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## **Announcement of 2015 Annual Results**

### **Results Summary**

- **New record high revenue and contracted sales.** In 2015, the revenue was approximately RMB22.12 billion, representing a year-on-year increase of 40.8%. In 2015, the value of the aggregate contracted sales (including contracted sales by joint venture projects) was approximately RMB24.85 billion, and the full year sales target of RMB24.8 billion was accomplished.
- **A decline in core net profit.** In 2015, core net profit (profit attributable to equity holders excluding fair value gains on revaluation of investment properties and the related tax effect and net exchange loss recognized in the consolidated income statement) was approximately RMB1.24 billion, representing a year-on-year decrease of 21.2%.
- **Stable and sound financial position.** In 2015, the Group obtained new or refinanced bank loan financing of RMB15.20 billion. The average borrowing interest rate for the full year went down to 4.95%. As of 31 December 2015, cash and cash equivalents and charged bank deposits were approximately RMB15.17 billion in total, and the net gearing ratio was approximately 73.1%.
- **The innovative development model of “joining hands with heavyweights”.** In 2015, the Group developed Guangzhou Haizhu Guangzhi land I and Jiangmen Xijiang Mansion (formerly known as Jiangmen Ganbei Road land) with reputable property developers Greenland and Country Garden respectively. In 2015, the Group acquired quality land parcels located in Guangzhou, Foshan, Suzhou and Jiangmen respectively. In terms of the attributable interest to the Group, GFA was approximately 1.03 million sq.m., and the consideration was approximately RMB7.02 billion. As of 31 December 2015, the total landbank was approximately 13.69 million sq.m., and in terms of the attributable interest, the landbank was approximately 10.79 million sq.m..

- **Implementation of the long-term incentive scheme.** In 2015, guided by the “create value to share value” principle, the Group first established an employee incentive scheme on project level in Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project). The objective of the scheme is to align the interests of the project management with the interests of the Group and to enhance the rate of return of the project. Henceforth, the Group would step up efforts to gradually expand to other project companies.
  - **Return to shareholders.** The Board proposed to declare a final dividend for 2015 of HK\$0.019 per share, which is equivalent to approximately RMB0.016 per share, together with the interim dividend of HK\$0.029 per share, which is equivalent to approximately RMB0.024. Total dividends for the full year of 2015 was HK\$0.048 per share, which is equivalent to approximately RMB0.040 per share.
- |  |                                 |
|--|---------------------------------|
| • Revenue  | RMB22.12 billion (+40.8%)       |
| • Gross profit margin                                | 21.1% (-5.3 percentage points)  |
| • Profit attributable to equity holders              | RMB1.01 billion (-59.0%).       |
| • Core net profit*                                   | RMB1.24 billion (-21.2%)        |
| • Contracted sales value                             | RMB24.85 billion (+12.9%)       |
| • Unrecognized sales value                           | RMB22.61 billion (+17.1%)       |
| • Total assets                                       | RMB112.02 billion (+20.4%)      |
| • Cash and cash equivalent and charged bank deposits | RMB15.17 billion (+17.1%)       |
| • Net gearing ratio                                  | 73.1% (+10.0 percentage points) |

\* Core net profit represents profit attributable to equity holders excluding fair value gains on revaluation of investment properties and the related tax effect and net exchange loss recognized in the consolidated income statement.

## RESULTS

The board of directors (“Directors” or “Board”) of Yuexiu Property Company Limited (“Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) prepared under Hong Kong Financial Reporting Standards for the year ended 31 December 2015, as follow:

### CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

		<b>2015</b>	<b>2014</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	22,115,677	15,701,739
Cost of sales	4	<u>(17,456,861)</u>	<u>(11,563,718)</u>
Gross profit		4,658,816	4,138,021
Proceeds from sales of investment properties		285,012	72,358
Direct costs of investment properties sold		<u>(190,808)</u>	<u>(49,626)</u>
Gain on sales of investment properties		94,204	22,732
Fair value gains on revaluation of investment properties, net		439,781	1,404,596
Other gains, net	5	114,421	437,009
Selling and marketing costs	4	(722,128)	(651,974)
Administrative expenses	4	<u>(891,292)</u>	<u>(840,109)</u>
Operating profit		3,693,802	4,510,275
Finance income		87,729	57,278
Finance costs	6	(1,127,670)	(514,322)
Share of profit/(loss) of			
- joint ventures		18,355	(10,793)
- associated entities		<u>323,349</u>	<u>360,224</u>
Profit before taxation		2,995,565	4,402,662
Taxation	7	<u>(1,841,021)</u>	<u>(1,786,158)</u>
Profit for the year		<u><u>1,154,544</u></u>	<u><u>2,616,504</u></u>

	<i>Note</i>	<b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
Attributable to			
Equity holders of the Company		1,012,889	2,471,255
Non-controlling interests		<u>141,655</u>	<u>145,249</u>
		<u><u>1,154,544</u></u>	<u><u>2,616,504</u></u>
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)	8		
- Basic and diluted		<u>0.0817</u>	<u>0.2329</u>
Dividends	9	<u>493,069</u>	<u>629,926</u>

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

	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	1,154,544	2,616,504
Other comprehensive income:		
<u>Items that may be reclassified to profit or loss</u>		
Currency translation differences	24,839	7,066
Change in fair value of available-for-sale financial assets, net of tax	40,851	63,838
Other comprehensive income for the year, net of tax	65,690	70,904
Total comprehensive income for the year	<u>1,220,234</u>	<u>2,687,408</u>
Attributable to		
Equity holders of the Company	1,076,357	2,538,687
Non-controlling interests	143,877	148,721
	<u>1,220,234</u>	<u>2,687,408</u>

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,462,807	1,286,323
Investment properties	14,168,595	12,614,339
Land use rights	244,458	255,043
Interests in joint ventures	5,134,642	1,287,803
Interests in associated entities	7,083,320	6,721,324
Available-for-sale financial assets	988,875	929,622
Deferred tax assets	<u>208,302</u>	<u>152,400</u>
	29,290,999	23,246,854
	-----	-----
<b>Current assets</b>		
Properties under development	40,171,217	34,134,730
Properties held for sale	12,754,963	11,330,156
Prepayments for land use rights	11,888,938	9,324,805
Inventories	36,061	31,145
Derivative financial instruments	27	12,996
Trade receivables	10 32,465	24,440
Other receivables, prepayments and deposits	1,861,832	1,450,795
Taxation recoverable	783,447	562,089
Charged bank deposits	5,622,570	5,074,695
Cash and cash equivalents	<u>9,545,548</u>	<u>7,882,648</u>
	82,697,068	69,828,499
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Non-current assets held-for-sale	<u>36,587</u>	—
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		<b>2015</b>	<b>2014</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and note payables	11	125,105	185,984
Advance receipts from customers		13,915,464	12,046,117
Other payables and accrued charges		20,374,641	10,950,353
Borrowings		5,511,795	8,415,093
Taxation payable		<u>2,607,085</u>	<u>2,361,554</u>
		<u>42,534,090</u>	<u>33,959,101</u>
<b>Net current assets</b>		<u>40,199,565</u>	<u>35,869,398</u>
<b>Total assets less current liabilities</b>		<u>69,490,564</u>	<u>59,116,252</u>
<b>Non-current liabilities</b>			
Borrowings		32,653,146	23,644,280
Deferred tax liabilities		5,275,522	5,039,661
Deferred revenue		61,006	62,801
Other payables and accrued charges		<u>34,686</u>	<u>116,082</u>
		<u>38,024,360</u>	<u>28,862,824</u>
<b>Net assets</b>		<u>31,466,204</u>	<u>30,253,428</u>
<b>EQUITY</b>			
Capital and reserves attributable to equity holders of the Company			
Share capital		12,759,402	12,759,402
Other reserves		542,555	464,592
Retained earnings			
- Proposed dividends	9	198,421	267,508
- Others		<u>16,117,798</u>	<u>15,612,473</u>
		29,618,176	29,103,975
Non-controlling interests		<u>1,848,028</u>	<u>1,149,453</u>
<b>Total equity</b>		<u>31,466,204</u>	<u>30,253,428</u>

## Notes

### 1. Basis of preparation

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

The preparation of financial statements in conformity with 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.

### 2. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

#### (a) Amended standards adopted by the Group:

The following amendments to existing standards are mandatory for the first time for the financial year beginning 1 January 2015:

HKAS 19 (Amendment)	Defined Benefit Plans - Employee Contributions
Annual improvements 2010-2012 cycle	Improvements to HKFRSs
Annual improvements 2011-2013 cycle	Improvements to HKFRSs

The Group has assessed the impact of the adoption of these amended standards that are effective for the first time for this financial year and considered that there was no material impact on the Group.

