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JOY CITY PROPERTY LIMITED

大悅城地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Board announces the audited consolidated results of the Group for the year ended 31 December 2015 together with the comparative figures for the year ended 31 December 2014. The audited consolidated results for the year ended 31 December 2015 have been reviewed by the Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	NOTES	Year ended 31 December	
		2015 RMB'000	2014 RMB'000 (restated) (Note 2)
Revenue	4	5,374,208	5,712,841
Cost of sales and services rendered	9	(2,479,565)	(2,318,049)
Gross profit		2,894,643	3,394,792
Other income	6	65,736	116,035
Other gains and losses, net	7	256,149	163,926
Distribution and selling costs		(570,787)	(489,338)
Administrative expenses		(966,615)	(984,171)
Fair value gain of investment properties		964,015	1,970,908
Finance costs	8	(957,201)	(926,492)
Share of loss of an associate		(35,202)	(10,006)
Profit before tax	9	1,650,738	3,235,654
Income tax expense	10	(691,562)	(1,251,297)
Profit for the year		959,176	1,984,357

		Year ended 31 December	
		2015	2014
	NOTES	RMB'000	RMB'000
			(restated)
			(Note 2)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation		132,993	8,646
Hedging instrument in cash flow hedge:			
Reclassification adjustment for gain included in profit or loss		—	(608)
		<u>132,993</u>	<u>8,038</u>
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of properties:			
Gain on revaluation of property, plant and equipment and land use rights transferred to investment properties		6,370	—
Income tax effect		(1,592)	—
		<u>4,778</u>	<u>—</u>
Other comprehensive income for the year		<u>137,771</u>	<u>8,038</u>
Total comprehensive income for the year		<u><u>1,096,947</u></u>	<u><u>1,992,395</u></u>
Profit for the year attributable to:			
Owners of the Company		725,718	1,710,190
Holders of perpetual capital instruments		244,899	45,419
Non-controlling interests		(11,441)	228,748
		<u>959,176</u>	<u>1,984,357</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		863,489	1,718,228
Holders of perpetual capital instruments		244,899	45,419
Non-controlling interests		(11,441)	228,748
		<u>1,096,947</u>	<u>1,992,395</u>
Basic earnings per share	12	<u><u>RMB5.3 cents</u></u>	<u><u>RMB17.2 cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

		At 31 December	
		2015	2014
	NOTES	RMB'000	RMB'000
			(Restated)
			(Note 2)
NON-CURRENT ASSETS			
Investment properties		46,022,402	41,859,912
Property, plant and equipment		5,162,972	5,963,010
Leasehold land and land use rights		844,371	853,692
Intangible assets		28,237	18,617
Interest in an associate		54,088	89,290
Interest in a joint venture		8,661	—
Available-for-sale investments		510	1,510
Goodwill		253,042	184,297
Deposits and prepayments		10,000	46,252
Deferred tax assets		19,305	49,528
Amount due from the ultimate holding company		20,000	20,000
		<u>52,423,588</u>	<u>49,086,108</u>
CURRENT ASSETS			
Inventories		28,144	29,581
Properties held for sale		2,789,006	533,928
Properties under development for sale		12,342,085	11,070,373
Accounts receivable	13	133,356	124,601
Deposits, prepayments and other receivables		221,021	609,663
Amounts due from the ultimate holding company		240	965
Amounts due from fellow subsidiaries		16,049	19,777
Amounts due from non-controlling interests		181	—
Loans to a joint venture		1,235,332	—
Tax recoverable		37,150	73,953
Restricted bank deposits		517,688	87,979
Pledged deposits		1,469	—
Cash and bank balances		3,208,765	6,401,241
		<u>20,530,486</u>	<u>18,952,061</u>

		At 31 December	
		2015	2014
	NOTES	RMB'000	RMB'000 (Restated) (Note 2)
CURRENT LIABILITIES			
Accounts payable	14	1,236,389	1,132,219
Other payables and accruals		4,428,645	3,257,270
Deposits received in respect of pre-sale of properties		1,420,686	449,487
Amounts due to the ultimate holding company		331,186	331,002
Amounts due to an intermediate holding company		585	—
Amounts due to fellow subsidiaries		76,051	5,083,145
Amounts due to non-controlling interests		929,245	108,421
Loans from fellow subsidiaries		1,888,540	4,046,650
Loans from non-controlling interests		5,000	—
Bank borrowings		2,330,477	5,574,204
Income tax and land appreciation tax payables		220,504	875,833
		<u>12,867,308</u>	<u>20,858,231</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>7,663,178</u>	<u>(1,906,170)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>60,086,766</u>	<u>47,179,938</u>
NON-CURRENT LIABILITIES			
Rental deposits received		282,638	287,157
Loans from a fellow subsidiary		396,000	455,500
Bank borrowings		15,003,946	9,160,716
Deferred tax liabilities		5,955,134	5,413,383
Guaranteed notes		5,171,889	4,862,299
		<u>26,809,607</u>	<u>20,179,055</u>
NET ASSETS		<u>33,277,159</u>	<u>27,000,883</u>
CAPITAL AND RESERVES			
Share capital	15	1,122,414	748,041
Reserves		23,917,692	19,015,739
		<u>25,040,106</u>	<u>19,763,780</u>
Equity attributable to owners of the Company		25,040,106	19,763,780
Perpetual capital instruments		4,012,548	3,767,649
Non-controlling interests		4,224,505	3,469,454
TOTAL EQUITY		<u>33,277,159</u>	<u>27,000,883</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

Joy City Property Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group”) was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in investment holding, property investment and development, property management and hotel operations.

The immediate holding company of the Company is Achieve Bloom Limited. In the opinion of the directors of the Company, the ultimate holding company of the Company is COFCO Corporation, a company established in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Renminbi (“RMB”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of most of the entities comprising the Group).

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

During the year, a discloseable and connected transaction in relation to the acquisition of the entire equity interest in 浙江和潤天成置業有限公司 (Zhejiang Herun Tiancheng Real Estate Company Limited*) (“Zhejiang Herun Tiancheng”) by the Group from 上海萬良企業管理諮詢有限公司 (Shanghai Wanliang Enterprise Management Consultancy Company Limited*) (“Shanghai Wanliang”), a wholly-owned subsidiary of COFCO Corporation, was completed. The consideration of the acquisition is RMB43,760,000.

