

Under the rules of the Shanghai Stock Exchange on which Jiangsu Future Land Co., Ltd. ("Jiangsu Future Land"), our subsidiary has its B-shares listed, Jiangsu Future Land is required to publish, on a quarterly basis, reports containing unaudited financial statements. Since Jiangsu Future Land published certain financial statements for the nine months ended 30 September 2012 in the PRC prior to the date of this prospectus, the Company has prepared condensed consolidated interim financial information of Jiangsu Future Land as of and for the nine months ended 30 September 2012 in accordance with Hong Kong Financial Reporting Standards and has included such condensed consolidated interim financial information in this prospectus.

A. UNAUDITED INTERIM FINANCIAL INFORMATION

(a) Condensed Consolidated Statement of Financial Position

	Note	As at 30 September 2012 RMB'000	As at 31 December 2011 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	103,222	104,968
Investment properties		4,200	4,200
Intangible assets		3,884	2,935
Investments in associates	5	231,607	235,000
Deferred income tax assets	15	318,447	291,375
Available-for-sale financial assets	6	161,187	156,000
Land use rights	7	367,248	367,248
		<u>1,189,795</u>	<u>1,161,726</u>
Current assets			
Prepayments for leasehold land	8	2,553,591	1,633,867
Properties held or under development for sale ..	9	22,765,805	20,935,378
Trade and other receivables and prepayments ..	10	1,939,606	1,529,311
Restricted cash		540,847	176,436
Cash and cash equivalents		3,308,986	3,592,637
		<u>31,108,835</u>	<u>27,867,629</u>
Total assets		<u>32,298,630</u>	<u>29,029,355</u>
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of Jiangsu Future Land			
Issued and fully paid capital	11	1,593,187	1,593,187
Reserves		2,822,917	2,304,402
		<u>4,416,104</u>	<u>3,897,589</u>
Non-controlling interests		<u>203,703</u>	<u>185,041</u>
Total equity		<u>4,619,807</u>	<u>4,082,630</u>
LIABILITIES			
Non-current liabilities			
Borrowings	13	3,325,000	4,889,200
Deferred income tax liabilities	15	132,330	68,855
		<u>3,457,330</u>	<u>4,958,055</u>
Current liabilities			
Trade and other payables	14	5,829,381	5,155,771
Advances from pre-sale of properties		14,591,305	10,918,112
Current income tax liabilities		595,302	861,424
Borrowings	13	3,205,505	3,053,363
		<u>24,221,493</u>	<u>19,988,670</u>
Total liabilities		<u>27,678,823</u>	<u>24,946,725</u>
Total equity and liabilities		<u>32,298,630</u>	<u>29,029,355</u>
Net current assets		<u>6,887,342</u>	<u>7,878,959</u>
Total assets less current liabilities		<u>8,077,137</u>	<u>9,040,685</u>

(b) Condensed Consolidated Statement of Income

	Note	Nine months ended 30 September	
		2012	2011
		RMB'000	RMB'000
Revenue		6,147,268	3,148,738
Cost of sales	16	(4,693,372)	(2,267,426)
Gross profit		1,453,896	881,312
Selling and marketing costs	16	(225,700)	(204,142)
Administrative expenses	16	(244,310)	(228,383)
Other income		1,098	5,749
Other expenses		(3,245)	(4,690)
Other gains – net		11,674	55,594
Operating profit		993,413	505,440
Finance income	17	26,751	8,493
Finance costs	17	(39,431)	(55,994)
Finance costs – net		(12,680)	(47,501)
Share of results of an associated company		(3,393)	–
Profit before income tax		977,340	457,939
Income tax expense	18	(376,557)	(207,688)
Profit for the period		600,783	250,251
Attributable to:			
Equity holders of Jiangsu Future Land		582,121	238,887
Non-controlling interests		18,662	11,364
		600,783	250,251
Earnings per share for profit attributable to equity holders of Jiangsu Future Land			
– Basic and diluted	19	RMB0.37	RMB0.15

(c) Condensed Consolidated Statement of Comprehensive Income

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Profit for the period	600,783	250,251
Other comprehensive income	–	–
Total comprehensive income for the period	600,783	250,251
Attributable to:		
Equity holders of Jiangsu Future Land	582,121	238,887
Non-controlling interests	18,662	11,364
	600,783	250,251

