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Overseas Chinese Town (Asia) Holdings Limited
華僑城(亞洲)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03366)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The board (the “Board”) of directors (“Directors”) of Overseas Chinese Town (Asia) Holdings Limited (the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015 (the “Period Under Review”) prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), together with the comparative figures for the year ended 31 December 2014.

Audited financial information of the Group for the year ended 31 December 2015 prepared in accordance with the HKFRSs is as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Note</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Revenue	4	6,436,110	3,796,572
Cost of sales		<u>(4,414,956)</u>	<u>(2,550,308)</u>
Gross profit		2,021,154	1,246,264
Other revenue		46,717	55,687
Other net (losses)/gains		(9,669)	15,173
Distribution costs		(284,517)	(221,459)
Administrative expenses		(249,613)	(190,093)
Other operating expenses		<u>(122,770)</u>	<u>(46,958)</u>
Profit from operations		1,401,302	858,614
Finance costs	5(a)	(222,935)	(189,867)
Gain on disposal of a subsidiary		–	335,785
Share of profits/(losses) of associates		<u>188,307</u>	<u>(13,217)</u>
Profit before tax	5	1,366,674	991,315
Income tax expense	6	<u>(704,731)</u>	<u>(457,737)</u>
Profit for the year		<u>661,943</u>	<u>533,578</u>
Attributable to:			
Owners of the Company		273,042	326,028
Non-controlling interests		<u>388,901</u>	<u>207,550</u>
		<u>661,943</u>	<u>533,578</u>
Dividend payable to owners of the Company attributable to the year			
Final dividend proposed after the end of the reporting period	7	<u>92,813</u>	<u>97,344</u>
Earnings per share (RMB)	8		
Basic		<u>0.40</u>	<u>0.49</u>
Diluted		<u>0.37</u>	<u>0.44</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit for the year	<u>661,943</u>	<u>533,578</u>
Other comprehensive income for the year, net of tax:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(146,260)</u>	<u>(27,883)</u>
Total comprehensive income for the year	<u><u>515,683</u></u>	<u><u>505,695</u></u>
Attributable to:		
Owners of the Company	126,782	298,145
Non-controlling interests	<u>388,901</u>	<u>207,550</u>
	<u><u>515,683</u></u>	<u><u>505,695</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	<i>Note</i>	2015 RMB'000	2014 <i>RMB'000</i>
Non-current assets			
Fixed assets			
– Investment property		770,615	526,138
– Property, plant and equipment		1,232,849	1,491,336
– Interests in leasehold land held for own use		637,396	657,756
		2,640,860	2,675,230
Intangible assets			
Goodwill		2,125	684
Investments in associates		103,740	223,476
Other financial assets		394,588	155,611
Deferred tax assets		4,320	4,320
Other long-term deposits		160,947	122,047
		1,107,843	–
		4,414,423	3,181,368
Current assets			
Inventories		13,183,088	13,699,310
Trade and other receivables	9	1,107,857	1,213,414
Cash and cash equivalents		3,374,156	3,763,918
		17,665,101	18,676,642
Current liabilities			
Trade and other payables	10	2,912,157	2,365,622
Receipts in advance		605,260	720,281
Bank loans		1,313,139	477,835
Related party loans		1,373,752	1,301,393
Current tax liabilities		766,481	644,725
		6,970,789	5,509,856
Net current assets		10,694,312	13,166,786
Total assets less current liabilities		15,108,735	16,348,154

	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Bank and other loans	2,817,516	3,044,400
Related party loans	5,283,346	6,661,154
Deferred tax liabilities	234,948	258,937
	<u>8,335,810</u>	<u>9,964,491</u>
NET ASSETS	<u><u>6,772,925</u></u>	<u><u>6,383,663</u></u>
CAPITAL AND RESERVES		
Share capital	67,337	67,134
Reserves	<u>2,968,518</u>	<u>2,930,923</u>
Equity attributable to owners of the Company	3,035,855	2,998,057
Non-controlling interests	<u>3,737,070</u>	<u>3,385,606</u>
TOTAL EQUITY	<u><u>6,772,925</u></u>	<u><u>6,383,663</u></u>

NOTES

1. REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the financial results for the year ended 31 December 2015. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been compared by the Company's auditors, RSM Hong Kong, Certified Public Accountants, to the amounts set out in the Group's audited financial statements for the year and the amounts were found to be in agreement. The work performed by RSM Hong Kong in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and with the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The consolidated financial statements have been prepared under the historical cost convention.

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2015.

Amendment to HKAS 40 (Annual Improvements to HKFRSs 2011-2013 Cycle)

The amendment clarifies the application of HKFRS 3 and HKAS 40 in respect of acquisitions of investment property. HKAS 40 assists preparers to distinguish between investment property and owner-occupied property, then HKFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendment has no effect on the Group's consolidated financial statements.

Amendment to HKFRS 8 (Annual Improvements to HKFRSs 2010-2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications has no effect on the Group's consolidated financial statements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2015. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have any material impact on its results of operations and financial position.

List of New and revised HKFRSs in issue but not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendment to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

(c) Disclosure requirements under the new Companies Ordinance (Cap. 622 of the Laws of Hong Kong)

The majority of the disclosure requirements of Part 9 "Accounts and Audit" of the new Companies Ordinance (Cap. 622) came into operation during the financial year. Although the Company is not incorporated in Hong Kong, the Listing Rules require the Company to comply with the disclosure requirement of the new Hong Kong Companies Ordinance (Cap. 622). As a result, there are changes to presentation and disclosures requirements of certain information in the consolidated financial statements.

(d) Amendments to the Rules Governing the Listing of Securities on the Stock Exchange

The Stock Exchange in April 2015 released revised Appendix 16 of the Listing Rules in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are comprehensive development and paper packaging business.

Revenue represents the sales value of goods or services supplied to customers (net of value-added tax and business tax), including the sales of properties, rental income from investment properties, ticket sales from theme park and sales of paper cartons and products are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Comprehensive development business	5,596,276	2,948,376
Paper packaging business	<u>839,834</u>	<u>848,196</u>
	<u><u>6,436,110</u></u>	<u><u>3,796,572</u></u>

The Group's customer base is diversified and there was no customer with whom transactions exceeded 10% of the Group's revenues in 2015.

Further details regarding the Group's principal activities are disclosed in note 4(b).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the most senior executive management of the Group for the purposes of resource allocation and performance assessment, the Group has the following two reportable segments.

- Comprehensive development business: this segment engaged in the development and operation of tourism theme park, developed and sold residential properties, and engages in the development and management of properties.
- Paper packaging business: this segment engaged in the manufacture and sale of paper cartons and products.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the senior executive management of the Group monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment result is “net profit”. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Expenses not specifically attributed to individual segments, such as directors’ and auditors’ remuneration and other head office or corporate administration costs, were allocated to each individual segment in proportion to its revenue.

Information regarding the Group’s reportable segments as provided to the most senior executive management of the Group for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Comprehensive development business		Paper packaging business		Total	
	2015 RMB’000	2014 RMB’000	2015 RMB’000	2014 RMB’000	2015 RMB’000	2014 RMB’000
Revenue from external customers	<u>5,596,276</u>	<u>2,948,376</u>	<u>839,834</u>	<u>848,196</u>	<u>6,436,110</u>	<u>3,796,572</u>
Reportable segment net profit	<u>254,911</u>	<u>307,594</u>	<u>18,131</u>	<u>18,434</u>	<u>273,042</u>	<u>326,028</u>
Interest income	35,234	44,118	7,332	5,943	42,566	50,061
Interest expense	217,454	184,258	5,481	5,609	222,935	189,867
Depreciation and amortisation for the year	166,518	138,770	37,028	28,941	203,546	167,711
Share of profits/(losses) of associates	188,307	(13,217)	-	-	188,307	(13,217)
Income tax expense	693,289	451,026	11,442	6,711	704,731	457,737
Addition to segment non-current assets during the year	1,403,557	168,849	58,900	35,227	1,462,457	204,076
Reportable segment assets	19,945,887	19,769,285	2,133,637	2,088,725	22,079,524	21,858,010
Reportable segment liabilities	13,801,683	13,889,138	1,504,916	1,585,209	15,306,599	15,474,347
Investments in associates	394,588	155,611	-	-	394,588	155,611

(ii) *Reconciliations of reportable segment revenue, profit or loss, assets and liabilities*

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Revenue		
Reportable segment revenue	6,436,110	3,796,572
Elimination of inter segment revenue	<u>—</u>	<u>—</u>
Consolidated revenue	<u>6,436,110</u>	<u>3,796,572</u>
Profit		
Reportable segment profit	273,042	326,028
Elimination of inter segment profits	<u>—</u>	<u>—</u>
Reportable segment profit derived from Group's external customers	273,042	326,028
Consolidated net profit attributable to non-controlling interests	<u>388,901</u>	<u>207,550</u>
Consolidated net profit	<u>661,943</u>	<u>533,578</u>
Assets		
Reportable segment assets	<u>22,079,524</u>	<u>21,858,010</u>
Consolidated total assets	<u>22,079,524</u>	<u>21,858,010</u>
Liabilities		
Reportable segment liabilities	<u>15,306,599</u>	<u>15,474,347</u>
Consolidated total liabilities	<u>15,306,599</u>	<u>15,474,347</u>

(iii) *Geographical information:*

As at 31 December 2015, the Group's revenue from external customers and its non-current assets are located in the PRC (2014: the PRC).

5. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
(a) Finance costs:		
Interest on bank and other loans	170,189	78,133
Interest on related party loans	420,485	493,819
	<hr/>	<hr/>
Total borrowing costs	590,674	571,952
Amount capitalised	(367,739)	(382,085)
	<hr/>	<hr/>
	222,935	189,867
	<hr/> <hr/>	<hr/> <hr/>

The weighted average capitalisation rate of funds borrowed generally is at a rate of 5.30% per annum (2014: 6.04% per annum).

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
(b) Staff costs:		
Contributions to defined contribution retirement schemes	17,358	11,924
Salaries, wages and other benefits	249,037	227,984
Equity-settled share-based payment expenses	684	4,380
	<hr/>	<hr/>
	267,079	244,288
	<hr/> <hr/>	<hr/> <hr/>

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
(c) Other items:		
Amortisation of intangible assets	291	192
Depreciation		
– investment property	24,112	23,685
– interests in leasehold land held for own use	20,360	20,289
– other assets	158,783	123,545
Impairment losses		
– goodwill	119,736	43,719
– trade and other receivables	1,468	1,858
Loss on write-off of fixed assets	–	32,966
Operating lease charges in respect of properties	34,982	22,381
Net exchange losses/(gains)	10,347	(13,893)
Auditors' remuneration		
– audit services	1,446	1,300
– other services	399	320
Rentals receivable from investment properties less direct outgoings of RMB24,860,000 (2014: RMB26,457,000)	(26,176)	(23,019)
Cost of inventories	4,413,701	2,527,802
Reversal of allowance for trade and other receivables	<u>(1,083)</u>	<u>(590)</u>

Cost of inventories included RMB246,463,000 (2014: RMB235,447,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above.

The reversal of allowance for trade and other receivables made in prior years arose due to improvement in the repayment records of certain debtors.

6. INCOME TAX EXPENSE

(a) Income tax has been recognised in profit or loss as following:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current tax		
– People’s Republic of China (the “PRC”) Corporate Income Tax (“CIT”)		
Charge for the year	291,181	240,380
Under/(over) provision in previous year	<u>53,173</u>	<u>(31,540)</u>
	344,354	208,840
– PRC Land Appreciation Tax (“LAT”)	<u>423,266</u>	<u>270,970</u>
	<u>767,620</u>	<u>479,810</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(62,889)</u>	<u>(22,073)</u>
	<u><u>704,731</u></u>	<u><u>457,737</u></u>

(i) *CIT*

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands during the year (2014: RMB Nil).

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax during the year (2014: RMB Nil).

Pursuant to the income tax rules and regulations of the PRC, taxation for PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant cities in the PRC at 25% (2014: 25%).

Additionally, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and jurisdiction of the foreign investors. According to the tax treaty between Hong Kong Special Administrative Region and PRC for avoidance of double taxation and prevention of tax evasion, dividends declared from PRC subsidiaries to Hong Kong holding companies are subject to 5% withholding income tax from 1 January 2008 and onwards.

(ii) **PRC LAT**

PRC 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 lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of profit or loss as income tax. The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual PRC LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC LAT is calculated.

(b) **Reconciliation between income tax expense and accounting profit at applicable tax rates:**

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit before tax	<u>1,366,674</u>	<u>991,315</u>
Tax at the PRC CIT rate of 25%	341,669	247,829
Tax effect of non-deductible expenses	96,334	64,525
Tax effect of non-taxable income	(50,538)	(57,200)
Under/(over) provision in previous year	53,173	(31,540)
Tax effect of recognition of temporary difference not previously recognised	(53,356)	–
Temporary difference not included in deferred tax assets	–	30,896
PRC LAT	423,266	270,970
Tax effect of PRC LAT	<u>(105,817)</u>	<u>(67,743)</u>
Income tax expense	<u>704,731</u>	<u>457,737</u>

7. DIVIDENDS

(i) Dividends payable to owners of the Company attributable to the year:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of HK14.00 cents per ordinary share (equivalent RMB11.73 cents per ordinary share) (2014: HK16.00 cents per ordinary share (equivalent RMB12.62 cents per ordinary share))	76,522	82,003
Final dividend proposed after the end of the reporting period of HK20.25 cents per convertible preference share (equivalent RMB16.97 cents per convertible preference share) (2014: HK20.25 cents per convertible preference share (equivalent RMB15.98 cents per convertible preference share))	<u>16,291</u>	<u>15,341</u>
	<u><u>92,813</u></u>	<u><u>97,344</u></u>

(ii) Dividends payables to owners of the Company attributable to the previous financial year, approved and paid during the year:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK16.00 cents per ordinary share (equivalent RMB12.65 cents per ordinary share) (2014: HK8.00 cents per ordinary share (equivalent RMB6.34 cents per ordinary share))	82,510	41,191
Final dividend in respect of the previous financial year, approved and paid during the year, of HK20.25 cents per convertible preference share (equivalent RMB16.01 cents per convertible preference share) (2014: HK8.93 cents per convertible preference share (equivalent RMB7.08 cents per convertible preference share))	<u>15,367</u>	<u>6,795</u>
	<u><u>97,877</u></u>	<u><u>47,986</u></u>

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Earnings		
Earnings attributable to ordinary equity holders for the purpose of calculating basic earnings per share	257,675	319,233
Preference share dividends saving on conversion of convertible preference shares	<u>15,367</u>	<u>6,795</u>
Earnings attributable to ordinary equity holders for the purpose of calculating diluted earnings per share	<u>273,042</u>	<u>326,028</u>
	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	651,359,000	649,790,000
Effect of dilutive potential ordinary shares arising from convertible preference shares	<u>96,000,000</u>	<u>96,000,000</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>747,359,000</u>	<u>745,790,000</u>

There was no dilutive potential ordinary shares for the Company's share options (2014: Nil) during the year.

9. TRADE AND OTHER RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade receivables and bills receivable:		
Amounts due from fellow subsidiaries	20,548	12,530
Amounts due from third parties	260,632	279,311
Less: allowance for doubtful debts	<u>(10,753)</u>	<u>(10,368)</u>
	270,427	281,473
Prepayments, deposits and other receivables:		
Amounts due from fellow subsidiaries	6,448	4,648
Amounts due from associates	83,459	191,696
Amount due from an intermediate parent	1,197	1,197
Amounts due from third parties	<u>746,326</u>	<u>734,400</u>
	<u>837,430</u>	<u>931,941</u>
	<u><u>1,107,857</u></u>	<u><u>1,213,414</u></u>

Trade receivables are normally due within 60-120 days from the date of billing.

The amounts due from an intermediate parent and fellow subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in trade and other receivables are trade and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period.

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current	<u>259,291</u>	<u>261,760</u>
Less than 3 months past due	7,861	14,864
More than 3 months but less than 12 months past due	2,022	4,560
More than 12 months past due	<u>1,253</u>	<u>289</u>
Amount past due	<u>11,136</u>	<u>19,713</u>
	<u><u>270,427</u></u>	<u><u>281,473</u></u>

10. TRADE AND OTHER PAYABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade payables and bills payables:		
Amounts due to fellow subsidiaries	4,820	7,465
Amounts due to third parties	<u>1,018,533</u>	<u>804,531</u>
	1,023,353	811,996
Other payables and accruals:		
Amounts due to ultimate parents	4	–
Amounts due to intermediate parents	212,920	220,564
Amounts due to fellow subsidiaries	27,169	233,451
Amounts due to an associate	379,500	–
Amounts due to third parties	<u>1,269,211</u>	<u>1,099,611</u>
	<u>2,912,157</u>	<u>2,365,622</u>

- (a) Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the end of the reporting period:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Due within 3 months or on demand	<u>1,023,353</u>	<u>811,996</u>

- (b) 成都天府華僑城實業發展有限公司 (Chengdu Tianfu OCT Industry Development Company Limited) (“Chengdu OCT”) received advances amounting to RMB550,000,000 for construction of infrastructure facilities in previous years. As at 31 December 2015, the balance of the advances received deducting the carrying amount of the related infrastructure facilities was RMB196,036,000 (2014: RMB198,400,000), which was included in other payables.

Proposed Final Dividend and Closure of Register

The register of members of the Company will be closed from 9 May 2016 to 11 May 2016 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the forthcoming annual general meeting (the "Annual General Meeting"), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the Annual General Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 6 May 2016.

The Board recommends the payment of a final dividend (the "Final Dividend") of HK14 cents per share to shareholders whose names appear on the register of members of the Company on 20 May 2016. The register of members will be closed from 18 May 2016 to 20 May 2016, both days inclusive, and the proposed Final Dividend is expected to be paid on 23 June 2016. The payment of Final Dividend shall be subject to the approval of the shareholders at the Annual General Meeting to be held on 11 May 2016. In order to be qualified for the proposed Final Dividend, shareholders should deliver share certificates together with transfer documents to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 17 May 2016.

The Board has approved the payment of a preferential dividend of HK20.25 cents per share for the year ended 31 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2015, the global economy was moving along the path of recovery amidst twists and turns. Overall, developing countries faced slowdown in economic growth, while China's economy was further characterized by the "new normal state". Despite such complex domestic and international economic conditions, the Group adhered to its established strategy, and achieved steady development in its businesses leveraging on its extensive experience and high quality products.

During the Period Under Review, the Company recorded a revenue of approximately RMB6,436 million, representing an increase of approximately 69.5% over the corresponding period of 2014. Profit attributable to shareholders amounted to approximately RMB273 million, representing a decrease of approximately 16.3% as compared with the corresponding period of 2014. Excluding the effect of earnings from disposal of a subsidiary in 2014, the profit attributable to the shareholders increased significantly over the corresponding period of 2014.