Zhejiang Herun Tiancheng is a limited liability company established in the PRC and is principally engaged in property development, which was acquired by Shanghai Wanliang from third parties in October 2014. Accordingly, Zhejiang Herun Tiancheng became a subsidiary of COFCO Corporation since October 2014. The principal asset of Zhejiang Herun Tiancheng is two pieces of lands located in Gongshu District, Hangzhou City, the PRC (the “Lands”). It is planned that the Lands will be developed into commercial and residential properties.

The details of the above acquisition are set out in the Company’s announcement dated 3 February 2015 and the Company’s circular dated 6 March 2015.

As the Group and Zhejiang Herun Tiancheng were under common control of COFCO Corporation since October 2014 and COFCO Corporation will continue to control the Group and Zhejiang Herun Tiancheng upon completion of the above acquisition, the acquisition is considered as a combination of entities common control and accounted for using the principles of merger accounting, pursuant to which the consolidated financial statements of the Group have been prepared as if Zhejiang Herun Tiancheng had been a subsidiary of the Group since October 2014.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows have been prepared as if Zhejiang Herun Tiancheng had been a subsidiary of the Group since October 2014. The consolidated statement of financial position of the Group as at 31 December 2014 has been restated to include assets and liabilities of Zhejiang Herun Tiancheng as at that date. Respective notes to the consolidated financial statements have also been restated. All significant intra-group balances, income and expenses are eliminated on combination.

* The English names of the Chinese companies marked with “*” are translations of their Chinese names and are included for identification purpose only, and should not be regarded as their official English translation.

The effects of the combination of Zhejiang Herun Tiancheng on the results of the Group for the year ended 31 December 2014 and the financial position of the Group at 31 December 2014 are summarised below:

Consolidated profit or loss and other comprehensive income for the year ended 31 December 2014

	2014 <i>RMB'000</i> (previously reported)	Combination of a subsidiary under common control <i>RMB'000</i>	2014 <i>RMB'000</i> (restated)
Revenue	5,712,841	—	5,712,841
Cost of sales and services rendered	(2,318,049)	—	(2,318,049)
Gross profit	3,394,792	—	3,394,792
Other income	116,035	—	116,035
Other gains and losses, net	163,926	—	163,926
Distribution and selling costs	(489,331)	(7)	(489,338)
Administrative expenses	(983,899)	(272)	(984,171)
Fair value gain of investment properties	1,921,121	49,787	1,970,908
Finance costs	(926,492)	—	(926,492)
Share of loss of an associate	(10,006)	—	(10,006)
Profit before tax	3,186,146	49,508	3,235,654
Income tax expense	(1,238,850)	(12,447)	(1,251,297)
Profit for the year	1,947,296	37,061	1,984,357

	2014 <i>RMB'000</i> (previously reported)	Combination of a subsidiary under common control <i>RMB'000</i>	2014 <i>RMB'000</i> (restated)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation	8,646	—	8,646
Hedging instrument in cash flow hedge:			
Reclassification adjustment for gain included in profit or loss	(608)	—	(608)
	<u>8,038</u>	<u>—</u>	<u>8,038</u>
Other comprehensive income for the year	8,038	—	8,038
Total comprehensive income for the year	<u>1,955,334</u>	<u>37,061</u>	<u>1,992,395</u>
Profit for the year attributable to:			
Owners of the Company	1,673,129	37,061	1,710,190
Holders of perpetual capital instruments	45,419	—	45,419
Non-controlling interests	228,748	—	228,748
	<u>1,947,296</u>	<u>37,061</u>	<u>1,984,357</u>
Total comprehensive income attributable to:			
Owners of the Company	1,681,167	37,061	1,718,228
Holders of perpetual capital instruments	45,419	—	45,419
Non-controlling interests	228,748	—	228,748
	<u>1,955,334</u>	<u>37,061</u>	<u>1,992,395</u>

Consolidated statement of financial position at 31 December 2014

	31 December 2014	Combination of a subsidiary under common control	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(previously reported)		(restated)
NON-CURRENT ASSETS			
Investment properties	40,699,312	1,160,600	41,859,912
Property, plant and equipment	5,963,010	—	5,963,010
Leasehold land and land use rights	853,692	—	853,692
Intangible assets	18,617	—	18,617
Interest in an associate	89,290	—	89,290
Available-for-sale investments	1,510	—	1,510
Goodwill	184,297	—	184,297
Deposits and prepayments	46,252	—	46,252
Deferred tax assets	49,528	—	49,528
Amount due from the ultimate holding company	20,000	—	20,000
	<u>47,925,508</u>	<u>1,160,600</u>	<u>49,086,108</u>
CURRENT ASSETS			
Inventories	29,581	—	29,581
Properties held for sale	533,928	—	533,928
Properties under development for sale	9,307,789	1,762,584	11,070,373
Accounts receivable	124,601	—	124,601
Deposits, prepayments and other receivables	609,151	512	609,663
Amounts due from the ultimate holding company	965	—	965
Amounts due from fellow subsidiaries	19,769	8	19,777
Tax recoverable	73,953	—	73,953
Restricted bank deposits	87,979	—	87,979
Cash and bank balances	6,368,077	33,164	6,401,241
	<u>17,155,793</u>	<u>1,796,268</u>	<u>18,952,061</u>

	31 December 2014	Combination of a subsidiary under common control	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(previously reported)		(restated)
CURRENT LIABILITIES			
Accounts payable	1,132,219	—	1,132,219
Other payables and accruals	3,256,527	743	3,257,270
Deposits received in respect of pre-sale of properties	449,487	—	449,487
Amounts due to the ultimate holding company	331,002	—	331,002
Amounts due to fellow subsidiaries	5,074,208	8,937	5,083,145
Amounts due to non-controlling interests	108,421	—	108,421
Loans from fellow subsidiaries	1,159,150	2,887,500	4,046,650
Bank borrowings	5,574,204	—	5,574,204
Income tax and land appreciation tax payables	875,833	—	875,833
	<u>17,961,051</u>	<u>2,897,180</u>	<u>20,858,231</u>
NET CURRENT LIABILITIES	<u>(805,258)</u>	<u>(1,100,912)</u>	<u>(1,906,170)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>47,120,250</u>	<u>59,688</u>	<u>47,179,938</u>
NON-CURRENT LIABILITIES			
Rental deposits received	287,157	—	287,157
Loans from a fellow subsidiary	455,500	—	455,500
Bank borrowings	9,160,716	—	9,160,716
Deferred tax liabilities	5,400,936	12,447	5,413,383
Guaranteed notes	4,862,299	—	4,862,299
	<u>20,166,608</u>	<u>12,447</u>	<u>20,179,055</u>
NET ASSETS	<u><u>26,953,642</u></u>	<u><u>47,241</u></u>	<u><u>27,000,883</u></u>
CAPITAL AND RESERVES			
Share capital	748,041	—	748,041
Reserves	18,968,498	47,241	19,015,739
	<u>19,716,539</u>	<u>47,241</u>	<u>19,763,780</u>
Equity attributable to owners of the Company	19,716,539	47,241	19,763,780
Perpetual capital instruments	3,767,649	—	3,767,649
Non-controlling interests	3,469,454	—	3,469,454
	<u>26,953,642</u>	<u>47,241</u>	<u>27,000,883</u>
TOTAL EQUITY	<u><u>26,953,642</u></u>	<u><u>47,241</u></u>	<u><u>27,000,883</u></u>

The effects of the combination of Zhejiang Herun Tiancheng on the Group's equity at 1 January 2015 are summarised below:

	1 January 2015	Combination of a subsidiary under common control	1 January 2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(previously reported)		(restated)
Ordinary share capital	748,041	—	748,041
Share premium	13,329,919	—	13,329,919
Non-redeemable convertible preference shares	1,722,317	—	1,722,317
Special reserve	(20,757,648)	—	(20,757,648)
Other reserve	3,137,029	—	3,137,029
Capital reserve	5,360,324	11,375	5,371,699
Statutory reserve	410,143	—	410,143
Property revaluation reserve	17,000	—	17,000
Foreign currency translation reserve	(213,092)	—	(213,092)
Retained profits	15,962,506	35,866	15,998,372
Equity attributable to owners of the Company	19,716,539	47,241	19,763,780
Perpetual capital instruments	3,767,649	—	3,767,649
Non-controlling interests	3,469,454	—	3,469,454
Total equity	<u>26,953,642</u>	<u>47,241</u>	<u>27,000,883</u>

The effects of the above business combination under common control on the Group's basic earnings per share for the year ended 31 December 2014 are as follows:

	Impact on basic earnings per share
	<i>RMB cents</i>
Figures before adjustments	16.8
Effect arising from business combination under common control	0.4
Figures after adjustments	<u>17.2</u>

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by The Hong Kong Institute of Certified Public Accountants for the first time in the current year.

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

The application of the amendments to 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.

4. REVENUE

An analysis of the Group's revenue, which is also turnover of the Group, for the year is as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Property investment and development:		
Gross rental income from investment properties	2,183,980	2,008,659
Sales of properties held for sale	1,476,454	2,020,641
Service income for primary land development	30,000	220,877
Property management and related services	328,517	288,227
Other property related service income	215,846	163,504
	<u>4,234,797</u>	<u>4,701,908</u>
Hotel operations:		
Hotel room revenue	783,448	698,972
Other ancillary service	355,963	311,961
	<u>1,139,411</u>	<u>1,010,933</u>
Total revenue	<u><u>5,374,208</u></u>	<u><u>5,712,841</u></u>

5. SEGMENT INFORMATION

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the directors of the Company based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the directors of the Company, the chief operating decision maker, for the purpose of resource allocation and performance assessment. The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into the following reportable segments.

Property investment	Property letting
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Property management and related services	Provision of agency services and property management services

Information regarding the above segments is reported below.

Segment revenue and segment results

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

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2015							
<i>Segment revenue</i>							
External customers	2,188,173	1,506,454	1,139,411	544,363	5,378,401	—	5,378,401
Inter-segment revenue	4,641	—	—	9,616	14,257	(14,257)	—
Consolidated	<u>2,192,814</u>	<u>1,506,454</u>	<u>1,139,411</u>	<u>553,979</u>	<u>5,392,658</u>	<u>(14,257)</u>	<u>5,378,401</u>
Rental adjustments							(4,193)
Revenue as presented in consolidated statement of profit or loss and other comprehensive income							<u>5,374,208</u>
Segment results	<u>1,225,881</u>	<u>482,216</u>	<u>(80,556)</u>	<u>135,364</u>	<u>1,762,905</u>		<u>1,762,905</u>
Unallocated corporate income and other gains							30,239
Unallocated corporate expenses and other losses							(693,521)
Gain on deemed disposal of subsidiaries							579,503
Fair value gain of investment properties							964,015
Finance costs							(957,201)
Share of loss of an associate							(35,202)
Profit before tax as presented in consolidated statement of profit or loss and other comprehensive income							<u>1,650,738</u>
	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2014							
<i>Segment revenue</i>							
External customers	2,016,619	2,241,518	1,010,933	451,731	5,720,801	—	5,720,801
Inter-segment revenue	3,020	—	—	7,960	10,980	(10,980)	—
Consolidated	<u>2,019,639</u>	<u>2,241,518</u>	<u>1,010,933</u>	<u>459,691</u>	<u>5,731,781</u>	<u>(10,980)</u>	<u>5,720,801</u>
Rental adjustments							(7,960)
Revenue as presented in consolidated statement of profit or loss and other comprehensive income							<u>5,712,841</u>
Segment results (restated)	<u>1,172,842</u>	<u>1,173,008</u>	<u>(92,582)</u>	<u>117,261</u>	<u>2,370,529</u>		<u>2,370,529</u>
Unallocated corporate income and other gains							105,741
Unallocated corporate expenses and other losses							(381,141)
Gain on disposal of a subsidiary							106,115
Fair value gain of investment properties (restated)							1,970,908
Finance costs							(926,492)
Share of loss of an associate							(10,006)
Profit before tax as presented in consolidated statement of profit or loss and other comprehensive income (restated)							<u>3,235,654</u>

Inter-segment revenue was charged at prices agreed between group entities.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represents the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, other gains and losses, distribution and selling costs, administrative expenses, fair value gain of investment properties, finance costs, share of results of an associate, gain on disposal of subsidiaries, and income tax expense. The above is the measure reported to the directors of the Company for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the directors of the Company for the purposes of resource allocation and performance assessment.