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

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



These consolidated financial statements comply with the applicable requirements of Hong Kong Companies Ordinance (Cap. 622), with the exception of Section 381 which requires a company to include all its subsidiary undertakings (within the meaning of Schedule 1 to Cap. 622) in the company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 Consolidated Financial Statements so far as Section 381 applies to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provisions of Section 380(6), the Company has departed from Section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the Group's accounting policy.

- (c) New standards and amendments to existing standards that have been issued but are not effective and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture Bearer Plants	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
HKAS 28 and HKFRS 10 (Amendments)	Sale and Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for Acquisition of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
Annual improvements 2012-2014 cycle	Improvements to HKFRSs	1 January 2016

The Group has already commenced an assessment of the related impact of adopting the above new standards and amendments to existing standards but is not yet in a position to state whether they will have a significant impact on its reported results of operations and financial position. The Group intends to adopt these new standards and amendments to existing standards when they become effective.

### 3 Segment information

The chief operating decision-maker has been identified as the executive directors. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of property development, property management, property investment and others.

The Group's operating and reportable segments under HKFRS 8 and the types of turnover are as follows:

Property development	sales of property development activities
Property management	property management services
Property investment	property rentals
Others	revenue from real estate agency and construction and building design consultancy services

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors are measured in a manner consistent with that in the consolidated financial statements.

Total assets excluded deferred tax assets, taxation recoverable and corporate assets. Corporate assets are not directly attributable to segments.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors are measured in a manner consistent with that in the consolidated income statement.

	<b>Property development</b> <i>RMB'000</i>	<b>Property management</b> <i>RMB'000</i>	<b>Property investment</b> <i>RMB'000</i>	<b>Others</b> <i>RMB'000</i>	<b>Group</b> <i>RMB'000</i>
<b>Year ended 31 December 2015</b>					
Revenue	21,074,165	549,668	284,937	1,154,652	23,063,422
Inter-segment revenue	—	(97,339)	(5,283)	(845,123)	(947,745)
Revenue from external customers	<u>21,074,165</u>	<u>452,329</u>	<u>279,654</u>	<u>309,529</u>	<u>22,115,677</u>
Segment results	<u>2,991,597</u>	<u>15,855</u>	<u>675,105</u>	<u>3,759</u>	<u>3,686,316</u>
Depreciation and amortisation	<u>(46,468)</u>	<u>(437)</u>	<u>—</u>	<u>(10,930)</u>	<u>(57,835)</u>
Fair value gains on revaluation of investment properties	<u>—</u>	<u>—</u>	<u>439,781</u>	<u>—</u>	<u>439,781</u>
Share of profit of:					
- joint ventures	18,355	—	—	—	18,355
- associated entities	<u>2,905</u>	<u>—</u>	<u>275,282</u>	<u>45,162</u>	<u>323,349</u>
<b>Year ended 31 December 2014</b>					
Revenue	14,811,011	478,338	250,017	1,106,035	16,645,401
Inter-segment revenue	—	(80,870)	(5,206)	(857,586)	(943,662)
Revenue from external customers	<u>14,811,011</u>	<u>397,468</u>	<u>244,811</u>	<u>248,449</u>	<u>15,701,739</u>
Segment results	<u>2,676,262</u>	<u>13,585</u>	<u>1,498,865</u>	<u>20,692</u>	<u>4,209,404</u>
Depreciation and amortisation	<u>(58,757)</u>	<u>(440)</u>	<u>—</u>	<u>(13,872)</u>	<u>(73,069)</u>
Fair value gains on revaluation of investment properties	<u>—</u>	<u>—</u>	<u>1,404,596</u>	<u>—</u>	<u>1,404,596</u>
Share of (loss)/profit of:					
- joint ventures	(10,793)	—	—	—	(10,793)
- associated entities	<u>5,093</u>	<u>—</u>	<u>337,347</u>	<u>17,784</u>	<u>360,224</u>

	<b>Property development</b>	<b>Property management</b>	<b>Property investment</b>	<b>Others</b>	<b>Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2015</b>					
Segment assets	83,153,011	542,040	14,168,595	422,808	98,286,454
Interests in joint ventures	5,134,642	—	—	—	5,134,642
Interests in associated entities	<u>714,605</u>	<u>—</u>	<u>6,191,003</u>	<u>177,712</u>	<u>7,083,320</u>
Total reportable segments' assets	<u>89,002,258</u>	<u>542,040</u>	<u>20,359,598</u>	<u>600,520</u>	<u>110,504,416</u>
Total reportable segments' assets include:					
Additions to non-current assets (note)	<u>163,887</u>	<u>3,018</u>	<u>1,337,935</u>	<u>460</u>	<u>1,505,300</u>

	<b>Property development</b>	<b>Property management</b>	<b>Property investment</b>	<b>Others</b>	<b>Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2014</b>					
Segment assets	67,439,095	455,924	12,614,339	390,443	80,899,801
Interests in joint ventures	1,287,803	—	—	—	1,287,803
Interests in associated entities	<u>534,007</u>	<u>—</u>	<u>6,054,786</u>	<u>132,531</u>	<u>6,721,324</u>
Total reportable segments' assets	<u>69,260,905</u>	<u>455,924</u>	<u>18,669,125</u>	<u>522,974</u>	<u>88,908,928</u>
Total reportable segments' assets include:					
Additions to non-current assets (note)	<u>320,889</u>	<u>2,123</u>	<u>132,340</u>	<u>242</u>	<u>455,594</u>

*Note:* Non-current assets represent non-current assets other than financial instruments (financial instruments include interests in joint ventures and interests in associated companies) and deferred tax assets.

A reconciliation of total segment results to total profit before taxation is provided as follows:

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	3,686,316	4,209,404
Unallocated operating costs ( <i>note</i> )	(106,935)	(136,138)
Other gains, net	<u>114,421</u>	<u>437,009</u>
Operating profit	3,693,802	4,510,275
Finance income	87,729	57,278
Finance costs	(1,127,670)	(514,322)
Share of profit/(loss) of:		
- joint ventures	18,355	(10,793)
- associated entities	<u>323,349</u>	<u>360,224</u>
Profit before taxation	<u><u>2,995,565</u></u>	<u><u>4,402,662</u></u>

*Note:* Unallocated operating costs include mainly staff salaries, rent and rates, depreciation and other operating expenses.

A reconciliation of reportable segments' assets to total assets is provided as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Total reportable segments' assets	110,504,416	88,908,928
Deferred tax assets	208,302	152,400
Taxation recoverable	783,447	562,089
Corporate assets	<u>528,489</u>	<u>3,451,936</u>
Total assets	<u><u>112,024,654</u></u>	<u><u>93,075,353</u></u>

No geographical segment analysis is shown as more than 90% of the Group's revenue are derived from activities in and from customers located in the China and more than 90% of the carrying values of the Group's non-current assets excluding deferred income tax are situated in China.

For the years ended 31 December 2015 and 2014, the Group does not have any single customer with the transaction value over 10% of the total external sales.

#### 4 Expenses by nature

Cost of sales, selling and marketing costs, and administrative expenses include the following:

	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Advertising and promotion expenses	626,328	553,364
Business tax and other levies	1,341,179	993,342
Cost of properties sold included in cost of sales	15,409,565	9,917,073
Cost of inventories included in cost of sales	37,283	30,501
Direct operating expenses arising from investment properties		
- that generate rental income	107,659	106,868
- that did not generate rental income	324	322
Depreciation		
- Owned property, plant and equipment	47,148	62,147
- Leased property, plant and equipment	102	64
Amortisation of land use rights	10,585	10,858
Operating leases - Land and buildings	66,465	85,459
Auditor's remuneration	5,996	6,500
Employee benefit expenses	1,082,964	938,840
Provision for impairment of properties held for sale	251,000	—
Reversal of provision for impairment of property, plant and equipment	—	(2,647)
Reversal of impairment of properties under development	—	(21,192)
	<u>          </u>	<u>          </u>

#### 5 Other gains, net

	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Gain on disposal of subsidiaries	—	449,414
Excess of the fair value of net assets of subsidiaries acquired over acquisition costs	9,953	—
Gain on deemed disposal of associated entities	30,676	—
Excess of the fair value of net assets of a joint venture acquired over acquisition costs	2,163	—
Gain on disposal of available-for-sale financial assets	—	19,240
Gain on disposal of property, plant and equipment	49,618	—
Government subsidy	19,269	—
Fair value loss on derivative financial instruments ( <i>note</i> )	(12,969)	(34,646)
Others	15,711	3,001
	<u>114,421</u>	<u>437,009</u>

*Note:* The derivative financial instruments referred to the call options granted to the Group.