COMPREHENSIVE DEVELOPMENT BUSINESS

In 2015, the People's Bank of China had initiated five rounds of cutting of Required Reserve Ratio (RRR) and interest rate, which resulted in the increase in market liquidity and decrease in capital cost. Due to these favorable factors, combined with favorable policy support resulting from the gradual release of purchase restriction on the purchase of second house in some cities, the domestic property market experienced a stable release in demand. In particular, both volume and price recorded a rise in first-tier and key second-tier cities. Overall, the property market saw improvement during the relevant period. Leveraging on the market opportunities, the Group achieved satisfactory operating results in its comprehensive development by taking advantage of its brand and greater promotional efforts.

During the Period Under Review, the comprehensive development business of the Company recorded a revenue of approximately RMB5,596 million, representing an increase of about 89.8% when compared with the corresponding period of 2014; profit attributable to shareholders amounted to approximately RMB255 million, representing a decrease of approximately 17.1% over the corresponding period of 2014. Excluding effect of earnings from disposal of a subsidiary in 2014, the profit attributable to the shareholders for comprehensive development business increased significantly over the corresponding period of 2014.

Strengthening Focused Areas and Enriching Resource Reserves

During the Period Under Review, the Group successfully acquired three new projects, namely the acquisition of the Chang'an Metropolis Centre Project in Xi'an, subscription for the shares in 成都文化旅遊發展股份有限公司 (Chengdu Culture & Tourism Development Company Limited) ("CDCT Development") and 成都體育產業有限責任公司 (Chengdu Sports Industry Company Limited) ("CSI Company"). These new projects will facilitate the expansion of the income sources of the Group and the enhancement in the overall return of the Group.

The OCT Chang'an Metropolis Project (owned as to 100% by the Company)

On 9 October 2015, the Group entered into an asset acquisition agreement with 長安控股 (集團) 有限責任公司 (Chang'an Holdings (Group) Company Limited) and its subsidiaries (the "Vendor") to acquire some properties in Building 2# and Building 3# and certain car parking spaces located at Chang'an Metropolis Centre, No. 88 Nanguanzheng Street, Xi'an, the PRC (the "OCT Chang'an Metropolis Project") for a consideration of approximately RMB1.59 billion. The aggregate gross floor area involved in such transactions was approximately 104,700 sq.m.. As one of the key cities involving the "One Belt and One Road" initiative developed by the Chinese government, Xi'an boasts economic vibrancy and significant potential for development. Located at the core business district of Zhonglou at the centre of Xi'an city, and adjacent to the Yongningmen metro station, the OCT Chang'an Metropolis Project enjoys superior location and convenient transportation as well as strong business atmosphere.

The OCT Chang'an Metropolis Project represents another strategic move of the Group subsequent to its involvement in the Xi'an OCT Project with participation interest. Up to February 2016, the Group has obtained the building ownership certificates of Building 2# and car parking spaces of the OCT Chang'an Metropolis Project and the retrofitting of Building 3# has also been commenced by the Vendor.

CDCT Development (owned as to 33.33% by Chengdu OCT)

On 24 April 2015, 成都天府華僑城實業發展有限公司 (Chengdu Tianfu OCT Industry Development Company Limited) (“Chengdu OCT”), a non-wholly owned subsidiary of the Group, won the public tender for the subscription of 25,000,000 shares of CDCT Development for a consideration of approximately RMB265 million (the “Subscription”). The shares under the Subscription represent approximately 33.33% of CDCT Development’s equity interests as enlarged by the Subscription. The Subscription has been completed in June 2015.

CDCT Development owns the Xiling Snow Mountain Ski Resort in the national forest park “Xiling Snow Mountain”, a national AAAA tourist attraction, as well as the high-quality assets including the auxiliary hotels and cableway in Dayi County, Chengdu, Sichuan Province. These assets will broaden the investment portfolio of the Group, and generate stable return for the Group. On 15 December 2015, the shares of CDCT Development were successfully listed on the National Equities Exchange and Quotation System (also known as the New Third Board).

CSI Company (owned as to 49% by Chengdu OCT)

On 18 December 2015, 成都華僑城創盈企業管理有限公司 (Chengdu OCT Chuang Ying Enterprise Management Company Limited) (“Chengdu Chuang Ying”), a wholly-owned subsidiary of Chengdu OCT, won the public tender in respect of the 15% equity interests in CSI Company held by 成都文化旅遊發展集團有限責任公司 (Chengdu Culture & Tourism Development Group Limited Liability Company) (“Chengdu Culture & Tourism”) at a total consideration of approximately RMB798 million and the capital injection of approximately RMB651 million into CSI Company (the “Transfer”) and entered into an agreement in respect of the Transfer on 25 December 2015. The Transfer has been completed in January 2016, Chengdu Chuang Ying owns 49% equity interests in the CSI Company.

CSI Company owns a parcel of land located in Luomashi business district, a core business district in Chengdu, Sichuan province, of which a site area of approximately 15,300 sq.m. will be developed for commercial purpose in the future and will be developed into a commercial complex project namely “the Vitality Centre”, which is a landmark building in the core area of the centre of Chengdu City. CSI Company owns and operates the largest stadium in Chengdu capable of accommodating about 40,000 persons for holding activities such as large-scale performances and sports competitions, which continuously generates revenue for CSI Company. The project will enlarge the portfolio of projects of the Group in Chengdu, and will enhance the Group’s brand influence in the city.

Current Projects Recorded Excellent Results from Market Opportunities

The Shanghai Suhewan Project (owned as to 50.5% by the Company)

The Shanghai Suhewan Project, which is developed by 華橋城（上海）置地有限公司 (Overseas Chinese Town (Shanghai) Land Company Limited) (“OCT Shanghai Land”), is advantageously situated at the junction of Suzhou River and Huangpu River banks, spanning across 1 km on the shorelines of Suzhou River and within the core district of the inner ring of Shanghai and possesses the scarce landscape resources. The project comprises three parcels of land, namely 1 Block, 41 Block and 42 Block with a total site area of approximately 71,000 sq.m., a gross floor area (above ground) of approximately 280,000 sq.m. and a total gross floor area of approximately 430,000 sq.m.. The project is a riverside city comprehensive project featuring a fusion of cultural heritage, art, fashion, commercial and residential properties as well as urban recreational facilities including multi-storey riverside residential buildings, luxury residential properties, apartment-style offices, luxury hotels, boutique business premises and studios for artists, etc.