Geographical information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

	Year ended 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	5,280,428	5,636,468
Hong Kong	93,780	76,373
	<u>5,374,208</u>	<u>5,712,841</u>

Information about the Group's non-current assets by location is detailed below.

	At 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i> (restated)
Mainland China	49,255,240	46,330,931
Hong Kong	2,865,491	2,489,842
	<u>52,120,731</u>	<u>48,820,773</u>

Non-current assets exclude goodwill, deferred tax assets, available-for-sale investments, amount due from the ultimate holding company, and deposits included in deposits and prepayments under non-current assets.

Information about major customer

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue for both 2015 and 2014.

Other information

Amounts regularly provided to the chief operating decision maker.

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2015					
(Reversal of impairment loss)/ impairment loss on accounts and other receivables, net	(15,889)	1,806	404	(1,157)	(14,836)
Depreciation of property, plant and equipment	23,371	9,744	4,874	265,382	303,371
Amortisation of leasehold land and land use rights	—	2,323	2,239	26,025	30,587
Loss/(gain) on disposal of property, plant and equipment, net	857	(5)	355	856	2,063
Impairment loss on property under development for sale	11,341	—	—	—	11,341
Year ended 31 December 2014					
(Reversal of impairment loss)/ impairment loss on accounts and other receivables, net	(13,078)	8,313	(1,595)	6,442	82
Depreciation of property, plant and equipment	39,717	58,360	10,164	201,409	309,650
Amortisation of leasehold land and land use rights	—	2,410	1,229	21,690	25,329
(Gain)/loss on disposal of property, plant and equipment, net	(1,394)	3,368	213	625	2,812
Impairment loss/(reversal of impairment loss) on property, plant and equipment, net	96	(30,235)	—	—	(30,139)

6. OTHER INCOME

	Year ended 31 December	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Interest income from:		
Banks	33,942	72,972
Loans to fellow subsidiaries	—	1,217
Government grants	3,948	5,123
Refund of PRC business tax and surcharges	17,920	—
Others	9,926	36,723
	<u>65,736</u>	<u>116,035</u>

7. OTHER GAINS AND LOSSES, NET

Year ended 31 December

2015 2014

RMB'000 RMB'000

Gain on deemed disposal/disposal of subsidiaries	579,503	106,115
Impairment loss on property, plant and equipment	—	(96)
Reversal of impairment loss on properties, plant and equipment	—	30,235
Reversal of impairment loss/(impairment loss) on accounts receivable, net	2,010	(6,498)
Impairment loss on properties under development for sale	(11,341)	—
Reversal of impairment loss on other receivables, net	12,826	6,416
Loss on disposal of property, plant and equipment, net	(2,063)	(2,812)
Exchange (loss)/gain, net	(318,894)	46,388
Others	(5,892)	(15,822)
	<u>256,149</u>	<u>163,926</u>

8. FINANCE COSTS

Year ended 31 December

2015 2014

RMB'000 RMB'000

(restated)

Interest on:

Bank borrowings	937,171	894,718
Loans from a non-banking financial institution*	51,498	48,826
Loans from the ultimate holding company	18,794	186,130
Loans from fellow subsidiaries	157,042	83,327
Other finance costs	23	1,861
Guaranteed notes	193,635	22,082
	<u>1,358,163</u>	<u>1,236,944</u>
Total interest expenses	1,358,163	1,236,944
Less: Interest capitalised	(400,962)	(309,844)
Reclassification adjustment on cash flow hedge	—	(608)
	<u>957,201</u>	<u>926,492</u>

* The non-banking financial institution is COFCO Finance Corporation Limited, a fellow subsidiary of the Group.

9. PROFIT BEFORE TAX

Year ended 31 December
2015 2014
RMB'000 RMB'000
(restated)

Profit for the year has been arrived at after charging:

Depreciation and amortisation:

Amortisation of intangible assets	7,293	5,253
Amortisation of leasehold land and land use rights	30,587	25,329
Depreciation of property, plant and equipment*	303,371	309,650
Total depreciation and amortisation	341,251	340,232
Cost of sales and services rendered:		
Cost of properties sold	928,244	936,324
Direct operating expenses arising from investment properties letted	520,705	428,062
Cost of primary land development services provided	4,980	58,196
Direct operating expenses arising from provision of property management and related services	250,138	245,078
Direct operating expenses from hotel services provided	709,960	598,892
Other direct costs	65,538	51,497
	2,479,565	2,318,049

* Depreciation of property, plant and equipment of RMB235,030,000 for the year ended 31 December 2015 (2014: RMB242,816,000) was included in cost of sales and services rendered in the consolidated statement of profit or loss and other comprehensive income.

10. INCOME TAX EXPENSE

Year ended 31 December
2015 2014
RMB'000 RMB'000
(restated)

Current tax:

PRC Enterprise Income Tax	205,446	312,527
Land Appreciation Tax ("LAT")	131,346	227,965
PRC dividend withholding tax	63,028	55,047
Hong Kong	10,737	7,312
	410,557	602,851
(Over)/under provision in prior years:		
PRC Enterprise Income Tax	(57,124)	1,075
LAT	(92,549)	—
	(149,673)	1,075
Deferred tax	430,678	647,371
	691,562	1,251,297

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. 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.

Pursuant to the rules and regulations of the British Virgin Islands, Bermuda and Samoa, the Group is not subject to any income tax in the British Virgin Islands, Bermuda and Samoa.

11. DIVIDENDS

Dividends for the shareholders of ordinary shares and non-redeemable convertible preference shares of the Company recognised as distribution during the year:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
2014 Final — HK1 cent (2013: nil) per share:		
Ordinary shares	115,746	—
Non-redeemable convertible preference shares	8,908	—
	<u>124,654</u>	<u>—</u>

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2015 of HK1 cent per ordinary share (approximately HK\$142.3 million or RMB119.2 million in aggregate) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
		(restated)
Earnings		
Earnings for the purpose of basic earnings per share		
(Profit for the year attributable to owners of the Company)	<u>725,718</u>	<u>1,710,190</u>
	Year ended 31 December	
	2015	2014
Number of shares ('000)		
For the purpose of basic earnings per share:		
Weighted average number of ordinary shares	12,697,542	8,851,807
Number of non-redeemable convertible preference shares	<u>1,095,301</u>	<u>1,095,301</u>
Weighted average number of shares for the purpose of basic earnings per share	<u>13,792,843</u>	<u>9,947,108</u>

The weighted average number of shares used for the purpose of calculating basic earnings per share for the years ended 31 December 2015 and 2014 is calculated on the basis of the number of the weighted average number of ordinary shares of the Company and non-redeemable convertible preference shares in issue during the years.