## 6 Finance costs

	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings and overdrafts wholly repayable within five years	1,232,323	1,138,546
Interest on bank borrowings wholly repayable over five years	284,289	109,772
Interest on borrowings from related companies wholly repayable within five years	29,647	65,970
Interest on other borrowings wholly repayable within five years	179,446	69,865
Interest on other borrowings wholly repayable over five years	134,687	148,995
Interest expense from top-up payment liability repayable within five years	—	6,711
Fair value loss on top-up payment liability repayable within five years	—	99,447
Net foreign exchange loss on financing activities	<u>1,019,423</u>	<u>7,525</u>
Total borrowing costs incurred	2,879,815	1,646,831
Less: amount capitalised as investment properties, properties under development and property, plant and equipment ( <i>note</i> )	<u>(1,752,145)</u>	<u>(1,132,509)</u>
	<u><u>1,127,670</u></u>	<u><u>514,322</u></u>

*Note:* Net foreign exchange losses capitalised as investment properties, properties under development and property, plant and equipment amounted to RMB557,047,000.

## 7 Taxation

- (a) Hong Kong profits tax has been provided at the rate of 16.5 percent (2014: 16.5 percent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profit of the Group's subsidiaries, associated entities and joint ventures in China at 25 percent (2014: 25 percent).

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates ranging from 5 percent to 10 percent. During the year, withholding income tax was provided for dividend distributed and undistributed profit, recognized based on HKFRS, of the Group's subsidiaries, joint ventures and associated entities in China at tax rates ranging from 5 percent to 10 percent (2014: 5 percent to 10 percent).

- (c) China land appreciation tax is levied at progressive rates ranging from 30 percent to 60 percent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.

(d) The amount of taxation charged to the consolidated income statement comprises:

	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current taxation</b>		
Hong Kong profits tax	3,429	5,769
Macau complementary income tax	9,760	—
China enterprise income tax	777,140	437,873
China land appreciation tax	932,284	1,681,596
Over-provision in prior years	(124)	(484)
<b>Deferred taxation</b>		
Origination and reversal of temporary difference	157,971	617,403
China land appreciation tax	(153,229)	(1,170,456)
Corporate withholding income tax on undistributed profits	<u>113,790</u>	<u>214,457</u>
	<u><u>1,841,021</u></u>	<u><u>1,786,158</u></u>

## 8 Earnings per share

### Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the year.

	<b>2015</b>	<b>2014</b>
Profit attributable to equity holders of the Company (RMB'000)	<u><u>1,012,889</u></u>	<u><u>2,471,255</u></u>
Weighted average number of ordinary shares in issue ('000)	<u><u>12,401,307</u></u>	<u><u>10,610,052</u></u>
Basic earnings per share (RMB)	<u><u>0.0817</u></u>	<u><u>0.2329</u></u>

### 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. Since there was no dilutive potential ordinary shares during the years ended 31 December 2015 and 31 December 2014, diluted earnings per share is equal to basic earnings per share.



## 9 Dividends

The dividends paid in 2015 was approximately RMB562 million (2014: RMB622 million). The directors proposed a final dividend of HK\$0.019 per ordinary share, totalling approximately RMB198 million. Such dividend is to be approved by the shareholders at the Annual General Meeting on 8 June 2016. These financial statements do not reflect this dividend payable.

	<b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
Interim, paid, of HK\$0.029 equivalent to RMB0.024 (2014: HK\$0.049 equivalent to RMB0.039) per ordinary share	294,648	362,418
Final, proposed, of HK\$0.019 equivalent to RMB0.016 (2014: HK\$0.027 equivalent to RMB0.022) per ordinary share	<u>198,421</u>	<u>267,508</u>
	<u><u>493,069</u></u>	<u><u>629,926</u></u>

## 10 Trade receivables

The Group has defined credit policies for different businesses. The credit terms of the Group are generally within three months. The ageing analysis of trade receivables is as follows:

	<b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
0 - 30 days	16,703	11,305
31 - 90 days	3,279	2,026
181 - 365 days	1,375	875
Over 1 year	<u>20,394</u>	<u>19,520</u>
	41,751	33,726
Less: provision for impairment of trade receivables	<u>(9,286)</u>	<u>(9,286)</u>
	<u><u>32,465</u></u>	<u><u>24,440</u></u>

## 11 Trade and note payables

The ageing analysis of the trade and note payables is as follows:

	<b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
0 - 30 days	54,655	96,208
31 - 90 days	60,510	70,189
91 - 180 days	2,265	10,829
181 - 365 days	3,979	4,868
1 - 2 years	231	296
Over 2 years	<u>3,465</u>	<u>3,594</u>
	<u><u>125,105</u></u>	<u><u>185,984</u></u>

## **CHAIRMAN’S STATEMENT**

### **I. BUSINESS REVIEW**

#### **Economic and Market Environment**

The global economic growth rate for 2015 had slowed down and was lower than that generally expected. The global economy entered into a phase of intensive structural adjustments from the previous phase of rapid development experienced before the international financial crisis. Economic expansion of emerging markets and developing economies decelerated. The United States economy recovered strongly, while the growths in the Euro region and Japan had increased but the rebounding momentum had slackened. Entering the “New Normal” phase, China’s economy maintained steady development, the downside pressure has intensified. In 2015, the economic growth of China increased by 6.9% on a year-on-year basis, falling below 7% for the first time in 25 years. However, it basically stayed within the target growth range. As the overall national strength continued to grow, together with further penetration of reforms and innovations, market vitality and the economy’s organic growth momentum would be further stimulated.

In 2015, introduction of policies in support of both supply and demand of the domestic property market resulted in a steady increase in both market volume and prices. The policy environment for the operation of the industry was improving considerably. Since the beginning of this year, the government, via various favorable measures such as removal of the house purchase restrictions, cutting the benchmark ratios and interest rates, cutting down payment ratio and tax, reduced the costs of property purchases and encouraged market demand. As a result, the property market saw a strong rebound in the second half of the year. In 2015, the GFA of commodity housing sales was approximately 1.28 billion sq.m., representing a year-on-year increase of 6.5%, while the total revenue from commodity housing sales was approximately RMB8.7 trillion, increased by 14.4% year-on-year. However, market fragmentation was manifest. Volumes and prices rose to historical new high levels in Tier 1 cities, while overall performance in Tier 2 cities remained stable, and prices in Tier 3 and Tier 4 cities continued to drop due to high inventory levels.

## **New Record High Revenue and Contracted Sales**

In 2015, the Group adhered to the objective of “enhancing inner force through management upgrade, instilling vitality through reforms and innovation” and adopted the main themes of “three ensurings, three breakthroughs and three enhancements”. In face of the intensifying competition within the industry under the New Normal, the Group responded proactively, took challenges in its stride and implemented the business solidly.

In 2015, revenue of the Group was approximately RMB22.12 billion, representing a year-on-year increase of 40.8%. Total revenue (including revenue from disposal of investment properties) was approximately RMB22.40 billion, representing a year-on-year increase of 42.1%. Profit attributable to equity holders was approximately RMB1.01 billion, representing a year-on-year decrease of 59.0%. Core net profit (profit attributable to equity holders excluding fair value gains on revaluation of investment properties and the related tax effect and net exchange loss recognized in the consolidated income statement) was approximately RMB1.24 billion, representing a year-on-year decrease of 21.2%.

The Board proposed to declare a final dividend for 2015 of HK\$0.019 per share (equivalent to approximately RMB0.016 per share), together with the interim dividend of HK\$0.029 per share (equivalent to approximately RMB0.024 per share). Total dividends for the year ended 31 December 2015 amounted to HK\$0.048 per share (equivalent to approximately RMB0.040 per share), representing 40% of the profit attributable to equity holders excluding fair value gains on revaluation of the investment properties and the related tax effect and net exchange loss recognized in the consolidated income statement.

In 2015, amid the complicated and rapidly changing property market environment, positive sales results were achieved by seizing the market recovery opportunities brought by favorable policies implemented since the second quarter, adopting various flexible sales strategies and innovative measures such as internet finance and e-commerce marketing in social networks, as well as capturing the upgrading demand released in the market. The Group recorded aggregate contracted sales (including contracted sales by joint venture projects) of approximately RMB24.85 billion and the GFA of the aggregate contracted sales (including contracted sales by joint venture projects) was approximately 2.27 million sq.m., respectively representing a year-on-year increase of 12.9% and 20.5%.

## **Stable and Sound Financial Position**

In 2015, the Group proactively used its advantages of onshore and offshore financing channels to rationalize resources allocation and further optimized the structure of financing to enhance the utilization rate of funds and realized a balance in overall funds. In 2015, the financing of RMB15.20 billion was realized, of which RMB9.72 billion was onshore financing and RMB5.48 billion was offshore financing. By a mix of various financing methods, the funding cost went down further. The average borrowing interest rate in respect of 2015 was 4.95%, a decrease of 0.12 percentage point as compared to 5.07% for the year 2014.

