招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the "Board") of directors (the "Directors") of China Merchants Land Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2015, together with the comparative figures for the year ended 31 December 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	2015 RMB'000	2014 RMB'000
Revenue	3	**6,394,944**	7,440,436
Cost of sales		**(4,838,012)**	(5,367,524)
Gross profit		**1,556,932**	2,072,912
Other income	5	**87,002**	60,613
Net foreign exchange (losses) gains		**(155,713)**	28,835
Selling and marketing expenses		**(219,738)**	(175,700)
Administrative expenses		**(98,352)**	(89,357)
Fair value gain on derivative financial instruments		**6,980**	–
Share of losses of associates		**(36,485)**	–
Share of losses of joint ventures		**(6,850)**	–
Finance costs	6	**(206,363)**	(273,193)
Profit before tax	8	**927,413**	1,624,110
Income tax expense	7	**(571,946)**	(789,741)
Profit for the year		**355,467**	834,369

	NOTE	2015 RMB'000	2014 RMB'000
Profit for the year		**355,467**	834,369
Other comprehensive income, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**24,431**	–
Profit and total comprehensive income for the year		**379,898**	834,369
Profit for the year attributable to:			
Owners of the Company		**185,416**	380,245
Non-controlling interests		**170,051**	454,124
		355,467	834,369
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**209,847**	380,245
Non-controlling interests		**170,051**	454,124
		379,898	834,369
Earnings per share			
Basic (RMB cents)	*10*	**3.78**	7.75
Diluted (RMB cents)		**3.78**	7.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

		At 31 December	
		2015	2014
	NOTES	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**36,185**	36,873
Investment properties		**21,759**	22,676
Goodwill		**160,210**	160,210
Interests in associates		**237,015**	–
Interests in joint ventures		**8,404**	–
Deferred tax assets		**370,236**	374,386
Derivative component of convertible bonds		**168,570**	–
		1,002,379	594,145
CURRENT ASSETS			
Properties for sale		**29,323,044**	25,659,370
Deposit paid for acquisitions of land use rights		**–**	536,161
Trade and other receivables	*11*	**4,653,618**	2,372,615
Tax recoverable		**187,337**	253,265
Bank balances and cash		**3,697,337**	4,184,366
		37,861,336	33,005,777
CURRENT LIABILITIES			
Deposits received in respect of pre-sale of properties		**9,688,696**	6,475,013
Trade and other payables	*12*	**5,243,279**	6,066,708
Loans from equity holders		**1,818,105**	820,500
Tax payable		**316,777**	514,751
Bank and other borrowings		**1,105,202**	924,950
		18,172,059	14,801,922
NET CURRENT ASSETS		**19,689,277**	18,203,855
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,691,656**	18,798,000

	At 31 December	
	2015	2014
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Loans from equity holders	**682,251**	313,118
Bank and other borrowings	**3,451,416**	4,506,572
Bonds payable	**3,206,939**	3,018,077
Convertible bonds	**1,533,339**	–
Derivative component of convertible bonds	**72,675**	–
Deferred tax liabilities	**59,946**	35,516
	9,006,566	7,873,283
NET ASSETS	**11,685,090**	10,924,717
CAPITAL AND RESERVES		
Share capital	**39,132**	39,132
Reserves	**5,139,064**	4,552,764
Equity attributable to owners of the Company	**5,178,196**	4,591,896
Non-controlling interests	**6,506,894**	6,332,821
TOTAL EQUITY	**11,685,090**	10,924,717

NOTES:

1. GENERAL

China Merchants Land Limited (the "Company") is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are development and sales of properties and property leasing and trading of electronic and electrical products and building related materials and equipment.

The Company's immediate holding company and ultimate holding company are Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands (the "BVI"), and China Merchants Group Limited ("CMG") respectively. CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and CMG is owned and controlled by the PRC government.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Annual Improvements to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 do not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company considered that the application of the amendments included in the Annual Improvements to HKFRSs 2010–2012 Cycle has had no material impact in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The amendments are applied prospectively. The directors of the Company considered that the application of the amendments included in the Annual Improvements to HKFRSs 2011–2013 Cycle has had no material impact in the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the 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.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

– All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvement to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012–2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i. when the intangible asset is expressed as a measure of revenue;

ii. when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendment to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group uses straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments provide guidance on addressing the acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its joint venture and associate. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that constitutes or contains a business to a joint venture or associate in full. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that does not constitute or contain a business to a joint venture or associate only to the extent of the unrelated investors' interests in that joint venture or associate.

The effective date of amendments to HKFRS 10 and HKAS28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company do not anticipate that the application of Amendments to HKFRS 10 and HKAS 28 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contains a list of specific requirements or describes them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of the amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue by major products and service categories for the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of properties for sale	**6,390,271**	7,434,679
Sales of building related materials and equipment	**–**	1,137
Rental income from investment properties	**4,673**	4,620
	6,394,944	7,440,436

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision makers ("CODM") in order to allocate resources to segments and to assess their performance. The CODM is the Company's executive directors.

For the management purpose, the Group is currently organised into the following two operating and reportable segments: (i) Development and sales of properties and property leasing ("Properties Segment"); and (ii) sales of electronic and electrical related products and building related materials and equipment ("Trading Segment").

The Properties Segment and the Trading Segment includes sales of properties and property leasing and sales of electronic and electrical related products and building related materials and equipment, respectively, each of which is considered as a separate operating segment by the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2015			
Segment revenue – external customers	**–**	**6,394,944**	**6,394,944**
Segment results	**(131)**	**1,247,464**	**1,247,333**
Net foreign exchange losses			**(175,882)**
Unallocated income			**2,921**
Fair value gain on derivative financial instruments			**6,980**
Unallocated expenses			**(34,855)**
Unallocated finance costs			**(119,084)**
Profit before tax			**927,413**

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2014			
Segment revenue – external customers	1,137	7,439,299	7,440,436
Segment results	50	1,729,338	1,729,388
Net foreign exchange gains			20,237
Unallocated income			21,059
Unallocated expenses			(18,383)
Unallocated finance costs			(128,191)
Profit before tax			1,624,110

There were no inter-segment sales during the year.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of unallocated corporate costs, fair value gain on derivative financial instruments, certain finance costs, certain interest income and certain net foreign exchange (losses) gains. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2015			
Segment assets	**3,197**	**38,208,979**	**38,212,176**
Goodwill			**160,210**
Other unallocated assets			**491,329**
Total assets			**38,863,715**
Segment liabilities	**2,973**	**20,785,287**	**20,788,260**
Other unallocated liabilities			**6,390,365**
Total liabilities			**27,178,625**

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2014			
Segment assets	16,330	32,559,025	32,575,355
Goodwill			160,210
Other unallocated assets			864,357
Total assets			33,599,922
Segment liabilities	6,287	18,331,889	18,338,176
Other unallocated liabilities			4,337,029
Total liabilities			22,675,205

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets, other than derivative component of convertible bonds, goodwill and assets of the investment holding companies, are allocated to reportable and operating segments; and

- all liabilities, other than bonds payable, loans from equity holders, liability component of convertible bonds, derivative component of convertible bonds and bank and other borrowings of the investment holding companies, are allocated to reportable and operating segments.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets.

	Trading Segment *RMB'000*	**Properties Segment** *RMB'000*	**Consolidated** *RMB'000*
For the year ended 31 December 2015			
Addition to non-current assets *(Note)*	10	293,226	293,236
Interest income	157	73,943	74,100
Depreciation of property, plant and equipment	33	5,059	5,092
Depreciation of investment properties	–	917	917
For the year ended 31 December 2014			
Addition to non-current assets *(Note)*	61	9,443	9,504
Interest income	16	33,224	33,240
Depreciation of property, plant and equipment	25	3,117	3,142
Depreciation of investment properties	–	336	336

Note: Non-current assets exclude deferred tax assets and financial assets.

The Group's revenue from external customers is derived from the PRC. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

Substantially all of the Group's non-current assets, excluding deferred tax assets and derivative component of convertible bonds, are located in the PRC.

Geographical information

The Group's properties segment is located in Foshan, Guangzhou, Nanjing and Jurong, Chongqing and Xi'an.

Information about the revenue from external customers of Properties Segment and the assets of Properties Segment is presented based on the location of the assets.

	Revenue from external customers		**Segment assets**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Foshan	**1,543,066**	5,014,055	**11,438,211**	9,725,235
Guangzhou	**777,876**	1,063,538	**5,973,098**	4,756,827
Nanjing and Jurong	**3,913,624**	295,497	**8,473,768**	7,632,682
Chongqing	**160,378**	1,066,209	**10,956,062**	9,377,288
Xi'an	**–**	–	**1,367,840**	1,066,993
	6,394,944	7,439,299	**38,208,979**	32,559,025

5. OTHER INCOME

	2015 *RMB'000*	2014 *RMB'000*
Bank interest income	**33,278**	54,299
Interest income from associates	**40,630**	–
Interest income from joint ventures	**3,113**	–
Others	**9,981**	6,314
	87,002	60,613

6. FINANCE COSTS

	2015 *RMB'000*	2014 *RMB'000*
Interest on:		
– bank and other borrowings	**226,258**	328,048
– loans from an intermediate holding company	**82,896**	26,683
– loans from non-controlling equity holders of subsidiaries of the Group	**144,457**	56,142
– bonds	**157,056**	155,539
– convertible bonds	**39,718**	–
Total borrowing costs	**650,385**	566,412
Less: Amounts capitalised in the cost of qualifying assets	**(444,022)**	(293,219)
	206,363	273,193

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective specific borrowings.

7. INCOME TAX EXPENSE

	2015 *RMB'000*	2014 *RMB'000*
The charge comprises:		
PRC Enterprise Income Tax ("EIT")		
– Current year	**290,450**	333,839
– (Over) under provision in prior years	**(986)**	5,747
Dividend withholding tax	**3,720**	97,502
Land appreciation tax ("LAT")	**250,182**	432,892
	543,366	869,980
Deferred tax	**28,580**	(80,239)
	571,946	789,741

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by PRC entities that are owned by non-PRC entities within the Group.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit in Hong Kong for both years.

8. PROFIT BEFORE TAX

	2015	2014
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging (crediting):		
Employee benefits expenses (including directors' remuneration):		
Salaries and other allowances	**165,958**	131,234
Pension scheme contributions	**28,597**	21,370
Total staff costs	**194,555**	152,604
Less: Amount capitalised to properties under development for sale	**(91,459)**	(73,488)
	103,096	79,116
Gross rental income from investment properties	**(4,673)**	(4,620)
Less: Direct operating expenses incurred	**1,676**	1,066
	(2,997)	(3,554)
Cost of inventories recognised as an expense	**–**	1,104
Cost of properties for sale recognised as an expense	**4,838,012**	5,366,420
Depreciation of investment properties	**917**	336
Depreciation of property, plant and equipment	**5,092**	3,142
Auditor's remuneration	**2,514**	4,765
Loss (gain) on disposal of property plant and equipment	**28**	(10)

9. DIVIDENDS

During the year ended 31 December 2015, a final dividend of HK$0.01 per ordinary share in respect of the year ended 31 December 2014 (2014: HK$0.012 per ordinary share in respect of the year ended 31 December 2013) was declared and paid to the shareholders of the Company. The aggregate amount of final dividend declared from share premium of the Company and paid during the current year amounted to approximately RMB38,854,000 (2014: RMB46,684,000).

During the year ended 31 December 2015, subsidiaries of the Company declared dividends of RMB124,400,000 (2014: RMB2,980,650,000) to their shareholders, of which none (2014: RMB1,440,784,000) were paid to their non-controlling equity holders.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2015 of HK$0.005 (equivalent to approximately RMB0.004) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

10. EARNINGS PER SHARE

For the year ended 31 December 2015, the calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB185,416,000 (2014: RMB380,245,000) and the weighted average number of 4,905,257,860 (2014: 4,905,257,860) ordinary shares in issue during the year.

The computation of diluted earnings per share for the year ended 31 December 2015 does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in an increase in earnings per share.

Diluted earnings per share for the year ended 31 December 2014 was the same as basic earnings per share as there were no potential ordinary shares outstanding during that year or at the end of that reporting period.

11. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**2,909**	5,772

The Group's credit terms with its trade customers is generally 0 to 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk.

Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 60 days from the date of agreement. At the end of the reporting period, there were no outstanding trade receivables from Properties Segment.

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	RMB'000	*RMB'000*
30 days or less	**–**	3,282
31 to 60 days	**–**	–
61 to 90 days	**–**	2,039
Over 90 days	**2,909**	451
	2,909	5,772

12. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables		
– Trading Segment	**2,882**	6,551
– Properties Segment	**2,389,171**	1,943,017
	2,392,053	1,949,568

Trade payables from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress and the average credit period of these trade payables is 60 days. The average credit period on purchase of goods is generally from 30 days extending up to 90 days for major suppliers from Trading Segment. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
0 to 60 days	**1,547,008**	888,036
61 to 180 days	**305,730**	632,656
181 to 365 days	**323,775**	168,996
Over 365 days	**215,540**	259,880
	2,392,053	1,949,568

FINAL DIVIDEND

The Board recommend the payment of a final dividend of HK$0.005 (equivalent to approximately RMB0.004) per share in respect of the year ended 31 December 2015 (31 December 2014: HK$0.01 (equivalent to approximately RMB0.008)) per share, representing a total payment of approximately HK$24,526,289 (equivalent to approximately RMB20,548,125). Subject to the passing of the relevant resolution at the annual general meeting (the "Annual General Meeting") of the Company to be held on 26 April 2016, the final dividend will be paid on or about 18 May 2016 to shareholders whose names appear on the register of members of the Company on 4 May 2016.

For the purpose of ascertaining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from 3 May 2016 to 4 May 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 29 April 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2015, the Chinese economy stayed in downturn with annual GDP grew by approximately 6.9% along with the weak recovery of the global economy. Inventories of real estate operated at its highs with available-for-sales area of domestic real estates amounting to 718.53 million sq.m. as at the end of 2015. With an insufficient motivation in new investment, the investment in national real estate development was RMB9,597.9 billion in 2015, representing a year-on-year growth of only approximately 1%. The differentiation in regional cities and property enterprises deteriorated, as evidenced in the rising prices and quantities of properties sold in first tier cities, the divergence in performances in second tier cities and the notable difficulties in sell-through in third and forth tier cities. The trends of elimination of the weak and survival of the strongest in property industries and call for transformation in development have become more apparent in the property industry.

FINANCIAL REVIEW

For 2015, profit amounted to RMB355,467,000 (2014: RMB834,369,000), representing a decrease of approximately 57% as compared with last year. The profit attributable to the owners of the Company was RMB185,416,000 (2014: RMB380,245,000), representing a decrease of approximately 51% as compared with last year. Basic earnings per share was RMB3.78 cents (2014: RMB7.75 cents), representing a decrease of approximately 51% as compared with last year.

Equity attributable to owners of the Company was RMB5,178,196,000 as at 31 December 2015 (2014: RMB4,591,896,000), representing an increase of approximately 13% as compared with that as at the end of last year.

The Group together with its associate and joint venture, achieved aggregate contracted sales of RMB8,950,200,000 (2014: RMB9,145,200,000), representing a decrease of approximately 2% over that of last year. Aggregate contracted sales area was 787,010 sq.m. (2014: 719,687 sq.m.), increased by approximately 9% over last year's. The average selling price was approximately RMB11,372 per sq.m. (2014: RMB12,707 per sq.m.), representing a decrease of approximately 11% compared with last year.

The aggregate contracted sales target was RMB12,500,000,000 for the year ended 31 December 2015 while the actual aggregate contracted sales was RMB8,950,200,000. The major reasons for the difference between the targeted and actual contracted sales were as follows:

(i) the competition in the property market of Chongqing and Foshan were severe during the year of 2015 and resulted in the sales progress being slower than expected;

(ii) certain projects which met the pre-sales conditions were relatively late so that the period for pre-sales during 2015 was shorter than expected; and

(iii) some of the projects have higher proportion of commercial properties of which sell-through rate were relatively low.

TURNOVER

For 2015, the Group recorded turnover of RMB6,394,944,000 (2014: RMB7,440,436,000), representing a decrease of approximately 14% as compared with last year. The decrease was mainly due to the decrease in the total gross floor area completed and delivered during the year of 2015. For 2015, projects in Foshan, Guangzhou, Chongqing and Nanjing accounted for approximately 24%, 12%, 3% and 61%, respectively, of the total revenue of the Group.

GROSS PROFIT

Gross profit amounted to RMB1,556,932,000 (2014: RMB2,072,912,000), representing a decrease of approximately 25% as compared with last year. The gross profit margin was approximately 24% (2014: 28%), representing a decrease by approximately 4 percentage points over last year. The decrease in gross profit was mainly due to the decrease in the total gross floor area completed and delivered during the year 2015.

FINANCE COSTS

In June 2015, the Company's direct wholly-owned subsidiary completed the issuance of a guaranteed convertible bonds due in June 2020 (credit enhanced until July 2018) in the aggregate principal amount of US$290,000,000 bearing coupon rate at 0.50% per annum. In December 2013, the Company issued a five-year term credit enhanced bonds in an aggregate principal amount of US$500,000,000 bearing coupon rate of 4.021% per annum.