(d) Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of Jiangsu Future Land					
	Share capital	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2012	1,593,187	190,077	2,114,325	3,897,589	185,041	4,082,630
Total profit and comprehensive income for the period	–	–	582,121	582,121	18,662	600,783
Transactions with owners						
Pre-IPO share award scheme						
– value of employee services (Note 12)	–	16,053	–	16,053	–	16,053
Cash dividend (Note 20)	–	–	(79,659)	(79,659)	–	(79,659)
	–	16,053	(79,659)	(63,606)	–	(63,606)
Balance at 30 September 2012	1,593,187	206,130	2,616,787	4,416,104	203,703	4,619,807
Balance at 1 January 2011	1,062,125	186,812	1,589,581	2,838,518	87,533	2,926,051
Total profit and comprehensive income for the period	–	–	238,887	238,887	11,364	250,251
Transactions with owners						
Stock dividend (Note 11)	531,062	–	(531,062)	–	–	–
Cash dividend (Note 20)	–	–	(63,727)	(63,727)	–	(63,727)
Capital contribution from non-controlling interests	–	–	–	–	55,000	55,000
Pre-IPO share award scheme						
– value of employee services (Note 12)	–	1,038	–	1,038	–	1,038
	531,062	1,038	(594,789)	(62,689)	55,000	(7,689)
Balance at 30 September 2011	1,593,187	187,850	1,233,679	3,014,716	153,897	3,168,613

(e) Condensed Consolidated Statement of Cash Flows

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	1,113,090	(2,114,989)
Net cash generated from/(used in) investing activities	12,976	(46,657)
Net cash (used in)/generated from financing activities	(1,409,717)	583,711
Net decrease in cash and cash equivalents	(283,651)	(1,577,935)
Cash and cash equivalents at beginning of the period	3,592,637	2,927,394
Cash and cash equivalents at end of the period	3,308,986	1,349,459

(f) Notes to the Condensed Interim Financial Information**1 GENERAL INFORMATION**

Jiangsu Future Land Co., Ltd. (“Jiangsu Future Land”) is a joint stock limited liability company incorporated in Changzhou, Jiangsu Province, the People’s Republic of China (the “PRC”) on 10 October 1997 and its B shares are listed on the Shanghai Stock Exchange of the PRC. Jiangsu Future Land was 53.93% owned by Future Land Development Holdings Limited (the “Company”).

Jiangsu Future Land and its subsidiaries (together, “Jiangsu Future Land Group”), are principally engaged in property development and management in the PRC.

This condensed interim financial information of Jiangsu Future Land Group as of and for the nine months ended 30 September 2012 has been prepared by the board of directors of the Company for inclusion in Appendix IA to the prospectus of the Company dated 19 November 2012 (the “Prospectus”) in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. The consolidated financial information of the Company for the years ended 31 December 2009, 2010, 2011 and the six months ended 30 June 2011 and 2012 (the “Financial Information”) has been included in Appendix I to the Prospectus.

This condensed consolidated interim financial information is presented in thousands of Renminbi (“RMB”), unless otherwise stated and were approved and authorised for issue by the board of directors of the Company on 19 November 2012.

This condensed consolidated interim financial information has not been audited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

This condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

2.2 Accounting policies

The accounting policies applied are consistent with those used by the Company in preparing its Financial Information set out in Appendix I to the Prospectus.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New standards, amendments and interpretations to existing standards that are effective during this interim period have been adopted consistently throughout the interim period unless prohibited by the standards to apply retrospectively. There are no new or amended standards or interpretations that are effective for the first time for this interim period which have a material impact on the financial statements of Jiangsu Future Land Group.

2.3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are similar to those of the Company as described in its Financial Information set out in Appendix I to the Prospectus.

2.4 Financial risk management**2.4.1 Financial risk factors**

Jiangsu Future Land Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

As a major subsidiary of the Company, Jiangsu Future Land Group has similar financial risks and managing efforts as those of the Company as described in its Financial Information set out in Appendix I to the Prospectus.

(f) Notes to the Condensed Interim Financial Information (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Financial risk management (Continued)

2.4.2 Market risk

(i) Foreign exchange risk

Jiangsu Future Land Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of Jiangsu Future Land Group's assets and liabilities are denominated in RMB. Accordingly, it is not exposed to significant foreign currency risk.

(ii) Price risk

The following table summarises other comprehensive income increase/decrease as a result of gains/losses on equity securities classified as available for sale if the fair value of the securities increase/decrease by 5%.