As of 31 December 2015, the net gearing ratio was approximately 73.1%, representing an increase of 10.0 percentage points as compared to the end of 2014, and it remained at a healthy level. Moody's, Fitch and Standard & Poor's maintained the Group's investment grade ratings of "Baa3", "BBB-" and "BBB-" respectively.

## **Reinforcement of Regional Layout of Tier 1 and Tier 2 Cities**

In observation of the strategic guidance of "returning to Tier 1 and Tier 2 cities", the Group seized market opportunities, consolidated development resources and acquired in time the quality land reserve. In 2015, the Group acquired land parcels in Guangzhou, Foshan, Suzhou and Jiangmen respectively. In terms of the attributable interest to the Group, the consideration was approximately RMB7.02 billion, and the GFA was approximately 1.03 million sq.m..

As of 31 December 2015, the total landbank of the Group was approximately 13.69 million sq.m.. In terms of the attributable interest to the Group, landbank amounted to approximately 10.79 million sq.m.. The Group's landbank is located mainly in 12 cities within regions of Pearl River Delta, Yangtze River Delta, Bohai Rim and Central China region, over 80% of which is located in Tier 1 and Tier 2 cities.

## **The Innovative Development Model of "Joining Hands with Heavyweights for Mutual Benefits"**

As the competition intensifies in the China property market, cooperation between heavyweights has become an effective means of strengthening collaboration and creating win-win solutions for excellent property developers. In recent years, the Group achieved integration of resources and advantage complementation through cooperation with investment funds and property developers. In 2015, the Group developed Guangzhou Haizhu Guangzhi land I and the Jiangmen Xijiang Mansion (formerly known Jiangmen Ganbei Road land) with Greenland and Country Garden respectively.

In 2015, the Group acquired the remaining equity interest held by investment funds in Guangzhou Yuexiu Poly Aite City, Hangzhou Victory Center and Hangzhou Starry Joy City. The exercise of call option helped swiftly expand the sales scale and speeded up return of cash.

### **Implementation of long-term incentive scheme**

The real estate industry has currently entered into the “New Normal” development phase. In due course, the Group implemented reforms on system and mechanism with the objective of jointly undertaking risks and share of profits to enhance the human capital effectiveness, stimulate the organisation vitality, boost the operational efficiency and improve the organic growth momentum. In 2015, guided by the “create value to share value” principle, the Group first established an employee incentive scheme on project level in the Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project). Afterward, the Group would step up efforts to gradually cover other project companies. Through participation in equity investment in project companies by management team members and core employees, the motivation of project management teams was effectively strengthened to maximize benefits.

### **Continuous Promotion of Brand Value**

In 2015, the Group endeavoured to further strengthen its influence in the capital market, continued to promote its recognition by the investors and achieved encouraging results in promotion of its brand value and goodwill. The Group received the “2015 Corporate Governance Gold Award” and “The Outstanding China Property Developers Award 2015” by the reputable finance magazines The Asset and Economic Digest respectively, for the first time the “Best Investor Relations Enterprise Award” at the Fifth Asia Excellence Recognition Awards organized by the Corporate Governance Asia magazine, the “ARC Annual Report Award — Interior Design Bronze Prize” awarded by the renowned annual report award institution MerComm Inc and known as the “Annual Report Oscar Award”, the “LACP Vision Award - Real Estate/REIT — Gold Award” and the “LACP Vision Award — Business Services - Bronze Award” by the League of American Communications Professionals(LACP) and the “Galaxy Annual Reports —Overall Presentation Honor Award”.

## **II. BUSINESS OUTLOOK**

Looking ahead in 2016, the global economy faces greater challenges and uncertainties as the economic recovery continues to remain weak. The domestic economy of China has entered into the “New Normal” stage of slower growth. The central government set out five missions, namely “de-productivity, de-stocking, de-leveraging, cost cutting and weakness re-engineering”. The real estate industry entered into the “excellence, branding, differentiation and standardizing” development stage. The challenges are unprecedented while substantial development opportunities exist. The status of real estate playing an important role in GDP growth will be unchanged, the industry policy will be more loosening and the sustainable development of urbanization will be the new momentum of property market growth. “De-stocking” is still the main theme of real estate industry. The market will face restructuring along with the slow growth of the market, the more fierce market competition, increasing degree of concentration of the industry and the regional diversification becoming distinct, which will be favourable to the fairly competitive developers to capture the opportunities for more rapid and better development.

2016 is the first year of 13th Five-Year Plan. The Group has formulated the development plans for the next five years with definite targets and clear strategies. The Group’s development will focus on three core regions, namely Greater Guangzhou, Central China and Yangtze River Delta and strive to strengthen and optimize the business of development and operation of residential and commercial properties, seeking sustainable and steady growth of its core businesses, and endeavouring to become a competitive property developer with sound business performance and leading integrated capabilities.

### **Operation Strategies**

The Group pursues sustainable and stable growth in core operations of residential and commercial property development, continuing to increase the proportion of the lease business in the Group’s revenue and profit. The existing project resources will be invigorated and optimized, with efforts put to enhance the investment rate of return of projects. Utilization of the effective operational model of “Development-Operation-Finance” and the dual platforms “Property-REIT” interaction model will be continued to effectively consolidate internal resources and gain synergy effect. With customers as a top priority and profit as the target, the product mix will be optimized, the price-performance ratio of products will be enhanced and the competitiveness of products will be boosted comprehensively.

## **Investment Strategies**

With the efficiency as the priority, the Group will source high-quality land reserve by multiple ways, consolidate and integrate the quality resources within Yuexiu Group, and get actively involved in the 「Three-Old」 Urban Renewal Plan to gain high-quality land. For the regional market investment, the Group will adopt the regional market investment strategy with greater Guangzhou as the center, Wuhan and Hangzhou as the pillars for growth. The land reserve mix will be optimized. New investment will focus on projects with quick turnover, and the target is on the ROE of the projects. The strategic cooperation with state-owned enterprises and leading property developers would be expanded to reduce the cost of land and the investment risk.

## **Financial Strategies**

The Group will further optimize the financial structure, reduce financing costs, and maintain a reasonable debt structure for onshore and offshore. The major financial indicators will be kept at a reasonable level while the investment-grade ratings from international rating organizations will be actively maintained. The operating cash flow will be improved to ensure the liquidity and security. The integration of real-estate and finance will be improved further to enhance the usage efficiency and the flexibility of financial resources and strengthen the support of financial management to the business development.

## **Management Strategies**

The Group is optimizing structural and procedural management, aiming to boost the investment benefits and operational efficiency. A long-term incentive system will be implemented and strengthened to comprehensively promote the plan of profit-sharing investment by project management teams and introduce employees' shareholding plans. A cost control system based on value creation will be constructed to enhance the cost control capability throughout the entire value chain. A systematic, institutionalized and normalized risk control mechanism will be built to strengthen risk management.

## **ACKNOWLEDGMENT**

With respect to the steadily sound developments of the Group achieved over the years, I would like to take this opportunity to extend my gratitude to the Board of Directors for their strong leadership and all our staff for their relentless endeavors, as well as to express my deepest appreciation to our shareholders, our customers and business partners for their full confidence and dedicated support.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue and Gross Profit

In 2015, the Group realized revenue of approximately RMB22.12 billion (the same period of 2014: RMB15.70 billion), a year-on-year increase of 40.8%. The gross profit was approximately RMB4.66 billion (the same period of 2014: RMB4.14 billion), a year-on-year increase of 12.6%, and the gross profit margin reached approximately 21.1%, a year-on-year decrease of 5.3 percentage points, mainly due to the change of product mix and regional composition.

### Profit Attributable to Equity Holders

In 2015, profit attributable to equity holders of the Group was approximately RMB1.01 billion (the same period of 2014: RMB2.47 billion), a year-on-year decrease of 59.0%, mainly due to the decreases in fair value gains on revaluation of investment properties and the net amount of other gains and an increase in net foreign exchange loss. If the fair value gains on revaluation of investment properties and the related tax effect and net exchange loss recognized in the consolidated income statement were not taken into account, the core net profit was approximately RMB1.24 billion, a year-on-year decrease of 21.2%.

### Contracted Sales

In 2015, the Group recorded the value of the aggregate contracted sales (including contracted sales by joint venture projects) of approximately RMB24.85 billion, a year-on-year increase of 12.9% and equivalent to approximately 100.2% of the full year sales target of RMB24.8 billion. The GFA of the aggregate contracted sales (including contracted sales by joint venture projects) was approximately 2.27 million sq.m., a year-on-year increase of 20.5%. The average selling price was approximately RMB10,900 per sq.m., a year-on-year decrease of 6.8%, due to the change of product mix and the increase of proportion of sales regarding regions outside Guangzhou.