Total amount of interest of the convertible bonds and bonds amounted to approximately RMB69,749,000 (2014: RMB98,829,000) was recognised in the finance costs for the year ended 31 December 2015.

NET FOREIGN EXCHANGE (LOSSES) GAINS

Exchange losses were noted for the year ended 31 December 2015 while exchange gains were recorded for the year ended 31 December 2014. The exchange losses recorded in the year of 2015 were mainly due to the significant depreciation of RMB against United States Dollars ("US$") during the year ended 31 December 2015.

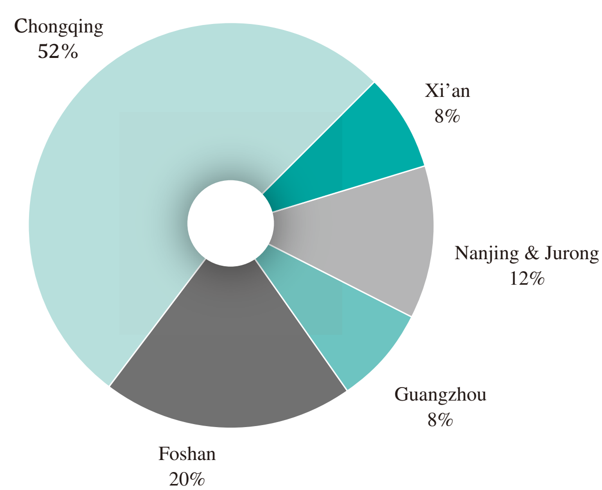
BUSINESS REVIEW

Property Development Business

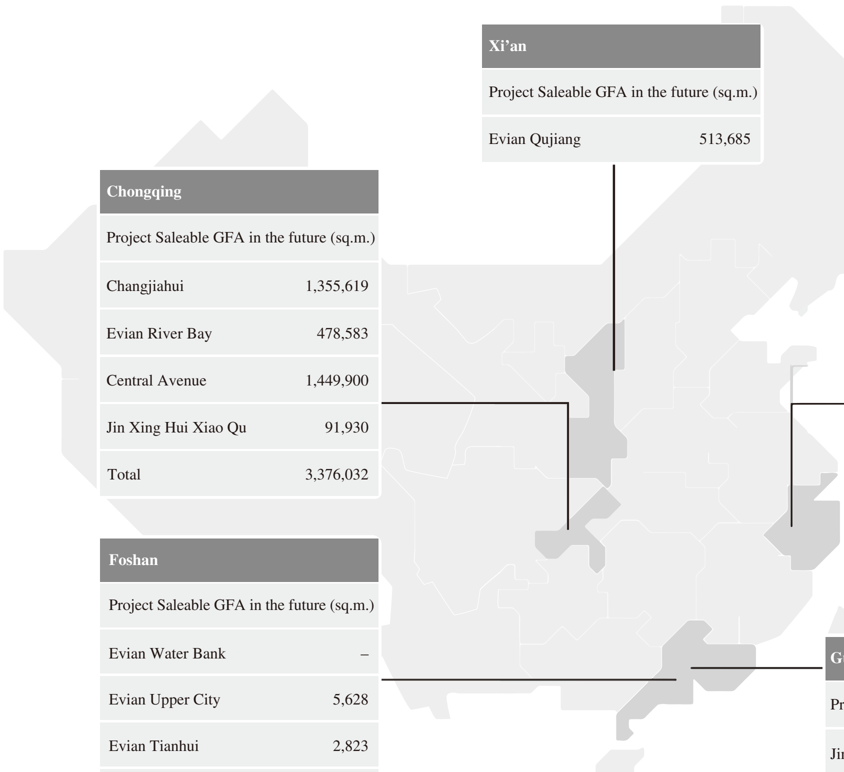
As at 31 December 2015, the Group's portfolio of property development projects consisted of 24 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties with products types including apartments, villas, offices and retail shops etc.

Below are the breakdown of land bank by cities and a map showing the geographic locations and the land bank of the projects of the Group in the PRC. The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 31 December 2015 ("land bank") was 6,433,740 sq.m..

Land bank by cities as at 31 December 2015



A map showing the geographical location and land bank of the projects of the Group in the PRC as at 31 December 2015



Chongqing	
Project Saleable GFA in the future (sq.m.)	
Changjiahui	1,355,619
Evian River Bay	478,583
Central Avenue	1,449,900
Jin Xing Hui Xiao Qu	91,930
Total	3,376,032

Foshan	
Project Saleable GFA in the future (sq.m.)	
Evian Water Bank	–
Evian Upper City	5,628
Evian Tianhui	2,823
Evian Xicheng	82,196
Park 1872	249,283
China Merchants Land Centre	191,024
Evian Yongjingwan	155,841
Evian Huafu	248,958
Evian Gongguan	230,257
China Merchants Zhenyuan	124,961
Total	1,290,971

Xi'an	
Project Saleable GFA in the future (sq.m.)	
Evian Qujiang	513,685

Nanjing and Jurong	
Project Saleable GFA in the future (sq.m.)	
Zijinshan No.1	49,708
Yonghuafu	2,813
Mr. Mountain	17,060
Evian County	123,425
Evian Huafu	226,454
The Orchid Ravine	212,935
China Merchants International E City	115,192
Total	747,587

Guangzhou	
Project Saleable GFA in the future (sq.m.)	
Jinshan Valley	412,741
Huambo	92,724
Total	505,465

The table below details the Group's property development projects as at 31 December 2015 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