In 2015, the residential and land markets in Shanghai remained buoyant. In particular, turnover of luxury residential properties with an average price of above RMB100,000 per sq.m. recorded explosive growth, and the volume of turnover hit a new high in terms of total volume of turnover for the corresponding periods in Shanghai. In 2015, in the face of fierce competition in the luxury residential property market, the Shanghai Suhewan Project stood out as the champion in terms of sales area and sales amount among the list of luxury properties with an national average price of above RMB100,000 per sq.m.. Such excellent performance was achieved by fully utilizing its multi-layer comprehensive advantages in location, planning, products, as well as promotion and operation. During the Period Under Review, the Shanghai Suhewan Project introduced waterfront multi-storey residential properties highly scarce in the market, luxury high-rise residential properties with excellent views, low-density residential properties, apartment-style offices and some of the boutique business premises. The contracted sales area and amount of Shanghai Suhewan Project were approximately 41,000 sq.m. and approximately RMB3.87 billion respectively, with contracted sales amount which substantially increased by approximately 171% as compared with the same period of 2014, and the settled area and amount were approximately 38,000 sq.m. and approximately RMB3.31 billion respectively, with settled amount greatly increasing by approximately 214.9% as compared with the same period of 2014.

In 2015, the Shanghai Suhewan Project won a number of major awards. In addition to the awards received from “International Property Awards 2015”, which is known as the “Real Estate Oscar”, including “Asia Pacific 2015 Highly Commended Apartment” and “Asia Pacific 2015 Highly Commended Residential Renovation/Redevelopment”, the project was also awarded the “Luban Award” granted by the PRC Ministry of Construction, which represented the supreme honour for quality of construction and engineering in the country.

With its gradual maturity, the Shanghai Suhewan Project presented the supreme quality of products to the market, established the most leading valued brand in the luxury residential market of Shanghai, and also effectively enhanced the overall value of the neighboring district and gradually makes Suhewan District a luxury homes district in the city centre of Shanghai.

The Chengdu OCT Project (owned as to 51% by the Company)

The Chengdu OCT Project is located at both sides of Shaxi Line of Outer Sanhuan Road, Jinniu District, Chengdu City, Sichuan Province, which has been developed into a composite project, comprising residential, commercial properties and a theme park, occupying a total site area of approximately 1,827,000 sq.m. and gross floor area of approximately 2,250,000 sq.m..

During the Period Under Review, Chengdu OCT recorded a revenue of approximately RMB2,287 million. Properties sold mainly comprised high-end office, high-rise residential properties, multi-storey residential properties and some of the low-density residential properties. During the Period Under Review, the contracted sales area and revenue of the residential and office property reached approximately 106,500 sq.m. and approximately RMB1.239 billion respectively, while the settled area and revenue was approximately 188,200 sq.m. and approximately RMB2.004 billion respectively. The current rentable area for commercial use is approximately 77,700 sq.m., of which 99% has been occupied, and was awarded “Chengdu Featured Business District” by the Bureau of Commerce of Chengdu. Chengdu Happy Valley achieved a revenue of approximately RMB283 million, with a visitor flow of approximately 2.53 million.

In 2015, the “OCT · Dong’an” developed by the Chengdu OCT won the “The Most Influential Villa in China 2015” award granted by the Chengdu Media Group. In January 2016, Chengdu OCT officially signed an agreement to introduce a Wal-Mart’s Sam’s Club store, the first in southwest China. It is expected that the store will become an important part of Chengdu OCT’s unique commercial street, marking the acceleration in the materialization of commercial facilities of Chengdu OCT.

Beijing Unique Garden (owned as to 33% by the Company)

Beijing Unique Garden, launched by 北京廣盈房地產開發有限公司 (Beijing Guangying Residential Property Development Limited), is located at Laiguangyingxiang in Chaoyang District, Beijing, with a total site area of approximately 73,000 sq.m. and a total gross floor area of approximately 182,000 sq.m.. The project consists of residential properties entirely and is scheduled to be completed in 2016. In 2015, the Beijing Unique Garden Project continued its hot sales, and recorded profits due to the commencement of recognition of revenue, and made profit contribution to the Company for the first time. During the Period Under Review, Beijing Unique Garden Project focused on the sales of high-rise residential properties. The contracted sales area and amount were approximately 41,000 sq.m. and approximately RMB2.248 billion respectively, and the settled area and amount were approximately 70,000 sq.m. and approximately RMB3.135 billion respectively. During the Period Under Review, Beijing Unique Garden contributed an investment return of approximately RMB188 million to the Company.

In 2015, Beijing Unique Garden was awarded the “The Most Influential Property in China 2015” granted on the FANG.COM fifteenth session of the Annual Meeting on Real Estate Development in China, and the “Quality Luxury Residential Property 2015” granted by the Beijing Times.

The Xi'an OCT Project (owned as to 25% by the Company)

Located at No. 2 of Second Beichitou Road, to the east of Tang Paradise, Qujiang New District, Xi'an City, Shanxi Province, Xi'an OCT Project is in proximity to several famous scenic spots. The land has a total site area of approximately 137,000 sq.m., most products are low density residential properties. During the Period Under Review, contracted sales area and revenue reached approximately 28,000 sq.m. and approximately RMB460 million respectively. The settled area and revenue were approximately 19,500 sq.m. and approximately RMB346 million respectively. During the Period Under Review, the project contributed approximately RMB1.505 million of investment returns to the Company.

The Chongqing Real Estate Project (owned as to 100% by the Company)

Located at Lijia Block, New North Zone, Chongqing, the Chongqing Real Estate Project has an aggregate site area of approximately 180,000 sq.m., which is expected to be developed into mid-to-high end high-rise residential properties and multi-storey residential properties with an aggregate gross floor area of not exceeding 440,000 sq.m. The Chongqing Real Estate Project enjoys a supreme location and with rich landscape resources, overlooking the panorama of Jialing River with a Happy Valley theme park and large greenbelt planned in the neighborhood. Affected by the municipal road planning, it is expected that the construction of Chongqing Real Estate Project will be commenced in 2016.

The Chengdu Jinhe Land Resumption Project and Chengdu Shaheyuan Land Consolidation Project

The Chengdu Jinhe Land Resumption Project and Chengdu Shaheyuan Land Consolidation Project are both located in Jinniu district in Chengdu and are adjacent to Chengdu OCT. In 2015, land resumption and plan adjustment of the Chengdu Jinhe Land Resumption Project has been completed. During the Period Under Review, the Chengdu Jinhe Land Resumption Project contributed approximately RMB44.944 million of investment return to Chengdu OCT (before capital costs).

Chengdu OCT has established a project company with 成都市鑫金農發投資有限公司 (Chengdu Xin Jin Nong Fa Investments Co., Ltd) for the Chengdu Shaheyuan Land Consolidation Project, with registered capital of RMB100 million. Chengdu OCT is interested in 80% equity interests in the project company. The Chengdu Shaheyuan Land Consolidation Project has obtained the approval from the Department of Land and Resources of Sichuan Province in September 2015.

PAPER PACKAGING BUSINESS

The Group has nearly 30 years of experience in the packaging and printing industry. It has set up five manufacturing bases and several subsidiaries in economically dynamic regions including the Pearl River Delta and Yangtze River Delta, which are located in Huizhou of Guangdong, Shanghai, Zhongshan of Guangdong, Chuzhou of Anhui and Suzhou of Jiangsu, respectively, and has built up the "Huali" brand with solid customer base and good market reputation.

In 2015, the manufacturing sector and enterprises engaging in packaging business, being the supporting sector of the former, faced notable pressure arising from overcapacity, decrease in order from overseas customers, sluggish sales, as well as continued rise in costs. In the face of these adverse factors in operating environment, the Group made greater efforts in exploring domestic market, innovating marketing system, and actively tapping into fast-growing market segments such as e-business and logistics. Through these initiatives, the Group secured customer orders despite various operating difficulties. In addition, the Group endeavoured to streamline its management of internal affairs to enhance operating efficiency and effect. In 2015, construction of the new factory of 蘇州華力環保包裝科技有限公司 (Suzhou Huali Environmental Packaging Technology Co., Ltd) (“Suzhou Huali”) was completed, which is scheduled to be put into operation in 2016. During the Period Under Review, our paper packaging business recorded a revenue of approximately RMB840 million, representing a decrease of approximately 1.0% as compared with the same period of 2014; and profit attributable to shareholders of the Company amounted to approximately RMB18.13 million, representing a decrease of approximately 1.6% over the same period of 2014.

FINANCIAL REVIEW

As at 31 December 2015, the Group’s total assets amounted to approximately RMB22,080 million, representing an increase of approximately 1.0% over that as at 31 December 2014; the Group’s total equity amounted to approximately RMB6,773 million, representing an increase of approximately 6.1% over that as at 31 December 2014, primarily due to the profit for the year.

For the year ended 31 December 2015, the Group realized revenue of approximately RMB6,436 million, representing an increase of approximately 69.5% over the same period in 2014, of which, revenue of the comprehensive development business was approximately RMB5,596 million, representing an increase of approximately 89.8% over the same period in 2014, primarily due to the significant increase in revenue from OCT Shanghai Land; and revenue of the paper packaging business was approximately RMB840 million, representing a decrease of approximately 1.0% over the same period in 2014, primarily due to the deduction of orders from existing customers as a result of the increasing market competition, but the Group had expanded into new sectors of the market to look for new customers to cope with this effect. Profit attributable to owners of the Company was approximately RMB273 million, representing a decrease of approximately 16.3% over the same period in 2014, of which, profit attributable to owners of the Company of the comprehensive development business was approximately RMB255 million, representing a decrease of approximately 17.1% over the same period in 2014, mainly due to the increase in sales and share of profits of associates being set off by the increase in the impairment losses on goodwill, and there was no gain on disposal of a subsidiary for the period (2014: approximately RMB336 million); and profit attributable to owners of the Company of the paper packaging business was approximately RMB18.13 million, representing a decrease of approximately 1.6% over the same period in 2014, due to the deduction of orders from existing customers as a result of the increasing market competition, but the Group had expanded into new sectors of the market to look for new customers to cope with this effect. The basic earnings per share for 2015 was RMB0.40, representing a decrease of approximately 18.4% as compared to the same period of 2014 (2014: RMB0.49).

During the Period Under Review, gross profit margin of the Group was approximately 31.4% (2014: approximately 32.8%), representing a decrease of approximately 1.4 percentage points over the same period in 2014, of which, the gross profit margin of the comprehensive development business was approximately 34.2%, representing a decrease of approximately 4.3 percentage points over the same period in 2014, mainly due to the decrease of revenue recognized during the period from units with high gross profit; and the gross profit margin of the paper packaging business was approximately 13.0%, which was substantially the same as compared to the same period of 2014. Net profit margin attributable to owners of the Company was approximately 4.2% (2014: approximately 8.6%), representing a decrease of approximately 4.4 percentage points over the same period in 2014, of which, the net profit margin attributable to owners of the comprehensive development business was approximately 4.6%, representing a decrease of approximately 5.8 percentage points over the same period in 2014; and the net profit margin attributable to owners of the paper packaging business was approximately 2.2%, which was substantially the same as compared to the same period of 2014.

Distribution Costs and Administrative Expenses

Distribution costs of the Group for the year ended 31 December 2015 were approximately RMB285 million (2014: approximately RMB221 million), representing an increase of approximately 28.5% over the same period in 2014, mainly due to the increase in promotion expenses for the comprehensive development business as compared to that of last year.

The Group's administrative expenses for the year ended 31 December 2015 were approximately RMB250 million (2014: approximately RMB190 million), representing an increase of approximately 31.3% over the same period in 2014, which was mainly due to the increase of daily operating expenses and labor costs for the comprehensive development business.

Interest Expenses

The interest expenses of the Group were approximately RMB223 million for the year ended 31 December 2015 (2014: approximately RMB190 million), representing an increase of approximately 17.4% over the same period in 2014, of which interest expenses of comprehensive development business were approximately RMB217 million, representing an increase of approximately 18.0% over the same period in 2014, mainly due to the increased amount of loan for building new theme park facilities of the Company's subsidiary; interest expenses of paper packaging business were approximately RMB5.48 million, representing a decrease of approximately 2.3% over the same period in 2014, mainly due to decrease in the amount of the loans related to paper packaging business for the Period Under Review.

Dividends

The Board has resolved to recommend the payment of a final dividend of HK14.00 cents per ordinary share for the year ended 31 December 2015 (2014: HK16.00 cents per ordinary share).

The Board has resolved to approve the payment of a preferential dividend of approximately HK20.25 cents per convertible preference share for the year ended 31 December 2015 (2014: approximately HK20.25 cents).

Inventories, Debtors' and Creditors' Turnover

For the year ended 31 December 2015, the Group's inventory turnover days for the paper packaging business were 32 days, representing a decrease of 3 days as compared to 35 days for the year ended 31 December 2014, which was due to the decline in inventory. The Group's debtors' turnover days for the paper packaging business were 116 days for the year ended 31 December 2015, which was substantially the same as compared to 114 days for the year ended 31 December 2014. The Group's creditors' turnover days for the paper packaging business were 62 days for the year ended 31 December 2015, representing a decrease of 14 days as compared to 76 days for the year ended 31 December 2014, which was mainly due to the shortened credit period granted by the suppliers.

Liquidity, Financial Resources and Capital Structure

The total equity of the Group as at 31 December 2015 was approximately RMB6,773 million (31 December 2014: approximately RMB6,384 million). As at 31 December 2015, the Group had current assets of RMB17,665 million (31 December 2014: RMB18,677 million) and current liabilities of RMB6,971 million (31 December 2014: RMB5,510 million). The current ratio was 2.53 as at 31 December 2015, decreased by 0.86 as compared to that as at 31 December 2014 (31 December 2014: 3.39), which was mainly due to the transfer of part of the loans from non-current liabilities to current liabilities in the Period Under Review. The Group generally finances its operations with internally generated cash flow and credit facilities provided by banks and shareholder's loan.

As at 31 December 2015, the Group had outstanding bank and other loans of RMB4,131 million, without any fixed-rate loans (31 December 2014: outstanding bank and other loans of RMB3,522 million, without any fixed-rate loans). As at 31 December 2015, the bank loan interest rates of the Group ranged from 2.14% to 6.64% per annum (while for the year ended 31 December 2014, the bank loan interest rates of the Group ranged from 1.50% to 6.64% per annum). Some of those bank loans were secured by floating charges of certain inventories of the Group and corporate guarantees provided by certain subsidiaries of the Company. The Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 48.9% as at 31 December 2015, representing a decrease of approximately 4.1 percentage points as compared to 53.0% as at 31 December 2014, which was mainly due to the year-on-year decrease in interest-bearing liabilities at the end of the Period Under Review.

As at 31 December 2015, approximately 36.9% of the total amount of outstanding bank and other loans of the Group amounting to HK\$1,821 million was in Hong Kong Dollars (31 December 2014: 34.0%), and approximately 24.4% of which amounting to US\$155 million was in United States Dollars (31 December 2014: 30.0%). As at 31 December 2015, approximately 78.2% of the total amount of cash and cash equivalents of the Group was in Renminbi (31 December 2014: 69.8%), approximately 19.2% of its cash and cash equivalents was in Hong Kong Dollars (31 December 2014: 7.4%) and approximately 2.6% of its cash and cash equivalents was in United States Dollars (31 December 2014: 9.7%).

The Group's liquidity position remains stable. The Group's transactions and monetary assets are principally denominated in Renminbi, Hong Kong Dollars and United States Dollars. The Group has not experienced any material difficulties in or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2015. During the year ended 31 December 2015, the Group did not enter into any foreign exchange forward contracts and other material financial instruments for hedging foreign exchange risks purpose.

Employees and Remuneration Policy

As at 31 December 2015, the Group employed approximately 2,691 full-time staff members. The basic remunerations of the employees are determined with reference to the industry's remuneration benchmark, the employees' experience and their performance, and equal opportunities will be offered to all staff members. Salaries of the employees are maintained at a competitive level and are reviewed annually, with reference to the relevant labour market and economic situation. Directors' remuneration is determined basing on a variety of factors such as market conditions and responsibilities assumed by each director. Apart from the basic remuneration and statutory benefits, the Group also provides discretionary bonuses based on the Group's results and the individual performance of the staff.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staffs. The Group maintains a good relationship with its employees. Most members of senior management have been working for the Group for many years.

Under the ordinary resolution passed at the extraordinary general meeting on 15 February 2011, the Board adopted a new share option scheme and simultaneously terminated the share option scheme which was adopted by the Company on 12 October 2005. During the year ended 31 December 2015, 2,576,000 share options in total were exercised.

Contingent Liabilities

The Group had no contingent liabilities as of 31 December 2015.

Important Events

Acquisition of the CDCT Development Project

On 24 April 2015, Chengdu OCT won the public tender for the Subscription of 25,000,000 shares in CDCT Development for a consideration of RMB265,250,000. The shares under the Subscription represent approximately 33.33% of CDCT Development's equity interests as enlarged by the Subscription. For further details, please refer to the announcement of the Company dated 24 April 2015.

Acquisition of the OCT Chang'an Metropolis Project

On 9 October 2015, the Group entered into an asset acquisition agreement with 長安控股 (集團) 有限責任公司 (Chang'an Holdings (Group) Company Limited) and its subsidiaries to acquire Building 2# and Building 3# (excluding storey 52001) and 270 designated car parking spaces located at Chang'an Metropolis Centre for a consideration of approximately RMB1.59 billion. The aggregate gross floor area involved in such transactions was approximately 104,700 sq.m.. For further details, please refer to the announcements of the Company dated 9 October 2015, 27 October 2015, 18 November 2015, 19 November 2015 and 24 November 2015, and the circular of the Company dated 24 November 2015.

Acquisition of the CSI Company Project

On 18 December 2015, Chengdu Chuang Ying, a wholly-owned subsidiary of Chengdu OCT, won the public tender in respect of the 15% equity interests in CSI Company held by Chengdu Culture & Tourism (the "Sale Equity Interests") and the capital injection of RMB651 million into CSI Company (the "Subscription Equity Interests"). Chengdu Chuang Ying has entered into an agreement with Chengdu Culture & Tourism and CSI Company on 25 December 2015 for the acquisition of the Sale Equity Interests and the Subscription Equity Interests at a consideration of approximately RMB798 million. Subsequent to the Transfer, Chengdu Chuang Ying owns 49% equity interests in the CSI Company. For further details, please refer to the announcements of the Company dated 3 December 2015, 18 December 2015, 11 January 2016, 13 January 2016, and the circular of the Company dated 21 January 2016.

Subsequent Event(s)

Acquisition of Chengdu Baoxin Quansheng

On 7 March 2016, Chengdu Chuang Ying, a wholly-owned subsidiary of Chengdu OCT, entered into a cooperation agreement with 成都保鑫投資有限公司 (Chengdu Baoxin Investment Company Limited) (“Chengdu Baoxin Investment”) to acquire 50% equity interest in 成都市保鑫泉盛房地產開發有限公司 (Chengdu Baoxin Quansheng Real Estate Development Company Limited) (“Chengdu Baoxin Quansheng”) at a consideration of RMB25 million. Chengdu Chuang Ying and Chengdu Baoxin Investment shall provide shareholders’ loan to Chengdu Baoxin Quansheng in proportion to their respective equity interests in Chengdu Baoxin Quansheng and provide corporate guarantees required for the bank loan(s) to be obtained by Chengdu Baoxin Quansheng, the total amount of which shall not exceed RMB1.95 billion. Chengdu Baoxin Quansheng owned a land located in Jinniu District with a total site area of approximately 58,300 sq.m and total gross floor area not more than 174,900 sq.m. For more details, please refer to the announcement of the Company dated 7 March 2016.

OUTLOOK

Looking forward to 2016, with the US Federal Reserve initiating the cycle of rising interest rates, we have witnessed a decrease in global capital flowing into, even a reflux from, emerging economies, and a continuous fall in international commodity prices. Economies around the world are facing various challenges. In terms of domestic economy, performance of the “troika”, namely investment, consumption and import was relatively weak, and downward pressure on the economy still existed. Benefiting from a series of proactive initiatives implemented by the Chinese government, such as “One Belt One Road”, “reform of the supply side” and “innovation-driven”, we anticipate acceleration in the pace of structural adjustment of the economy, and sustained improvement in the quality of economic growth.

In 2016, the Chinese government will adhere to the basic principle of “promoting consumption and focusing on destocking” for its policies of property development, with a view to releasing the demand, and will continue to promote the establishment and construction of the long-term mechanism for regulation over the property market. In view of this, the Group remains cautiously optimistic on the domestic property market in 2016. The Group’s projects are located in the first-tier and second-tier core cities which still have relatively great development potential, which are beneficial for the development of the business of the Group.

COMPREHENSIVE DEVELOPMENT BUSINESS

In 2016, based on market conditions, the Group will focus on destocking, accelerating the speed of turnover of its assets, and increasing operational efficiency. In view of the stabilization of property market, as well as the solid customer base built over the long term, and the satisfactory quality of products and services, we are confident that these projects will deliver positive results.

The Company has made the following plans for the projects in 2016 according to its established development plan and various market conditions faced by each project:

The Shanghai Suhewan Project will continue to sell other residential and commercial buildings, accelerate the construction and pre-opening preparation, and make efforts to launch the high-end served department into the market in the year, with a saleable area of approximately 76,000 sq.m. Subsequent to the formal integration of the Jing'an District with the Zhabei District in Shanghai, the Suhewan segment, where the Shanghai Suhewan Project is located, will become a core segment of the new Jing'an District, and is expected to gain more impetus for development. Currently, the area has attracted a number of multinational and large property developers. As an iconic commercial complex project, the Shanghai Suhewan Project will remain in the spotlight of the market. The Chengdu OCT Project will launch the high-end custom villa in the only eyot of the downtown of Chengdu and a new batch of high-rise residential properties, and continue its sale of low-density residential properties and high-end office products, with saleable area of approximately 304,000 sq.m., and speed up its commercial development. The first Wal-Mart Sam's Club store in the Southwest China is expected to open in 2017. The Beijing Unique Garden Project will continue the sales of high-rise residential properties. As at the end of 2015, the total amount of Beijing Unique Garden sold but not recognized was approximately RMB5.27 billion, and will continue to contribute significant investment return to the Group in the future. Retrofitting of Building 3# of the OCT Chang'an Metropolis Project will be completed and leasing will be launched in 2016. It is expected that the project will generate steady return for the Group.

Looking forward to 2016, we will continue to adhere to industry-leading development concept and clear market orientation, fully utilize our advantages, and make active efforts in seeking land resources and project merger and acquisition opportunities which are in line with the Group's strategic positioning. In the meantime, we will enrich our portfolio of quality project reserve, with a view to strengthening the potential for future development of the Company.

PAPER PACKAGING BUSINESS

Looking into 2016, leading by the strategies such as "Industry 4.0" in the era of "Internet+" and "Made in China 2025", the pace of industrial transformation and upgrading speeded up further. The paper packaging business will see new development opportunities. However, the Group will still face fierce market competition within this sector. In 2016, the new factory of Suzhou Huali will be put into operation. These developments will further enhance its productivity, resulting in effective improvement in the market sale and presence of the Group in the Yangtze River Delta regions. The Group will continue to expand markets, further optimize customer structure, and expand market sales, while making greater efforts in the reform of equipment and logistics automation, with a view to enhancing operational efficiency. In addition, the Group will also speed up the innovation of its packaging business, with a focus on the innovation of products, technologies and management. Efforts will also be made to the expansion of the scope of its operations, as well as to the enhancement of research & development and design capabilities in packing and integrated services.

The Board has full confidence in the development prospect in the future. The Group will also strive to bring satisfactory return to its shareholders supported by its parent company, Overseas Chinese Town Enterprise Company (華僑城集團公司) and by leveraging the brands, resources and experience advantages of its parent company in the composite project development area and through innovation development and win-win cooperation.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not purchased its own listed shares during the reporting period. During the period, save as disclosed in this announcement, the Company or any of its subsidiaries has not purchased or sold or redeemed any of the listed shares in the Company.

CORPORATE GOVERNANCE REPORT

The Company believes that high standard corporate governance and highly efficient management team are very important in enhancing the investors' confidence and the return to the shareholders, and can also increase long-term share value. Therefore, the Company is committed to implementing and maintaining a high standard of corporate governance, emphasizing good communication with shareholders and investors, and nurturing the corporate culture of strict code of conduct, with a view to continuously improving the Company's transparency in management. This includes timely, comprehensive and accurate disclosure of information of the Company to safeguard the shareholders' interest and to raise long-term share value.

The Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2015.

AUDIT COMMITTEE

This results announcement and audited financial statements of the Company for the year ended 31 December 2015 have been reviewed by the audit committee of the Company before they were presented to the Board for approval.

By Order of the Board
Overseas Chinese Town (Asia) Holdings Limited
Wang Xiaowen
Chairman

Hong Kong, 16 March 2016

As at the date of this announcement, the Board comprises seven Directors, including three executive Directors namely Ms. Wang Xiaowen, Ms. Xie Mei and Mr. Lin Kaihua, one non-executive Director namely Mr. Zhou Ping and three independent non-executive Directors namely Mr. Lu Gong, Ms. Wong Wai Ling and Professor Lam Sing Kwong Simon.