In terms of regional composition, with respect to the value of the aggregate contracted sales for 2015, Guangzhou accounted for approximately 45.6%, Pearl River Delta (excluding Guangzhou) accounted for approximately 16.1%, Yangtze River Delta accounted for approximately 13.4%, Central China Region accounted for approximately 17.7%, and Bohai Rim accounted for approximately 7.2%. In terms of types, residential properties accounted for approximately 92%, and commercial properties and others accounted for approximately 8%.

Contracted sales are summarized as follows:

<b>No.</b>	<b>Project</b>	<b>GFA (sq.m.)</b>	<b>Value (RMB mil)</b>	<b>ASP (RMB/ sq.m.)</b>
1	Guangzhou Starry Winking	1,100	25	22,700
2	Guangzhou Starry Cullinan	1,300	84	64,600
3	Guangzhou Lingnan Riverside/ Guangzhou Fortune Apartment	11,700	110	9,400
4	Guangzhou Starry Golden Sands	54,200	1,081	19,900
5	Guangzhou Starry Wenhua	15,800	402	25,400
6	Guangzhou Starry Wenyu	21,000	496	23,600
7	Guangzhou Paradiso Riverside	89,300	1,304	14,600
8	Southern Le Sand	318,200	3,358	10,600
9	Guangzhou Lingnan Hillside	26,900	464	17,200
10	Guangzhou Lingnan Villas	93,000	1,119	12,000
11	Guangzhou Lingnan Wood	147,800	1,964	13,300
12	Guangzhou Yuexiu Poly Aite City	28,000	343	12,300
13	Conghua Glade Village	2,000	21	10,500
14	Conghua Glade Greenland	13,000	96	7,400
	Other projects	22,000	469	21,300
	<b>Subtotal (Guangzhou)</b>	<b>845,300</b>	<b>11,336</b>	<b>13,400</b>
15	Jiangmen Starry Regal Court	122,400	909	7,400
16	Zhongshan Starry Winking	46,400	240	5,200
17	Zhongshan Starry Junting	41,200	275	6,700
18	Zhongshan Starry Peakfield	174,300	1,194	6,900
19	Zhongshan Paradiso Jadin	57,400	269	4,700
20	Nanhai Starry Winking	17,200	262	15,200
21	Foshan Lingnan Junting	38,100	482	12,700
22	Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project)	54,100	371	6,900
	<b>Subtotal (Pearl River Delta ex. Guangzhou)</b>	<b>551,100</b>	<b>4,002</b>	<b>7,300</b>

<b>No.</b>	<b>Project</b>	<b>GFA</b> <i>(sq.m.)</i>	<b>Value</b> <i>(RMB mil)</i>	<b>ASP</b> <i>(RMB/sq.m.)</i>
23	Hangzhou Starry City	62,800	370	5,900
24	Hangzhou Starry Joy City	61,800	727	11,800
25	Hangzhou Starry Upper City	21,600	283	13,100
26	Hangzhou Victory Center	3,400	109	32,100
27	Suzhou Paradiso Pavilion	155,600	1,269	8,200
28	Suzhou Starry Pavilion	53,100	578	10,900
	<b>Subtotal (Yangtze River Delta)</b>	<b>358,300</b>	<b>3,336</b>	<b>9,300</b>
29	Wuhan Starry Winking	113,700	2,062	18,100
30	Wuhan Starry Emperor	111,800	1,288	11,500
31	Wuhan International Financial City	40,600	1,032	25,400
	<b>Subtotal (Central China Region)</b>	<b>266,100</b>	<b>4,382</b>	<b>16,500</b>
32	Shenyang Starry Winking	3,000	39	13,000
33	Shenyang Starry Blue Sea	56,800	385	6,800
34	Yantai Starry Golden Sands	86,600	484	5,600
35	Qingdao Starry Blue Bay	104,900	889	8,500
	<b>Subtotal (Bohai Rim)</b>	<b>251,300</b>	<b>1,797</b>	<b>7,200</b>
	<b>Total</b>	<b>2,272,100</b>	<b>24,853</b>	<b>10,900</b>

### **Recognized Sales**

In 2015, the value of the recognized sales (including the sale of investment properties of RMB0.29 billion) and GFA of the recognized sales (including the sale of investment properties of 13,100 sq.m.) were approximately RMB21.36 billion and 1.99 million sq.m., representing respective year-on-year increases of 43.5% and 68.1%, and the average selling price was approximately RMB10,700 per sq.m..

Recognized sales are summarized as follows:

No.	Project	Type	GFA (sq.m.)	Value (RMB mil)	ASP (RMB/ sq.m.)
1	Guangzhou Fortune Century Square	Commercial	4,900	173	35,300
2	Guangzhou Starry Winking	Residential, parking	1,000	42	42,000
3	Guangzhou Starry Cullium	Residential	2,600	151	58,100
4	Guangzhou Lingnan Riverside	Parking	800	15	18,800
5	Guangzhou Fortune Apartment	Commercial	24,200	445	18,400
6	Guangzhou Starry Golden Sands	Residential, parking	126,500	2,245	17,700
7	Guangzhou Starry Wenhua	Residential, parking	22,800	536	23,500
8	Guangzhou Starry Wenhan	Residential, parking	4,300	69	16,000
9	Guangzhou Starry Wenyu	Residential, parking	31,200	734	23,500
10	Guangzhou Paradiso Riverside	Residential, parking	89,900	1,272	14,100
11	Guangzhou Paradiso Sunshine	Residential, parking	6,100	73	12,000
12	Nansha Southern Le Sand	Residential, commercial	204,200	1,950	9,500
13	Guangzhou Lingnan Hillside	Residential	62,500	1,122	18,000
14	Guangzhou Lingnan Villas	Residential	118,300	1,481	12,500
15	Conghua Glade Greenland	Residential	144,700	932	6,400
16	Conghua Glade Village	Residential	900	12	13,300
	Other projects	N/A	11,700	332	28,400
	Investment Properties	N/A	13,100	285	21,800
	<b>Subtotal (Guangzhou)</b>		<b>869,700</b>	<b>11,869</b>	<b>13,600</b>
17	Jiangmen Starry Regal Court	Residential	56,400	455	8,100
18	Zhongshan Starry Winking	Residential	37,700	235	6,200
19	Zhongshan Starry Juntong	Residential, commercial	30,700	288	9,400
20	Zhongshan Starry Peakfield	Residential, commercial	69,300	501	7,200
21	Zhongshan Paradiso Jadin	Residential, commercial	95,800	445	4,600
	<b>Subtotal (Pearl River Delta ex. Guangzhou)</b>		<b>289,900</b>	<b>1,924</b>	<b>6,600</b>

No.	Project	Type	GFA (sq.m.)	Value (RMB mil)	ASP (RMB/ sq.m.)
22	Hangzhou Starry City	Residential, commercial	72,800	425	5,800
23	Suzhou Paradiso Pavilion	Residential	123,900	1,058	8,500
	<b>Subtotal (Yangtze River Delta)</b>		<b>196,700</b>	<b>1,483</b>	<b>7,500</b>
24	Wuhan Starry Winking	Residential	127,800	2,127	16,600
25	Wuhan Starry Emperor	Residential	117,600	1,311	11,100
	<b>Subtotal (Central China Region)</b>		<b>245,400</b>	<b>3,438</b>	<b>14,000</b>
26	Shenyang Starry Blue Sea	Residential, commercial	126,300	885	7,000
27	Yantai Starry Golden Sands	Residential, commercial	139,200	766	5,500
28	Yantai Starry Phoenix	Residential	6,600	49	7,400
29	Qingdao Starry Blue Bay	Residential	116,900	945	8,100
	<b>Subtotal (Bohai Rim)</b>		<b>389,000</b>	<b>2,645</b>	<b>6,800</b>
	<b>Total</b>		<b>1,990,700</b>	<b>21,359</b>	<b>10,700</b>

### Unrecognized Sales

As of 31 December 2015, the value of the unrecognized sales amounted to approximately RMB22.61 billion, with GFA of the unrecognized sales being approximately 2.09 million sq.m., and the average selling price was approximately RMB10,800 per sq.m..