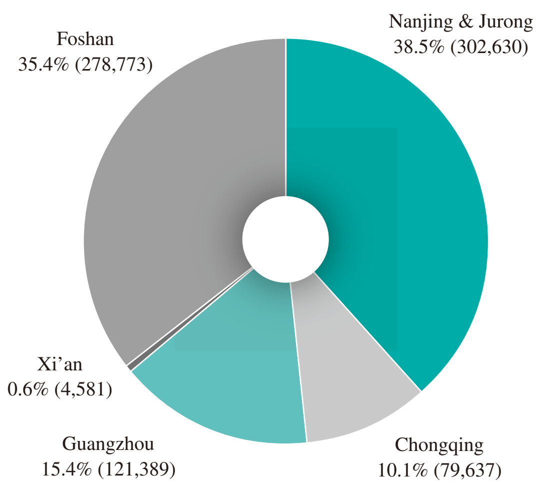
				Completed					Under development			Future development	
Project	The Company's attributable interest in the projects	Total GFA	Land bank	GFA completed	Total GFA saleable/ rentable	Of which sold and delivered	Of which pre-sold but not yet delivered	Of which not pre-sold/ held for investment	GFA under development	Total GFA saleable/ rentable	Of which pre-sold	Total GFA	Total GFA saleable
		(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*
Foshan													
Evian Water Bank	50.00%	655,716	–	655,716	599,396	588,181	11,215	–	–	–	–	–	–
Evian Upper City	50.00%	355,993	5,628	355,993	319,965	310,586	3,751	5,628	–	–	–	–	–
Evian Tianhui	50.00%	301,818	2,823	301,818	271,941	267,989	1,129	2,823	–	–	–	–	–
Evian Xicheng	50.00%	438,393	82,196	384,082	349,732	212,715	93,662	43,355	54,311	48,975	10,134	–	–
Park 1872	100.00%	302,855	249,283	–	–	–	–	–	302,855	268,612	19,329	–	–
China Merchants Land Centre	51.00%	222,684	191,024	–	–	–	–	–	222,684	196,381	5,357	–	–
Evian Yongjingwan	50.00%	233,852	155,841	–	–	–	–	–	233,852	206,742	50,901	–	–
Evian Huafu	50.00%	362,797	248,958	136,970	130,616	66,133	15,733	48,750	125,110	119,334	16,524	100,717	97,398
Evian Gongguan	55.00%	317,111	230,257	123,938	120,409	1,355	76,592	42,462	114,157	110,963	–	79,016	76,832
China Merchants Zhengyun	50.00%	133,683	124,961	–	–	–	–	–	133,683	124,961	–	–	–
Foshan subtotal		3,324,902	1,290,971	1,958,517	1,792,059	1,446,959	202,082	143,018	1,186,652	1,075,968	102,245	179,733	174,230
Guangzhou													
Jinshan Valley	100.00%	1,339,476	412,741	654,698	526,950	432,494	8,288	86,168	436,722	349,675	218,113	248,056	195,011
Huambo	51.00%	126,363	92,724	–	–	–	–	–	126,363	103,611	10,887	–	–
Guangzhou subtotal		1,465,839	505,465	654,698	526,950	432,494	8,288	86,168	563,085	453,286	229,000	248,056	195,011
Chongqing													
Changjiahui	50.00%	1,895,954	1,355,619	320,126	309,035	201,147	7,248	100,640	473,322	465,123	5,719	1,102,506	795,575
Evian River Bay	100.00%	536,952	478,583	168,733	143,838	–	29,675	114,163	–	–	–	368,219	364,420
Central Avenue	50.00%	1,550,496	1,449,900	–	–	–	–	–	360,222	354,856	78,904	1,190,274	1,173,948
Jin Xing Hui Xiao Qu	100.00%	98,044	91,930	–	–	–	–	–	98,044	96,107	4,177	–	–
Chongqing subtotal		4,081,446	3,376,032	488,859	452,873	201,147	36,923	214,803	931,588	916,086	88,800	2,660,999	2,333,943

Project	The Company's attributable interest in the projects	Total GFA (sq.m.)	Land bank (sq.m.)	Completed: GFA completed (sq.m.)	Completed: Total GFA saleable/ rentable (sq.m.)	Completed: Of which sold and delivered (sq.m.)	Completed: Of which pre-sold but not yet delivered (sq.m.)	Completed: Of which not pre-sold/ held for investment (sq.m.)	Under development: GFA under development (sq.m.)	Under development: Total GFA saleable/ rentable (sq.m.)	Under development: Of which pre-sold (sq.m.)	Future development: Total GFA (sq.m.)	Future development: Total GFA saleable (sq.m.)
Nanjing & Jurong													
Zijinshan No.1	51.00%	213,870	49,708	213,870	145,376	94,009	1,659	49,708	–	–	–	–	–
Yonghuafu	51.00%	179,048	2,813	175,644	151,398	147,288	1,297	2,813	3,404	–	–	–	–
Mr. Mountain	26.01%	74,573	17,060	–	–	–	–	–	74,573	64,495	47,435	–	–
Evian County	26.01%	212,974	123,425	–	–	–	–	–	212,974	188,905	65,480	–	–
Evian Huafu	51.00%	358,360	226,454	–	–	–	–	–	316,111	231,932	47,727	42,249	42,249
The Orchid Ravine	51.00%	347,014	212,935	–	–	–	–	–	250,310	211,373	65,335	96,704	66,897
China Merchants International E City	70.00%	228,150	115,192	–	–	–	–	–	183,604	169,759	99,113	44,546	44,546
Nanjing & Jurong subtotal		1,613,989	747,587	389,514	296,774	241,297	2,956	52,521	1,040,976	866,464	325,090	183,499	153,692
Xi'an													
Evian Qujiang	100.00%	538,533	513,685	–	–	–	–	–	240,104	238,914	4,581	298,429	279,352
Xi'an subtotal		538,533	513,685	–	–	–	–	–	240,104	238,914	4,581	298,429	279,352
Total		11,024,709	6,433,740	3,491,588	3,068,656	2,321,897	250,249	496,510	3,962,405	3,550,718	749,716	3,570,716	3,136,228

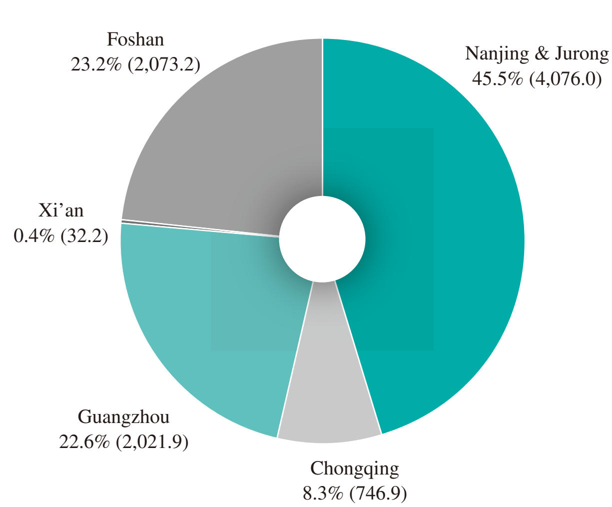
Contracted sales

For the year ended 31 December 2015, the Group, together with its associate and joint venture, recorded contracted sales amount of approximately RMB8,950,200,000 in aggregate from five cities and the contracted sales area in aggregate was approximately 787,010 sq.m..

2015 contracted sales in area by region (sq.m.)



2015 contracted sales amount by region (RMB million)



Newly Acquired Land Bank

2 parcels of land were acquired during the year ended 31 December 2015 as follows:

Projects	**Total consideration** *(RMB million)*	**Total site area** *(sq.m.)*	**Total permissible area** *(sq.m.)*	**Average land premium** *(RMB/sq.m.)*
Foshan China Merchants Zhenyuan	627	28,402	99,407	6,307
Jurong China Merchants International E City	88	70,430	140,217	628
Total	715	98,832	239,624	2,984

Foshan

In 2015, contracted sales amount in Foshan were approximately RMB2,073.2 million and contracted sales area was 278,773 sq.m. As at 31 December 2015, total GFA of the Group's projects in Foshan reached 3,324,902 sq.m. and the saleable GFA in the future amounted to 1,290,971 sq.m.

In 2015, sales of the Group's projects in Foshan mainly comprised of Evian Huafu, Evian Yongjinwan and Evian Xicheng:

– Evian Huafu is a residential project located at the core area of Xiaode River Plate, Luocun, Nanhai District, Foshan City, with convenient transportation, shopping, entertainment, medical and educational facilities reachable within 5 minutes' drive. It only takes 10 minutes' drive to Foshan West Railway Station and Foshan Airport as well as the Changui Center of Foshan and 20 minutes' drive to Guangzhou. The geographical location near Xiaode River bestows Evian Huafu a brilliant view of natural beauty.

– Evian Yongjinwan is a French style residential project located at the core area of Ludao River, Chancheng District, Foshan City. It features 40 sets of villa around Ludao River and 8 high-rise units with river view. In the surrounding area of the project stand the original ecological natural landscape of Ludao River of 1,500 mu and a unique Lingnan river view of Binjiang which runs for 4.5 km. As for transportation, Evian Yongjinwan has sophisticated and convenient transportation network in close proximity to main traffic lines like Jihua Road and Foshan First Ring Road.

– Evian Xicheng is a residential and commercial complex located in Nanhai District of Foshan, enjoying the view of Bo Ai Lake to the south.

Guangzhou

In 2015, contracted sales amount in Guangzhou were approximately RMB2,021.9 million and contracted sales area was 121,389 sq.m. As at 31 December 2015, total GFA of the Group's projects in Guangzhou reached 1,465,839 sq.m. and the saleable GFA in the future amounted to 505,465 sq.m.

In 2015, the Group's saleable project in Guangzhou was Jinshan Valley, which is a high-end residential and commercial complex located in Panyu District of Guangzhou. It is conveniently adjacent to various major expressways in the area and is within 15 minutes' driving distance from the Pearl River New City, the central business district of Guangzhou.

Chongqing

In 2015, contracted sales amount in Chongqing were approximately RMB746.9 million and contracted sales area was 79,637 sq.m. As at 31 December 2015, total GFA of the Group's projects in Chongqing reached 4,081,446 sq.m. and the saleable GFA in the future amounted to 3,376,032 sq.m.

In 2015, sales of the Group's projects in Chongqing mainly comprised of Evian River Bay, Central Avenue and Jin Xing Hui Xiao Qu:

– Evian River Bay is a Spanish villa residential community in Binjiang, Chongqing. Located at the middle part of Babin Road and beside the Masangxi Bridge, Evian River Bay enjoys a unique wide and open river view along the Babin Road. With a multi-dimensional transportation network formed by four major roads and three bridges, it directly connects all key districts in the city center. Besides, there is also the Sino-German Equestrianism Sports Center, Chongqing Polar Ocean World and cluster of museums in Babin Road surrounding Evian River Bay, making the life in Binjiang more colorful in terms of shopping, entertaining, relaxing and culture.

– Located at the Standard Sub-zone F, Lianglu Zone, Yubei District, Chongqing, the Central Avenue is a comprehensive community with residences, retails and office functions covering a total site area of 40 hectares, where New Aerial Port City is situated. The Central Avenue is in proximity to Conference and Convention Centre, Chongqing International Expo Centre. This region is assessable by convenient transportation network. Meanwhile there are several stops of Light Rail Line 3 and 6 in New Aerial Port City and Central Avenue is close to the panoramic Central Park.

– Jin Xing Hui Xiao Qu is mainly a residential project comprising three high-rise buildings, one block of sky shops and frontage shops. Located at the International Commerce and Trade Headquarters within the Guanyinqiao Commercial Center as well as the junction of Yao Zi Qiu and Xiao Yuan Pian Qu, the project links Yu Ao Avenue and all key hot spots. There are commercial, parks, education, medical facilities as well as supermarkets and hotels nearby which satisfy various needs in everyday life.

Nanjing and Jurong

In 2015, contracted sales amount in Nanjing and Jurong were approximately RMB4,076 million and contracted sales area was 302,630 sq.m. As at 31 December 2015, total GFA of the Group's projects in Nanjing and Jurong reached 1,613,989 sq.m. and the saleable GFA in the future amounted to 747,587 sq.m.

In 2015, strong sales of the Group's projects in Nanjing and Jurong mainly comprised of Evian Huafu, The Orchid Ravine and Evian County:

– Evian Huafu is a residential, commercial and office complex located at the CBD of New Town of Yanziji, Nanjing city. It is built for developing into a city-class complex combining leisure, entertainment and trendy shopping faciliites. On the south of the project lies Wanshoucun Subway Station, providing easy and convenient transportation. Subway Line No.6, Dual Subway Line No. 7 as well as 21 bus routes, 12 main roads and Jingwu Road and Xixia Avenue are all broadened as city-class main avenues. The project has provided the Bei Cheng residents with a family-oriented plaza for shopping and relaxation, a neighborhood-oriented center for culture and art appreciation and a social space with parks and gardens.

– The Orchid Ravine is a residential, commercial and serviced-apartment complex located in Jiangbei New District in Nanjing, the one and only national-class new district in Jiangsu Province, with enormous potentials for development and appreciation. Closely on the north side of the project lies the scenic spot of Longwang Mountain, which bestows the project with excellent natural views. On the east side is Jiangbei Fast Pathway, providing convenient transportation, through which people can reach Hexi and city center within half an hour's drive.

– Evian County is a residential project located in the Airport New Town of Jiangning District, Jiangsu Province. The project is adjacent to Lukou town center with comprehensive facilities. The project is only 2km away from the Xiangyu Station of the light metro line at the airport which featured with an excellent transport connection with main roads (such as Airport Expressway, Shuanglong Avenue, Jiangjun Avenue) to the main city.

Xi'an

In 2015, contracted sales amount in Xi'an were approximately RMB32.2 million and contracted sales area was 4,581 sq.m. As at 31 December 2015, total GFA of the Group's projects in Xi'an reached 538,533 sq.m. and the saleable GFA in the future amounted to 513,685 sq.m..

The project will be named as Evian Qujiang, located at the second phase of Qujiang New Town, Xi'an. Connected to Nan San Huan, Hangtai Main Road and in proximity to Subway Line 4, the Project is close to the top three parks in the city. It only takes 10 minutes' drive to directly access to the core of the first phase of Qujiang, which caters for diversified needs such as shopping, entertainment and food and beverage.

Electronic Trading Business and Property Related Procurement Business

The Group will balance the synergies in property related procurement business and the main business in property development to determine the resources to be allocated to the trading procurement business.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2015, the net assets attributable to owners of the Company were RMB5,178,196,000 (2014: RMB4,591,896,000).

In June 2015, the Company's direct wholly-owned subsidiary completed the issuance of the guaranteed convertible bonds due in June 2020 (credit enhanced until July 2018) in the aggregate principal amount of US$290,000,000 bearing coupon rate at 0.50% per annum ("Convertible Bonds"). In December 2013, the Group completed the issuance of five-year term credit enhanced bonds in the aggregate principal amount of US$500,000,000 bearing coupon rate of 4.021% per annum ("Bond"). The rates of the Convertible Bonds and the Bond, which are fixed and unchanged during their subsisting period, bear simple interest rather than compound interest and the interest are payable half-yearly. Both the Convertible Bonds and the Bond are listed on the Stock Exchange, since 24 June 2015 and 12 December 2013 respectively. The fund raised from the issuance of the Convertible Bonds and the Bond are for the purpose of general corporate use.

As at 31 December 2015, bank balances and cash was RMB3,697,337,000 (2014: RMB4,184,366,000). In terms of currency denomination, bank balances and cash can be divided into RMB3,396,551,000 in Renminbi, RMB298,664,000 in US$ and RMB2,122,000 in Hong Kong dollars.

As at 31 December 2015, total interest-bearing debt of the Group was RMB11,797,252,000 (2014: RMB9,583,217,000). In terms of maturity, the outstanding total interest-bearing debt (excluding the Convertible Bonds and the Bond) can be divided into RMB2,923,307,000 repayable within one year, RMB2,791,824,000 repayable after one year but within two years and RMB1,341,843,000 repayable after two years but within five years. In terms of currency denomination, the outstanding total interest-bearing debt can be divided into RMB5,852,593,000 in Renminbi and RMB5,944,659,000 in US$.

At 31 December 2015, the Group's net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity ratio (including non-controlling interests) (the "net gearing ratio") was 69% (2014: 49%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio at the industry average level.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US$ and HK$. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities. As the Convertible Bonds and the Bond were denominated in US$, while the Group conducts its sales, receivables, payables and expenditures in RMB for its PRC property development business, the management will closely monitor the volatility between RMB and US$ exchange rates and might consider hedging should the need arises.

NON-COMPETITION DEED

To minimise actual and potential competition, the Group and CMPD entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the "Non-Competition Deed"). On 30 December 2015, the Company, CMSK and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) ("CMSK")[Note 1] had entered into a deed of amendment and novation ("Novation Deed") pursuant to which all the obligations, undertakings, interests and benefits of CMPD under the Non-Competition Deed were novated to and undertaken by CMSK in replacement of CMPD as if CMSK has been a party to the Non-Competition Deed in substitution of CMPD with effective from 30 December 2015. Other than that, all the other terms of the Non-Competition Deed shall remain unchanged[Note 2].

Pursuant to the Non-Competition Deed (as amended by the Novation Deed), (i) CMSK and its subsidiaries (excluding the Group) ("CMSK Group") will not compete with the Group in the cities of Foshan, Guangzhou, Chongqing and Nanjing ("Target Cities") except for certain operation transitional assets ("Operation Transitional Assets") located in three out of the four Target Cities ("Overlapping Target Cities") which would be retained by CMSK Group but managed by the Group under certain operation agreement entered into between the Group and CMSK; (ii) the Group will not compete with CMSK in 21 other cities in the PRC ("CMSK Cities"); (iii) and the Group will have a right of first refusal to conduct property business in any city in which neither CMSK nor the Group has any property business as at the date of the Non-Competition Deed. For details of the Non-Competition Deed, the Overlapping Target Cities, Operation Transitional Assets and the CMSK Cities, please refer to the section headed "Relationship with the Controlling Shareholders" in the circular of the Company dated 10 October 2013.

Pursuant to the Non-Competition Deed, the Company and CMSK had carried out an annual review for the year ended 31 December 2015 jointly of the respective portfolios of property projects of the Company and CMSK in the Target Cities and the CMSK Cities. As a result of such review, the Company and CMSK noted that there had not been any material change in their respective properties portfolios or in the geographical delineation between the Company and CMSK and had determined that no adjustment or amendment to the Non-Competition Deed was necessary.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the quarterly reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMSK Group and the Group; (ii) carried out a review on the implementation of and compliance with the Non-Competition Deed by CMSK Group and the Group during the year ended 31 December 2015; and (iii) confirmed that the terms of the Non-Competition Deed had been complied with by CMSK Group and the Group during the year ended 31 December 2015.

During the year ended 31 December 2015, the Group chose not to take up projects in Zhengzhou and Hefei pursuant to the right of first refusal mentioned above. The Group will continue focusing on developing its property development business in the 4 Target Cities and the 2 new cities entered in 2014 and will also select other new cities carefully for investment and development should appropriate opportunities arise.

Notes:

1. According to the announcements published by CMSK and CMPD on the Shenzhen Stock Exchange, on 30 December 2015, CMSK and CMPD had completed the major asset restructuring and integration exercise pursuant to which, among other things, all assets, liabilities, businesses, employees, contracts and all others rights and obligations of CMPD have been taken up and assumed by CMSK in replacement of CMPD, CMPD was delisted from the Shenzhen Stock Exchange and the shares of CMSK became listed on the Shenzhen Stock Exchange, all with effect from 30 December 2015.

2. In the above paragraphs under the heading of "Non-competition Deed", for the avoidance of doubt, references to CMSK should be read as referring to CMPD in the context of any time before 30 December 2015.

OUTLOOK AND PROSPECTS

Looking ahead to 2016, there are increasing uncertainties in the global economy while China still suffers from a low speed economic growth. "Property Destocking" has become one of the key missions of the Chinese government in 2016. The real estate policy will continue with easing but those first tier cities with overheated property prices may face risks of a tightening policy. Notwithstanding that, with the emergence of a turning point of the property industry, a development model featured in "high turnover, high leverage, high scale" is gradually changing and property developers are pursuing a transformation and cross-industry development.

Keeping up with the development trend in the industry and adapting to the changes in market policies, the Group will make profit-oriented efforts to improve its sales of properties and gains therefrom. The Group will continuously optimize its assets and type of currency, term and distribution of its liabilities to forge a robust foundation for its businesses. In addition, based on the resources of China Merchants Group and CMSK, the Group will make full use of the advantages of the offshore listing platform to promote the transformation and development with an aim to become stronger and bigger.

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 December 2015, the Group had 583 (2014: 491 employees in the PRC and Hong Kong) employees in the PRC and Hong Kong.

The Group's total expenses on salaries and allowances (including directors' remuneration) for the year ended 31 December 2015 was approximately RMB194,555,000 (2014: RMB152,604,000). Apart from basic salaries, fringe benefits such as contributions to the state-managed retirement benefit schemes and MPF scheme and group medical insurance also offered to the employees. A share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the "2011 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 December 2015.

CONTINGENT LIABILITIES

The Group has contingent liabilities amounted to RMB2,492,062,000 as at 31 December 2015 (2014: RMB1,715,534,000).

PLEDGE OF ASSETS

As at 31 December 2015, land located in Chongqing with carrying values of approximately RMB699,289,731 (2014: nil) have been pledged to secure bank borrowings amounting to RMB187,800,000 (2014: nil) granted to the Group.

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

During the year ended 31 December 2015 and 31 December 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive directors and one non-executive director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). This committee is authorized by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee has reviewed the Group's consolidated financial statement for the year ended 31 December 2015, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. SHINEWING (HK) CPA LIMITED

The figures above in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this preliminary results announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited 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 SHINEWING (HK) CPA Limited on the preliminary announcement.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, save as mentioned below, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2015.

During the year ended 31 December 2015, the Company had the following deviations from the CG Code:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment which was a deviation from Code Provision A.4.1. However, all of them are subject to the requirement to retire by rotation at least once every 3 years at annual general meetings under the Company's articles of association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. He Jianya, a then non-executive Director, and Ms. Liu Ning, a non-executive Director, and Dr. Shi Xinping, an independent non-executive Director, could not attend the annual general meeting held on 23 April 2015 due to other business engagement which was a deviation from Code Provision A.6.7. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. He Jianya, the then chairman of the Board, could not attend the annual general meeting held on 23 April 2015 due to other business engagement which was a deviation from Code Provision E.1.2. However, he has appointed Mr. Xian Yaoqiang, a then executive Director, to be his alternate director and acted as chairman of the annual general meeting.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2015.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Tuesday, 26 April 2016. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting of the Company to be held on 26 April 2016, the register of members of the Company will be closed from 22 April 2016 to 26 April 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 21 April 2016.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the year ended 31 December 2015 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at ir.cmland.hk.

On behalf of the Board
Wu Zhenqin
Chairman

Hong Kong, 26 February 2016

As at the date of this announcement, the Board comprises Dr. So Shu Fai and Mr. Yu Zhiliang as Executive Directors; Ms. Wu Zhenqin and Ms. Liu Ning as Non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as Independent Non-executive Directors.