The GFA of properties delivered was 17.242 million square meters. The precise and rigorous development plan provided adequate resources for sales, accelerated the turnover of capital and secured the delivery amount and revenue recognition.

During the year, the Group launched the Project Planning and Engineering Management System, a core component of the Enterprise Resource Planning (ERP) system leveraging information technology to monitor 100% projects under construction nationwide in all aspects. The system monitored 341 projects with 2,021 site monitoring points through 5,234 users. Submitting a total of 27 million construction surveillance pictures to the headquarters in the year, it automatically integrated project monitoring into execution, increased statistical efficiency by over 50% and achieved 100% accuracy in calculation of project progress.

As at 31 December 2015, the Group obtained construction certificates for 330 of its 375 projects. The Board considers that its industry-leading scale of development and construction and the saleable area will provide a solid foundation for the Group to record revenue after delivery and ensure strong contracted sales in the future.

Financial Resource

Adherence to the strategy of "cash is king" to raise the total amount of cash and stabilize net profit margin from main operations.

In light of the unstable market condition during 2015, the Group has continuously strengthened its financial resources through a combination of measures to ward off potential risks. In the first half of 2015, the Group successfully completed the issuance of US$1 billion senior notes due in 2020 overseas. The Group completed the placing of 820,000,000 shares, representing approximately 5.54% of the share capital in issue. The net proceeds from placing amounted to approximately HK$4.60 billion. In the 2nd half of 2015, the Group successfully completed the issuance of RMB20 billion domestic corporate bonds within three weeks, pioneering the domestic bond issuance by a red-chip company. Among which, RMB5 billion has a term of 5 years and an interest rate of 5.38%; RMB6.8

billion has a term of 4 years and an interest rate of 5.30%; RMB8.2 billion has a term of 7 years and an interest rate of 6.98%. Zhongchengxin Securities Rating (中誠信證評), Dagong Global Rating (大公國際評級) and Lianhe Rating (聯合評級), three authoritative rating agencies in the PRC, all assigned AAA credit ratings, the highest rating, to the Group. In addition, the Group raised another RMB20 billion private domestic bond with an average interest rate of 7.44%.

In 2015, the Group collected sales proceeds of RMB152.3 billion. The aggregate amount of perpetual bonds increased by RMB22.9 billion on a net basis as compared with the balance as at 31 December 2015. The Group entered into strategic cooperation agreements with Bank of China, Agricultural Bank of China, Postal Savings Bank of China, China Minsheng Bank, China CITIC Bank, CITIC Trust, Shengjing Bank, Pufa Bank, etc., and secured RMB273.6 billion of facilities in total. Moreover, the Group reduced its land premium payment through project cooperation and by leveraging its positive brand image to clinch better contract terms, payment methods and payment conditions. With the above measures, the total cash of the Group as at 31 December 2015 reached RMB164.0 billion, which was the highest level since its listing. Banking on the solid cooperation foundation with large-scale commercial banks in China, the Group's unutilized banking facilities reached RMB154.5 billion at the end of the period. Together with the total cash of RMB164.0 billion at the end of 2015, the Group's available funds amounted to RMB318.5 billion in total.

We have strong controls over construction costs and prudently spent expenses to boost contract sales. The Board believes that, with the further optimization of the location and product quality of the projects, there will be more room for raising the selling prices of products, which, in turn, will have a positive effect on the profit margins of the core businesses of the Group. More cash will be collected in relation to our contract sales growth.

Standardization of Premium Products

The standardization policy was further promoted and symbolized the fruits of the Group's strategic alliances with premium suppliers, and enabled the Group to mitigate the impact of escalating costs on gross profit margin and generates value for its shareholders.

Responding to market changes in the year, the Group further enhanced its product mix and comprehensively upgraded its standards for layouts, facades and decoration. The Group carried out 205 standardization projects, including layout design optimization, upgrading of decoration plans and construction plans, standardized utilization of public facilities and materials. The Group originated 15 residential and 80 commercial apartment layouts; upgraded 65 residential and 39 commercial apartment layouts; and obtained 286 facade optimization and research achievements. The optimized product types are further standardized, and thus the designs are more tailored to the end-user market as well as housing improvement needs and the product types are further diversified. The approaches adopted in architectural design, material supply and construction methods function in an "assembly-line" style, and helped to shorten the design cycle, guarantee the design quality and improve development efficiency.

In addition, the Group actively pursued leading technologies globally by deepening strategic cooperation with Harvard University and Tsinghua University, partnering with Tsinghua University and British Building Research Establishment on green construction and carrying out feasibility study on smart home, residential air haze removal system and the central soft water purification system to enhance product value-addition.

The Group aggregately reduced RMB1.38 billion in construction costs and RMB280 million in operation expenses during the year by internal audit of 5,753 design solutions and 209 construction plans involving significant costs. The Group also reduced its procurement cost by RMB130 million as the procurement prices of decoration materials decreased by 1.5% as compared to the prices in 2014. The number of strategic partners increased by 119 to 748 during the year, which is expected to save procurement cost by approximately RMB300 million in 2016.

Diversified Operations

The diversified operations are taking shape. Our football and cultural operations have debuted on China's capital market, forming a new pattern centering on real estate and synergized by the diversified business arms.

After long-term preparation, the Group has completed the general offer for New Media (00708) and changed its board composition. With its name changed to "Evergrande Health Industry Group Limited", the listed company is primarily engaged in a wide array of businesses including "Internet +" community health management, international hospitals, elderly care and rehabilitation and medical cosmetology.

During the year, the Group joined the efforts of Tencent to complete subscription for the 75% enlarged share capital in Mascotte (00136), which is owned by the Group as to 55% and Tencent as to 20% with its name changed to "Hengten Networks". The Group will reengineer the existing Evergrande Community into an Internet community service platform in cooperation with Tencent, supported by three pillars including property management, neighborhood social networking and life services as well as two value-added segments namely online shopping and community finance.

In early November 2015, Guangzhou Evergrande Taobao Football Club Co., Ltd. ("Evergrande Taobao"), a joint venture of the Company, was listed on the National Equities Exchange and Quotations System, being the first football stock in Asia. As the most successful professional football club with the most powerful influence in Asia, Evergrande Taobao was highly sought after by investors. The initial financing proceeds amounted to approximately RMB870 million, suggesting a market capitalization of approximately RMB21.8 billion.

In early December 2015, Evergrande Culture Industry Group Co., Ltd., a wholly-owned subsidiary of the Group, was listed on the National Equities Exchange and Quotations System and became "the first integrated cultural stock in China". At present, the subsidiary operates 39 Evergrande cinemas with 273 screens and a licensed repertoire of 22,000 pieces of music. The listing will help the company further expand its development niche.

BUSINESS OUTLOOK

"De-stocking for a more sustainable real estate market" as explicitly put forward at the Central Economic Work Conference held in December 2015, together with the five key tasks for the Reform of the Supply Side elaborated at the twelfth meeting of the Central Leading Group on Financial and Economic Affairs held in February 2016, marked the initiation of the aforesaid reforms and ambition of the central government in 2016 to advance reforms fundamentally for a stable and healthy real estate market. In particular, an array of reform measures regarding accelerating urbanization, the household registration system, rural land transfer and abolishment of outdated administrative restrictions are expected to further boost the effectiveness of China's favorable policies and incentive system and drive higher quality and more sustainable development of China's economy and real estate sector in the coming decade.

Looking forward to 2016, the Board is of the view that under the new normal led by the Reform of the Supply Side, China's economy will maintain moderately rapid growth and long-term promising outlook with a stable real estate industry as an economic pillar, and the industry still enjoys ongoing and positive stimulus policies and measures aimed at encouraging house purchases such as reduction in down payment percentage, interest rate and reserve requirement ratio cuts and relaxation of housing provident fund withdrawal. Meanwhile, the real estate market will undergo radical evolutions driven by emerging trends such as restoration of the property inherent value, polarization of the market and financialization of the industry, and this historical process will be dominated by those enterprises with enormous resources and advanced management and operation.

Based on the research on the "new normal" of China's economy and the real estate industry, the Board will adopt comprehensive measures to optimize the regional layout of residential housing projects, to firmly strengthen sales and collection of sales proceeds, to put costs and expenses under tight control, to increase cash balance and profit margins, and to strictly control leverage ratio. The Board also strives to continuously improve profitability while maintaining stability and to facilitate diversified, quality and coordinated development by consolidating its principal real estate business.

LAND RESERVES

In 2016, the Group will further optimize the regional layout of its residential housing projects, acquire high quality projects in an enterprising, prudent and pragmatic fashion, and secure a leading position in terms of land reserves in the industry. The Group also puts greater emphasis on profitability improvement and quality and coordinated development for project expansion, and still focuses its regional layout on first- and second-tier cities especially in the central urban areas. Land acquisitions in the third-tier cities, however, will be carried out based on stricter quantifiable criteria to raise the gross profit margins of products. Cost-effective and efficient ways to acquire projects, such as mergers and acquisitions and cooperation in property development, will become the major means of project expansion.

As at 31 December 2015, the aggregate land premium of the Group amounted to RMB293.29 billion with RMB247.31 billion paid and RMB45.98 billion outstanding, of which RMB9.48 billion, RMB5.22 billion, RMB16.30 billion and RMB14.98 billion are scheduled to be paid in the first half of 2016, in the second half of 2016, in 2017 and in 2018 or thereafter, respectively.

Contracted Sales

The Group foresees a relatively loose policy environment with increasingly divergent regional markets in 2016. As such, the Group will follow the market trends, ensure adequate inventories, and focus on key project sales in key regions. In particular, the Group will continue to break down its annual sales target to the project level and initiate enough marketing activities from the beginning of the year so as to ensure the achievement of its annual sales target.

The Group has determined its contracted sales target in 2016 at RMB200 billion, 11.1% higher than its increased target in 2015. The Group has dozens of new residential projects available for sale, most of which are located in major cities, including Beijing, Shanghai, Shenzhen, Tianjin, Chongqing, Hangzhou, Nanjing, Chengdu and Dalian. Based on the overall marketing strategy, the Group plans to market these projects by selectively prioritizing certain projects with appropriate timing. In addition, the Group has reserved several projects used for residential and commercial purposes and a large amount of stores and parking spaces in the residential projects, which are expected to supplement the contracted sales of the year.

As the Group continuously promotes the strategy of optimizing the regional layout of projects and substantially increases the added value of its products by upgrading supporting facilities, decoration standards and housing structures, the average transaction price for the year is expected to increase further. As to the specific pricing strategy, the Group will strike a balance between sales price and sales volume and between scale and gross profit to achieve positive growth for both. Sales targets are designated on a quarterly basis, and the sales results will be reviewed on a monthly basis. The monthly sales results are reported to shareholders and investors by voluntary announcements. Given the adequate inventories, strong execution capability and product advantages of the Group, the Board is very confident that the Group can achieve its full-year contract sales target.

Financial Capital

The Group will continue to maintain its steady financial policies, endeavor to raise the total amount of cash and maintain its net profit margin for its main operations. To accomplish this, the Group will further enhance the collection of sales proceeds, set reasonable sales price, increase the turnover of inventories, promote sales of commercial premises and continue to expand project cooperation. Meanwhile, the Group will formulate more reasonable plans for commencement, completion and payment, and rationally control expenditures in land and construction.

With respect to capital arrangement, we have used the proceeds from issuance of corporate bonds and private bonds primarily to repay the existing debts to improve the debt structure and the remaining amount to replenish general working capital. The Group implemented strict payment management plan while leveraging diversified financing channels and managing the dynamic balance between capital inflow and outflow.

Along with the ease of monetary policy of the PRC central government, we are expecting more opportunities to finance in the future. We are exploring new channels of debt financing to lower our current debt ratio and borrowing costs in aggregate.

With respect to the control of costs and expenses, the Group will continue to fully implement reforms of product upgrades and standardization to ensure product quality and reduce costs. The Group will also utilize new promotion channels to lower its selling expenses, develop leading SAP and ERP systems in the industry and make full use of information technology to further reduce operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group recorded revenue of RMB133.1 billion for the year of 2015 (2014: RMB111.4 billion), representing a year-on-year growth of 19.5%. Gross profit amounted to RMB37.4 billion (2014: RMB31.8 billion), representing an increase of 17.7% over last year. Profit attributable to shareholders was RMB10.5 billion which was 17.0% lower than that of last year. Basic earnings per share amounted to RMB0.713 (2014: RMB0.854).

Equity attributable to shareholders of the Group as at 31 December 2015 was RMB51.0 billion (31 December 2014: RMB51.1 billion). Equity per share recorded a year-on-year increase of 5.7% from RMB3.5 as at 31 December 2014 to RMB3.7 as at 31 December 2015.

Revenue

During the year, revenue of the Group amounted to RMB133.1 billion, representing a growth of 19.5%, of which revenue generated from the property business amounted to RMB126.4 billion, representing a year-on-year growth of 17.7%. The increase was mainly due to the recognized sales income of the property area increased by 2.4% as compared to 2014 and the average unit selling price of the property increased by 14.9% as compared to 2014. Revenue generated from property management amounted to RMB1.3 billion. Revenue generated from investment properties, hotel operation and other related business amounted to RMB5.4 billion, representing an increase of 99.4%.

Gross Profit

Gross profit of the Group was RMB37.4 billion for the year of 2015, representing an increase of 17.7% as compared to the last year. The increase in gross profit was mainly attributable to a significant increase in sales of properties. The gross profit margin was 28.1%, being 0.4 percentage points lower than that of last year.

Fair Value Gains on Investment Properties

Fair value of investment properties of the Group at the end of 2015 appreciated RMB12.9 billion in value, representing an increase of 36.9% as compared to the gains of last year. Investment properties of the Group mainly include commercial podiums and offices with gross floor area of 5.02 million square meters and approximately 366,000 car park spaces.

Selling and Marketing Costs

During the year, selling and marketing costs of the Group rose from RMB9.2 billion for the year of 2014 to RMB13.3 billion, which was mainly attributable to an increase in the number of projects launched and significant expansion in scale which led to the corresponding increase in nationwide marketing and brand publicity activities during the year. This kind of spending was expensed in relation to the pre-sales. However, corresponding revenue could only be recognized after the delivery of possession. The Group strictly controls expenses. If it is compared with contracted sales amount for 2014 and 2015, the expense ratio is even decreasing.

Administrative Expenses

During the year, administrative expenses of the Group increased to RMB6.1 billion from RMB4.0 billion for the year of 2014, which was mainly attributable to the continuous expansion of the Group's national business and achieved significant growth in operation results in 2015, meanwhile the corresponding increase in the number of employees and the level of their remuneration.

Fair Value Gains on Financial Assets at Fair Value through Profit or Loss

Gain on financial assets at fair value through profit or loss was RMB2.5 billion for 2015 due to the appreciation of the securities held by the Group.

FINANCIAL REVIEW

Borrowings

As at 31 December 2015, the borrowings of the Group amounted to RMB296.9 billion, with the following maturities.

	31 December 2015 *(RMB billion)*	**As percentage of total borrowings**	31 December 2014 *(RMB billion)*	As percentage of total borrowings
Less than 1 year	**158.7**	**53.5%**	79.7	51.0%
1–2 years	**54.8**	**18.5%**	55.9	35.8%
2–5 years	**74.0**	**24.9%**	19.6	12.6%
More than 5 years	**9.4**	**3.1%**	0.9	0.6%
	296.9	**100%**	156.1	100%

The borrowings were pledged against the property and equipment, land use rights, investment properties, properties under development, completed properties held for sales, cash at bank and the equity interests of certain subsidiaries of the Group at an average effective interest rate of 9.59% per annum (2014: 9.74%).

Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Almost all residential and investment properties are located in Mainland China. Other than the bank deposits denominated in foreign currencies, bank borrowings and the senior notes denominated in US dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations.

We estimate Renminbi exchange rate to continue its two-way volatility as Renminbi exchange mechanism becomes more market-oriented. However, even though exchange loss of RMB2.8 billion from borrowings was recorded, the foreign exchange risk of the Group is expected to be under control in the future, and not to pose a material impact on the Group's financial position. The Group will closely monitor its exchange risk exposure and will adjust its debt profile when necessary based on market changes. The Group has not entered into any significant forward exchange contract to hedge its exposure to foreign exchange risk.

Liquidity

As at 31 December 2015, the total amount of cash and cash equivalents and restricted cash of the Group was RMB164.0 billion, together with unutilized banking facilities of RMB154.5 billion. The abundant working capital provided opportunities for the Group to seek the best business opportunities and provided significant financial support for rapid development.

Land Reserves

During the year, the Group acquired 82 pieces of additional land in 54 cities, including Beijing, Shenzhen, Nanjing, Chengdu, Chongqing, Jinan, Taiyuan, Harbin, Nanning, Wuhan, Dalian, Shantou, Quanzhou, Dongguan and Xiamen as reserve. As of 31 December 2015, the planned gross floor area of the newly acquired land was approximately 34.847 million square meters, the average cost of which was RMB2,045 per square meter.

The following table sets out the details of the additional land acquired by the Group in 2015.

Distribution of newly acquired land reserves of the Group in 2015

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
	Guangdong					
1	Evergrande Metropolis Yangjiang (陽江恒大名都)	Yangjiang	138,669	346,673	203,161	100%
2	Evergrande Times Finance Center Shenzhen (深圳恒大時代金融中心)	Shenzhen	10,448	117,010	117,010	100%
3	Evergrande Royal Scenic Peninsula Dongguan(東莞恒大御景半島)	Dongguan	149,793	299,586	299,586	100%
4	Evergrande Royal Scenic Bay Shantou Project (汕頭御景灣項目)	Shantou	166,253	404,666	404,666	100%
5	Evergrande Royal Scenic Bay Foshan (佛山恒大御景)	Foshan	90,079	289,447	225,389	100%
6	Evergrande Metropolis Zhongshan (中山恒大名都)	Zhongshan	63,323	224,652	138,980	100%
7	Evergrande Royal View Garden Zhanjiang (湛江恒大帝景)	Zhanjiang	84,881	319,473	319,473	60%
8	Evergrande City Shenzhen (深圳恒大城)	Shenzhen	68,119	386,510	386,510	100%
9	Evergrande Ocean Spring Zhuhai (珠海恒大海泉灣)	Zhuhai	242,800	242,800	242,800	51%
	Beijing					
10	Evergrande Left Bank Riverfront Beijing (北京恒大濱河左岸)	Beijing	66,677	143,831	143,831	100%
	Chongqing					
11	Evergrande Royal Palace Chongqing (重慶恒大御府)	Chongqing	127,271	254,542	254,542	90%
12	Evergrande Century City Chongqing (重慶恒大世紀城)	Chongqing	263,148	657,871	657,871	90%
13	Other projects of Chongqing Zhongyu (重慶中渝其他項目) (Lot No.3, No.11-1, No.17, No.9, No.C56）	Chongqing	183,382	791,463	791,463	60%

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
14	Evergrande Coronation Chongqing (重慶恒大御龍天峰)	Chongqing	205,086	1,329,879	1,329,879	100%
	Hubei					
15	Evergrande Metropolis Jingzhou (荊州恒大名都)	Jingzhou	103,342	361,697	255,921	60%
16	Evergrande Royal Palace Wuhan (武漢恒大御府)	Wuhan	75,300	248,490	248,490	60%
17	Evergrande Sky Royal Garden Wuhan (武漢恒大航天御園)	Wuhan	19,900	97,800	52,900	67%
18	Evergrande Sky Capital Wuhan (武漢恒大航天首府)	Wuhan	107,800	466,016	173,316	67%
19	Evergrande Sky Rainbow Town Wuhan (武漢恒大航天彩虹鎮)	Wuhan	464,900	544,900	478,300	67%
20	Evergrande Sky Dragon City Wuhan (武漢恒大航天龍城)	Wuhan	506,700	642,000	590,740	67%
21	Evergrande Sky Capital Ezhou (鄂州恒大航天首府)	Ezhou	622,700	980,000	964,800	67%
	Sichuan					
22	Evergrande Central Plaza Chengdu (成都恒大中央廣場)	Chengdu	62,100	362,158	219,527	100%
23	Evergrande Royal Scenic Bay Luzhou (瀘州恒大御景灣)	Luzhou	81,574	235,092	143,842	100%
24	Evergrande Metropolis Ziyang (資陽恒大名都)	Ziyang	64,510	193,529	193,529	100%
25	Evergrande Metropolis Court Chengdu (成都恒大都匯華庭)	Chengdu	18,061	96,320	45,697	100%
26	Evergrande Huazhi Plaza Chengdu (成都恒大華置廣場)	Chengdu	15,398	280,809	125,767	100%
	Liaoning					
27	Evergrande Harbour Bay Dalian (大連恒大海灣城)	Dalian	247,600	607,550	607,550	100%
	Shaanxi					
28	Evergrande Bay Xi'an (西安恒大江灣)	Xi'an	144,247	259,644	259,644	100%
29	Evergrande Emerald Court Xi'an (西安恒大翡翠華庭)	Xi'an	30,750	191,987	191,987	100%
	Jiangsu					
30	Evergrande Atrium Zhangjiagang (張家港恒大雅苑)	Suzhou	130,993	193,648	106,968	90%
31	Evergrande Royal View Garden Jiangyin (江陰恒大帝景)	Wuxi	124,085	403,561	403,561	100%
32	Evergrande Riverside Nanjing (南京恒大濱江)	Nanjing	64,020	454,726	454,726	100%

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
	Yunnan					
33	Evergrande Yunbao Palace Kunming (昆明恒大雲報華府)	Kunming	207,135	877,142	877,142	51%
34	Evergrande Metropolis Kunming (昆明恒大名都)	Kunming	113,779	511,409	511,409	100%
	Shanxi					
35	Evergrande Emerald Court Taiyuan (太原恒大翡翠華庭)	Taiyuan	36,505	223,750	223,750	70%
36	Evergrande Left Bank Riverfront Taiyuan (太原恒大濱河左岸)	Taiyuan	115,006	552,326	552,326	100%
37	Evergrande Atrium Taiyuan (太原恒大雅苑)	Taiyuan	62,842	242,584	242,584	100%
38	Evergrande Future City Taiyuan (太原恒大未來城)	Taiyuan	61,289	214,513	214,513	100%
	Anhui					
39	Evergrande Royal View Garden Chaohu (巢湖恒大帝景)	Hefei	77,946	249,182	150,989	100%
40	Evergrande Emerald Court Bengbu (蚌埠恒大翡翠華庭)	Bengbu	151,411	347,573	234,773	100%
41	Evergrande Metropolis Suzhou (宿州恒大名都)	Suzhou	162,473	665,741	665,741	65%
42	Evergrande Oasis Feidong (肥東恒大綠洲)	Hefei	90,220	247,491	247,491	65%
43	Evergrande Oasis Fuyang (阜陽恒大綠洲)	Fuyang	183,152	574,397	574,397	100%
	Hunan					
44	Evergrande Nanhu Peninsula Yueyang (岳陽恒大南湖半島)	Yueyang	193,928	560,452	560,452	64%
	Guangxi Zhuang Autonomous Region					
45	Evergrande City Liuzhou (柳州恒大城)	Liuzhou	91,344	367,204	242,378	100%
46	Evergrande City Nanning (南寧恒大城)	Nanning	164,774	659,094	507,741	100%
47	Evergrande Royal View Garden Nanning (南寧恒大帝景)	Nanning	37,240	130,340	34,822	100%
48	Evergrande Metropolis Nanning (南寧恒大名都)	Nanning	20,051	112,623	112,623	100%
49	Evergrande Scenic Garden Wuzhou (梧州恒大山水城)	Wuzhou	138,991	180,688	80,672	60%
50	Evergrande Palace Liuzhou (柳州恒大華府)	Liuzhou	213,110	501,269	355,425	100%
51	Evergrande Palace Nanning (南寧恒大華府)	Nanning	135,705	339,262	339,262	100%
52	Evergrande City Yulin (玉林恒大城)	Yulin	95,477	362,813	362,813	60%

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
	Henan					
53	Evergrande Emerald Court Zhengzhou (鄭州恒大翡翠華庭)	Zhengzhou	88,000	416,959	190,528	100%
54	Evergrande Metropolis Zhumadian (駐馬店恒大名都)	Zhumadian	83,188	324,432	310,322	100%
55	Evergrande Royal Scenic Bay Xinxiang (新鄉恒大御景灣)	Xinxiang	233,060	531,777	531,777	100%
56	Evergrande Metropolis Shangqiu (商丘恒大名都)	Shangqiu	368,407	954,484	954,484	100%
57	Evergrande Emerald Court Xinyang (信陽恒大翡翠華庭)	Xinyang	87,431	231,408	231,408	55%
58	Evergrande Royal View Garden Nanyang (南陽恒大帝景)	Nanyang	130,636	261,273	261,273	100%
	Jiangxi					
59	Evergrande Emerald Court Ganzhou (贛州恒大翡翠華庭)	Ganzhou	49,154	163,845	91,845	100%
60	Evergrande Metropolis Ganzhou (贛州恒大名都)	Ganzhou	110,741	310,075	185,075	51%
61	Evergrande Royal Scenic Bay Jingdezhen (景德鎮恒大御景)	Jingdezhen	111,480	312,144	312,144	100%
62	Evergrande Emerald Court Nanchang (南昌恒大翡翠華庭)	Nanchang	105,280	210,560	210,560	100%
63	Evergrande Oasis Yichun (宜春恒大綠洲)	Yichun	380,088	684,158	684,158	100%
	Hebei					
64	Evergrande Forest Creek Court Shijiazhuang (石家莊恒大林溪郡)	Shijiazhuang	82,387	176,923	176,923	63%
65	Huailai Project of Zhangjakou (張家口懷來項目)	Zhangjiakou	235,108	655,776	655,776	100%
66	Evergrande Oasis Hengshui (衡水恒大綠洲)	Hengshui	171,241	467,090	467,090	60%
	Hainan					
67	Hainan Ocean Flower Island (海南海花島)	Danzhou	2,824,655	7,158,666	7,158,666	100%

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
	Shandong					
68	Jinan Evergrande East Mountain Forest Jinan (濟南恒大東山林語)	Jinan	102,244	102,244	102,244	60%
69	Evergrande Emerald Court Jinan (濟南恒大翡翠華庭)	Jinan	143,066	607,351	385,739	100%
70	Evergrande Longao Regency Jinan (濟南恒大龍奧御苑)	Jinan	199,751	385,519	308,325	100%
71	Evergrande East Longao New Metropolis Jinan (濟南恒大奧東新都)	Jinan	50,066	240,317	213,762	100%
	Jilin					
72	Evergrande Bay Changchun (長春恒大江灣)	Changchun	119,948	299,870	170,661	100%
73	Evergrande Moon Residence Changchun (長春恒大淨月公館)	Changchun	51,067	62,914	62,914	80%
	Gansu					
74	Evergrande Emerald Court Lanzhou (蘭州恒大翡翠華庭)	Lanzhou	172,828	604,897	604,897	100%
	Fujian					
75	Evergrande Royal Scenic Bay Quanzhou (泉州恒大御景灣)	Quanzhou	57,068	134,680	65,014	100%
76	Evergrande Royal View Garden Xiamen (廈門恒大帝景)	Xiamen	70,825	208,240	208,240	100%
77	Evergrande Royal Scenic Peninsula Putian (莆田恒大御景半島)	Putian	173,956	324,075	190,543	100%
78	Evergrande Emerald Dragon Court Quanzhou (泉州恒大翡翠龍庭)	Quanzhou	29,031	120,264	120,264	100%
79	Evergrande Emerald Court Quanzhou (泉州恒大翡翠華庭)	Quanzhou	15,839	52,996	51,122	100%
80	Evergrande City Plaza Quanzhou (泉州恒大都市廣場)	Quanzhou	14,000	98,000	98,000	100%
81	Evergrande Royal Scenic Peninsula Zhangzhou (漳州恒大御景半島)	Zhangzhou	68,223	256,561	256,561	100%
	Heilongjiang					
82	Evergrande Emerald Court Harbin (哈爾濱恒大翡翠華庭)	Harbin	47,299	94,600	90,208	100%
	Total of New Projects		13,472,354	36,800,282	33,474,251	

No.	Name of Project	City *(prefecture-level city)*	Site area *(m^2)*	Gross floor area *(m^2)*	Land reserve area *(m^2)*	Actual shareholding
1	*Expansion Land of Evergrande Splendor Pengshan (Phase III)	Meishan	47,735	95,470	95,470	100.00%
2	*Expansion Land of Ningbo Xiangshan Project (Phase III)	Ningbo	127,118	214,904	214,904	51.00%
3	*Expansion Land of Evergrande Splendor Danzhou (Phase III)	Danzhou	120,000	264,000	264,000	100.00%
4	*Expansion of Evergrande Royal Scenic Peninsula Shijiazhuang (Phase III)	Shijiazhuang	29,374	83,715	83,715	100.00%
/	*Expansion of Evergrande Scenic Garden Zhengzhou (Phase II)	Zhengzhou	44,326	53,192	53,192	51.00%
5	*Evergrande Royal Scenic Bay Suzhou (Phase II)	Suzhou	87,254	261,762	261,762	100.00%
/	*Expansion of Evergrande Royal Scenic Peninsula Shijiazhuang (Lot No. 6-1)	Shijiazhuang	54,384	190,345	190,345	100.00%
/	*Evergrande Scenic Garden Zhengzhou (Subsequent development for phase I)	Zhengzhou	45,028	63,039	63,039	51.00%
6	*Evergrande Scenic Garden Zhengzhou (Subsequent development for phase I)	Zhengzhou	121,289	146,351	146,351	51.00%
	Total		14,063,982	38,173,059	34,847,028	

* *Surrounding land acquired for current projects*

Contracted Sales

During the year, the Group's contracted sales increased by 53.1% year-on-year to RMB201.34 billion, representing 134.2% of the RMB150 billion target set at the beginning of the year or 111.9% of the raised target of RMB180 billion. GFA of contracted sales was 25.512 million square meters, representing a year-on-year growth of 40.2%; and the average price of contracted sales was RMB7,892 per square meter, representing a year-on-year increase of 9.2%. The Group started 81 new projects during the year. As of 31 December 2015, there are a total of 357 projects on sale, covering 157 cities in 30 regions in China.

The following table sets out the geographical distribution of contracted sales of the Group in 2015.

Province	Contracted sales amount *(RMB million)*	Percentage
Guangdong	17,644.6	8.8%
Hainan	16,323.1	8.1%
Henan	13,549.2	6.7%
Shandong	11,729.6	5.7%
Shanxi	10,781.9	5.4%
Anhui	10,626.9	5.3%
Jiangsu	9,531.7	4.7%
Beijing	8,920.9	4.4%
Guangxi Zhuang Autonomous Region	8,736.3	4.3%
Hubei	8,399.9	4.2%
Sichuan	8,281.5	4.1%
Hunan	8,162.0	4.1%
Hebei	7,804.4	3.9%
Jiangxi	7,275.1	3.6%
Chongqing	7,246.8	3.6%
Liaoning	6,814.6	3.4%
Zhejiang	5,810.8	2.9%
Heilongjiang	5,078.4	2.5%
Jilin	4,498.3	2.2%
Fujian	3,645.6	1.8%
Shanghai	3,477.3	1.7%
Shaanxi	3,019.4	1.5%
Inner Mongolia	2,939.0	1.5%
Gansu	2,579.6	1.3%
Yunnan	2,355.6	1.2%
Tianjin	2,129.4	1.1%
Ningxia Hui Autonomous Region	1,601.9	0.8%
Guizhou	1,465.7	0.7%
Xinjiang Uygur Autonomous Region	509.9	0.3%
Qinghai	396.5	0.2%
Total	**201,335.9**	**100%**

PROPERTY DEVELOPMENT

During the year, the Group had a total of 268 projects completed or partially completed, located in 29 major areas of China, with completed aggregate GFA of 25.288 million square meters.

The following table sets out the distribution of completed areas of the Group.

Breakdown of completed projects of the Group for 2015 by region

No.	Province	Area *('000 m^2)*	Percentage
1	Guangdong	2,418.1	9.6%
2	Henan	2,000.8	7.9%
3	Anhui	1,716.4	6.8%
4	Guangxi Zhuang Autonomous Region	1,629.5	6.4%
5	Jiangsu	1,485.3	5.9%
6	Hebei	1,477.3	5.8%
7	Shandong	1,324.2	5.3%
8	Sichuan	1,264.6	5.0%
9	Jiangxi	1,224.0	4.8%
10	Liaoning	1,134.4	4.5%
11	Hubei	1,115.8	4.4%
12	Jilin	1,072.4	4.2%
13	Hainan	1,005.1	4.0%
14	Shanxi	969.8	3.8%
15	Chongqing	749.0	3.0%
16	Heilongjiang	661.4	2.6%
17	Gansu	635.7	2.5%
18	Zhejiang	460.5	1.8%
19	Hunan	442.3	1.7%
20	Shaanxi	426.5	1.7%
21	Fujian	382.8	1.5%
22	Ningxia Hui Autonomous Region	371.2	1.5%
23	Guizhou	333.4	1.3%
24	Inner Mongolia	317.1	1.3%
25	Tianjin	241.5	1.0%
26	Xinjiang Uygur AutonomousRegion	178.8	0.7%
27	Shanghai	143.5	0.6%
28	Yunan	82.9	0.3%
29	Qinghai	24.0	0.1%
	Total	25,288.3	100%

CORPORATE SOCIAL RESPONSIBILITY

Under the new normal of China's economy, the Group upholds the philosophy of "Put people first, serve the country through industry development" and does its utmost to shoulder its social responsibility and create social value in an effort to achieve harmonious development between the Company and the society. In the past 18 years, the Group has accumulatively provided high quality residential properties with good value for hundreds and thousands of households, and completed an aggregate GFA of more than 100 million square meters of various properties. While developing its business, the Group has also donated over RMB2.6 billion to charity. As at the end of 2015, the Group's projects under construction with a GFA of 58.618 million square meters provided more than 1.3 million jobs for workers in China, making its due contribution to China's economic development and employment.

In 2015, the Group vigorously practiced what the state advocates and fulfilled its responsibility as a corporate citizen. In March, the Group donated RMB21.40 million to Guangdong Foundation for Poverty Alleviation. In June, the Group made a donation of RMB5 million to Henan Charity Foundation. In July, the Group donated RMB50 million to China Children and Teenagers' Foundation. The foregoing actions once again demonstrated the Group's persistence and determination in poverty alleviation. In December, the Group pledged to, in a mission to assist and support Dafang County, Bijie, Guizhou, agree to donate RMB3 billion for poverty relief in three years and help lift the county out of poverty through five integral measures, namely industry development, relocation, employment, education development and provision of living allowance for the most needy.

To honor its corporate responsibility, the Group implements the operation philosophy of "Properties for the People" to protect the interests of house buyers and live up to its integrity and housing quality. In April 2015, the Group launched a policy to allow pre-sales to return nationwide without any reason for a vast majority of its housing projects on pre-sales.

As for green architecture, the Group focuses on technological innovation and steps up its efforts in international strategic cooperation. In March 2015, the Group collaborated with Harvard University and Tsinghua University to establish the Green Building Research Base in China, and cooperated with the Ministry of Housing and Urban-Rural Development and Tsinghua University to launch research on Evergrande's green building standards and introduce the Criteria and Requirements of Evergrande Green Building Design in a joint effort to promote green building technology applications. Moreover, the Group signed the "Sino-British Sustainable Urbanization Research Platform Agreement" with Tsinghua University and Building Research Establishment (BRE) to carry out research on sustainable and energy-efficient green buildings.

The Group makes sustained contributions to China's sports industry as its Evergrande Football Club was again laurelled in Asian and obtained the fifth consecutive championship in China Football Association Super League. Evergrande Football School, founded by the Group with an aim to cultivate football talents for the country, has over 2,600 students and has been certified by Guinness World Records as "the world's largest soccer boarding school".

AWARDS

During the year, the Group won 15 national awards, ranking second among China's real estate companies for five consecutive years with a brand value of RMB32.067 billion which ranked first in the industry for six times. In the assessment of the Top 500 China Real Estate Developers organized by China Real Estate Research Association, China Real Estate Association and China Real Estate Appraisal Center, the Group ranked second among the Top 500 China Real Estate Developers in overall strength for the fifth consecutive year, ranked first among the Top 10 China Real Estate Developers in Comprehensive Development, the Top 10 China Real Estate Developers in City Coverage, the Top 10 China Real Estate Developers in Innovation Capability, the Top 10 China Real Estate Developers in Tourism Real Estate and the Top 10 China Real Estate Developers in Corporate Responsibility respectively, and was among the Top 10 China Real Estate Developers in Operational Efficiency.

The Group was also awarded the designation as one of Top 10 China Real Estate Companies in Brand Value by TOP 10 China Real Estate Research Group, and ranked first in "Most Attractive Listed Real Estate Companies for Investment" for the fourth consecutive year. In the selection of 2015 Top 100 China Listed Real Estate Companies, the Group ranked second among the Top 10 China Listed Real Estate Companies and ranked first among Top China Real Estate Companies in Brand Value. In the selection of Excellent Board of Directors of China Listed Companies initiated and sponsored by China's most influential financial media the 21st Century, the Group won the award of Excellent Board of Directors of Hong Kong-listed Chinese Companies. The acquisition of all such awards showcases a unanimous social recognition of the Group' governance structure, development model, operating results and social contributions.

HUMAN RESOURCES

As at 31 December 2015, the Group had a total of 83,372 employees and approximately 90% of the employees from property development segment hold a bachelor's degree or above.

During 2015, the Group hired a total of 1,199 fresh graduates, among which 234 were from the top 10 domestic universities in terms of comprehensive ranking, including Peking University and Tsinghua University. The Group organized approximately 562 training sessions and professional seminars for staff at departmental level throughout the year and trained approximately 47,240 staff in aggregate. The total training hours amounted to approximately 1,702 hours with approximately 3 hours per session.

The Group firmly believes that talents are the most important corporate resources and always adheres to a people-oriented human resources development strategy, creating a sound working environment featuring harmonious development and positive interaction between the Group and its staff. During the period under review, total staff cost (including directors' emoluments) of the Group was approximately RMB11.1 billion (2014: approximately RMB7.9 billion).