Unrecognized sales are summarized as follows:

No.	Project	Type	GFA (sq.m.)	Value (RMB mil)	ASP (RMB /sq.m.)
1	Guangzhou Fortune Century Square	Commercial	1,300	34	26,200
2	Guangzhou Fortune Apartment	Commercial, parking	4,300	26	6,000
3	Guangzhou Starry Winking	Commercial	800	13	16,300
4	Guangzhou Starry Cullium	Residential	1,900	123	64,700
5	Guangzhou Starry Golden Sands	Residential	22,900	542	23,700
6	Guangzhou Starry Wenhua	Residential	13,800	319	23,100
7	Guangzhou Starry Wenyu	Residential	1,000	22	22,000
8	Guangzhou Paradiso Riverside	Residential	63,500	951	15,000
9	Nansha Southern Le Sand	Residential, commercial	226,700	2,672	11,800

No.	Project	Type	GFA (sq.m.)	Value (RMB mil)	ASP (RMB /sq.m.)
10	Guangzhou Lingnan Hillside	Residential	3,100	53	17,100
11	Guangzhou Lingnan Villas	Residential	39,900	498	12,500
12	Guangzhou Lingnan Wood	Residential	206,500	2,707	13,100
13	Guangzhou Yuexiu Poly Aite City	Residential	28,000	343	12,300
14	Conghua Glade Village	Residential	1,300	12	9,200
15	Conghua Glade Greenland	Residential	4,900	42	8,600
	Other projects	N/A	18,900	514	27,200
	<b>Subtotal (Guangzhou)</b>		<b>638,800</b>	<b>8,871</b>	<b>13,900</b>
16	Jiangmen Starry Regal Court	Residential	157,900	904	5,700
17	Zhongshan Starry Winking	Residential	37,100	163	4,400
18	Zhongshan Starry Junting	Residential	14,900	69	4,600
19	Zhongshan Starry Peakfield	Residential	143,600	991	6,900
20	Zhongshan Paradiso Jadin	Residential	20,500	125	6,100
21	Nanhai Starry Winking	Residential	34,100	527	15,500
22	Foshan Lingnan Junting	Residential	114,100	1,074	9,400
23	Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project)	Residential	54,100	371	6,900
	<b>Subtotal (Pearl River Delta ex. Guangzhou)</b>		<b>576,300</b>	<b>4,224</b>	<b>7,300</b>
24	Hangzhou Starry City	Residential	71,500	426	6,000
25	Hangzhou Starry Upper City	Residential	21,600	283	13,100
26	Hangzhou Starry Joy City	Residential	61,800	727	11,800
27	Hangzhou Victory Center	Residential, commercial	3,400	109	32,100
28	Suzhou Paradiso Pavilion	Residential	198,800	1,577	7,900
29	Suzhou Starry Pavilion	Residential	53,100	578	10,900
	<b>Subtotal (Yangtze River Delta)</b>		<b>410,200</b>	<b>3,700</b>	<b>9,000</b>
30	Wuhan Starry Winking	Residential	89,100	1,705	19,100
31	Wuhan Starry Emperor	Residential	131,800	1,493	11,300
32	Wuhan International Financial City	Residential, commercial	68,900	1,347	19,600
	<b>Subtotal (Central China Region)</b>		<b>289,800</b>	<b>4,545</b>	<b>15,700</b>
33	Shenyang Yuexiu Hill Lake	Residential	3,000	39	13,000
34	Shenyang Starry Blue Sea	Residential	9,300	68	7,300
35	Yantai Starry Golden Sands	Residential	75,300	414	5,500
36	Qingdao Starry Blue Bay	Residential	87,300	744	8,500
	<b>Subtotal (Bohai Rim)</b>		<b>174,900</b>	<b>1,265</b>	<b>7,200</b>
	<b>Total</b>		<b>2,090,000</b>	<b>22,605</b>	<b>10,800</b>

## Landbank

In 2015, the Group acquired quality land parcels located in Guangzhou, Foshan, Suzhou and Jiangmen respectively. In terms of the attributable interest to the Group, the GFA was approximately 1.03 million sq.m. and the consideration was approximately RMB7.02 billion.

Land parcels newly acquired are summarized as follows:

No.	Project	Equity holding	Total GFA (sq.m.)	Total Land Cost (RMB mil)	Attri. Land Cost (RMB mil)
1	Suzhou Starry Pavilion	48.5%	180,900	440	210
2	Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project)	93.1%	226,700	630	590
3	Guangzhou Haizhu Guangzhi Land I	47.7%	229,500	2,630	1,250
4	Guangzhou Yuexiu Starry Haizhu Bay (formerly known as Guangzhou Haizhu Guangzhi Land II)	48.7%	773,300	8,900	4,330
5	Jiangmen Xijiang Mansion (formerly known as Jiangmen Ganbei Road Land)	44.6%	469,400	700	310
6	Guangzhou Baiyun Tangcha Road Land	16.0%	239,300	2,090	330
	<b>Total</b>		<b>2,119,100</b>	<b>15,390</b>	<b>7,020</b>

As of 31 December 2015, the landbank of the Group reached approximately 13.69 million sq.m. with a total of 34 projects in 12 cities in China and whose regional layout continued to improve. In terms of the attributable interest to the Group, total landbank was approximately 10.79 million sq.m.. In terms of regional composition, Guangzhou accounted for approximately 39.8% of the total landbank, Pearl River Delta (excluding Guangzhou) accounted for approximately 15.4%, Yangtze River Delta accounted for approximately 17.4%, Central China Region accounted for approximately 15.3%, Bohai Rim accounted for approximately 10.8%, and others accounted for approximately 1.3%. In terms of usage, residential properties accounted for approximately 77% and commercial properties and others accounted for approximately 23%.

Landbank is summarized as follows:

No.	Project	Equity Holding	Landbank	PUD	PFD
			GFA (sq.m.)	GFA (sq.m.)	GFA (sq.m.)
1	Asia Pacific Century Plaza	95%	232,000	232,000	—
2	Guangzhou Starry Sky City (formerly known as Guangzhou Baiyun Tonghe Project)	100%	680,300	275,800	404,500
3	Guangzhou Baiyun Tangcha Road Land	16.0%	239,300	—	239,300
4	Guangzhou Haizhu Nanzhou Road Project	95.48%	152,600	—	152,600
5	Guangzhou Haizhu Guangzhi Land I	47.74%	229,500	229,500	—
6	Guangzhou Yuexiu Starry Haizhu Bay (formerly known as Guangzhou Haizhu Guangzhi Land II)	48.69%	773,300	397,500	375,800
7	Southern Le Sand	95.48%	1,928,700	920,700	1,008,000
8	Guangzhou Lingnan Wood	47.74%	426,900	426,900	—
9	Guangzhou Yuexiu Poly Aite City	47.74%	674,700	309,000	365,700
	Other projects	N/A	111,600	66,400	45,200
	<b>Subtotal (Guangzhou)</b>		<b>5,448,900</b>	<b>2,857,800</b>	<b>2,591,100</b>
10	Jiangmen Starry Regal Court	95%	59,300	2,500	56,800
11	Jiangmen Xijiang Mansion (formerly known as Jiangmen Ganbei Road Land)	44.6%	469,400	238,100	231,300
12	Zhongshan Starry Winking	95%	145,700	145,700	—
13	Zhongshan Starry Peakfield	95%	368,400	194,100	174,300
14	Zhongshan Paradiso Jadin	100%	237,900	157,900	80,000
15	Nanhai Starry Winking	100%	290,700	290,700	—
16	Foshan Yuexiu City Box (formerly known as Foshan Chancheng Foping Road Project)	93.1%	226,700	226,700	—
17	Foshan Lingnan Junting	95%	314,500	298,300	16,200
	<b>Subtotal (Pearl River Delta ex. Guangzhou)</b>		<b>2,112,600</b>	<b>1,554,000</b>	<b>558,600</b>
18	Shenyang Yuexiu Hill Lake	99.95%	283,600	13,400	270,200
19	Shenyang Starry Winking	100%	529,100	175,600	353,500
20	Shenyang Starry Blue Sea	100%	9,800	—	9,800
21	Yantai Starry Golden Sands	100%	407,400	192,400	215,000
22	Qingdao Starry Blue Bay	100%	248,200	248,200	—
	<b>Subtotal (Bohai Rim)</b>		<b>1,478,100</b>	<b>629,600</b>	<b>848,500</b>
23	Hangzhou Starry City	100%	1,452,600	182,000	1,270,600
24	Hangzhou Starry Upper City	100%	221,800	221,800	—
25	Hangzhou Victory Center	100%	71,900	71,900	—

No.	Project	Equity Holding	Landbank	PUD	PFD
			GFA (sq.m.)	GFA (sq.m.)	GFA (sq.m.)
26	Hangzhou Starry Joy City	95.48%	183,400	183,400	—
27	Suzhou Paradiso Pavilion	48.45%	270,600	270,600	—
28	Suzhou Starry Pavilion	48.45%	180,900	180,900	—
	<b>Subtotal (Yangtze River Delta)</b>		<b>2,381,200</b>	<b>1,110,600</b>	<b>1,270,600</b>
29	Wuhan Starry Winking	100%	553,900	553,900	—
30	Wuhan Starry Emperor	95.48%	603,800	603,800	—
31	Wuhan International Financial City	7.64%	932,600	400,000	532,600
	<b>Subtotal (Central China Region)</b>		<b>2,090,300</b>	<b>1,557,700</b>	<b>532,600</b>
32	Hainan Simapo Island Project	47.50%	100,400	6,000	94,400
33	Hong Kong Yau Tong Project	100%	70,500	—	70,500
34	Hong Kong Prince Edward Road Project	100%	4,000	4,000	—
	<b>Subtotal (Hainan and Hong Kong)</b>		<b>174,900</b>	<b>10,000</b>	<b>164,900</b>
	<b>Total</b>		<b>13,686,000</b>	<b>7,719,700</b>	<b>5,966,300</b>

### Construction Progress

The Group adopted various measures to speed up the turnover and endeavoured to enhance the development efficiency. Development of the projects in 2015 proceeded as normal. New commencement of construction, completion and delivery conducted were in line with the Group's schedule.