	Nine months ended 30 September 2012	Year ended 31 December 2011
	RMB'000	RMB'000
– 5 percent higher	6,045	5,850
– 5 percent lower	(6,045)	(5,850)

(iii) Cash flow and fair value interest rate risk

As at 31 December 2011 and 30 September 2012, if interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest for the year ended 31 December 2011 and nine months ended 30 September 2012 would have changed as follows:

	Nine months ended 30 September 2012	Year ended 31 December 2011
	RMB'000	RMB'000
Post-tax profit increase/(decrease)		
– 50 basis points higher	(2,220)	–
– 50 basis points lower	2,220	–
Capitalised interest increase/(decrease)		
– 50 basis points higher	20,487	27,520
– 50 basis points lower	(20,487)	(27,520)

(f) Notes to the Condensed Interim Financial Information (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Financial risk management (Continued)

2.4.3 Credit risk

Jiangsu Future Land Group has no significant concentrations of credit risk. The carrying amounts of bank deposits and trade and other receivables included in the consolidated statements of financial position represent Jiangsu Future Land Group's maximum exposure to credit risk in relation to its financial assets.

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2011 and 30 September 2012:

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Counter party		
Deposits in the four major state-owned banks of the PRC	2,934,076	3,034,899
Deposits in other listed banks of the PRC	757,667	679,324
Deposits in other banks	140,745	41,339
	<u>3,832,488</u>	<u>3,755,562</u>

2.4.4 Liquidity risk

The table below analyses Jiangsu Future Land Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2011				
Borrowings, principal (Note 13)	3,089,200	2,871,200	2,018,000	7,978,400
Interest payments on borrowings	892,543	595,939	164,102	1,652,584
Trade and other payables (excluding taxes payable)	4,990,575	–	–	4,990,575
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 22)	3,450,098	308,901	–	3,758,999
	<u>12,422,416</u>	<u>3,776,040</u>	<u>2,182,102</u>	<u>18,380,558</u>
As at 30 September 2012				
Borrowings, principal (Note 13)	3,205,505	1,197,000	2,128,000	6,530,505
Interest payments on borrowings	462,219	214,084	118,701	795,004
Trade and other payables (excluding taxes payable)	5,728,397	–	–	5,728,397
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 22)	3,802,309	1,700,965	–	5,503,274
	<u>13,198,430</u>	<u>3,112,049</u>	<u>2,246,701</u>	<u>18,557,180</u>

(f) Notes to the Condensed Interim Financial Information (Continued)**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.4 Financial risk management (Continued)****2.4.5 Capital risk management**

The gearing ratios at 31 December 2011 and 30 September 2012 were as follows:

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Borrowings	6,530,505	7,942,563
Less: Cash and cash equivalents	(3,308,986)	(3,592,637)
Net debt	3,221,519	4,349,926
Total equity	4,619,807	4,082,630
Total capital	7,841,326	8,432,556
Gearing ratio	41%	52%

2.4.6 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents Jiangsu Future Land Group's assets and liabilities that are measured at fair value at 31 December 2011 and 30 September 2012.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Available-for-sale financial assets				
31 December 2011	–	–	156,000	156,000
30 September 2012	–	–	161,187	161,187

The changes in level 3 instruments for each of the nine months ended 30 September 2011 and 2012 are presented in Note 6.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

Jiangsu Future Land Group is regarded as one reportable segment by the CODM. All the property development projects of Jiangsu Future Land Group are in the PRC and all the revenue of Jiangsu Future Land Group are derived from the PRC.

(f) Notes to the Condensed Interim Financial Information (Continued)

4 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Furniture, fittings and equipment	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Nine months ended					
30 September 2012					
Opening net book amount	55,250	14,777	11,760	23,181	104,968
Additions	–	568	5,204	2,816	8,588
Disposals	(156)	(2)	(12)	–	(170)
Depreciation charge	(1,434)	(1,667)	(2,694)	(4,369)	(10,164)
Closing net book amount	<u>53,660</u>	<u>13,676</u>	<u>14,258</u>	<u>21,628</u>	<u>103,222</u>
At 30 September 2012					
Cost	59,562	23,934	25,248	31,901	140,645
Accumulated depreciation	<u>(5,902)</u>	<u>(10,258)</u>	<u>(10,990)</u>	<u>(10,273)</u>	<u>(37,423)</u>
Net book value	<u>53,660</u>	<u>13,676</u>	<u>14,258</u>	<u>21,628</u>	<u>103,222</u>
Nine months ended					
30 September 2011					
Opening net book amount	11,544	18,333	7,745	2,891	40,513
Additions	46,013	1,195	6,983	22,926	77,117
Disposals	(1,031)	(456)	(665)	–	(2,152)
Depreciation charge	(726)	(2,429)	(2,779)	(3,325)	(9,259)
Closing net book amount	<u>55,800</u>	<u>16,643</u>	<u>11,284</u>	<u>22,492</u>	<u>106,219</u>
At 30 September 2011					
Cost	59,926	26,574	18,860	25,817	131,177
Accumulated depreciation	<u>(4,126)</u>	<u>(9,931)</u>	<u>(7,576)</u>	<u>(3,325)</u>	<u>(24,958)</u>
Net book value	<u>55,800</u>	<u>16,643</u>	<u>11,284</u>	<u>22,492</u>	<u>106,219</u>

Depreciation charges of Jiangsu Future Land Group have all been included in administrative expenses or selling and marketing costs for the nine months ended 30 September 2011 and 2012.

(f) Notes to the Condensed Interim Financial Information (Continued)

5 INVESTMENTS IN ASSOCIATES

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
	RMB'000	RMB'000
Opening balance (a, b)	235,000	10,000
Investment in Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (Shanghai Wan Zhi Cheng") (b)	–	5,000
Share of results	(3,393)	–
Ending balance	<u>231,607</u>	<u>15,000</u>

Jiangsu Future Land Group's interests in the associates as of and for the nine months ended 30 September 2011 and 2012 are as follows:

- (a) Shanghai Lan Tian Business Development Property Co., Ltd. ("Shanghai Lan Tian") was established on 4 August 2010. Jiangsu Future Land Group owns 20% of equity interest in this company.
- (b) Shanghai Wan Zhi Cheng was established on 29 March 2011. Jiangsu Future Land Group owns 50% of equity interest in this company.

Jiangsu Future Land Group accounts for its investment in Shanghai Wan Zhi Cheng as an associate although Jiangsu Future Land Group holds 50% of equity interests. According to the contract with the other 50% equity interest holder of Shanghai Wan Zhi Cheng, the other investor controls Shanghai Wan Zhi Cheng with majority seats on the board of directors and other contractual rights. Jiangsu Future Land Group, however, has significant influence over Shanghai Wan Zhi Cheng.

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
	RMB'000	RMB'000
Opening balance (a)	156,000	156,000
Acquisitions (b, c)	5,187	38,066
Disposal (b)	–	(38,066)
Ending balance	<u>161,187</u>	<u>156,000</u>

Jiangsu Future Land Group's available-for-sale financial assets as of and for the nine months ended 30 September 2011 and 2012 are as follows:

- (a) On 2 September 2010, Jiangsu Future Land Group acquired 1% equity interest in Bank of Suzhou at a consideration of RMB156,000,000. There is no significant change in fair value of the financial asset as at 30 September 2011 or 30 September 2012 from the acquisition cost.
- (b) On 29 March 2011, Jiangsu Future Land Group acquired 5% equity interest in Suzhou Fei Cui International Community Property Co., Ltd. at a consideration of RMB38,065,500. This equity interest was disposed at a proceed of RMB88,065,500 on 9 September 2011.
- (c) On 10 April 2012, Jiangsu Future Land Group acquired 6.19% equity interest in Shanghai Jingying Investment Management Limited Partnership at a consideration of RMB5,187,000. There is no significant change in fair value of the financial asset as at 30 September 2012 from the acquisition cost.

(f) Notes to the Condensed Interim Financial Information (Continued)**7 LAND USE RIGHTS**

The balance represents land use rights to be used for development of properties for sale in the future.

8 PREPAYMENTS FOR LEASEHOLD LAND

The balance represents prepayments made by Jiangsu Future Land Group for the acquisition of leasehold land.

9 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Leasehold land to be developed	1,755,861	2,363,519
Properties under development for sale	19,258,793	17,034,007
Properties held for sale.	2,220,551	2,020,252
	<u>23,235,205</u>	<u>21,417,778</u>
Less: Provision for impairment loss.	(469,400)	(482,400)
	<u><u>22,765,805</u></u>	<u><u>20,935,378</u></u>

The properties held or under development for sale are all located in the PRC.

Borrowing costs capitalised in properties under development for sale and held for sale for each of the nine months ended 30 September 2012 and 2011 are approximately RMB502,663,000 and RMB413,599,000 respectively.

The capitalisation rates of borrowings were 9.93% and 8.87% for the nine months ended 30 September 2012 and the year ended 31 December 2011.

As at 30 September 2012 and 31 December 2011, Jiangsu Future Land Group's following leasehold land to be developed and properties under development for sale were pledged as collateral for Jiangsu Future Land Group's borrowings (Note 13).

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Carrying value pledged:		
Leasehold land to be developed	642,204	674,912
Properties under development for sale	6,929,353	8,196,044
	<u><u>6,929,353</u></u>	<u><u>8,196,044</u></u>

(f) Notes to the Condensed Interim Financial Information (Continued)

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Trade receivables	4,611	7,097
Less: Provision for impairment of receivables	–	–
Trade receivables – net	4,611	7,097
Receivable from a related party (Notes 23)	230,367	390,367
Prepaid business tax and surcharges (i)	802,686	601,103
Prepaid income tax and land appreciation tax (i)	477,775	371,418
Tender deposits (ii)	281,030	–
Deposits with public housing fund centres (iii)	91,251	80,861
Prepayments for construction costs	12,580	48,797
Others	39,306	29,668
	<u>1,939,606</u>	<u>1,529,311</u>

(i) Business tax, surcharges and land appreciation tax are levied when Jiangsu Future Land Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by Jiangsu Future Land Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.

(ii) This balance represents the tender deposits for bidding of land use rights, which were subsequently collected upon the close of the tender.

(iii) The balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of Jiangsu Future Land Group. Such deposits will be released upon the transfer of the properties' ownership certificate to these purchasers.

11 SHARE CAPITAL

	Number of B shares	B shares of RMB1 each
	(thousands)	RMB'000
Issued and fully paid:		
At 1 January 2011	1,062,125	1,062,125
Stock dividend	531,062	531,062
At 31 December 2011	<u>1,593,187</u>	<u>1,593,187</u>
Issued and fully paid:		
At 1 January 2012 and at 30 September 2012	<u>1,593,187</u>	<u>1,593,187</u>

According to the resolution of the shareholders' meeting dated 20 April 2011, Jiangsu Future Land distributed bonus shares to all the shareholders on 5-for-10 basis based on 1,062,124,800 shares issued. The total number of bonus shares distributed was 531,062,400.

(f) Notes to the Condensed Interim Financial Information (Continued)**12 SHARE-BASED PAYMENTS**

Jiangsu Future Land Group recognised an expense of RMB16,053,000 and RMB1,038,000 for the nine months ended 30 September 2012 and 30 September 2011 respectively.

13 BORROWINGS

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Non-current, secured and borrowed from:		
– Banks (a)	4,549,370	4,978,900
– Trust financing arrangements		
– conventional loan (b)	802,200	1,027,200
– equity with repurchase obligation (b)	300,000	1,067,163
	<u>5,651,570</u>	<u>7,073,263</u>
Less: Current portion of long-term borrowings	(2,326,570)	(2,184,063)
	<u>3,325,000</u>	<u>4,889,200</u>
Current, secured and borrowed from:		
– Banks (a)	229,060	120,000
– Trust financing arrangements		
– conventional loan (b)	219,875	319,300
– equity with repurchase obligation (b)	430,000	430,000
Add: Current portion of long-term borrowings	2,326,570	2,184,063
	<u>3,205,505</u>	<u>3,053,363</u>

(a) Jiangsu Future Land Group's bank borrowings are secured by leasehold land to be developed, properties under development (Note 9), shares of subsidiaries and bank deposits of Jiangsu Future Land Group or guaranteed by subsidiaries of Jiangsu Future Land for each other or by Mr. Wang.

(b) These borrowings are mainly in the form of trust financing arrangements with trust financing companies. The conventional loan trust financing arrangements are loan agreements entered into by Jiangsu Future Land Group and trust financing companies. The equity with repurchase obligation trust financing arrangements involves either capital increase in, or transfer of equity interest in project companies with repurchase obligation. The substance of the type of trust financing arrangement is borrowing, with the equity interest in the project companies legally transferred as collateral. The borrowings under trust financing arrangements are secured by certain properties under development for sale (Note 9) and shares of subsidiaries of Jiangsu Future Land Group or guaranteed by Mr. Wang (Note 23).