The bonus element in the Rights Issue (as defined in Note 15(b)) is not considered in the calculation of the basic earnings per share as the effect is not considered material.

No diluted earnings per share for the years ended 31 December 2015 and 2014 is presented as there was no potential ordinary share in issue during both years.

13. ACCOUNTS RECEIVABLE

	At 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Rental receivables	66,310	52,108
Property management fee receivables	12,387	16,470
Receivables from hotel operations and related services	33,582	32,763
Less: Allowance for doubtful debts	(22,522)	(24,532)
	<u>89,757</u>	<u>76,809</u>
Rental adjustments*	43,599	47,792
	<u>133,356</u>	<u>124,601</u>

* Rental adjustments relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease.

In respect of sale of properties, a minimum down payment is required in accordance with the terms of the related sale and purchase agreements and in general consideration in cash is fully received prior to the delivery of the properties to the customers.

In general, rental income, property management fee income and income from hotel operations and related services are received in the month when the relevant services provided, except for certain tenants and customers of which credit period of up to 30 to 60 days are granted.

The following is an aged analysis of accounts receivable, excluding rental adjustments and net of impairment losses, presented based on invoice date, except for aged analysis of rental receivables, which presented based on the date of rental demand notice issued, at the end of the reporting period:

	At 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 3 months	71,182	52,645
3 months to 1 year	10,828	10,874
1 to 2 years	4,567	9,862
2 to 3 years	2,353	2,884
Over 3 years	827	544
	<u>89,757</u>	<u>76,809</u>

14. ACCOUNTS PAYABLE

	At 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payable	240,884	336,891
Accrued expenditure on construction	995,505	795,328
	<u>1,236,389</u>	<u>1,132,219</u>

The following is an aged analysis of trade payable at the end of the reporting period based on invoice date.

	At 31 December	
	2015	2014
	RMB'000	RMB'000
Within 1 year	161,283	144,993
1 to 2 years	27,590	158,073
2 to 3 years	36,296	19,215
Over 3 years	15,715	14,610
	240,884	336,891

15. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	Amount HK\$'000	(RMB equivalent) RMB'000
Authorised:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 31 December 2014 and 2015	<u>28,904,699,222</u>	<u>2,890,470</u>	<u>2,293,502</u>
Issued and fully paid:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 1 January 2014	8,478,732,480	847,873	667,941
Issue of shares for acquisition of non-controlling interests <i>(Note (a))</i>	<u>1,008,684,092</u>	<u>100,868</u>	<u>80,100</u>
At 31 December 2014 and at 1 January 2015	9,487,416,572	948,741	748,041
Rights issue of shares <i>(Note (b))</i>	<u>4,743,708,286</u>	<u>474,371</u>	<u>374,373</u>
At 31 December 2015	<u>14,231,124,858</u>	<u>1,423,112</u>	<u>1,122,414</u>

Notes:

- (a) Pursuant to the acquisition agreement in respect of the acquisition of equity interests of certain non-wholly-owned subsidiaries of the Group and shareholder's loans of RMB178,399,000 from the then non-controlling shareholders signed on 1 August 2014, the consideration shall be HK\$2,017,368,184 (approximately RMB1,601,992,000), which was satisfied by the issue and allotment of 1,008,684,092 shares of HK\$0.10 (each were placed at HK\$2.00 per share) to the non-controlling shareholders. The acquisition was completed on 19 August 2014.
- (b) In February 2015, the Company proposed rights issue on the basis of one rights share for every two existing shares at a subscription price of HK\$1.35 each on a non-underwritten basis (the "Rights Issue"). 4,743,708,286 new ordinary shares of HK\$0.10 each were issued on 29 April 2015 pursuant to the Rights Issue, resulting in credits to ordinary share capital of the Company of RMB374,373,000 and share premium of the Company of RMB4,679,668,000, before share issue expenses of RMB16,385,000.

Further details of the above Rights Issue are set out in the Company's announcement dated 27 February 2015 and the Company's prospectus dated 30 March 2015.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, in early January 2016, a wholly-owned subsidiary of Company (the “Issuer”) issued 3.2% domestic corporate bond in the aggregate principal amount of RMB3,000 million due on 14 January 2021 (the “Corporate Bond”). The Corporate Bond bears interest on its outstanding principal amount at the rate of 3.2% per annum payable annually in arrears on 14 January in each year.

Pursuant to the terms and conditions of the Corporate Bond, the coupon rate may be adjusted at the option of the Issuer from 14 January 2019 on the condition that the Issuer has announced the adjustment to the coupon rate within 20 trading days before 14 January 2019. Otherwise, the coupon rate will remain the same until the maturity date. The holders of the Corporate Bond may, on giving notice to the Issuer within 5 trading days after the announcement of the coupon rate adjustment made by the Issuer, early redeem all or part of such holder’s Corporate Bond, together with interest accrued but unpaid to such date.

The proceeds from the issue of the Corporate Bond, after issue expense, will be used to finance the working capital of the Group.

Further details of the issue of the Corporate Bond are set out in the Company’s announcements dated 11 January 2016, 13 January 2016 and 15 January 2016.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures 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 announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu in respect of the financial figures in this announcement.

BUSINESS REVIEW AND OUTLOOK

Market Review

2015 was a crucial year of implementation of comprehensive reforms for the PRC. Under the lingering downward pressure in the overall economy, the PRC central government continued to implement proactive financial policy and prudent monetary policy. The overall economy showed a stable yet slowing trend. Under the downward pressure in the economy, the property industry encountered various new issues, such as slowing growth rate, high level of property stock and highly competitive environment, and adjustments to the development of the industry, which is becoming a new norm.

Overall, premium properties in first-tier and highlighted second-tier cities stood out with their comparative advantages in terms of market values at the backdrop of macroeconomic rebalancing and noticeable compression on real estate industry. Engaging in four main segments such as property investment, property development, hotel operation, property management and related services, the Group owns an array of premium properties at prime locations in the first-tier and second-tier cities in China. Leveraging its optimized allocation of assets, cross-business synergy and profound experience of its management, the Group's strong performance is still immune from the highly volatile external conditions and less susceptible to risks. In respect of commercial properties, after experiencing rapid growth for almost a decade, shopping centers faced a general oversupply crisis. Meanwhile, with the impact of the Internet on the commercial retail model, there is an increasing pressure on shopping centers. In respect of residential properties, the overall trading volume increased with a stable selling price that resulted in an increasing demand for better housing and worsened the differentiation of housing stock among different cities. In respect of office buildings, first-tier cities outperformed and fell short of demand with an obvious increase in rents while the market performance in other cities was mediocre. The overall performance of hotel industry declined with relatively huge operating pressure.

Business Review

In 2015, the Group achieved relatively steady performance in the four main segments such as property investment, property development, hotel operation, property management and related services.

Business Review on Investment Properties

Investment Properties — in terms of geographic location, the Group's investment properties are located at the prime locations in the first-tier and highlighted second-tier cities in the PRC with higher investment value. In terms of operation, the Group's investment properties have differentiated market positioning and sophisticated operation management, which enables the Group to take the

leading market position in the industry. It is also the core competitiveness of the Group. By the end of the financial year 2015, the Group had 7 Joy City projects and four properties held for lease in Beijing, Shanghai and Hong Kong. Its Hangzhou Joy City project was under construction. During the period under review, the 7 Joy City projects recorded a retail rental income of RMB1,731.0 million, representing year-on-year growth rate of 14.0%. Among these Joy City Projects, Tianjin Joy City, through the innovative themed street district, developed an O2O member experience platform, Taste Good, to effectively increase customer flow, number of members and further increase member value. During the period under review, the number of members and rental income increased by 130.2% and 20.7% as compared with the previous year, respectively. Shenyang Joy City dug into every opportunity for growth potential for revenue through a number of measures, including brand promotion, business optimisation and expansion of operations. During the period under review, its rental income increased by 23.7% as compared with last year.

	2015	2014
Rental income from the Group's investment properties businesses for the two years indicated (<i>RMB million</i>)	<u><u>2,184.0</u></u>	<u><u>2,008.7</u></u>

The table below sets forth the rental income, average rents and occupancy rate of the major investment properties of the Group in the financial year 2015:

Project	City	Use/intended use	Rental income	Average rents	Occupancy rate
			(<i>RMB million</i>)	(<i>RMB/ month/sqm</i>)	(%)
COFCO Plaza Shopping Malls	Beijing	Retail	45.7	122	68
COFCO Plaza Offices	Beijing	Office	179.1	301	86
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	114.6	1,952*	86
Hong Kong COFCO Tower	Hong Kong	Office and retail	62.7	396	89
11th Floor of World-Wide House	Hong Kong	Commercial	8.0	510	100
Xidan Joy City Shopping Malls	Beijing	Retail	625.7	1,072	92
Xidan Joy City Offices	Beijing	Office	35.2	330	68
Chaobei Joy City Shopping Malls	Beijing	Retail	464.6	321	99
Tianjin Joy City Shopping Malls	Tianjin	Retail	303.8	307	99
Shanghai Joy City Shopping Malls, South Tower	Shanghai	Retail	80.4	258	96
Shenyang Joy City Shopping Malls	Shenyang	Retail	161.4	126	96
Yantai Joy City Shopping Malls	Yantai	Retail	90.5	102	95
Total			<u><u>2,171.7</u></u>		

*: For Fraser Suites Top Glory Shanghai, it represents the room rate per one-night stay.

The table below sets forth the rental income, average rents and occupancy rate of the major investment properties of the Group in the financial year 2014:

Project	City	Use/intended use	Rental income	Average rents	Occupancy rate
			(RMB million)	(RMB/ month/sqm)	(%)
COFCO Plaza Shopping Malls	Beijing	Retail	54.8	120	83
COFCO Plaza Offices	Beijing	Office	166.7	260	88
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	117.7	1,914*	90
Hong Kong COFCO Tower	Hong Kong	Office and retail	68.2	373	91
11th Floor of World-Wide House	Hong Kong	Commercial	7.2	460	100
Xidan Joy City Shopping Malls	Beijing	Retail	599.6	991	95
Xidan Joy City Offices	Beijing	Office	44.6	290	95
Chaobei Joy City Shopping Malls	Beijing	Retail	417.0	313	98
Tianjin Joy City Shopping Malls	Tianjin	Retail	251.7	260	99
Shanghai Joy City Shopping Malls, South Tower	Shanghai	Retail	87.4	263	98
Shenyang Joy City Shopping Malls	Shenyang	Retail	129.4	110	86
Yantai Joy City Shopping Malls	Yantai	Retail	32.8	73	96
Total			<u>1,977.1</u>		

*: For Fraser Suites Top Glory Shanghai, it represents the room rate per one-night stay.

Business Review on Property Development

Property Development — The Group's property development projects command prime locations or splendid views which other projects rarely own. During the period under review, the Group continued to persist in the improvement on high-end quality and high-end customer value experience and was well received by the market. Combining green and technological elements, featuring high quality and located in sparsely-distributed area, Shanghai Joy Mansion One witnessed robust sales upon its launch, which broke the opening sales record for new luxury properties with an amount of RMB20 million. During the period under review, the contracted sales of Group's property development business recorded revenue of RMB3,165.5 million, representing a year-on-year increase of 79.2%.

The following table sets forth the amount, contracted sales area and the average contracted selling price of the main projects of the Group in the financial year 2015:

Project	City	Type of the project	Contracted sales amount	Contracted sales area	Average contracted selling price
			(RMB million)	(sqm)	(RMB/sqm)
Ocean One	Shanghai	Residential property	114.1	840.9	135,620.2
Tianjin Joy City	Tianjin	Apartment	204.3	10,512.3	19,434.9
Tianjin Joy City	Tianjin	Residential property	3.5	143.6	24,478.2
Joy Street of Chengdu Joy City	Chengdu	Store	164.1	4,442.0	36,953.6
Brilliant Villa	Hainan	Mansion	157.6	6,985.7	22,565.9
Brilliant Villa	Hainan	Villa	850.6	14,477.7	58,753.6
Shanghai Tianyue One	Shanghai	Residential property	1,344.5	14,695.4	91,492.1
Hangzhou Tianyue	Hangzhou	Residential property	326.8	11,733.0	27,849.7
Total			<u>3,165.5</u>	<u>63,830.6</u>	

Business Review on Hotel Operation

Hotel Operations — The Group’s premium hotel properties are primarily located in the prime area in Beijing city center and the waterfront of Yalong Bay in Sanya. The hotels are commissioned to be managed by prestigious international hotel management companies such as Starwood Group and MGM, and operated under the first class brands including St.Regis, W and MGM. During the period under review, the Group’s hotel properties, leveraging on its good reputation and sophisticated management, still presented stable market performance despite the increased pressure on general hotel operations. During the period under review, MGM Grand Sanya continued to improve its service quality, strengthened its position of household and leisure, enriched catering and entertainment offerings, and gained wide market recognition. Against the backdrop of flat regional market conditions, the average occupancy rate increased by 5 percentage points as compared with the year 2014.

	2015	2014
Sales revenue from hotel operations for the two years indicated (RMB million)	<u>1,139.4</u>	<u>1,010.9</u>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotel properties projects of the Group in the financial year 2015:

Project	City	Use/intended use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
St. Regis Sanya Yalong Bay Resort	Sanya	Resort	66	1,460	2,004
MGM Grand Sanya	Sanya	Resort	76	1,178	1,385
Cactus Resort Sanya by Gloria	Sanya	Resort	68	312	464
Waldorf Astoria Beijing	Beijing	Hotel	47	960	1,728
W Beijing — Chang’an	Beijing	Hotel	40	529	1,229
Xidan Joy City Hotel	Beijing	Hotel	79	518	658

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotel properties projects of the Group in the financial year 2014:

Project	City	Use/intended use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
St. Regis Sanya Yalong Bay Resort	Sanya	Resort	69	1,625	2,345
MGM Grand Sanya	Sanya	Resort	71	1,118	1,407
Cactus Resort Sanya by Gloria	Sanya	Resort	68	333	500
Waldorf Astoria Beijing	Beijing	Hotel	31	622	2,000
W Beijing — Chang’an	Beijing	Hotel	51	797	1,554
Xidan Joy City Hotel	Beijing	Hotel	74	473	640

FINANCIAL REVIEW

Revenue

During the financial year 2015, the Group’s operating revenue was approximately RMB5,374.2 million (2014: RMB5,712.8 million).

During the financial year 2015, the Group's rental income from investment properties accounted for 40.7% of the total revenue, representing an increase of 8.7% as compared to the corresponding period in 2014. In particular, the retail rental income from Joy City projects amounted to RMB1,731.0 million, representing an increase of 14.0% as compared to the corresponding period in 2014, mainly due to the good operation conditions of Shenyang Joy City, Tianjin Joy City and Chaoyang Joy City, the significant increase in their operating results as compared to the corresponding period last year, as well as the increase in revenue of Yantai Joy City for the first full year after it was put into operation. Revenue from sales of property development and income from land development accounted for 28.0% of the total revenue, representing a decrease of 32.8% as compared to the corresponding period in 2014, mainly due to the change in product mix of the delivered projects. Despite an increase in total recognised area in the financial year 2015, the average selling price of delivered properties is lower than that of the corresponding period last year, resulting in a decrease in revenue. The delivered properties in the financial year 2015 were mainly Brilliant Villa in Hainan and apartments of Tianjin Joy City whereas the delivered properties in 2014 were mainly The Signature and Ocean One project. Revenue from hotel operations accounted for 21.2% of the total revenue, representing an increase of 12.7% as compared to the corresponding period in 2014 mainly due to the increase in scale of operations of W Beijing — Chang'an and Waldorf Astoria Beijing and improving operating results of MGM Grand Sanya, which contributed to an increase in operating revenue. Revenue from property management and other related services accounted for 10.1% of the total revenue, representing an increase of 20.5% as compared to the corresponding period in 2014.

Cost of Sales and Gross Profit Margin

During the financial year 2015, the Group's cost of sales was approximately RMB2,479.6 million (2014: RMB2,318.0 million). In the financial year 2015, the overall gross profit margin was approximately 53.9%, representing a slight decrease as compared to 59.4% in 2014.

Profit

During the financial year 2015, the profit of the Group was RMB959.2 million (2014: RMB1,984.4 million), of which the profit for the period attributable to the shareholders of the Company was RMB725.7 million (2014: RMB1,710.2 million). The year-on-year decrease in profit was mainly attributable to (a) a significant year-on-year decrease in on fair value gain on revaluation of investment properties before tax of the Group; (b) consistent depreciation of Renminbi, which is the principal currency for the Group's income, and the exchange loss incurred when parts of borrowings denominated in USD and HKD and notes denominated in USD were translated according to the exchange rates; (c) lower income in properties sale resulted from a decrease in the average selling price due to change in product mix of the delivered projects of the Group. The core net profit (excluding the effect of after-tax fair value gain of the investment properties and the change in exchange rate) was RMB500.2 million (2014: RMB428.8 million), of which core net profit attributable to owners of the Company was RMB302.4 million (2014: RMB248.4 million).

BUSINESS OUTLOOK

2016 is the beginning year of the Thirteenth Five-Year Plan of the PRC. Under the pressure to sustain a stable economic growth, the PRC central government will continue to implement active financial policy and prudent monetary policy, in order to cope with the new norm of economic development. In 2016, the real estate industry will continue to leverage the advantage of self scale together with other industries, as the main foundation of overall stable economic development, in order to maintain the momentum of growth. For the commercial real estate industry, under the pressure from fierce competition, project with precise marketing and differentiation position is more outstanding.

Residential market focuses on inventory promotion, while high-end hotels are affected by the imbalance of supply and demand and policy environment, which leads to substantial operation pressure.

Looking forward, change in demographic structure, transformation and upgrade of economic structure, deepening of urbanization with Chinese characteristics will heavily bear on the development of real estate industry. The integrated model of real estate industry and Internet, finance, industry and agriculture will become the new trend of development while integration and innovation will become new features for the development of real estate industry. The development of sizable complex business characterized by large-scale development, rational planning and versatile functionalities is in line with government's notion of modern urbanization yet in satisfaction of citizens' needs in all aspects. As such, it will allow a further vast room for development. Under the policy background of "promoting consumption to push domestic demand", there is broad space for development as commercial real estate will be a main driver to push overall domestic demand.

The Group will strive to embrace the opportunities and challenges brought along by macroeconomic transformation and upgrade, leverage the new opportunities arising from the innovative industry development and persist in the "two-wheel-drive business strategy" to offer high-quality green living and services as a leader of fashionable trend of living by pursuing the operating policy of "refining management, enhancing quality and efficiency, strengthening reform and innovating based on the solid foundation". We are convinced that, taking advantage of the Group's full-fledged commercial and properties development and operation systems, the influence of the Joy City urban complex brand and acute insights to the industrial changes, and its innovative integration strength, we can continue to pride ourselves on our advantages during the new stage of real estate industry's innovative development. We will dedicate ourselves to delivering more quality offerings and services and making Joy City become a long-lasting brand in China's real estate industry.

LIQUIDITY AND FINANCIAL POSITION

	As at 31 December	
	2015	2014
	<i>RMB million</i>	<i>RMB million</i> (restated)
Total assets	72,954	68,038
Cash and cash equivalents (including restricted bank deposits and pledged deposits)	3,728	6,489
Total borrowings*	24,796	24,099
Total equity	33,277	27,001
Current ratio	1.60	0.91
Net debt to total equity ratio**	63.3%	65.2%
Weighted average borrowing cost	5.58%	6.09%

* *Total borrowings include bank borrowings and loans from fellow subsidiaries and loans from non-controlling interests and guaranteed notes.*

** *The net debt to total equity ratio is calculated as net borrowings divided by total equity, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.*

As at 31 December 2015, the Group had total assets of approximately RMB72,954,074,000 (As at 31 December 2014: approximately RMB68,038,169,000). Total equity of the Company was approximately RMB33,277,159,000, representing an increase of approximately 23.2% as compared to RMB27,000,883,000 as at 31 December 2014.

As at 31 December 2015, the current ratio and the net debt to total equity ratio were approximately 1.60 and approximately 63.3% respectively (As at 31 December 2014: approximately 0.91 and 65.2%, respectively). Bank and other interest-bearing borrowings increased from approximately RMB24,099,369,000 as at 31 December 2014 to approximately RMB24,795,852,000 as at 31 December 2015.

In view of the Group's current level of cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

SHARE CAPITAL

In February 2015, the Company proposed rights issue on the basis of one rights share for every two existing shares at a subscription price of HK\$1.35 each share on a non-underwritten basis. 4,743,708,286 new ordinary shares of HK\$0.10 each were issued on 29 April 2015 pursuant to the rights issue, resulting in credit to the ordinary share capital of the Company of RMB374,373,000 and share premium of the Company of RMB4,679,668,000, before expenses related to share issue of RMB16,385,000. Further details of the rights issue are set out in the Company's announcement dated 27 February 2015 and the Company's prospectus dated 30 March 2015.

The following are the adjustments made to the equity of the Company following the rights issue of the Company:

Equity	No. of shares	Amount <i>(HK\$' million)</i>	Amount <i>(RMB million)</i>
Issued and fully paid ordinary shares of HK\$0.10 each as at 31 December 2014	9,487,416,572	949	748
Ordinary shares issued pursuant to the rights issue at a subscription price of HK\$1.35 each	4,743,708,286	474	374
As at 31 December 2015	<u>14,231,124,858</u>	<u>1,423</u>	<u>1,122</u>

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had a total of 6,105 employees. The Group has established a career development system for our employees in accordance with the features of the real-estate industry and the relevant positions. Management and professional skills are both the focuses of our career development system. Our employees are well aware of their development path. The system can ensure the matching of talents and positions and can promote the development of our employees. The Group provides competitive salaries and comprehensive fringe benefits. Aiming at high performance and incentives, the Group further enhances the assessment and incentive mechanism so that the interests of the employees will become more in line with those of the Group.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK1 cent per share (2014: HK1 cent per share) for the year ended 31 December 2015. It is expected that the final dividend will be paid on Friday, 8 July 2016 to shareholders whose names appear on the register of members of the Company on Monday, 13 June 2016 upon the approval of shareholders at the Annual General Meeting held by the Company on Thursday, 2 June 2016.

CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

The Annual General Meeting will be held on Thursday, 2 June 2016. For determining the eligibility of the Shareholders to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 31 May 2016 to Thursday, 2 June 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificate(s), must be lodged for registration with the Branch Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 30 May 2016. The notice of the Annual General Meeting, which constitutes part of the circular to Shareholders, will be sent together with the Annual Report 2015.

Final Dividend

For the purposes of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 8 June 2016 to Monday, 13 June 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificate(s), must be lodged for registration with the Branch Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 7 June 2016.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board considers that during the year ended 31 December 2015, the Company had complied with all code provisions as set out in the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. After specific enquiry by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2015.

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

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

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.joy-cityproperty.com). The Annual Report 2015 of the Company will be published on the above websites and despatched to shareholders in due course.

By Order of the Board
JOY CITY PROPERTY LIMITED
Zhou Zheng
Chairman

Hong Kong, 21 March 2016

As at the date of this announcement, the Board comprises Mr. ZHOU Zheng (Chairman) as the Executive Director; Mr. MA Jianping, Mr. MA Wangjun, Ms. JIANG Hua and Ms. Wu Xiaohui as Non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. WU Kwok Cheung, MH as Independent Non-executive Directors.

GLOSSARY

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company (or any adjournment thereof) to be held on Thursday, 2 June 2016;
“Audit Committee”	the audit committee of the Board;
“Board”	the board of Directors;
“Branch Share Registrar”	Tricor Progressive Limited, the Company’s branch share registrar and transfer office in Hong Kong;
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules;
“COFCO Group”	COFCO Corporation and its subsidiaries, excluding the Group;
“Company”	Joy City Property Limited (formerly known as COFCO Land Holdings Limited), a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“CPS”	non-redeemable convertible preference shares of HK\$0.10 each in the share capital of the Company;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Model Code”	the Mode Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.