New commencement of construction, completion and delivery are summarized as follows:

Construction progress	Actual GFA	Planned GFA
	In 2015 (mil sq.m.)	for 2016 (mil sq.m.)
PUD	7.72	6.48
New commencement of construction	2.64	1.96
Completion	2.78	3.19
Delivery	1.99	1.90



## **Investment Properties**

As of 31 December 2015, the Group owned investment properties under lease of approximately 789,000 sq.m. in total, of which offices, commercial properties, car parks and others accounted for approximately 33.1%, 45.1% and 21.8%, respectively. The Group owned the investment properties under construction of approximately 112,000 sq.m., most of which were the commercial portions of Nanhai Starry Winking. The Group recorded the rental revenue of approximately RMB277 million in 2015, a year-on-year increase of 14.3%.

In 2015, the Group recorded net fair value gains on revaluation of investment properties of approximately RMB440 million. The fair value on revaluation of Yuexiu Financial Tower recorded during the year increased by approximately RMB1,150 million and the fair value on revaluation of Guangzhou Fortune World Plaza recorded during the year decreased by approximately RMB788 million, due to the worse-than-expected operation performance.

## **Net Other Gains**

During the year, the Group's recorded net other gains of approximately RMB114 million, a year-on-year decrease of 73.8%. The Group recognized a gain on disposal of equity interest for an amount of approximately RMB449 million in 2014 whereas there was no such similar gain in this year.

## **Selling and Marketing Costs**

During the year, the Group's selling and marketing costs increased by 10.8% to approximately RMB722 million as compared to the previous year. The increase in selling and marketing costs resulted from increase in sales of projects outside the Guangdong province and a year-on-year increase in the corresponding agency and marketing costs. The Group has all along endeavored to execute effective sales plans and kept control on its selling and marketing costs to an appropriate level. The selling and marketing costs accounted for 2.9% of the contracted sales for the year, reduced by 0.1 percentage point as compared to 3.0% of the previous year.

## **Administrative Expenses**

Administrative expenses of the Group amounted to approximately RMB891 million, increased by 6.1% as compared to the corresponding year of 2014. The Group continued to strengthen controls over expenses and strictly follow the annual expenses budget. Administrative expenses accounted for 3.6% of the contracted sales of this year, reduced by 0.2 percentage point as compared to 3.8% of the previous year.

## **Finance Costs**

During the year, the Group's interest expenses (excluding the top-up payment liability) on borrowings increased by 21.3% to approximately RMB1,860 million as compared to the corresponding year of 2014. Renminbi continued to depreciate in the second half of 2015, and the Group's revenue was mainly derived in Renminbi. The foreign exchange losses arising from the conversion of part of the borrowings denominated in United States dollars and Hong Kong dollars at the prevailing exchange rate increased. Net foreign exchange loss incurred for the full year amounted to RMB1,019 million. The interest expenses and net foreign exchange loss amounted to approximately RMB2,880 million in total. According to the relevant requirements of the Hong Kong Accounting Standards, the capitalized interest expenses amounted to approximately RMB1,195 million and the capitalized foreign exchange loss amounted to approximately RMB557 million. The aggregate capitalized sum was approximately RMB1,752 million. Net finance costs of 2015 amounted to approximately RMB1,128 million, of which the net exchange loss recognized in the consolidated income statement amounted to approximately RMB462 million. The Group's average effective borrowing interest rate for the year was approximately 4.95% per annum (2014: 5.07% per annum).

## **Share of Profit from Associated Entities**

During the year, the overall net contribution from associated entities attributable to the Group decreased by 10.2% to approximately RMB323 million as compared to the previous year. This was mainly the profit contribution from the Yuexiu Real Estate Investment Trust ("Yuexiu REIT"), in which the Group held 37.1% interest.

The total amount of distribution by Yuexiu REIT for 2015 increased by 6.3% to approximately RMB704 million as compared to the previous year. As such, the Group's corresponding share of cash distribution amounted to approximately RMB261 million.

## **Basic Earnings per Share**

For the year ended 31 December 2015, basic earnings per share (calculated by the weighted average number of ordinary shares in issue) attributable to the equity holders of the Company were RMB0.0817 (2014: RMB0.2329).

## **Final Dividend**

The Board has recommended the payment of a final dividend for 2015 of HK\$0.019 per share which is equivalent to RMB0.016 per share (2014: HK\$0.027 per share which was equivalent to RMB0.022 per share) payable to shareholders whose names appear on the Register of Members of the Company at the close of business on 17 June 2016. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, the final dividend will be paid on or about 6 July 2016. Together with the interim dividend of HK\$0.029 per share which was equivalent to approximately RMB0.024 per share, total dividends for the year ended 31 December 2015 will amount to HK\$0.048 per share which is equivalent to approximately RMB0.040 per share.

Dividends payable to shareholders will be paid in Hong Kong dollars (“HK\$”). The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HK\$ to RMB announced by the People’s Bank of China in the five business days preceding the date of dividend declaration.

## **Liquidity and Financial Resources**

Cash receipts from operating activities and committed banking facilities are the main liquidity sources to the Group. The Group has always adhered to prudent financial management principles, emphasized on funding management and risk control, established an ongoing monitoring system to tackle the rapid market changes, ensured healthy and adequate liquidity and secured the business development. While the Group continues to maintain a good relationship with commercial banks in Mainland China and Hong Kong, it also adheres to explore more funding channel, optimizes the capital structure and lowers the funding costs, enhances the ability to protect its resources, and enhances its risk resistance capabilities.

For the year ended 31 December 2015, the Group completed the bank financing of approximately RMB15,200 million, of which onshore bank financing amounted to approximately RMB9,720 million and offshore bank financing amounted to approximately RMB5,480 million. As at 31 December 2015, the total borrowings amounted to approximately RMB38,165 million (2014: RMB32,059 million), cash and charged bank deposits amounted to approximately RMB15,168 million, and the net gearing ratio was 73.1%. Borrowings with maturity within one year accounted for approximately 14% of the total borrowings (2014: 26%), and fixed notes accounted for approximately 19% of the total borrowings (2014: 22%). Due to the decrease of the interest rate of onshore borrowing, the Group’s average effective borrowing cost for the period was 4.95% per annum, decreased by 0.12 percentage point as compared to 5.07% per annum for the year of 2014.

As at 31 December 2015, among the Group’s total borrowings, approximately 47% was RMB denominated bank borrowings (2014: 44%), 34% was Hong Kong and United States dollars denominated bank borrowings (2014: 35%), 19% was Hong Kong and United States dollars denominated medium to long term notes (2014: 21%).

## Working Capital

As at 31 December 2015, the Group's working capital (current assets less current liabilities) amounted to approximately RMB40,200 million (2014: approximately RMB35,869 million). The Group's current ratio (current assets over current liabilities) was 1.9 times (2014: 2.1 times). Cash and cash equivalents amounted to approximately RMB9,546 million (2014: RMB7,883 million). Charged bank deposits amounted to approximately RMB5,623 million (2014: RMB5,075 million). Undrawn committed bank facilities amounted to approximately RMB3,500 million.