FINAL DIVIDEND

The Board recommended a final dividend for the year ended 31 December 2015 of RMB0.38 per share to shareholders whose names appear on the register of members on 22 June 2016. The final dividend will be paid on or before 4 July 2016.

The payment of the final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting.

REVIEW OF RESULTS

The figures in this preliminary announcement of the results of the Group have been agreed to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2015 by the auditor of the Company, PricewaterhouseCoopers. The work of PricewaterhouseCoopers in this respect, did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 16 June 2016. A notice convening the annual general meeting of the Company will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 14 June 2016 to 16 June 2016, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 13 June 2016.

For determining entitlement to the proposed final dividend, the register of members of the Company will be closed from 22 June 2016 to 24 June 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 21 June 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During 2015, the Company had repurchased from the market a total of 1,923,313,000 shares. All the repurchased shares have been cancelled. The Directors believe that the repurchases of shares would lead to an enhancement of the net value of the Group and its assets and/or its earnings per share. Details of the repurchases of the shares of the Company are as follows:

Month of repurchase	Number of shares repurchased	Highest price per share *(HK$)*	Lowest price per share *(HK$)*	Aggregate purchase price *(HK$)*
July 2015	1,150,616,000	5.50	3.31	5,471,516,580
October 2015	115,827,000	5.69	5.18	630,095,260
November 2015	469,260,000	6.61	5.93	2,969,308,640
December 2015	187,610,000	6.81	5.90	1,227,824,400
	1,923,313,000			10,298,744,880

On 10 February 2015, the Company issued 12% senior notes due in 2020 with a principal amount of US$1,000 million. The notes are listed and traded on the Singapore Stock Exchange.

On 28 May 2015, the Company conducted a top-up placing of shares and an aggregate 820,000,000 new shares were placed at HK$5.67 per share.

Between June 2015 and July 2015, the Group issued domestic bonds with an aggregate principal amount of RMB20,000 million, of which RMB5,000 million has a term of five years and an interest rate of 5.38%, RMB6,800 million has a term of four years and an interest rate of 5.30%, and RMB8,200 million has a term of seven years and an interest rate of 6.98%.

In October 2015, the Group issued non-public domestic corporate bonds with an aggregate principal amount of RMB20,000 million, of which RMB17,500 million has a term of five years and an interest rate of 7.38%, and RMB2,500 million has a term of five years and an interest rate of 7.88%.

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.

SUBSEQUENT EVENT

Reference to the announcement made by the Company on 12 November 2015, the Group signed an agreement with Great System Investment Limited to acquire a property at an aggregate consideration of HK$12,500 million. The property is known as Mass Mutual Tower and located at No. 38 Gloucester Road and No. 25 Jaffe Road, Wanchai, Hong Kong. The transaction was completed in March 2016.

Reference to the announcement made by the Company on 2 December 2015, the Group singed three agreements with New World Development (China) Limited to acquire three property development companies located in Hai Kou, Huiyang and Wuhan at considerations of RMB8,600 million, RMB1,100 million and RMB3,800 million respectively. These transactions were completed in March 2016.

Reference to the announcement made by the Company on 29 December 2015, the Group singed three agreements with Chow Tai Fook Enterprises Limited and its subsidiary to acquire three property development companies located in Qingdao, Shanghai and Beijing at considerations of RMB2,000 million, RMB3,500 million and RMB7,600 million respectively. These transactions were completed in March 2016.

From 4 January 2016 to 8 January 2016, the Company repurchased an aggregate of 127,665,000 of its own shares through the Stock Exchange, at a consideration of HK$822 million (equivalent to approximately RMB692 million). The shares were cancelled after the repurchase.

On 11 January 2016, the Company issued 7.8%, three-year senior notes with an aggregated principal amount of US$400 million at the face value and 8%, four-year senior notes with an aggregated principal amount of US$300 million at the face value ("2016 Senior Notes"). The net proceeds from 2016 Senior Notes amounted to approximately US$694 million (approximately equivalent to RMB4,554 million).

On 11 January 2016, a subsidiary of the Company issued 6.98%, four-year PRC corporate bonds with an aggregated principal amount of RMB10,000 million at 100% of the face value.

In February and March 2016, the Group acquired 577,180,500 shares of a Hong Kong listed company, Shengjing Bank Co., Ltd ("Shengjing Bank"), which represented approximately 9.96% of the existing issued shares of Shengjing Bank.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in Appendix 10 of the Listing Rules as the code of conduct for securities transactions conducted by the directors. Having made due and careful enquiries with the directors, the Company confirmed that for the year ended 31 December 2015, all directors always abided by the Model Code.

REVIEW OF CONSOLIDATED FINANCIAL INFORMATION

The Audit Committee of the Company consists of all of the independent non-executive directors of the Company, namely Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi. The Audit Committee assists the Board in providing an independent review of the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2015.

ANNOUNCEMENT OF FULL YEAR RESULTS ON THE STOCK EXCHANGE'S WEBSITE AND THE COMPANY'S WEBSITE

The announcement of full year results have been published on the Company's website (http://www.evergrande.com) and the website appointed by the Stock Exchange (http://www.hkexnews.hk).

ACKNOWLEDGEMENT

The steady development of the Group is owed to the trust and support of its shareholders, investors and business partners as well as the loyalty of our staff members. On behalf of the Board, I hereby express my heartfelt gratitude towards them.

By Order of the Board
Evergrande Real Estate Group Limited
Hui Ka Yan
Chairman

Hong Kong, 29 March 2016

As at the date of this announcement, Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Huang Xiangui are the executive Directors, and Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi are the independent non-executive Directors.