(f) Notes to the Condensed Interim Financial Information (Continued)**13 BORROWINGS (Continued)**

Movements in borrowings are analysed as follows:

	RMB'000
Nine months ended 30 September 2012	
Opening amount as at 1 January 2012	7,942,563
Proceeds from borrowings	
– Banks	1,997,560
– Trust financing arrangements – conventional loan	219,875
Repayments of borrowings	
– Banks	(2,318,030)
– Trust financing arrangements – conventional loan	(544,300)
– Trust financing arrangements – equity with repurchase obligation	(767,163)
Closing amount as at 30 September 2012	<u>6,530,505</u>
Nine months ended 30 September 2011	
Opening amount as at 1 January 2011	6,466,250
Proceeds from borrowings	
– Banks	2,377,778
– Trust financing arrangements – conventional loan	802,200
Repayments of borrowings	
– Banks	(999,025)
– Trust financing arrangements – conventional loan	(600,000)
– Trust financing arrangements – equity with repurchase obligation	(754,875)
Closing amount as at 30 September 2011	<u>7,292,328</u>

14 TRADE AND OTHER PAYABLES

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Trade payables	4,975,851	4,651,420
Notes payable	507,240	39,121
Payable to a related party (Note 23)	15,795	3,825
Business and other taxes payable	100,984	165,196
Maintenance & decoration fees collected on behalf	81,939	74,384
Deed tax collected on behalf	25,558	63,303
Accrued payroll	9,101	38,172
Interest payable	68,396	55,128
Temporary funding payables (i)	18,000	18,000
Others	26,517	47,222
	<u>5,829,381</u>	<u>5,155,771</u>

(i) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.

As at 30 September 2012 and 31 December 2011, the aging of the majority of trade payables are less than one year.

(f) Notes to the Condensed Interim Financial Information (Continued)**15 DEFERRED INCOME TAX**

The gross movement on the deferred income tax account is as follows:

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Opening balance	222,520	96,201
(Charged)/credited to the statements of income (Note 18).	(36,403)	5,962
Ending balance	<u>186,117</u>	<u>102,163</u>

16 EXPENSES BY NATURE

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

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Land use rights costs	1,334,442	462,293
Construction costs	2,654,485	1,452,475
Capitalised interest	277,651	87,887
Business tax and surcharges (a).	341,898	172,908
Accrual of provision for properties held for sale	–	10,344
Depreciation of property, plant and equipment (Note 4).	10,164	9,259
Amortisation of intangible assets.	803	411
Bank charges	4,498	13,871
Staff costs	232,444	196,931
Entertainment expenses	35,213	38,019
Stamp duty and other taxes	13,136	12,993
Professional fees	1,486	515
Auditors' remuneration	1,125	900
Sales commission.	76,722	54,127
Advertising and publicity costs	118,246	121,940
Rental expenses.	8,164	8,096
Travelling expenses	2,764	3,432
Other expenses	50,141	53,550
Total cost of sales, selling and marketing costs and administrative expenses	<u>5,163,382</u>	<u>2,699,951</u>

- (a) The PRC companies now comprising Jiangsu Future Land Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax.

(f) Notes to the Condensed Interim Financial Information (Continued)

17 FINANCE COSTS – NET

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Finance costs		
– Interest on bank loans and trust financing arrangements	(542,094)	(469,593)
– Less: Interest capitalised	502,663	413,599
Total finance costs	<u>(39,431)</u>	<u>(55,994)</u>
Finance income		
– Interest income on bank deposits	26,751	8,493
Net finance costs	<u>(12,680)</u>	<u>(47,501)</u>

18 INCOME TAX EXPENSE

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax	165,255	114,328
– PRC corporate income tax	174,899	99,322
	340,154	213,650
Deferred income tax	36,403	(5,962)
Total income tax charged for the period	<u>376,557</u>	<u>207,688</u>

PRC corporate income tax

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law"), which became effective on 1 January 2008. Under the CIT Law, the CIT rate applicable to Jiangsu Future Land Group from 1 January 2008 is 25%.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statements of income as income tax expense.

(f) Notes to the Condensed Interim Financial Information (Continued)**19 EARNINGS PER SHARE**

Basic earnings per share for the nine months ended 30 September 2011 and 2012 is calculated by dividing the profit of Jiangsu Future Land Group attributable to equity holders of Jiangsu Future Land by the weighted average number of ordinary shares in issue during each period, as adjusted for the bonus shares distribution as disclosed in Note 11 as if it had occurred on 1 January 2011.

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
Consolidated profit attributable to equity holders of Jiangsu Future Land . .	582,121	238,887
Weighted average number of ordinary shares in issue ('000)	1,593,187	1,593,187

20 DIVIDENDS

According to the resolution of the shareholders' meeting dated 25 April 2012, Jiangsu Future Land declared cash dividend amounting to RMB79,659,000 (2011: RMB63,727,000) to the shareholders, representing RMB0.05 per share for total 1,593,187,200 shares issued.

21 COMMITMENTS**(a) Property development expenditure commitments**

Property development expenditure committed at the reporting period end but not yet incurred is as follows:

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Contracted but not provided for	4,356,947	3,908,514

(b) Operating lease commitments

The future aggregated minimum rental expenses at the reporting period end in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Within 1 year	10,069	7,823
1 to 5 years	10,020	10,012
	20,089	17,835

(f) Notes to the Condensed Interim Financial Information (Continued)**22 FINANCIAL GUARANTEES****(i) Guarantees on mortgage facilities**

Jiangsu Future Land Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities at the end of the reporting period:

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of Jiangsu Future Land Group's properties	<u>5,503,274</u>	<u>3,758,999</u>

(ii) There are certain corporate guarantees provided by Jiangsu Future Land Group's subsidiaries for each other in respect of borrowings (Note 13) as at 31 December 2011 and 30 September 2012. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

(iii) In November 2011, Jiangsu Future Land Group pre-sold 100 apartments of Project Legend Mansion at total amount of RMB330 million with price adjustment features. Selling price of these apartments is subject to adjustments upon delivery based on the average selling price of Project Legend Mansion three months preceding the delivery date. As at 30 September 2012, no such adjustment is expected, after considering the market condition and the current actual sales price of the project.

23 RELATED-PARTY TRANSACTIONS**(a) Name and relationship with related parties**

Name	Relationship with Jiangsu Future Land Group
Mr. Wang.	The controlling shareholder and a director of Jiangsu Future Land
Future Land Holdings Co., Ltd. (新城控股集團有限公司).	Parent of Jiangsu Future Land
Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (上海萬之城房地產開發有限公司)	An associate of Jiangsu Future Land Group
Changzhou Future Land Wansheng Real Estate Co., Ltd. (常州新城萬盛房地產有限公司)	A company controlled by the same parent company

(f) Notes to the Condensed Interim Financial Information (Continued)**23 RELATED-PARTY TRANSACTIONS (Continued)****(b) Transactions with related parties**

Besides the guarantees as disclosed in Note 13, Jiangsu Future Land Group has the following related party transactions:

	Nine months ended 30 September	
	2012	2011
	RMB'000	RMB'000
(i) Rental income		
– Changzhou Future Land Wansheng Real Estate Co., Ltd. .	3,181	–
(ii) Fundings from a related party		
– Future Land Holdings Co., Ltd.	11,970	–
(iii) Borrowings guaranteed by a related party (Note 13)		
	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
– Mr. Wang	652,200	901,500

(c) Related-party balances

	As at 30 September 2012	As at 31 December 2011
	RMB'000	RMB'000
(i) Amount due from a related party (Note 10)		
– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	230,367	390,367
(ii) Amount due to a related party (Note 14)		
– Future Land Holdings Co., Ltd.	15,795	3,825

24 EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in this condensed consolidated interim financial information, there is no material subsequent event undertaken by Jiangsu Future Land Group after 30 September 2012.

B. REPORT FROM THE REPORTING ACCOUNTANT

The following is the text of a report received from our reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in connection with the unaudited interim financial information of Jiangsu Future Land Co., Ltd. for the nine months ended 30 September 2012 for the purposes of incorporation in this prospectus.



羅兵咸永道

REPORT ON REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF JIANGSU FUTURE LAND CO., LTD.

TO THE BOARD OF DIRECTORS OF FUTURE LAND DEVELOPMENT HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages IA-1 to IA-18, which comprises the condensed consolidated statement of financial position of Jiangsu Future Land Co., Ltd. and its subsidiaries as at 30 September 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information (the “Interim Financial Information”). The directors of Future Land Development Holdings Limited are responsible for the preparation and presentation of the Interim Financial Information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on the Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 19 November 2012