## Capital and Financial Structure Analysis

The Group's debts are summarized as follow:

	<b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
Bank borrowings and notes		
Denominated in RMB	17,775,292	13,787,880
Denominated in Hong Kong dollars	13,324,241	12,240,383
Denominated in United States dollars	<u>7,065,162</u>	<u>6,030,900</u>
Total bank borrowings and bonds	38,164,695	32,059,163
Finance lease obligations	183	138
Overdrafts	<u>63</u>	<u>72</u>
Total debts	<u><u>38,164,941</u></u>	<u><u>32,059,373</u></u>
<b>Ageing analysis:</b>		
Within one year	5,511,795	8,415,093
In the second year	14,689,458	7,195,990
In the third to fifth year	11,079,091	10,622,550
Beyond five years	<u>6,884,597</u>	<u>5,825,740</u>
Total borrowings	38,164,941	32,059,373
Less: Cash and cash equivalents	<u>(9,545,548)</u>	<u>(7,882,648)</u>
Net borrowings	28,619,393	24,176,725
Total equity	<u><u>31,466,204</u></u>	<u><u>30,253,428</u></u>
Total capitalization	<u><u>60,085,597</u></u>	<u><u>54,430,153</u></u>
Gearing ratio	<u><u>47.6%</u></u>	<u><u>44.4%</u></u>

## **Interest Rate Exposure**

The Group's major interest rate exposure are derived from loans and deposits denominated in Renminbi, Hong Kong dollars and United States dollars. As at the end of 2015, of the total borrowings of the Group, approximately 47% was floating rate bank borrowings denominated in Renminbi, approximately 34% was floating rate bank borrowings denominated in Hong Kong dollars and United States dollars, and approximately 19% was medium to long term fixed rate notes. Having considered the currencies and the structural composition of our portfolio, the Group did not enter into any interest rate hedging arrangements during the reporting year. The average loan interest rate during the year was 4.95%, representing a year-on-year decrease of 0.12 percentage point.

With respect to the Renminbi loan interest rates, since November 2014, the People's Bank of China ("PBOC") has cut the interest rates six times and reduced the reserve requirement ratios (RRR) eight times. The 1-year benchmark rate went down from 5.6% to 4.35% at present. It is generally expected in the market that the PBOC will continue to cut interest rates in 2016. In addition, since the third quarter of 2015, domestic enterprises could issue bonds to raise funds at rates lower than the PBOC's standard rates, which would translate into further cost savings in the short and medium term.

With respect to the loan interest rates of United States dollars and Hong Kong dollars, in December 2015, the US Federal Reserve raised interest rates for the first time after the global financial tsunami. As the Hong Kong Dollar is pegged against the United States Dollar, it was estimated that the loan interest rates of Hong Kong dollars would go up in line with the interest rates of United States dollars. It was originally expected that the US Federal Reserve might raise the interest rates continually in 2016. However, the Federal Open Market Committee of the United States, after a meeting held in January 2016, released a statement that it would consider the possible impact of the global economic and financial development on the local economic outlook before deciding whether the interest rate should be further raised in March.

In view of the current complicated and changing global economy and financial environment and China's economic slowdown, the Group anticipates that Renminbi loan interest rates might continue to go down in 2016. On the other hand, it is estimated that the loan interest of United States dollars may rise after the United States domestic employment and consumption as well as the achievement of its inflation reached a given level, but the range and the schedule are uncertain. It is expected that the interest rates spread between onshore and offshore borrowings would further narrow.

Currently, the proportion of the loans denominated in RMB and foreign currencies of the Group is 47:53. It is estimated that the decline of Renminbi interest rates and the increase of interest rates of United States dollars will neutralize the impact on the Group to a certain extent and thus would not have any material effect on the overall financial position of the Group. As a result, the Group has made no hedging against exposure to interest rate risk. Notwithstanding that, the Group will continue to closely monitor the changes of onshore and offshore interest rates and adopt appropriate hedging or other derivative instruments to manage its interest rate risk exposure as and when necessary.

### **Foreign Exchange Exposure**

During the reporting year, in light of the complicated and intertwining global economic overall conditions, few economies' recovery was stable but slow. However, most of other regional economies remained weak, while China's economy is under transition and has entered into its "New Normal" stage. During the period, the exchange rate of RMB fluctuated within narrow range, but since the sudden but significant devaluation as a result of the exchange rate reform commencing from 11 August 2015, it was generally expected that there was continuous depreciation pressure on Renminbi against United States dollars in the short and medium term.

Since the main business operations of the Group are conducted in Mainland China, its income and cash inflows are primarily in Renminbi. The main cash outflows in Hong Kong are mainly payment of cash dividends to shareholders and repayment of bank borrowings and interest. Therefore, the spread resulting from the devaluation of Renminbi's exchange rate against Hong Kong dollars or United States dollars would affect the construction costs and the general operating costs of the projects under construction of the Group.

As at 31 December 2015, approximately 34% of the total borrowings of the Group were floating rate bank borrowings denominated in Hong Kong dollars and United States dollars and equivalent to approximately RMB13 billion, and approximately 19% of the total borrowings were medium to long term notes denominated in Hong Kong dollars and United States dollars and equivalent to approximately RMB7.4 billion. During the reporting year, the mid-price exchange rate of Renminbi to United States dollar/Hong Kong dollars devalued by approximately 6.2% and a net exchange loss of RMB1.02 billion was recorded for the year, out of which approximately RMB0.56 billion was capitalized and RMB0.46 billion was treated as the net exchange loss in the consolidated income statement.

Amid the expectation of devaluation of Renminbi against United States dollars in a short and medium term, to reasonably reduce the financial effect brought by the fluctuations of exchange rate of Renminbi to the Group, the Group will strengthen its research and tracking on the foreign exchange market and, subject to the balance between interest rates, costs and foreign exchange risk, increase at an appropriate extent, financing in Renminbi, so as to adjust and optimize the structure of onshore and offshore debts and gradually narrow the foreign exchange risk exposure. When the relevant costs return to reasonable and acceptable level, the Group would take appropriate measures and use suitable instruments to further manage the foreign exchange exposure, with an aim to minimize the possible impact of the fluctuation of exchange rate of Renminbi.

As such, by the end of 2015, the proportion of foreign currency denominated financing has decreased to 53% from 57% in mid 2015. Since early 2016, the Group has arranged for approximately RMB3.8 billion (representing 19% of the total foreign currency denominated financing as of the end of 2015) to refinance foreign currency denominated loans in the short term, so as to gradually narrow the foreign exchange exposure as planned.

### **Commitments for Property, Plant and Equipment**

As of 31 December 2015, the Group's capital commitments in respect of purchases of property, plant and equipment amounted to approximately RMB2,019 million (2014: RMB1,684 million).

### **Contingent Liabilities**

The Group arranged bank loans for certain purchasers of the Group's properties for sale in Mainland China and provided transitional guarantees in respect of the performance of loan repayment liabilities. Pursuant to the terms of the guarantee contracts, upon default in repayments by those purchasers, the Group will be responsible for repaying the outstanding mortgage principals together with accrued interest in performing its liabilities under the guarantee. Notwithstanding that, the Group owns the legal title of such pledged properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As of 31 December 2015, the total contingent liabilities relating to these guarantees amounted to approximately RMB11,408 million (2014: RMB6,492 million).

As at 31 December 2015, certain subsidiaries of the Group jointly and severally provided guarantee of approximately RMB2,360 million (2014: RMB3,290 million) in respect of the syndicated loan borrowed by Yuexiu REIT with an effective period expiring on the date two years after the full repayment of the syndicated loan.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2015, the Group had approximately 7,080 employees (31 December 2014: 6,690 employees). The Group offers its employees reasonable remuneration in accordance with industry practice. Salary increment and promotion of employees are based on performance and achievements. In the meantime, the Group provides employees with other benefits, such as mandatory provident funds, medical insurance, educational allowances and professional training.

## **CORPORATE GOVERNANCE**

Save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code throughout the year ended 31 December 2015.

### **Code Provision A.4.1**

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the general meeting of the Company in accordance with the Company's Articles of Association. All the non-executive directors of the Company had retired by rotation during the past 3 years. They have been re-elected.

## **REVIEW OF ANNUAL RESULTS**

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

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.



## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 6 June 2016 to Wednesday, 8 June 2016, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the forthcoming annual general meeting of the Company to be held on 8 June 2016, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 3 June 2016.

In addition, the register of members of the Company will be closed from Wednesday, 15 June 2016 to Friday, 17 June 2016, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to the final dividend. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Abacus Limited, no later than 4:30 p.m. on Tuesday, 14 June 2016.

By order of the Board  
**Yuexiu Property Company Limited**  
**ZHANG Zhaoxing**  
*Chairman*

Hong Kong, 29 February 2016

As at the date of this announcement, the Board comprises:

*Executive Directors:*                      *ZHANG Zhaoxing (Chairman), ZHU Chunxiu, LIN Zhaoyuan,  
LI Feng, OU Junming and OU Shao*

*Independent Non-executive  
Directors:*                                      *YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose*