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This announcement is not an offer of securities for sale or the solicitation of an offer to buy securities in the United States or in any country or jurisdiction in which any such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such country or jurisdiction. No securities may be offered or sold in the United States absent registration or an exemption from registration. Public offerings of securities in the United States must be made by means of a prospectus that may be obtained from the company making the offer and that contains detailed information about such company and its management and financial statements. The Company has not registered and does not intend to register any of the Notes in the United States.



MODERN LAND (CHINA) CO., LIMITED

當代置業（中國）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1107)

ISSUANCE OF USD350,000,000 6.875% SENIOR NOTES DUE 2019

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of Modern Land (China) Co., Limited (the “**Company**”) dated 13 October 2016 and 14 October 2016 in relation to the Notes Issue (the “**Announcements**”). All capitalised terms used herein have the same meaning as defined in the Announcements, unless otherwise defined.

Please refer to the attached offering memorandum in relation to the Notes Issue (the “**Offering Memorandum**”), which is available on the website of the Singapore Exchange Securities Trading Limited as of 21 October 2016.

The posting of the Offering Memorandum on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Offering Memorandum does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities.

The Offering Memorandum must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. No investment decision should be based on the information contained in the Offering Memorandum.

By order of the Board
Modern Land (China) Co., Limited
Zhang Peng
President and Executive Director

Hong Kong, 21 October 2016

As at the date of this announcement, the Board comprises eight Directors, namely executive Directors: Mr. Zhang Lei, Mr. Zhang Peng and Mr. Chen Yin; non-executive Directors: Mr. Fan Qingguo and Mr. Zhong Tianxiang; and independent non-executive Directors: Mr. Qin Youguo, Mr. Cui Jian and Mr. Hui Chun Ho, Eric.

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE OF THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the preliminary offering memorandum. In accessing the preliminary offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

The following preliminary offering memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the "EU Prospectus Directive"). The following offering memorandum has been prepared on the basis that all offers of the Notes made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

Confirmation and your representation: In order to be eligible to view the preliminary offering memorandum or make an investment decision with respect to the securities, investors must be located outside the United States. By accepting the e-mail and accessing the preliminary offering memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such offering memorandum by electronic transmission.

Within the United Kingdom, the preliminary offering memorandum is being directed solely at and may only be communicated to persons: who (i) fall within Article 19(5) or Article 49(2)(a)-(d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (ii) are outside the United Kingdom, or (iii) are persons to whom an invitation or inducement to engage in an investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated (all such persons collectively being referred to as "Relevant Persons"). The preliminary offering memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the preliminary offering memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. The preliminary offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person. Any person who is not a Relevant Person should not act or rely on the offering memorandum or any of its contents.

You are reminded that the preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession the preliminary offering memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the preliminary offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

The preliminary offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Guotai Junan Securities (Hong Kong) Limited, Morgan Stanley & Co. International plc, The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, VTB Capital plc and Zhongtai International Securities Limited as the joint lead managers, or any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the joint lead managers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



Modern Land (China) Co., Limited

(incorporated in the Cayman Islands with limited liability)

US\$350,000,000

6.875% Senior Notes Due 2019

Issue Price: 99.667%

Our 6.875% senior notes due 2019 (the “Notes”) will bear interest from October 20, 2016 at 6.875% per annum, payable semi-annually in arrear on April 20 and October 20 of each year, beginning April 20, 2017. The Notes will mature on October 20, 2019.

The Notes are senior obligations of Modern Land (China) Co., Limited (the “Company”), guaranteed by our existing subsidiaries (the “Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the section entitled “Description of the Notes.” We refer to the guarantees by the Subsidiary Guarantors as Subsidiary Guarantees. Under certain circumstances and subject to certain conditions, a Subsidiary Guarantee required to be provided by our subsidiary may be replaced by a limited-recourse guarantee (the “JV Subsidiary Guarantee”). We refer to the subsidiaries providing a JV Subsidiary Guarantee as “JV Subsidiary Guarantors”. The Notes and the Subsidiary Guarantees will be secured by a pledge of the capital stock of all of the Subsidiary Guarantors (the “Collateral”).

At any time and from time to time prior to October 20, 2019, we may redeem up to 35% of the Notes, at a redemption price of 106.875% of the principal amount, plus accrued and unpaid interest, if any, in each case, using the net cash proceeds from sales of certain kinds of capital stock. In addition, we may redeem the Notes at any time prior to October 20, 2019, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus (i) accrued and unpaid interest (if any) to (but not including) the redemption date and (ii) a premium as set forth in this offering memorandum. Upon the occurrence of a Change of Control Triggering Event (as defined in the indenture governing the Notes (the “Indenture”)), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. Furthermore, in the event of Delisting (as defined herein), each holder of the Notes shall have the right, at such holder’s option, to require the Company to redeem all or some of such holder’s Notes at 101% of their principal amount together with accrued interest to, but not including, the date of redemption.

The Notes will be (i) senior in right of payment to any of our existing and future obligations expressly subordinated in right of payment to the Notes, (ii) at least *pari passu* in right of payment with the 2013 Notes, the January 2014 Notes and the July 2014 Notes as defined in the section entitled “Description of the Notes” and all our other unsecured, unsubordinated indebtedness (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law), (iii) effectively subordinated to the other secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor (other than the Collateral), and (iv) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined in the section entitled “Description of the Notes”). In addition, applicable law may limit the enforceability of the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) and the pledge of any collateral. See “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral.”

For a more detailed description of the Notes, see the section entitled “Description of the Notes” beginning on page 179.

The Notes are being issued as “Green Bonds” under our Green Bond Framework. See the section entitled “Notes Being Issued as Green Bonds” beginning on page 57.

Investing in the Notes involves risks. See the section entitled “Risk Factors” beginning on page 20.

Approval in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle granted by the SGX-ST for the listing and quotation of the Notes is not to be taken as an indication of the merits of the Notes, the Company and/or the Subsidiary Guarantors.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or under any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Notes are being offered and sold by the Initial Purchasers (as defined in this offering memorandum) only outside the United States in offshore transactions in reliance on Regulation S. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this offering memorandum, see the section entitled “Plan of Distribution” and “Transfer Restrictions.”

The Notes are expected to be rated B+ by Fitch Ratings and B2 by Moody’s Investor’s Service. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Fitch Ratings or Moody’s Investor’s Service. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

With reference to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the “NDRC Notice”) promulgated by National Development and Reform Commission (the “NDRC”) of the PRC on September 14, 2015 which came into effect on the same day, we have registered the issuance of the Notes with the NDRC and obtained a certificate from the NDRC dated October 9, 2016 evidencing such registration. Pursuant to the registration certificate, we will cause relevant information relating to the issue of the Notes to be reported to the NDRC within 10 PRC working days after the issue date of the Notes.

It is expected that the delivery of the Notes will be made on or about October 20, 2016 through the book-entry facilities of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”) against payment therefor in immediately available funds.

Joint Global Coordinators

Guotai Junan International

Morgan Stanley

HSBC

Joint Bookrunners and Joint Lead Managers

**Guotai Junan
International**

Morgan Stanley

HSBC

UBS

VTB Capital

**Zhongtai
International**

Joint Green Structuring Advisors

HSBC

SEB

The date of this offering memorandum is October 13, 2016.

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This offering memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time after that date.

This offering memorandum is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the “EU Prospectus Directive”). This offering memorandum has been prepared on the basis that all offers of the Notes made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

The SGX-ST assumes no responsibility for the contents of this offering memorandum, makes no representation as to the accuracy or completeness of the statements made or opinions expressed herein and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

IN CONNECTION WITH THIS OFFERING, EACH OF THE INITIAL PURCHASERS (AS DEFINED BELOW), AS STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE INITIAL PURCHASERS, AND NOT FOR US OR ON OUR BEHALF.

We, having made all reasonable inquiries, confirm that: (i) this offering memorandum contains all information with respect to us, our subsidiaries and affiliates referred to in this offering memorandum and the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this offering memorandum relating to us and our subsidiaries and our affiliates are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering memorandum with regard to us and our subsidiaries and affiliates are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to us, our subsidiaries and affiliates, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) the omission of which would, in the context of the issue and offering of the Notes, make this offering memorandum, as a whole, misleading in any material respect; and (v) we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. We accept responsibility accordingly.

This offering memorandum is highly confidential. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this offering memorandum before making a decision whether to purchase the Notes. You must not use this offering memorandum for any other purpose, or disclose any information in this offering memorandum to any other person.

We have prepared this offering memorandum, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section entitled “Transfer Restrictions” below.

None of Guotai Junan Securities (Hong Kong) Limited, Morgan Stanley & Co. International plc, The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, VTB Capital plc and Zhongtai International Securities Limited, as the initial purchasers of the Notes (the “Initial Purchasers”), Citicorp International Limited, as trustee (the “Trustee”) and collateral agent (the “Collateral Agent”), Citibank, N.A., London Branch, as paying and transfer agent (the “Paying Agent”) and registrar (the “Registrar”) or any of their respective affiliates or advisors makes any express or implied representation or warranty as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Collateral Agent or any of their respective affiliates or advisors whether as to the past or the future. The Initial Purchasers, the Trustee, the Paying Agent, the Registrar and the Collateral Agent have not independently verified such information and assume no responsibility for its accuracy or completeness. To the fullest extent permitted by law, the Initial Purchasers do not accept any responsibility for the contents of this offering memorandum or for any statement made or purported to be made by the Initial Purchasers or on their behalf in connection with the Company or the issue and offering of the Notes.

You should rely only on the information contained in this offering memorandum. We have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers, the Trustee, the Paying Agent, the Registrar or the Collateral Agent.

Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Collateral Agent or any person affiliated with such persons in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any) (other than as contained herein and information given by our duly authorized officers and employees in connection with investors’ examination of our company and the terms of the offering of the Notes) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers, the Trustee, the Paying Agent, the Registrar or the Collateral Agent. Notwithstanding anything herein to the contrary, the Paying Agent, the Registrar and the Collateral Agent are solely agents for the Company or the Trustee, as the case may be, and at no time assume duties, obligations or a position of trust for the holders of the Notes.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States.

We are not, and the Initial Purchasers are not, making an offer to sell the Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), in any jurisdiction except where an offer or sale is permitted. The distribution of this offering memorandum and the offering of the securities, including the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. For a description of the restrictions on offers, sales and resales of the securities, including the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), and distribution of this offering memorandum, see the sections entitled “Transfer Restrictions” and “Plan of Distribution” below.

This offering memorandum summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. We are not making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own professional advisors for legal, business, tax and other advice regarding an investment in the Notes.

We reserve the right to withdraw the offering of Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for or purchase of the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “we,” “us,” “our,” the “Company,” the “Group” and words of similar import, we are referring to Modern Land (China) Co., Limited itself or Modern Land (China) Co., Limited and its consolidated subsidiaries, as the context requires.

Market data, industry forecast and the PRC and property industry statistics in this offering memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe this information to be reliable, it has not been independently verified by us or the Initial Purchasers or our or their respective directors and advisors, and neither we, the Initial Purchasers nor our or their directors and advisors make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate. You should not unduly rely on such market data, industry forecast and the PRC and property industry statistics.

In this offering memorandum, all references to “US\$” and “U.S. dollars” are to United States dollars, the official currency of the United States of America (the “United States” or “U.S.”); all references to “HK\$” and “H.K. dollars” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC (“Hong Kong” or “HK”); and all references to “RMB” or “Renminbi” are to the Renminbi, the official currency of the People’s Republic of China (“China” or the “PRC”).

We record and publish our financial statements in Renminbi. Unless otherwise stated in this offering memorandum, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB6.6459 to US\$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2016, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK\$7.7591 to US\$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2016. All such translations in this offering memorandum are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see the section entitled “Exchange Rate Information.”

References to “PRC” and “China,” in the context of statistical information and description of laws and regulations in this offering memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC (“Macau”) or Taiwan. “PRC government” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Our financial statements are prepared in accordance with International Financial Reporting Standards (the “IFRS”) which differ in certain respects from generally accepted accounting principles in certain other countries.

Unless the context otherwise requires, references to “2013,” “2014” and “2015” in this offering memorandum are to our financial years ended December 31, 2013, 2014 and 2015, respectively.

References to “2013 Notes” are to our 13.875% senior notes due 2018.

References to “January 2014 Notes” are to our 11.0% senior notes due 2017.

References to “July 2014 Notes” are to our 12.75% senior notes due 2019.

References to “Reorganization” are to our corporate reorganization before the initial public offering of our shares on the Hong Kong Stock Exchange in July 2013.

References to “share” are to, unless the context indicates otherwise, an ordinary share, with a nominal value of US\$0.01, in our share capital.

References to “ASP” are to average selling prices.

References to “sq.m.” are to square meters.

References to “Common Housing” are to housing that satisfies the following conditions: (1) the volumetric fraction of the buildings in residential communities shall be more than 1.0, (2) the floor space of a single set of apartment shall be less than 120 square meters, and (3) the bargaining price is 1.2 times lower than the average price of those houses as built on the land at an identical level. All provinces, autonomous regions and municipalities directly under the PRC central government formulate the specific standards for Common Housing. The floor space and the price of a single set of apartment can be adjusted to within 20% of the above standard.

A property is considered sold after we have executed the purchase contract with a customer and have delivered the property to the customer. All site area and gross floor area (“GFA”) information presented in this offering memorandum represents the site area and GFA of entire projects, including areas attributable to the minority shareholders of our non-wholly owned project companies.

In this offering memorandum, a land grant contract refers to a state-owned land use rights grant contract (國有土地使用權出讓合同) between a developer and the relevant PRC governmental land administrative authorities, typically the local state-owned land bureaus.

In this offering memorandum, a land use rights certificate refers to a state-owned land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights; a construction land planning permit refers to a construction land planning permit (建設用地規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction work planning permit refers to a construction work planning permit (建設工程規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction permit refers to a construction work commencement permit (建築工程施工許可證) issued by local construction committees or equivalent authorities in China; a pre-sale permit refers to a commodity property pre-sale permit (商品房預售許可證) issued by local housing and building administrative bureaus or equivalent authorities with respect to the pre-sale of relevant properties; a certificate of completion refers to a construction project clearance certificate (建設工程竣工驗收備案登記證) issued by local urban zoning and planning bureaus or equivalent authorities or equivalent certificate issued by relevant authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection; and a land use rights ownership certificate refers to a property ownership and land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights and the ownership rights of the buildings on the relevant land.

In this offering memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to such rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes “forward-looking statements.” All statements other than statements of historical fact contained in this offering memorandum, including, without limitation, those regarding our future financial position and results of operations, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include, the words “believe,” “expect,” “aim,” “intend,” “will,” “may,” “anticipate,” “seek,” “should,” “could,” “would,” “plan,” “potential,” “continue,” “estimate” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantees of future performance and some of which may not materialize or may change. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- the performance and future developments of the property market in the PRC or any region in the PRC or elsewhere in which we engage in property development;
- the global economic environment and industry outlook generally;
- any prospective financial information regarding our businesses;
- our dividend policy;
- projects under development or held for future development;
- the availability and costs of and changes to bank loans and other forms of financing;
- changes in political, economic, legal and social conditions in the PRC, including the PRC government policies concerning land supply, the availability and cost of financing, and pre-sales, pricing and volume of our property development projects;
- changes in competitive conditions and our ability to compete under these conditions;
- our ability to manage our growth and our geographically diversified business including our proposed expansion plan in the United States;
- our ability to acquire and develop land;
- cost and supply of construction materials and labor;
- the performance of the obligations and undertakings of the independent contractors under various construction, building, interior decoration, material and equipment supply and installation contracts;
- the timely repayments by purchasers of our properties of mortgage loans guaranteed by us;
- the performance of the obligations and commitments of our joint venture partners under the existing and future joint venture agreements;
- changes in currency exchange rates;
- our business and operating strategies;
- our capital expenditure and property development plans;

- the amount and nature of, and potential for, future development of our business;
- various business opportunities that we may pursue;
- the interpretation and implementation of the existing rules and regulations relating to land appreciation tax (“LAT”) and its future changes in enactment, interpretation or enforcement;
- the regulatory environment of our industry in general;
- significant delay in obtaining various permits, proper legal titles or approvals for our properties under development or held for future development, and for our operations; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this offering memorandum. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this offering memorandum. Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this offering memorandum might not occur in the way we expect, or at all.

ENFORCEMENT OF CIVIL LIABILITIES

We are an exempted company incorporated in the Cayman Islands with limited liability, and each Subsidiary Guarantor and JV Subsidiary Guarantor (if any) is also incorporated or may be incorporated, as the case may be, outside the United States, such as the British Virgin Islands and Hong Kong. The Cayman Islands, the British Virgin Islands, Hong Kong and other jurisdictions have different bodies of securities laws from the United States and protections for investors may differ.

Most of our assets and most of the assets of the Subsidiary Guarantors are, and all or most of the assets of the JV Subsidiary Guarantors (if any) may be, located outside the United States. In addition, all of our directors and officers and the directors and officers of the Subsidiary Guarantors are, and all or most of the directors and officers of the JV Subsidiary Guarantors (if any) may be, nationals or residents of countries other than the United States (principally in the PRC), and all or a substantial portion of such persons’ assets are located or may be located, as the case may be, outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us, any of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) or such persons or to enforce against us, any of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) or such persons judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

We and each of the Subsidiary Guarantors expect to appoint National Corporate Research, Ltd. as an agent to receive service of process with respect to any action brought against us or any of the Subsidiary Guarantors in the United States federal courts located in the Borough of Manhattan, the City of New York under the federal securities laws of the United States or of any state of the United States or any action brought against us or any of the Subsidiary Guarantors in the courts of the State of New York in the Borough of Manhattan, the City of New York under the securities laws of the State of New York.

There is uncertainty as to whether the courts of the Cayman Islands would (i) enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States; or (ii) entertain original actions brought in the courts of the Cayman Islands against us or our directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States.

We have been advised by our Cayman Islands legal counsel, Conyers Dill & Pearman, that the courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment *in personam* obtained in any U.S. federal or New York state court located in the borough of Manhattan, City of New York against the Company under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an *in personam* judgment for non-monetary relief, and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

There is also uncertainty as to whether the courts of the British Virgin Islands would (i) enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States; or (ii) entertain original actions brought in the courts of the British Virgin Islands against us or our directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States.

We have been advised by our British Virgin Islands legal counsel, Conyers Dill & Pearman, that the courts of the British Virgin Islands would recognize as a valid judgment, a final and conclusive judgment *in personam* obtained in any U.S. federal or New York state court located in the borough of Manhattan, City of New York against the Company under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment, (b) such courts did not contravene the rules of natural justice of the British Virgin Islands, (c) such judgment was not obtained by fraud, (d) the enforcement of the judgment would not be contrary to the public policy of the British Virgin Islands, (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the British Virgin Islands and (f) there is due compliance with the correct procedures under the laws of the British Virgin Islands.

Further, we have been advised by our PRC legal adviser, JunHe LLP, that there is uncertainty as to whether the courts of the PRC would (i) enforce judgments of the U.S. courts obtained against us or our directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States or (ii) entertain original actions brought in the courts of the PRC against us or our directors and officers predicated upon the federal securities laws of the United States or the securities laws of any state or territory within the United States.

We have been advised by our Hong Kong legal adviser, Sidley Austin, that Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. However, under Hong Kong common law, a foreign judgment (including one from a court in the United States predicated upon U.S. federal or state securities laws) may be enforced in Hong Kong by bringing an action in a Hong Kong court, and then seeking summary or default judgment on the strength of the foreign judgment, provided that the foreign judgment is for a debt or definite sum of money and is final and conclusive on the merits. In addition, the Hong Kong courts may refuse to recognize or enforce a foreign judgment if such judgment:

- (a) was obtained by fraud;
- (b) was rendered by a foreign court that lacked the appropriate jurisdiction at the time (as determined by Hong Kong jurisdictional rules);
- (c) is contrary to public policy or natural justice;
- (d) is for multiple penal damages;
- (e) is based on foreign penal, revenue or other public law;
- (f) falls within Section 3(1) of the Foreign Judgment (Restriction on Recognition and Enforcement) Ordinance; or
- (g) is inconsistent with a prior Hong Kong judgment or foreign judgment which is entitled to recognition in Hong Kong.

SUMMARY

This summary does not contain all the information that may be important to you in deciding to invest in the Notes. You should read the entire offering memorandum, including the section entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.

OVERVIEW

We are a property developer focused on the development of green, energy-saving and eco-friendly residences in the PRC. We commenced our property development business in Beijing in 2000, and have expanded our operations to Shanghai, Suzhou, Taiyuan, Changsha, Nanchang, Wuhan, Hefei, Xi’an, Nanjing, Foshan, Dongdaihe, Jiujiang and Xiantao.

We highly regard corporate social responsibility, and are committed to delivering comfortable and eco-friendly residential properties to the market. We believe our residential properties under our “MOMA” brand enjoy broad recognition among our customers, and “MOMA” has become one of the few brand names that are representative of green building design and construction. We have, over the years, developed a technology system combining energy-saving and eco-friendly construction technologies and techniques designed to provide energy-saving and comfortable living experience to our customers.

We have developed and maintained strong relationships with many internationally reputable design organizations and architects. We have received numerous awards recognizing the energy-saving function and quality of our products, including the following:

- Our Wan Guo Cheng MOMA project was awarded the “Asian Technology Application Award for Green Ecology Habitation” by the Asian Habitat Society, the Asian Real Estate Society and the World Association of Chinese Architects;
- Our Modern MOMA project was granted the “Elite Foundation Sci-Tech Awards – Residential Commodity Green Ecological Technology Gold Award” by the All-China Federation of Industry and the Commerce Residential Industry Chamber of Commerce in September 2004, and achieved the designation of “Stage 3, Certified” from the U.S. Green Building Council, Natural Resources Defense Council and Congress for the New Urbanism under the Leadership in Energy and Environmental Design (“LEED”) for Neighborhood Development Pilot in October 2011. Eight buildings of this project were awarded the three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in June 2013;
- Our MOMA Forest Forever project was listed among the “IHA Special Contribution Awards for Green Building in China – Best Practices in Green Building Project” by the International Housing Association;
- Our Hefei Modern MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in July 2016;
- One building of our Jiu Jiang Man Ting Chun MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in October 2014; and
- One building of our Nanchang Man Ting Chun MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in September 2011.

We have a diversified product portfolio comprised of three product lines, namely, Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA. They provide different features catering to customer classes with different needs and purchasing power, from high-end to mid-end customers to the general public. Please refer to “Our Property Development Process—Product lines” for details about their features and target customers.

We have adopted and implemented prudent business expansion and land acquisition strategies, and have built our land reserves in strategically important regions where our technologies can be widely applied under local climate conditions. As of June 30, 2016, we had a total of 33 property development projects in the PRC, all of which except Modern City Garden, a project that did not deploy our energy-saving technologies are under our “MOMA” brand, at various stages of development, including completed projects with a total GFA of approximately 4,473,098 sq.m. and projects under development with a total planned GFA of approximately 5,163,037 sq.m. Seven of our projects are located in Beijing and the rest are located in Shanghai, Suzhou, Nanjing, Taiyuan, Changsha, Nanchang, Jiujiang, Xi’an, Hefei, Foshan, Dongdaihe, Xiantao and Wuhan. We believe that our land reserves currently being developed, which have an aggregate planned total GFA (comprising the total GFA pre-sold and the total GFA unsold) of approximately 4,785,246 sq.m., will be sufficient to meet our development needs for the near future. In addition, as of June 30, 2016, we had a parcel of land with a site area of approximately 48.5 acres (or equivalent to approximately 196,155.4 sq.m.) located in Pearland, Texas, the U.S. As of the same date, we had a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington, the U.S.

Our land reserves as of June 30, 2016 were located in the following cities:

Location	Approximate planned total GFA (sq.m.)
Beijing	485,070
Shanghai	273,781
Suzhou	235,692
Nanjing	54,486
Taiyuan	60,003
Nanchang	127,149
Jiujiang	192,348
Xiantao	622,702
Changsha.....	938,249
Wuhan.....	457,523
Xi’an	151,625
Hefei	649,110
Foshan	190,833
Dongdaihe	346,675
Total	<u>4,785,246</u>

We intend to continue to expand our operations in new markets. We take into account a number of factors in selecting new markets for our expansion, such as economic growth, governmental policies and application of our technologies. We will also customize our product features according to local market conditions.

We develop our property projects primarily through our wholly owned subsidiaries. When suitable opportunities arise, we also consider entering into joint ventures with third parties such as other property developers and real estate trusts or funds. We have entered into joint venture arrangements by forming new joint venture companies with third parties, selling equity interests in and introducing new shareholders to our existing subsidiaries, securing shareholders’ loans from our joint venture partners and acquiring equity interests in third parties.

For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, our revenue amounted to approximately RMB3,469.0 million, RMB4,079.5 million, RMB6,349.8 million and RMB4,271.3 million (US\$642.7 million), respectively.

RECENT DEVELOPMENT

Our contracted sales for the six months ended June 30, 2016 amounted to approximately RMB7,450.6 million (US\$1,121.1 million), including contracted sales of properties in the amount of approximately RMB7,332.0 million (US\$1,103.2 million), which increased by approximately 70.6% as compared to the corresponding period in 2015. In addition, GFA pre-sold for properties was approximately 658,689 sq.m., which increased by approximately 37.5% as compared to the corresponding period in 2015.

Our contracted sales for the two months ended August 31, 2016 amounted to approximately RMB3,052.6 million (US\$459.3 million), including contracted sales of properties in the amount of approximately RMB3,020.7 million (US\$454.5 million). The GFA sold for contracted sales properties was approximately 285,805 sq.m. during the same period.

Acquisition of Land in Gulou District, Nanjing

On June 20, 2016, we acquired the land use rights in respect of a parcel of land in South Rehe Road, Gulou district of Nanjing, the PRC through entering into an equity transfer agreement with Nanjing Xinhe Property Development Company Limited. The consideration for the acquisition was approximately RMB340 million.

The site area of this parcel of land is approximately 16,165 sq.m. We expect that the GFA of properties to be constructed on this parcel of land will be approximately 41,220 sq.m. We expect to develop this parcel of land in residential property, commercial premises and carpark spaces.

Acquisition of Land in Hankou District, Wuhan

On July 8, 2016, we acquired the land use rights in respect of a parcel of land in Wangjiadun Town, Hankou district of Wuhan, the PRC through public auction. The consideration for the acquisition was approximately RMB717 million.

The site area of this parcel of land is approximately 13,270 sq.m. We expect that the GFA of properties to be constructed on this parcel of land will be approximately 39,810 sq.m. We expect to develop this parcel of land in residential property, commercial premises and carpark spaces.

Subscription of Share Capital by the Great Wall Pan Asia International Investment Company Limited

On September 8, 2016 (after trading hours), we entered into a subscription agreement with Great Wall Pan Asia International Investment Company Limited (the “Subscriber”), being an independent third party, pursuant to which the Subscriber has conditionally agreed to subscribe for and we have conditionally agreed to allot and issue a total of 172,872,000 subscription shares at the subscription price of HK\$1.01. Such subscription shares represent approximately (i) approximately 8.28% of our existing issued share capital on September 8, 2016; and (ii) approximately 7.65% of the total enlarged issued share capital immediately following completion of the subscription.

The net proceeds from the subscription, after deducting the related expenses, are estimated to be approximately HK\$174,295,720 (US\$22,463,394). We intend to utilize the net proceeds from the subscription for the purpose of our Group’s property development business outside the PRC and/or for general working capital of our Group.

OUR COMPETITIVE STRENGTHS

We consider that we have the following competitive strengths:

Leading position and brand in China’s niche market of energy-saving, comfortable residential properties

We believe that we are one of the earliest PRC property developers to specialize in energy-saving, comfortable residential properties, and are now a leader in this “green property” market in terms of brand recognition and execution capability with dedicated research and development resources and cumulative technical expertise. Since our establishment in 2000, our “MOMA” brand has grown from its regional roots in Beijing to a presence across different regions in China. In 2010, we derived 69.3% of our sales of properties from

four projects in Beijing and the rest from one project in Changsha. By comparison, in 2015, we had 26 projects in various stages of development in Beijing, Shanghai, Suzhou, Changsha, Taiyuan, Wuhan, Nanchang, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei, and Xiantao.

“Green property” development requires not only certain design elements and construction techniques used in isolation, but also an integrated approach employing select design elements and construction techniques to cater to project-specific factors such as location, climate, geographic environment and particular customer requirements. Through years of dedicated research and development and industry experience, we have put in place and continue to improve a versatile “MOMA” technology system, under which our experienced design and project execution personnel have at their disposal a wide variety of tested design and construction concepts and modules to ensure that our key design philosophies and technical standards are implemented consistently throughout our developments in different locations. The properties we have developed typically consume less energy and are installed with temperature and humidity control, noise reduction and air ventilation systems. We believe that these distinctive features of our developments have helped distinguish us from most of the other property developers in China and contributed to our strong profit margins. Our gross profit margin was 30.9% in 2015 and 18.8% for the six months ended June 30, 2016. The lower gross profit margin for the six months ended June 30, 2016 was due to a change in the portfolio of projects scheduled for delivery during the period, which were mainly comprise of the product line of Man Ting Chun MOMA targeted to customers with rigid demand. With the scheduled delivery of our high-end projects such as Hefei Modern MOMA in the second half of 2016, we expect that the gross profit margin will rise significantly in the following periods. In addition, we believe that these design and technical features have resonated with our target customers and helped enhance our brand value. Later phases of our developments often achieve higher average selling prices than earlier ones, as they have had the time to establish a reputation among local customers.

Focused positioning in a market segment favored by government policies

We believe our leading position and brand in the “green property” market segment in China put us in an advantageous position to benefit from the PRC government’s directives for energy conservation and environmental protection. In April 2012, the PRC Ministry of Finance and MOHURD promulgated certain “Implementation Opinions on Expediting the Development of Green Buildings in China,” which for the first time specified PRC government grants on green buildings to the real property developer: “Three Star Green Buildings” would be entitled to RMB80 per sq.m. and “Two Star Green Buildings” would be entitled to RMB45 per sq.m. Of the nine “Three Star Green Building” labels that the Chinese Society for Urban Studies Green Building Research Center had issued as of December 31, 2015 nationwide, two (Beijing Modern MOMA and Nanchang Man Ting Chun MOMA (Phase I)) were developed by us. Also, our Nanchang Man Ting Chun MOMA (Phase II) and Jiujiang Man Ting Chun MOMA have received “Two Star Green Building” labels. In addition, the implementation opinions are targeting to have more than one billion sq.m. in GFA of green buildings by 2015 and more than 30% of new buildings as green buildings by 2020 in China, which we believe is a positive policy gesture from the PRC government.

Strategically located, low-cost land bank and differentiated property offerings catering to various customer classes

As of June 30, 2016, we had 33 property development projects in various stages of development in Beijing, Shanghai, Suzhou, Nanjing, Changsha, Taiyuan, Nanchang, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei, Xiantao and Wuhan. We have selected these cities for our expansion from Beijing as they are provincial capitals or important regional cities with relatively robust local economies and growth potential, and as they are situated within climates (generally cold regions or regions with hot summers and cold winters) in which our technical systems are particularly suitable.

We have rolled out three property series with different design concepts and technical specifications, catering to customer classes of different needs and purchasing power.

- Wan Guo Cheng MOMA, and its sub-product line, Wan Guo Fu MOMA, targets high-end customers. These properties, which incorporate our most advanced energy-saving technologies to provide comfort and design, are representative of our concept of green and eco-friendly life style. The profit margin for each sale of our Wan Guo Cheng MOMA properties is generally the highest.
- Shang Pin Ge MOMA, and its sub-product line, Shang Pin Wen MOMA, targets mid- to high-end customers, to whom we aim to provide comfortable and energy-saving homes. The sales and profit margins of our Shang Pin Ge MOMA properties are generally between those of our Wan Guo Cheng MOMA and Man Ting Chun MOMA properties.

- Man Ting Chun MOMA, and its sub-product line, Man Ting Yue MOMA, targets the general public. We fit these properties with our core energy-saving technologies in accordance with local market and climate conditions. These properties generally sell at a more rapid pace than our other two property series, but the profit margins are generally lower.

We believe that this differentiation has helped us broaden our market reach on the one hand and maximize added value and return on the other.

Effective cost control of property developments through standardized operations

We have established and implemented a standardized and effective “flow-chart operation” system for the operation and management of property developments since 2005, through which we allocate our internal resources and delegate responsibilities for our internal departments. This operating system is guided by standardized procedures and illustrated by various flow charts. With respect to each step in our standardized operations, we specify the responsible internal department and expected turnaround time. We believe that this system has been an important component of our cost-control efforts. Our cost of sales as a portion of our revenue was 60.5%, 59.4%, 69.1% and 81.2% for 2013, 2014, 2015 and the six months ended June 30, 2016, respectively.

Stable and experienced management and research and development teams

The key members of our management team have an average of over 17 years of experience in the PRC real estate industry, and are well versed in areas of strategic planning, business management, resource operations and sustainable development. Our founder, executive director and chairman, Mr. Zhang Lei, with his insight on the PRC real estate market, has been instrumental in our strategic development since our founding. Mr. Chen Yin, an executive director and our chief technology officer and general engineer is a well-known expert in the green architecture field in China, having served in professional organizations such as the Green Architecture Committee of the Architectural Society of China and the Renewable Energy Resource Society of China. Our other senior management members collectively have significant experience in the fields of marketing, project development, capital operations, financial management and human resource management and extensive experience in real estate development and property operation and management.

Mr. Chen Yin also leads our dedicated research and development team which, as of June 30, 2016, comprised of approximately 114 technical staff in charge of overall project design as well as technical design and integration.

Prudent financial management

We pursue a prudent financial management policy by closely monitoring our capital and cash positions and carefully managing our land costs, construction costs, operating expenses and fixed charge coverage. We closely monitor the maturity profiles of our borrowings and manage the level of our liquid assets to ensure the availability of sufficient cash flows to service our indebtedness and meet cash requirements arising from our business. As of June 30, 2016, we had cash and cash equivalents (not including restricted cash) of RMB4,011.3 million (US\$603.6 million), representing 15.2% of our total assets. We monitor our capital and indebtedness levels by reviewing our net gearing ratio, which is equal to net borrowings (total borrowings subtracting bank balances and cash) divided by total equity. Our net gearing ratio as of December 31, 2013, 2014 and 2015 was approximately (28.8%), 17.4% and 44.6%, respectively.

OUR STRATEGIES

We intend to continue strengthening our participation in the development of comfortable communities. To accomplish our goal, we have formulated the following primary business strategies.

Continue to strengthen our capabilities in adapting and integrating energy-saving technologies

Our capabilities in research and development and integration of green energy-saving technologies set us apart from other PRC property developers and afford us with a competitive advantage in the PRC real estate market.

We will continue to keep abreast of the latest developments in construction and building materials using energy-saving technologies in both the PRC and the rest of the world. In order to enhance the quality, comfort level, energy efficiency, temperature control, air ventilation and noise reduction of our property developments, we will continue to strengthen our research on building techniques and materials to save energy, water, construction materials and space. We will continue to draw experience from our previous development projects to optimize our “MOMA” energy-saving system in terms of design, installation and scope of application. We will also promote the use of standardized modules in building energy-saving residences in new projects.

We will continue to deepen our relationships with our current business partners and enhance our cooperation with world famous design organizations and architects. We will maintain our working relationships with renowned individuals and entities and expand our cooperation with other leading organizations in the field of sustainable development.

Expand our footprint to carefully selected locations and enhance our brand recognition

With respect to the PRC real estate market as a whole, we intend to leverage our brand recognition and reputation in Beijing and draw on our successful experience there to expand our operations in markets where our products have competitive advantages. We take into account a number of factors in selecting new markets for our expansion, including local market conditions, geography and climate, as well as the prospects of applying our technologies. We consider that cold areas and areas with hot summers and cold winters generally offer the most desirable climate conditions for the application of our technologies and plan to focus our development in these areas.

As of June 30, 2016, we had successfully expanded our operations to Beijing, Shanghai, Shanxi Province, Shaanxi Province, Anhui Province, Jiangsu Province, Guangdong Province, Liaoning Province, Hunan Province, Jiangxi Province and Hubei Province. We intend to expand to regions adjacent to these locations where we have accumulated experience in dealing with the local markets. We will continue to customize our energy-efficient, eco-friendly properties in new markets according to local market conditions.

We are also considering expanding our business to the U.S. as part of our long term strategic plan, which may involve the acquisition of land for mixed-use residential and retail/commercial property developments applying our energy-saving technologies, and in such regard we obtained the relevant enterprise overseas investment certificate issued by the Ministry of Commerce of the PRC (“MOFCOM”) and the relevant foreign exchange approval from SAFE in 2012. We have strategically chosen the U.S. as a destination for our potential expansion due to the increasing application of advanced eco-friendly technologies in properties there. We expect to enhance our experience and strengthen our capabilities in the integration and practical application of sustainable development technologies through our participation in the U.S. market. Furthermore, we have been recognized by various U.S. institutes, including LEED, in recent years, which we believe provides a favorable foundation for our expansion in the U.S. We believe that our proposed expansion plans in the U.S. will diversify our property development projects portfolio and revenue sources geographically and will expand our land reserves for future development. We further believe that the application of our energy-saving technologies in overseas projects will help our brands to achieve international recognition. Nevertheless, it remains our intention that our business operations will continue to be based principally in the PRC.

For the purpose of our expansion to the U.S. as part of our long-term strategic plan, we purchased a parcel of land with a site area of approximately 48.5 acres (approximately 196,155.4 sq.m.) located in Pearland, Texas, the U.S. in December 2012. In May 2016, we purchased a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington, the U.S. See “Business—Our Property Project in the PRC and the U.S.—Property development in the U.S.” for more details about this parcel of land and our development plan.

We believe we have established “MOMA” as a reputable brand in the PRC real estate market and that our brand is associated with high-quality and comfortable communities. These factors enable us to enjoy a competitive advantage over our competitors in terms of demand and pricing for our products. In order to further enhance our brand recognition, we intend to continue to devote ourselves to perfecting our energy-saving development technologies and integrating such technologies into our property developments. We also recognize that customer loyalty is a key factor to our success and contributes to our reputation. As such, we will continue to foster our customer-oriented values in all stages of our operations from product design to sales and marketing.

Maximize sales and profit in our existing product lines

Currently, we have three product lines, Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA, which provide different features and target different groups of customers. We intend to maximize sales and profit in these product lines. We will carefully consider market conditions, customers' preference and spending power in selecting product lines for our projects at different locations, so as to increase the popularity of our products in different markets and improve our sales and maximize our profitability.

We intend to make necessary adaptations to tailor our products to the needs of local customers, taking into consideration local market conditions, geography and climate, as well as the prospects of applying our technologies. We believe that doing this will enable us to effectively penetrate the local markets.

Continue to boost operational efficiency and reduce cost

In order to optimize our "standardized progress and operation" system, we intend to consolidate and optimize our research and development, project management, operation and development and customer service functions and to implement effective management for each of our internal departments.

We plan to adopt and implement the following measures to optimize our operations:

- to implement a comprehensive planned budget control;
- to build strategic alliances with our suppliers for centralized procurement and other means to lower the cost of materials; and
- to continue to optimize our effective management through our "standardized progress and operation" system.

GENERAL INFORMATION

We were incorporated in the Cayman Islands on June 28, 2006, as an exempted company with limited liability. Our shares have been listed on The Stock Exchange of Hong Kong Limited since July 12, 2013. Our corporate headquarters is at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, PRC. Our place of business in Hong Kong is Unit 505, ICBC Tower, 3 Garden Road, Central, Hong Kong. Our registered office is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands. Our website is www.modernland.hk. Information contained on our website does not constitute part of this offering memorandum.

THE OFFERING

Terms used in this summary and not otherwise defined shall have the meanings given to them in “Description of the Notes.”

Issuer	Modern Land (China) Co., Limited (the “Company”).
Notes Offered	US\$350,000,000 aggregate principal amount of 6.875% Senior Notes due 2019 (the “Notes”).
Offering Price	99.667% of the principal amount of the Notes.
Maturity Date	October 20, 2019.
Interest	The Notes will bear interest from (and including) October 20, 2016 at the rate of 6.875% <i>per annum</i> , payable semi-annually in arrears.
Interest Payment Dates	April 20 and October 20 of each year, commencing April 20, 2017.
Ranking of the Notes	The Notes are: <ul style="list-style-type: none">• general obligations of the Company;• senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;• at least pari passu in right of payment with the 2013 Notes, the January 2014 Notes and the July 2014 Notes as defined in the section entitled “Description of the Notes” and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);• guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations described under the caption “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral” and “Description of the Notes—The Subsidiary Guarantees and the JV Subsidiary Guarantees”;• effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefore (other than the Collateral); and• effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

After the pledge of the Collateral by the Company and the Subsidiary Guarantor Pledgor and subject to certain limitations described under “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Notes will:

- be entitled to a first priority lien on the Collateral pledged by the Company and the Subsidiary Guarantor Pledgor (subject to any Permitted Liens and the Intercreditor Agreement) shared on a *pari passu* basis with (i) the holders of the 2013 Notes; (ii) the holders of the January 2014 Notes; (iii) the holders of the July 2014 Notes; and (iv) holders of other Permitted Pari Passu Secured Indebtedness as defined in the section entitled “Description of the Notes”;
- rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law); and
- rank effectively senior in right of payment to unsecured obligations of the Subsidiary Guarantor Pledgor with respect to the value of the Collateral pledged by the Subsidiary Guarantor Pledgor securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

Subsidiary Guarantees..... Each of the Subsidiary Guarantors will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

The initial Subsidiary Guarantors will be Great Trade Technology Ltd., Jiu Yun Development Co. Limited, Modern Land (HKNo. 2) Co., Limited, Modern Land (HKNo. 3) Co., Limited, Modern Land (HKNo. 4) Co., Limited, Modern Land (HKNo. 6) Co., Limited, Modern Land (HKNo. 7) Co., Limited, Modern Land (HKNo. 8) Co., Limited, Modern Land (HKNo. 9) Co., Limited, Modern Land (HKNo. 10) Co., Limited, Modern Land (HKNo. 11) Co., Limited and Modern Land (HKNo. 12) Co., Limited.

All of the initial Subsidiary Guarantors are holding companies that do not have significant operations or real property assets. See “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral—Our initial Subsidiary Guarantors do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees.”

The Company will cause each of its future Restricted Subsidiaries (other than Subsidiaries organized under the laws of the PRC) as soon as practicable (but in any event within 30 days) after it becomes a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture to the Indenture, pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing, the Company may elect to have any future Restricted Subsidiary (and its Restricted Subsidiaries) organized outside the PRC not provide a Subsidiary Guarantee or JV Subsidiary Guarantee (each a “New Non-Guarantor Subsidiary,” together with the Initial Other Non-Guarantor Subsidiaries, the “Other Non-Guarantor Subsidiaries”), provided that, after giving effect to the consolidated assets of such Restricted Subsidiary and its Subsidiaries (other than any Unrestricted Subsidiaries), the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of the Total Assets of the Company. A Subsidiary Guarantee may be released or replaced in certain circumstances. See “Description of the Notes—The Subsidiary Guarantees—Release of the Subsidiary Guarantees and JV Subsidiary Guarantees.” In the case of a Subsidiary Guarantor with respect to which the Company or any of its Restricted Subsidiaries is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may (i) release the Subsidiary Guarantees provided by such Subsidiary Guarantor and each of its Restricted Subsidiaries organized outside the PRC, (ii) discharge the pledge of the Capital Stock granted by such Subsidiary Guarantor, and (iii) discharge the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the shares it owns in such Subsidiary Guarantor, provided that after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors (including the Subsidiary Guarantors whose Subsidiary Guarantees were released) do not account for more than 20% of the Total Assets of the Company.

Ranking of Subsidiary Guarantees

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to other secured obligations (if any) of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- ranks at least *pari passu* with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

After the pledge of the Collateral (as described below) by the Company and the Subsidiary Guarantor Pledgor, the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor:

- will be entitled to a security interest in the Collateral pledged by the Subsidiary Guarantor Pledgor (subject to any Permitted Liens and the Intercreditor Agreement) shared on a pari passu basis pursuant to the Intercreditor Agreement with (i) the holders of the 2013 Notes; (ii) the holders of the January 2014 Notes; (iii) the holders of the July 2014 Notes; (iv) the holders of the Notes; and (v) the holders of any other Permitted Pari Passu Secured Indebtedness; and
- will rank effectively senior in right of payment to the unsecured obligations of the Subsidiary Guarantor Pledgor with respect to the value of the Collateral securing such Subsidiary Guarantee.

See “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and Collateral.”

Ranking of JV Subsidiary Guarantees

A JV Subsidiary Guarantee instead of a Subsidiary Guarantee may be provided by a Subsidiary Guarantor following (x) a sale by the Company or any of its Restricted Subsidiaries of Capital Stock in such Subsidiary Guarantor, where such sale is for no less than 20.0% and no more than 49.9% of the issued Capital Stock of such Subsidiary Guarantor or (y) the purchase by the Company or any Restricted Subsidiary of no less than 50.1% of the Capital Stock of an Independent Third Party and designate such entity as a Restricted Subsidiary. No JV Subsidiary Guarantee exists as of the Original Issue Date.

The JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to secured obligations (if any) of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefore;
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment of such JV Subsidiary Guarantee; and
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to the JV Entitlement Amount, and will rank at least pari passu with all other unsecured, unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

Security to be Granted The Company has pledged or caused the initial Subsidiary Guarantor Pledgor to pledge, as the case may be, the Capital Stock of all of the initial Subsidiary Guarantors held directly by the Company or the initial Subsidiary Guarantor Pledgor (the “Collateral”) on a first priority basis (subject to Permitted Liens and the Intercreditor Agreement) in order to secure the obligations of (a) the Company under the 2013 Notes and of the initial Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (b) the Company under the January 2014 Notes and of the initial Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (c) the Company under the July 2014 Notes and of the initial Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, and (d) the Company and the Subsidiary Guarantor Pledgor under any Permitted Pari Passu Secured Indebtedness.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgor to extend, as the case may be, the benefit of the security interests created over the Collateral to the Holders on the Original Issue Date in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the Trustee acceding to the Intercreditor Agreement in the manner described under “—Intercreditor Agreement,” such security interests will be so extended.

The initial Subsidiary Guarantor Pledgor will be Great Trade Technology Ltd.

The Collateral securing the Notes and the Subsidiary Guarantees may be released or reduced in the event of certain asset sales and certain other circumstances. See “Description of the Notes—Security.”

Intercreditor Agreement The Company, the Subsidiary Guarantor Pledgor, the Collateral Agent, the trustee for the 2013 Notes and the trustee for the January 2014 Notes have entered into an intercreditor agreement dated January 22, 2014, as supplemented by the first supplement to the intercreditor agreement entered into among the 2013 Notes Trustee, the January 2014 Notes Trustee, the July 2014 Notes Trustee, the Collateral Agent, the Company and the initial Subsidiary Guarantor Pledgor dated July 31, 2014 (together with the intercreditor agreement dated January 22, 2014, as may be amended, restated or supplemented from time to time, the “Intercreditor Agreement”), this agreement provides that the security interests held in the Collateral will be shared on a *pari passu* basis among (i) the holders of the 2013 Notes, (ii) the holders of the January 2014 Notes, (iii) the holders of the July 2014 Notes, (iv) the holders of the Notes, and (v) any other creditors with respect to Permitted Pari Passu Secured Indebtedness.

Use of Proceeds To refinance certain existing indebtedness. See “Use of Proceeds.”

Green Bonds..... The Notes are being issued as “Green Bonds” under our Green Bond Framework. See the section entitled “Notes Being Issued as Green Bonds.”

Optional Redemption At any time prior to October 20, 2019, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined herein) as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to October 20, 2019, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 106.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

**Repurchase of Notes Upon
a Change of Control**

Triggering Event Upon the occurrence of a Change of Control Triggering Event, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Delisting Put Right In the event of Delisting, each holder of the Notes shall have the right, at such holder's option, to require the Company to redeem all or some of such holder's Notes at 101% of their principal amount together with accrued interest to (but not including) the date of redemption. See "Description of the Notes—Delisting Put Right."

Redemption for Taxation Reason . Subject to certain exceptions and as more fully described herein, the Company may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if the Company or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. See "Description of the Notes—Redemption for Taxation Reasons."

Covenants..... The Notes, the Indenture governing the Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;

- enter into sale and leaseback transactions;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and effect a consolidation or merger.

These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes—Certain Covenants."

Form, Denomination and

Registration.....	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a nominee of a common depository for Euroclear and Clearstream.
Clearing Systems	The Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "Description of the Notes—Book-Entry; Delivery and Form."
Delivery of the Notes	The Company expects that delivery of the Notes will be made to investors on or about October 20, 2016, which will be the fifth business day following the date of this offering memorandum (such settlement being referred to as "T+5"). See "Plan of Distribution."
Trustee and Collateral Agent	Citicorp International Limited.
Paying Agent and Registrar	Citibank, N.A., London Branch.
Listings.....	Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle granted by the SGX-ST for the listing and quotation of the Notes is not to be taken as an indication of the merits of the Notes, the Company and/or the Subsidiary Guarantors. The Notes will be traded on the Official List of the SGX-ST in a minimum trading board lot size of S\$200,000 or its equivalent in foreign currencies, for so long as the Notes are listed on the Official List of SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note (as defined herein) is exchanged for certificated notes in registered form. In addition, in the event that the Global Note is exchanged for certificated notes in registered form, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificated notes in registered form, including details of the paying agent in Singapore.

Governing Law..... The Notes, the Indenture and the Intercreditor Agreement will be governed by and will be construed in accordance with the laws of the State of New York. The relevant pledge documents will be governed under the laws of the jurisdiction in which the relevant Subsidiary Guarantor is incorporated.

Risk Factors For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see “Risk Factors.”

Ratings The Notes are expected to be rated B+ by Fitch Ratings and B2 by Moody’s Investor’s Service. We cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.

Security Codes	ISIN	Common Code
	XS1494003624	149400362

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary financial and other data. The summary financial data as of and for the years ended December 31, 2013, 2014 and 2015 set forth below (except for EBITDA data) have been derived from our consolidated financial statements as of such dates and for such years, as audited by Deloitte Touche Tohmatsu, independent certified public accountants, and are included elsewhere in this offering memorandum. The summary financial data as of and for the six months ended June 30, 2015 and 2016 have been derived from our unaudited condensed consolidated financial statements for the six months ended June 30, 2015 and 2016, which have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, and KPMG, Certified Public Accountants, respectively, and should be read in conjunction with those financial statements and the accompanying notes. Our unaudited condensed consolidated financial statements for the six months ended June 30, 2016 has been included elsewhere in this offering memorandum. Results for interim periods are not indicative of results for the full years. Our financial statements have been prepared and presented in accordance with IFRS, which differ in certain respects from generally accepted accounting principles in other jurisdictions. The summary financial data below should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income and Other Financial Data

	Year ended December 31,				Six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	3,469,029	4,079,464	6,349,767	955,441	1,954,236	4,271,329	642,701
Cost of sales	(2,099,066)	(2,424,163)	(4,385,674)	(659,907)	(1,142,462)	(3,469,750)	(522,089)
Gross profit	1,369,963	1,655,301	1,964,093	295,535	811,774	801,579	120,613
Other income, gains and losses	8,680	75,334	(26,848)	(4,040)	76,353	195,215	29,374
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties	30,186	90,886	90,381	13,600	56,559	77,778	11,703
Changes in fair value of investment properties, net	46,273	111,074	77,494	11,660	50,624	89,934	13,532
Selling and distribution expenses	(170,797)	(206,835)	(209,705)	(31,554)	(88,899)	(112,127)	(16,872)
Administrative expenses	(204,136)	(242,083)	(245,837)	(36,991)	(125,696)	(141,518)	(21,294)
Finance costs	(35,570)	(265,510)	(197,276)	(29,684)	(117,670)	(119,905)	(18,042)
Listing expenses	(22,024)	-	-	-	-	-	-
Share of losses of joint ventures	-	(51,133)	(108,048)	(16,258)	(61,307)	(41,127)	(6,188)
Share of losses of associates	-	(90)	(4,696)	(707)	(3,514)	(10,076)	(1,516)
Profit before taxation	1,022,575	1,166,944	1,339,558	201,562	598,224	739,753	111,310
Income tax expense	(494,230)	(625,552)	(738,858)	(111,175)	(295,240)	(237,935)	(35,802)
Profit for the year/period	528,345	541,392	600,700	90,387	302,984	501,818	75,508
Other comprehensive income for the year/period:							
Gain on revaluation of owner-occupied properties upon transfer to investment properties	-	1,351	-	-	-	-	-
Deferred tax relating to gain on revaluation of owner-occupied properties	-	(338)	-	-	-	-	-
Exchange differences on translating foreign operations, net of nil tax	(3,740)	562	9,160	1,378	(122)	4,561	686
Other comprehensive income for the year/period, net of tax	(3,740)	1,575	9,160	1,378	(122)	4,561	686
Total comprehensive income for the year/period ..	524,605	542,967	609,860	91,765	302,862	506,379	76,194
Profit/(loss) for the year/period attributable to:							
Owners of the Company	528,934	521,128	577,867	86,951	284,163	499,559	75,168
Non-controlling interests	(589)	20,264	22,833	3,436	18,821	2,259	340
	528,345	541,392	600,700	90,387	302,984	501,818	75,508
Total comprehensive income attributable to:							
Owners of the Company	525,194	522,703	587,027	88,329	284,041	504,120	75,854
Non-controlling interests	(589)	20,264	22,833	3,436	18,821	2,259	340
	524,605	542,967	609,860	91,765	302,862	506,379	76,194
Earnings per share, in RMB cents:							
Basic	38.1	29.6	30.5	4.6	16.2	24.0	3.6
Diluted	-	29.6	30.3	4.6	16.1	23.9	3.6

	Year ended December 31,				Six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other financial data (unaudited):							
EBITDA ⁽¹⁾	984,335	1,277,859	1,498,523	225,481	689,941	758,410	114,117
EBITDA margin ⁽²⁾	28.4%	31.3%	23.6%	23.6%	35.3%	17.8%	17.8%

Notes:

- (1) EBITDA consists of profit before taxation less increase in fair value of investment properties, reversal of impairment loss previously recognized in respect of other receivables, reversal of impairment loss previously recognized in respect of trade receivables, dividend income, gain on disposal of interests in subsidiaries, plus impairment loss on trade receivables, impairment loss on other receivables, impairment of properties held for sale, share of results of joint ventures and associates, finance costs and depreciation of property, plant and equipment. EBITDA is not a standard measure under IFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenue and selling and distribution expenses and administrative expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. Finance costs exclude amounts capitalized.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Non-GAAP Financial Measures

We use EBITDA to provide additional information about our operating performance. EBITDA refers to our profit before taxation before the following items:

- increase in fair value of investment properties;
- reversal of impairment loss previously recognized in respect of other receivables/trade receivables;
- dividend income;
- gain on disposal of interests in subsidiaries;
- impairment loss on trade receivables/other receivables;
- impairment of properties held for sale;
- share of results of associates;
- finance costs; and
- depreciation of property, plant and equipment.

EBITDA is not a standard measure under IFRS. As the property development business is capital intensive, capital expenditure requirements and levels of debt and interest expenses may have a significant impact on the profit for the year of companies with similar operating results. Therefore, we believe the investor community commonly uses this type of financial measure to assess the operating performance of companies in our market sector.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit for the year. We operate in a capital intensive industry. We use EBITDA in addition to profit for the year because profit for the year includes many accounting items associated with capital expenditures, such as depreciation, as well as non-operating items, such as amortization of intangible assets and finance costs. These accounting items may vary between companies depending on the method of accounting adopted by a company. By minimizing differences in capital expenditures and the associated depreciation expenses as well as reported

tax positions, intangible assets amortization and interest income and expense, EBITDA provides further information about our operating performance and an additional measure for comparing our operating performance with other companies' results. Funds depicted by this measure may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments.

The following table reconciles our profit for the period under IFRS to our definition of EBITDA for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
Profit before taxation	1,022,575	1,166,944	1,339,558	201,562	598,224	739,753	111,310
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties.....	(30,186)	(90,886)	(90,381)	(13,600)	(56,559)	(77,778)	(11,703)
Changes in fair value of investment properties, net	(46,273)	(111,074)	(77,494)	(11,660)	(50,624)	(89,934)	(13,532)
Dividend income	(6,146)	(2,554)	(2,822)	(425)	2,890	3,755	565
Gain on disposal of interests in subsidiaries.....	-	(31,514)	(91)	(14)	-	-	-
Impairment loss on trade receivables/other receivables ...	610	697	4,020	605	-	-	-
Impairment of properties held for sale	(11,510)	4,928	(6,316)	(950)	-	-	-
Share of losses of associates and share of losses of joint ventures	-	51,223	112,744	16,964	64,821	51,203	7,704
Finance costs	35,570	265,510	197,276	29,684	117,670	119,905	18,042
Depreciation of property, plant and equipment	19,695	24,585	22,029	3,315	13,519	11,506	1,731
EBITDA	<u>984,335</u>	<u>1,277,859</u>	<u>1,498,523</u>	<u>225,481</u>	<u>689,941</u>	<u>758,410</u>	<u>114,117</u>
Revenue	3,469,029	4,079,464	6,349,767	955,441	1,954,236	4,271,329	642,701
EBITDA margin*	28.4%	31.3%	23.6%	23.6%	35.3%	17.8%	17.8%

Note:

(1) EBITDA margin is calculated by dividing EBITDA by revenue.

You should not consider our definition of EBITDA in isolation or construe it as an alternative to profit for the year or as an indicator of operating performance or any other standard measure under IFRS. Our definition of EBITDA does not account for income taxes and other non-operating cash expenses. Our EBITDA measures may not be comparable to similarly titled measures used by other companies. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture.

Summary Consolidated Statements of Financial Position Data

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
			(unaudited)	(unaudited)	(unaudited)	
Non-current assets						
Investment properties	825,660	1,146,600	1,368,240	205,877	1,647,000	247,822
Property, plant and equipment	518,803	503,655	498,816	75,056	503,747	75,798
Intangible assets	1,229	1,259	2,355	354	1,833	276
Prepaid lease payments	916,137	–	–	–	–	–
Freehold land held for future development	27,742	27,842	29,547	4,446	30,173	4,540
Interests in associates	–	20,977	71,959	10,828	105,423	15,863
Interests in joint ventures	–	595,116	1,182,955	177,998	956,821	143,972
Loans to joint ventures	–	1,521,583	2,169,600	326,457	1,896,763	285,403
Advances to employees	–	39,769	–	–	–	–
Available-for-sale investments	34,336	114,236	34,850	5,244	36,350	5,470
Deposits paid and prepayment for acquisition of land use rights	465,000	–	–	–	–	–
Deferred tax assets	338,488	317,112	322,481	48,523	463,987	69,816
	<u>3,127,395</u>	<u>4,288,149</u>	<u>5,680,803</u>	<u>854,783</u>	<u>5,642,097</u>	<u>848,959</u>
Current assets						
Inventories	3,350	3,675	3,941	593	5,106	768
Prepaid lease payments	–	410,642	130,162	19,585	654,968	98,552
Properties under development for sale	2,936,051	4,213,683	3,653,643	549,759	11,209,199	1,686,634
Properties held for sale	1,649,366	1,036,375	1,303,189	196,089	1,452,876	218,612
Deposits paid for acquisition of land use rights	–	–	187,120	28,156	50,000	7,523
Trade and other receivables, deposits and prepayments	467,690	708,459	622,079	93,603	1,176,646	177,048
Amounts due from related parties	–	573,353	535,530	80,581	467,498	70,344
Advances to employees	–	–	31,139	4,685	–	–
Restricted cash	125,930	1,145,997	1,054,992	158,743	1,702,815	256,220
Bank balances and cash	2,743,579	2,797,941	2,520,759	379,295	4,011,264	603,570
	<u>7,925,966</u>	<u>10,890,125</u>	<u>10,042,554</u>	<u>1,511,090</u>	<u>20,730,372</u>	<u>3,119,272</u>
Current liabilities						
Trade and other payables, deposits received and accrued charges	4,926,654	5,486,747	3,859,078	580,670	10,247,547	1,541,935
Amounts due to related parties	13,990	186,183	728,840	109,668	873,072	131,370
Taxation payable	1,453,506	1,717,318	1,839,585	276,800	1,905,264	286,683
Bank and other borrowings						
– due within one year	256,910	1,314,317	1,756,687	264,326	2,402,725	361,535
Senior notes – due within one year	–	–	–	–	1,083,781	163,075
	<u>6,651,060</u>	<u>8,704,565</u>	<u>8,184,190</u>	<u>1,231,465</u>	<u>16,512,389</u>	<u>2,484,598</u>
Net current assets	<u>1,274,906</u>	<u>2,185,560</u>	<u>1,858,364</u>	<u>279,626</u>	<u>4,217,893</u>	<u>634,661</u>
Total assets less current liabilities	<u>4,402,301</u>	<u>6,473,709</u>	<u>7,539,167</u>	<u>1,134,409</u>	<u>9,860,080</u>	<u>1,483,634</u>
Capital and reserves						
Share capital	98,610	98,610	128,094	19,274	128,200	19,290
Reserves	2,373,702	2,762,043	3,637,266	547,295	3,973,301	597,857
Equity attributable to owners of the Company	2,472,312	2,860,653	3,765,360	566,569	4,101,501	617,148
Non-controlling interests	(1,319)	373,086	9,689	1,458	21,851	3,288
Total equity	<u>2,470,993</u>	<u>3,233,739</u>	<u>3,775,049</u>	<u>568,027</u>	<u>4,123,352</u>	<u>620,435</u>
Non-current liabilities						
Bank and other borrowings						
– due after one year	997,200	480,900	700,000	105,328	2,482,500	373,539
Corporate bond	–	–	–	–	991,477	149,186
Long-term payable	–	–	133,134	20,033	192,323	28,939
Senior notes – due after one year	904,753	2,712,020	2,802,214	421,646	1,770,669	266,430
Deferred tax liabilities	29,355	47,050	128,770	19,376	299,759	45,104
	<u>1,931,308</u>	<u>3,239,970</u>	<u>3,764,118</u>	<u>566,382</u>	<u>5,736,728</u>	<u>863,198</u>
	<u>4,402,301</u>	<u>6,473,709</u>	<u>7,539,167</u>	<u>1,134,409</u>	<u>9,860,080</u>	<u>1,483,634</u>

RISK FACTORS

You should carefully consider the risks and uncertainties described below and other information contained in this offering memorandum before making an investment decision. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our business, financial condition or results of operations. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We depend heavily upon the performance of the PRC residential property market, which in turn is subject to fluctuations in market conditions, economic performance and governmental policies introduced from time to time.

Our business and prospects depend heavily upon the performance of the PRC property market. Substantially all of our completed projects or projects under development are located in Beijing, Shanghai, Shanxi Province, Jiangxi Province, Hunan Province and Hubei Province. We concentrate on the development of residential properties, especially comfortable and eco-friendly properties in the PRC. Therefore, if the property market, particularly the residential property market, in the PRC performed badly, our business and prospects could be adversely affected.

The PRC property market is affected by many factors, including changes in the PRC's social, political, economic and legal environment, changes in the PRC government's fiscal and monetary policy, the lack of a mature and active secondary market for residential and commercial properties and the limited availability of mortgage loans to individuals in the PRC. Demand for residential properties in the PRC has been growing rapidly in the past few years. However, such growth is often coupled with volatility in market conditions and fluctuations in housing prices. Therefore, we cannot assure you that the property development business and housing prices will continue to grow at past levels or will not decline. The factors that may affect the PRC's economic development and hence the growth of its property market include:

- Concerns that the PRC property market has been overheating and may become a property “bubble.” While the PRC government has taken measures to prevent the overheating of the PRC's property market and control the high level of inflation in the PRC, these measures may lead to changes in market conditions, including price instability and an imbalance between supply of, and demand for, properties in the PRC.
- The global financial crisis in 2008, which resulted in extreme volatility in the global capital markets. As a result, banks and other credit providers restrict the availability of new credit facilities and require more collateral and higher pricing upon the renewal of existing credit facilities. As the PRC's economy increasingly relies upon the global economy, the availability and cost of financing in the PRC is also affected by the global downturn and recessions in major economies around the world.
- Appreciation of the Renminbi.
- Increased uncertainty in the wake of a referendum in the United Kingdom in June 2016, in which the majority of voters voted in favor of an exit from the European Union (“Brexit”), have resulted in downgrade of the credit ratings of the United Kingdom and an increase in volatility in the global financial markets. In particular, as the PRC is transitioning to a consumption-based economy, the forecast growth rate of the PRC is expected to be significantly lower than its average growth rate over the past thirty years.

Any fall in property sales or property prices in the PRC, particularly in regions where we have property developments, could have a material negative impact upon us. Factors such as inflation, rise in unemployment and decrease in consumer confidence may affect demand for our products and will have a negative impact upon our financial condition. We cannot assure you that there will be no further measures implemented by the PRC

government to control the growth of the property market, or that there will be no major negative changes in the PRC's economy and property sector as a result of such a "bubble" or as a result of the PRC government's policies. Any such changes can have a material adverse effect upon our revenue and profitability.

We face risks relating to the use or application of eco-friendly technologies, which may delay our design and on-site work progress and increase our costs.

We have deployed a number of new eco-friendly, energy-saving technologies and have integrated them into our projects. Some of these technologies are based on international experience adapted to local market conditions. As the deployment of these new eco-friendly technologies has a short history, and as these new eco-friendly technologies are in the relatively early stage of their adaptation to the current building environment, construction skills and materials and their application involves other new technical know-how, there are risks associated with the process of implementing these new eco-friendly technologies.

The scope of the laws and regulations on construction techniques changes with the development of the PRC economy and technical level of the construction industry. New laws and regulations governing the construction industry, particularly the green building segment, are normally examined and interpreted in the course of their implementation and such examinations and interpretations become effective stage by stage. The progress of our design and construction work may be delayed due to our failure to comply with such new laws and regulations, owing to their ambiguity and lack of clear interpretations during the initial stage of enforcement. On the other hand, to meet the requirement of these new laws and regulations, the original plans for our work progress and purchase may need to be adjusted. These adjustments may increase our development costs and cause further delays to our construction work.

Further, we specialize in developing comfortable and eco-friendly properties in the PRC, while the concept of eco-friendly and sustainable development is relatively new in the PRC property market. As it takes time for the market to grow and mature, we cannot guarantee that there will be sustained demand for our properties in the market.

Our actual development costs of a property project may deviate from our initial estimations.

We have developed a set of detailed and standardized operating procedures in our property development. At the beginning of a property project, we estimate the total development costs, which comprise, among others, land premium, construction and other development costs and capitalized borrowing costs. Our operating procedures are designed to enable real-time monitoring and supervision of each stage of our development process to help us to identify and resolve potential problems as early as possible during the project cycle, and to minimize material deviations from pre-approved budgets at each stage of our development process. Our total development costs are subject to fluctuations as a result of factors which may or may not be within our control. For example, construction material costs have experienced periods of fluctuation in recent years, with prices of many commodity materials, in particular steel and cement, rising significantly in recent years. Our construction costs have also been affected by gradually rising labor costs in China in recent years, and we expect labor costs in China to continue to increase in the future. Furthermore, the PRC property market is highly affected by the policies and regulatory measures introduced by the PRC government from time to time, which may affect various aspects of our property development, including without limitation our cost of financing as well as the schedules of our property project developments, which in turn may result in deviation from our initially estimated development costs. If the actual development costs of our projects deviate materially from our initial estimations, our business, financial conditions and results of operations may be affected.

We may not be able to obtain sufficient funding on commercially reasonable terms for land acquisitions or property developments to finance future development projects, which will affect our revenue and restrict our growth.

Property development is a capital intensive business, while returns cannot be achieved until cash is received from pre-sales, sales or leases of properties. We derive our capital from bank loans, internally generated cash flows (including proceeds from pre-sales, sales and leases of properties) and other financing. There is no guarantee that we could obtain sufficient funding in the future. Our ability to obtain adequate funding depends on various factors, some of which are beyond our control, including the overall economic climate and the performance of the property sector in the PRC, our financial strength and performance, the availability of credit from financial institutions and the PRC government regulatory measures.

The PRC government has, in recent years, enforced a number of policies to further tighten the requirements on lending to property developers. For example, commercial banks are banned from providing loans in any form for a property development project that has not yet obtained the State-owned Land Use Rights Certificate, Construction Land Planning Permit, Construction Works Planning Permit and Construction Commencement Permit and the portion of the real estate developer's own capital among the total project investment shall be no less than 35%. Please refer to "Regulation—Regulations on the Real Estate Project Development—Loan for Real Estate Developer" for further details. Banks and other financial institutions may tighten or even suspend their financing to property developers in the PRC in view of the austerity measures promulgated by the PRC government and the associated risks of property development business. As a result, we cannot guarantee that we can secure sufficient funding from banks or other financial institutions, including from trust companies, at commercially reasonable costs, or at all. This, in turn, increases our borrowing costs and restricts our ability to develop new projects and continue with our existing projects. We also cannot assure you that the PRC government will not introduce further measures that may affect our ability to raise funds.

We may fail to obtain, or experience delays in obtaining, necessary government approvals for any property development.

The PRC property market is strictly regulated by the PRC government. Property developers in the PRC must abide by various laws and regulations, including rules stipulated by local governments to implement the laws and regulations from the central government. To develop and complete the development of a property project, we must apply to relevant governmental departments for various licenses, permits, certificates and approvals, including land use rights certificates, construction land planning permits, construction work planning permits, permits for commencement of construction work and pre-sale permits. Before obtaining these, we must first meet certain specific conditions.

We cannot guarantee that we will not encounter any serious delays or difficulties in the process of applying for certificates, licenses, approvals and permits in the future, or fulfilling the conditions precedent to them, or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the PRC property industry in general or the particular processes with respect to the granting of all necessary certificates, licenses, permits and approvals by the PRC government. There may also be delays on the part of the administrative bodies in reviewing our applications and granting approvals. If we fail to obtain or renew the necessary PRC governmental approvals for any of our major property projects, or if a serious delay occurs in the PRC government examination and approval process, we will not be able to keep up with our development schedule and our business, financial condition and results of operations may be materially and adversely affected. Further, we cannot assure you that the implementation, interpretation or enforcement of the laws and regulations by the relevant authorities will not require us to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

The total GFA of our projects under development or future property developments may exceed the original GFA authorized in the land grant contract and we may need to obtain additional government approvals and be subject to additional payments.

When the PRC government grants the land use rights for a parcel of land, it will specify in the land use rights grant contract the designated use of the land and the total GFA that the developer may develop on the land. The actual GFA constructed, however, might have exceeded the total GFA authorized in the land use rights grant contract due to various factors such as subsequent planning and design adjustments.

The amount of GFA in excess of the authorized amount is subject to approval when the relevant authorities inspect the properties after their completion and the developer may be required to pay additional land premium in respect of such excess GFA. In addition, if we fail to obtain the completion certificate due to such excess GFA, we will not be allowed to deliver the relevant properties to the purchasers or recognize the revenue from the relevant pre-sold properties and may also be subject to liabilities under the pre-sale contracts. If this occurs, our business prospects, results of operations and financial condition may be materially and adversely affected.

We were not in compliance with, and may continue to fail to fully comply with, the obligations under the land grant contracts of some of our projects.

As of June 30, 2016, construction of one of our projects under development, namely Phase 2 of Wan Guo Cheng MOMA (Taiyuan), had started but been delayed for more than one year from the prescribed construction commencement date under the relevant land grant contracts. We have not been subject to any penalty and no action has been taken by the governmental authorities in relation to our delays in commencement of construction.

As of June 30, 2016, construction of eight of our projects, namely Changsha Kaifu Man Ting Chun MOMA, Phase 3 of Wan Guo Cheng MOMA (Taiyuan), Xiantao Man Ting Chun MOMA, Modern Binjiang MOMA (Changsha), Modern Jiujiang Chaoyangli MOMA (當代九江朝陽裡MOMA)、Hanyang Man Ting Chun MOMA (Wuhan), Modern Huayuan (Anhui) (當代花園(安徽)) and Modern International Man Ting Chun MOMA (Nanchang) (當代國際滿庭春(南昌)), had started but been delayed for less than one year from the prescribed commencement date under the relevant land grant contracts. We have not been imposed any default payment in relation to our delays in commencement of construction.

Hubei Wanxing Development Co., Ltd. had not made timely payment of the land grant premium in accordance with the relevant land grant contracts. As of June 30, 2016, we had not received any claims of liquidated damages in this regard from the relevant land administrative departments. Furthermore, Hubei Wanxing had fully paid the land grant premium in May 2011, and obtained the State-owned Land Use Rights Certificates. The delay in payment of land grant premium was due to the failure of land resettlement on time and lack of municipal facilities.

We cannot assure you that we will be able to fully comply with the obligations under the land grant contracts in the future, including delays in the commencement of construction or the development of our properties due to factors that are out of our control, or that our developments will not be subject to idle land penalties or be taken back by the government as a result of such delays. The imposition of substantial idle land penalties could have a material and adverse affect on our business, results of operations and financial condition. If any of our land is taken back by the government, we would not only lose the opportunity to develop the property, but we would also lose our prior investments in the development, including land premiums paid and costs incurred prior to the date in connection with such land.

We may be asked to pay liquidated damages and the land may be taken back by PRC government authorities if we fail to comply with the terms of land grant contracts. We may also be prohibited from participating in land bidding if we fail to rectify illegal behavior in which we engage.

Under PRC law, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land premiums, the designated use of the land and the schedule for commencing and completing the development, the relevant government authorities may issue a warning, impose a penalty and/or liquidated damages, or take back the land without compensation. Any violation of the land grant contract may also restrict or prevent us from participating in future land bidding.

Under current PRC law, if we fail to commence the development of a parcel of land for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice to us and impose an idle land fee of up to 20% of the land assignment or allocation fee. If we fail to commence development for more than two years from the relevant commencement date stipulated in the land grant contract, the land will be subject to forfeiture to the PRC government. Moreover, even if the commencement of the property development satisfies the stated requirements of the land grant contract, if the developed GFA is less than one-third of the total planned GFA of the project or the total capital invested is less than one-fourth of the total planned investment the project, and development of the land is suspended continuously for more than one year without government approval, the land will still be treated as idle land. In the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) promulgated by the State Council in January 2008, the aforesaid policy was reinforced. This notice states, among other things, that the Ministry of Land and Resources and other authorities are required to conduct research on and commence drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterates the current rules regarding idle land. In September 2010, the

Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction (國土資源部、住房和城鄉建設部關於進一步加強房地產用地和建設管理調控的通知), which provides that a property developer and its controlling shareholders will be prohibited from participating in land bidding before any illegal behaviors in which it engages, such as (1) having land idle for more than one year on its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation, have been completely rectified. We cannot assure you that circumstances leading to imposition of penalty, liquidated damages or forfeiture of our land will not arise in the future. If we are deemed as holding land idle for more than one year without cause or the land is taken back, we may lose the opportunity to develop the relevant land, our investments in the land, including land premiums paid and development costs incurred, and our ability to bid for other land in the future, any of which could materially and adversely affect our business prospects, results of operations and financial condition.

We may not be able to complete or deliver our property development projects on time.

Property development projects require substantial capital expenditures prior to and during the construction period, and construction of a property project may take longer than a year before the development generates positive cash flow through pre-sale or sale. The progress and costs of a development project may be materially and adversely affected by many factors, including:

- delays in obtaining necessary certificates, licenses, permits or approvals from government agencies and authorities;
- changes in market conditions;
- delays in or increased costs of relocation of existing residents and/or demolition of existing structures;
- shortages or increased costs of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents;
- natural catastrophes; and
- adverse weather conditions.

At any point in the planning or development of a project, we may face, among other things, regulatory changes, financing difficulties, an inability or difficulties in obtaining the required government approvals or government-mandated changes in our project development practice, any of which could delay, increase the cost of, or prevent the completion of any such project. We may also delay or revise our plans for property developments due to a variety of factors, including changes in market conditions, a shortage or increase in the prices of construction materials, equipment or labor, labor disputes or disputes with our contractors and subcontractors. We may commit significant time and resources to a project before determining that we are unable to complete it successfully, which could result in a loss of some or all of our investment in such project. We may also be required to pay damages to customers who bought our properties at the pre-sale stage if we fail to complete our projects within the stipulated deadlines. Our inability to complete projects as planned may impair the actual realization of our contracted sales and have a material adverse effect on our business, financial condition, results of operations, reputation and prospects.

We face risks relating to pre-sale of properties, including the risk of failure to complete a project.

Property developments typically require substantial capital outlays during the construction period, and it may take months or years before positive cash flow, if any, can be generated from the pre-sale of properties under development or the sale of completed properties. The time and costs required to complete a property development may increase substantially due to many factors beyond our control. In the event that there is any delay in, or failure of, the completion of a property development, there may be costs substantially exceeding those originally budgeted for, which may materially and adversely affect our financial condition and results of operations. We face contractual risks relating to the pre-sale of properties. For example, if we fail to complete a fully or partially pre-sold property development and fail to deliver the property, we could find ourselves liable to purchasers of pre-sold units for losses suffered by them. In addition, if we fail to meet the delivery time of properties as stated in the pre-sale contracts, purchasers of the pre-sold units have the right to claim damages under the pre-sale contracts. If the delay extends beyond the grace period stipulated in the contracts, the purchasers may even be entitled to terminate the pre-sale contracts and also claim damages. Our purchasers may also elect to default on such pre-sale contracts. We cannot assure you that the foregoing may not occur, which may have a material adverse effect on our business, financial conditions and results of operations. In addition, you should not unduly rely upon our contracted sales numbers (which have neither been audited nor reviewed by our auditors) contained in this offering memorandum as a measure or indication of our current or future operating performance.

Proceeds from the pre-sale of our properties are an important source of funds for our property developments and have an impact on our liquidity position. Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sale of properties and may only use the proceeds of pre-sale of properties in a development to finance the relevant development. We cannot assure you that the PRC government will not ban or impose material limitations on the pre-sale of uncompleted properties in the PRC in the future. The future implementation of any restrictions on our ability to pre-sell our properties, including any requirements to increase the amount of up-front expenditures we must incur prior to obtaining a pre-sale permit, would extend the time required for recovery of our capital outlay and would force us to seek alternative means to finance the various stages of our property developments, including increasing borrowings which would in turn increase our interest payments. This could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We guarantee mortgage loans of our customers and may be liable to the mortgagee banks if our customers default on their mortgage payments.

The purchasers of our properties may need to obtain mortgage loans to fund the purchase of our properties, and we typically arrange for various banks to provide these mortgage loans. In accordance with market practice, the mortgagee banks require us to guarantee our customers' mortgage loans. Typically, our guarantee obligations for such customers' mortgage loans are released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgaged property. If a purchaser defaults on a mortgage loan guaranteed by us, we may have to repay the mortgage loan. If we fail to do so, the mortgagee bank may foreclose the underlying property and recover any balance from us as the guarantor of the defaulted mortgage loan. In line with industry practice, we rely on the credit analysis performed by the mortgagee banks in respect of individual customers and we do not conduct any independent credit checks on them.

As of December 31, 2013, 2014 and 2015 and June 30, 2016, our outstanding guarantees for the mortgage loans of our customers amounted to approximately RMB2,128.4 million, RMB2,680.4 million, RMB3,460.0 million and RMB8,196.2 million (US\$1,233.3 million), respectively. If any material default by our customers occurs on such loans, we may be required to honor our guarantees and our results of operations and financial position may be materially and adversely affected.

We may not be able to obtain suitable land for development, which will restrict our growth.

We derive our revenue principally from sales of properties we have developed. In order to maintain and grow our business in the future, we have to replenish and increase our land bank with suitable sites for development at commercially acceptable prices. Our ability to identify and acquire suitable land is subject to a number of factors, some of which are beyond our control. We must identify sites that have potential for future

development ahead of our competitors. We cannot assure you that we will be able to identify and acquire suitable land for our development and the land identified and acquired by us will be suitable for development or offer the return we desire.

The PRC government controls all of the new land supply in the PRC and grants land use rights for residential and commercial property developments only through public tender, auction or listing-for-sale. Many factors are considered in a government department's decision to grant such land, including price and the relevant experience of the proposed buyer. As most of the land in the PRC still comes from such public tenders, auctions and listings-for-sale, we must be successful in obtaining land in such processes in order to be competitive as a property developer. The PRC government also regulates land sales in the secondary market. As a result, the policies of the PRC government towards land supply affect our ability to acquire land use rights and the costs of any such acquisitions. Further, the PRC government also regulates the manner in which land can be developed. For details, please refer to "Regulation—Regulations on the Real Estate Project Development—Measures on Stabilizing Property Prices" for further details.

All these measures intensify competition for land in the PRC among property developers, which has contributed to the significant increase in land prices in the PRC in recent years. We expect our cost of acquiring land use rights may increase in the future, which may materially and adversely affect our gross margin. Furthermore, in August 2011, the Beijing Land Resources Bureau adopted a so-called "setting ceilings for property sale prices, bidding for land premiums" ("限房價、競地價") arrangement in the grant of land use rights of a piece of land in Beijing under which the said bureau set a fixed price for the relevant land as well as the maximum sales price of the properties to be built on the land, and the property developer bidder with the lowest bid of sales price would be granted the land use rights of the relevant land. In addition, the land authorities in Shanxi and Hunan provinces had also started trial implementation of this arrangement. Nevertheless, it is possible that similar arrangement might be adopted by the land administrative departments in their grants of land use rights in the future, which may affect the profitability of property developers in the PRC. If we fail to obtain suitable land for development at commercially acceptable prices that allow us to achieve reasonable returns upon sales of properties, our results of operations, financial condition and business prospects will be materially and adversely affected.

Our historical gross profit margins may not be sustained in the future.

Our gross profit margin was approximately 39.5%, 40.6%, 30.9% and 18.8% for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, respectively. During these periods, most of our revenue generated from the sales of our property projects located in first- and strong second-tier cities. Our product portfolio comprises of three product lines, Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA, targeting different groups of customers. The prices and gross profit margins of our products vary by the type of product we develop and sell, and may vary from period to period. Furthermore, our gross profit margins may be affected by a number of factors, some of which are beyond our control, such as the general market conditions, the market prices of the land and properties, as well as the costs of the construction and development. Therefore, our historical gross profit margins may not be sustained in the future.

Our profit margin is sensitive to fluctuations in the costs of construction.

A principal component of our cost of sales is construction costs, including all of the costs for the design and construction of a project, payments to third-party contractors and designers and cost of construction materials. Our construction costs have a direct effect on our gross margin and are affected by a number of factors, such as changes in construction labor costs, location and types of properties, choice of materials, landscaping and investments in ancillary facilities. In particular, construction costs fluctuate as a result of changes in the prices of key construction materials, such as steel and cement. As part of our cost control measures, we capped the prices of such materials in our construction contracts with our contractors in each of 2013, 2014, 2015 and the six months ended June 30, 2016. However, we cannot assure you that we can always enter into contracts with a cap fee of construction materials in the future. Any increase in the prices of the construction materials that we source on our own or that are sourced by our construction contractors if we cannot cap fee on construction materials with them could result in additional costs to us and may lead to future increases in construction contract costs, and reduce our gross margins to the extent that we are unable to pass these increased costs on to our customers. In such circumstances, increases in the prices of construction materials could have a material adverse effect on our results of operations, financial condition and business prospects.

We may be affected by the performance of contractors.

We engage independent contractors to provide various services, including design, construction and supervision of our property development projects. Since completion of our projects is subject to the performance of these external contractors, we may not be able to control timeliness of the completion schedule of our properties and cannot guarantee that any such contractor will provide satisfactory services or meet our quality standards. If the performance of any external contractor is unsatisfactory, or if it is in breach of any of its contractual obligations, we may need to replace it or take other actions to remedy the situation. This will, in turn, increase the cost and delay of the construction progress. We may even be fined by the PRC's regulatory authorities for sub-standard product quality and may face litigation claims from purchasers. Furthermore, our contractors may undertake projects from other developers, engage in risky undertakings or otherwise encounter financial or other difficulties, which may delay the completion of our property projects or create additional costs. The occurrence of any of the above events may have a material adverse effect on our business, reputation, brand name, financial condition, results of operations and business prospects.

We are not involved in the after-sale property maintenance or repair. In the event that management companies, purchasers or tenants fail to maintain the properties in good condition, our brand image and reputation as the property developer might be affected. This in turn might affect our sales and finance.

We may not be able to realize the anticipated economic benefits from our joint ventures, and disputes with joint venture partners may adversely affect our business.

Currently, we develop our property projects primarily through our wholly owned subsidiaries. When suitable opportunities arise, we also consider entering into joint ventures with third parties such as other property developers and real estate trusts or funds, and have interests in joint venture entities in connection with our property development plans. The success of a joint venture depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures. In addition, in accordance with PRC law, certain matters relating to joint ventures require the consent of all parties to the joint ventures. Joint ventures may involve risks associated with the possibility that our joint venture partners may:

- have economic or business interests or goals inconsistent with ours;
- take actions contrary to our instructions, requests or our policies or objectives;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreements;
- have financial difficulties; or
- have disputes with us as to the scope of their responsibilities and obligations.

We cannot assure you that we will not encounter problems with respect to our joint venture partners which may have an adverse effect on our business operations, profitability and prospects.

Our LAT provisions and prepayments may not be sufficient to meet our LAT obligations.

In accordance with the provisions of the Provisional Regulations of the People's Republic of China on Land Appreciation Tax (《中華人民共和國土地增值稅暫行條例》) and the related implementation rules, all entities and individuals that receive income from the sale or transfer of land use rights, buildings and ancillary facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of such properties. The PRC government issues rules and regulations in respect of LAT, including rules and regulations relating to assessable rates, the deductibility of certain expenses and the collection and settlement of LAT. In addition, the PRC government has determined that provincial and local tax bureaus may formulate their own implementing rules and determine how LAT will be settled in their respective jurisdictions. For more details, please see "Regulation—Regulations on Taxation—Land Appreciation Tax." There is an exemption for the sale of ordinary residential properties if the appreciated value does not exceed 20% of the total deductible expense items allowed under the relevant LAT regulations. This exemption is not available for sales of luxury residential properties, villas or commercial properties. It is not clear whether the residential portion of our mixed residential and commercial developments will be eligible for the exemption available to ordinary residential properties.

We make LAT prepayments and provisions in respect of our property development activities. We cannot assure you that the relevant tax authorities will agree with our calculation of LAT liabilities, nor can we assure you that the LAT provisions will be sufficient to cover our LAT obligations in respect of our past LAT liabilities. If the relevant tax authorities, in particular, the local tax bureau of Beijing and other cities and regions where we operate our business, determine that our LAT liabilities exceed our LAT prepayments and provisions, and seek to collect that excess amount immediately, our cash flow, results of operations and financial condition may be materially and adversely affected.

Our results of operations may vary significantly from period to period.

Our results of operations may vary significantly from period to period, due to a number of factors, including the timetables of our property development projects, the timing of the sale of properties that we have developed, our revenue recognition policies and any volatility in expenses, such as raw material costs. The overall schedules of our property development and the number of properties that we can develop or complete during any particular period are limited as a result of the substantial capital required for the acquisition of land, demolition and resettlement and construction. The sale of properties we develop is subject to general market or economic conditions in the areas where we conduct our business and the level of acceptance of our properties by prospective customers. According to our accounting policy, we recognize revenue upon the completion and delivery of the properties to purchasers, which may generally take one to two years after the commencement of pre-sales. Therefore, in periods in which we pre-sell a large aggregate GFA, we may not generate a correspondingly high level of revenue if the properties pre-sold are not delivered within the same period. We will continue to experience significant fluctuations in revenue and profit from period to period in connection with our property development business. We therefore believe that period-to-period comparisons of our operating results may not be as meaningful as they would be for a company with more stable recurring revenue.

We depend on Mr. Zhang Lei, our founder, executive director and chairman, and other key management personnel, and our business may be adversely affected if we lose their services.

Our future success depends heavily upon the continuing services of our senior management team. In particular, we rely on the experience and strategic vision of Mr. Zhang Lei, our founder, executive director and chairman. Because competition for senior executives and key management personnel is intense and the pool of qualified candidates is limited, we may not be able to retain the services of our senior executives or key management personnel or attract and retain high quality senior executives or key management personnel in the future. If Mr. Zhang Lei or any of our senior executives or key management personnel are unable or unwilling to continue in their present positions, we may not be able to replace them in a timely manner or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to successfully manage our growth.

We have been expanding our comfortable and eco-friendly property development business in recent years to integrate our development of energy-saving technologies, and we intend to continue to do so. We intend to expand our business into other markets in the PRC. This and any future expansion may place substantial strain on our managerial, operational and financial resources. We will need to manage our growth effectively, which may require additional efforts in recruiting, training and managing our workforce, managing our costs and implementing adequate controls and management systems in a timely and effective manner. We cannot assure you that we will be successful in managing our growth or in integrating and assimilating any acquired business with our existing operations.

In order to fund our ongoing operations and our future growth, we also require sufficient internal sources of liquidity or access to additional funding from external sources. Additionally, we will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, sales agents, property managers, lenders and other third parties. We cannot assure you that we will not experience issues such as capital constraints, construction delays, compliance errors, operational difficulties at new locations or difficulties in training an increasing number of personnel to manage and operate the expanded business. We also cannot assure you that our expansion plans will not adversely affect our existing operations and thereby have a material adverse effect on our results of operations, financial condition and business prospects.

We may not be successful in our future property development plans, including our proposed expansion plan in the U.S.

We take into account a number of factors in selecting new markets for our expansion, including local market conditions, geography and climate and the ability to apply and integrate our technologies. As of June 30, 2016, we had expanded our operations to Beijing, Shanghai, Suzhou, Nanjing, Taiyuan, Changsha, Nanchang, Wuhan, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei and Xiantao, the PRC. We intend to continue to customize our energy-efficient, eco-friendly properties in new markets according to local market conditions. We are also considering expanding our business geographically to the U.S. as part of our long-term strategic plan to diversify our property development projects portfolio and revenue source geographically and expand land reserves for future development. The proposed expansion plan may involve the acquisition of land for mixed-use residential and retail/commercial property development with application of our energy-saving technologies in the U.S. In December 2012, we purchased a parcel of land with a site area of approximately 48.5 acres (approximately 196,155.4 sq.m.) located in Pearland, Texas for a consideration of US\$4,550,000 which was settled by cash and funded by our internal resources. In May 2016, we purchased a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington for a consideration of US\$16,250,000 which was settled by cash and funded by our internal resources. We are still in the stages of project planning and assessment and, as of June 30, 2016, save for the purchase of the said parcel of land, we had not entered into any binding agreement in relation to our proposed expansion plan in the U.S.

There is no guarantee that we will proceed with our proposed expansion plan in the U.S. Furthermore, as the U.S. is a new geographical market for us and we have no historical operating experience in that jurisdiction, there is no assurance that our proposed expansion plan in the U.S. can be successfully implemented, including without limitation obtaining suitable land for project development and integrating our energy-saving technologies in our proposed project. If we are unable to successfully implement our proposed expansion plan, our business and financial position may be adversely affected.

We cannot prevent our competitors from engaging in similar development projects. We also face intense competition from other real estate developers. These factors may materially and adversely affect our business, results of operations and our financial position.

We believe that our specialization in the development of high-quality, comfortable and eco-friendly properties that deploy energy-saving technologies is one of the main reasons for our success. If our competitors construct similar development projects, or use similar concepts to advertise their products, it may affect our customers' understanding of our products and the image of our brand. Further, demand for our development may fall if our competitors offer competing products similar to ours. This will affect our business and results of operations.

In recent years, a large number of property developers, including a number of leading Hong Kong property developers and other overseas developers, have begun undertaking property development and investment projects in the PRC. Some of these developers may have better track records, greater financial, land and other resources, broader name recognition and greater economies of scale than us.

Competition among property developers may result in an increase in acquisition costs of land for development, an increase in costs for raw materials, an over-supply of properties, a decrease in property prices in certain parts of the PRC or an inability to sell such properties, a slowdown in the rate at which new property developments are approved or reviewed by the relevant PRC government authorities and an increase in administrative costs for hiring or retaining qualified personnel, any of which may adversely affect our business, financial position and results of operations. In addition, recent market downturns in the PRC may further

decrease property prices. If we cannot respond to changes in market conditions in the markets in which we operate more swiftly and effectively than our competitors, our business, financial position and results of operations may be materially and adversely affected.

Any deterioration in our brand image and failure to protect our intellectual property rights, including trademarks, patents and copyrights, could have a negative impact on our business.

We rely to a significant extent on our brand name and image to attract potential customers to our properties. Any negative incident or negative publicity concerning us or our properties may materially and adversely affect our reputation and business prospects. Brand value is based largely on consumer perceptions with a variety of subjective qualities and can be damaged even by isolated business incidents that degrade consumer trust. Consumer demand for our properties and our brand value could diminish significantly if we fail to preserve the quality of our properties or fail to deliver a consistently positive consumer experience in our properties, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity and the resulting decrease in brand value, or failure to establish our brand may have a material adverse effect on our business, financial condition and results of operations.

In addition, we believe our intellectual property rights are critical to our success and in our provision of comfortable and eco-friendly properties. Historically, the PRC has not protected intellectual property rights to the same extent as certain other countries, and infringement of intellectual property rights continues to pose a serious risk of doing business in the PRC. Monitoring and preventing unauthorized use is difficult. The measures we take to protect our intellectual property rights may not be adequate. Furthermore, the application of laws governing intellectual property rights in the PRC and abroad is uncertain and evolving. If we are unable to adequately protect our intellectual property rights, we may lose these rights and our business may suffer materially.

We may not have adequate insurance to cover all kinds of losses and claims in our operations.

We are of the view that the insurance coverage we have taken out is typical and in line with the industry practice for similar operations and is adequate for our operations. Property developers are not required under PRC laws and regulations to maintain insurance coverage in respect of their property development operations. In addition, we generally do not take out insurance against personal injuries that may occur during the construction of our properties. According to relevant PRC laws and regulations, general contractors and construction companies are responsible for safety control during the course of construction and are required to maintain accident insurance for their construction workers. The general contractors and construction companies will bear the risks and liabilities arising from tortuous acts committed on work sites under the terms of our construction contracts. As of June 30, 2016, we had not experienced any material damage to our property developments nor had any material personal injury-related claims been brought against us. However, there is a risk that we do not have sufficient insurance coverage for losses, damages and liabilities that may arise from our business operations. We may incur losses, damages or liabilities during any stage of our property development which are uninsured, and we may have insufficient fund to cover, rectify or replace any of our losses. Any payments we make in relation to this may materially affect us in terms of finance and operations.

Our profitability and results of operations are affected by changes in interest rates.

Changes in interest rates have affected and will continue to affect our financing costs and, ultimately, our results of operations. Since 2012, the PRC government reduced base interest rates many times to stimulate the economy. The one-year benchmark lending rate was decreased to 6.31% on June 8, 2012, to 6.00% on July 6, 2012, to 5.60% on November 22, 2014, to 5.35% on March 1, 2015, to 5.10% on May 11, 2015, to 4.85% on June 28, 2015, to 4.6% on August 26, 2015 and further to 4.35% on October 24, 2015. As of June 30, 2016, the benchmark one-year lending rate was 4.35%. As commercial banks in the PRC link the interest rates on their loans to benchmark lending rates published by the PBOC, any increase in such benchmark lending rates will increase the interest costs for our developments.

We may have to compensate our customers if we fail to meet all requirements for the delivery of completed properties and the issuance of property ownership certificates.

According to the relevant PRC law, property developers must meet various requirements as stated below within 90 days after the delivery of property or such other time period that may be provided in the relevant sales and purchase agreement to assist a purchaser in obtaining the individual property ownership certificate. We generally elect to specify the deadline to apply for an individual property ownership certificate in the sale and purchase agreement to allow sufficient time for the application and approval process. Within three months of the date of the completion certificate for a development, we must apply for a general property ownership certificate for the entire development. This involves, among other things, the submission of a number of documents, including land use rights documents, planning approvals and construction permits. Following the effective date of a sale and purchase agreement for one or more units in a development, we then assist the purchaser to apply for an individual property ownership certificate for each unit. This involves submission of other documents, including the sale and purchase agreement, identification documentation for the purchaser, evidence of payment of deed tax and a copy of the general property ownership certificate issued to us. Delay by a purchaser in providing the documents relating to the purchaser, or delay by the various administrative authorities in reviewing the relevant application document, as well as other factors beyond our control, may affect timely delivery of the relevant individual property ownership certificate. Under current PRC laws and regulations and under our sale and purchase agreements, we are required to compensate our customers for delays in delivery caused by us of individual property ownership certificates. We did not have any compensation payable due to delay in delivery of properties to customers for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016. We cannot assure you that delays in delivery of properties will not occur in the future. Significant delays with respect to one or more of our developments may materially and adversely affect our reputation, business, results of operations and financial condition.

We have pledged certain properties and may pledge shares in our PRC subsidiaries to secure our borrowings.

We have pledged certain of our properties to secure some of our banking and other facilities and loans granted to us. Historically, we also pledged shares in one of our PRC subsidiaries to secure some of our borrowings and such share pledge has been released as of the date of this offering memorandum. We may create new pledges of the shares in our subsidiaries to secure bank and other borrowings in the future. During 2013, 2014 and 2015 and the six months ended June 30, 2016, we had not experienced any default on our borrowings. If we default on such banking and other facilities, the lenders may foreclose on such properties that we pledge.

RISKS RELATING TO THE PRC PROPERTY INDUSTRY

The real estate industry in the PRC is still in an early stage of development, and the property market and related infrastructure and mechanisms have not been fully developed.

Private ownership of property in the PRC is still in a relatively early stage of development. Although demand for private residential property in the PRC has been growing rapidly in recent years, it is extremely difficult to predict how much and when demand will develop, as many social, political, economic, legal and other factors, most of which are beyond our control, may affect the development of the property market. The level of uncertainty is increased by the limited availability of accurate financial and market information, as well as the overall low level of transparency in the PRC. The lack of a liquid secondary market for residential real estate may discourage investors from acquiring new properties. The limited amount of property mortgage financing available to PRC individuals, compounded by the lack of security of legal title and enforceability of property rights, may further inhibit demand for residential developments.

In addition, the property market in the PRC is rapidly changing due to factors such as fluctuations in regional economy, availability of competitive property developments, product quality and changes in customer preferences, which may have a direct impact upon our sales. As property development projects take a long time and property market changes quickly, if we failed to respond in time to changes in the property market, our developments may not meet the market demand and may lead to poor sales. Further, if we position our developments incorrectly or our competitors supply a large number of properties in a very short period of time, this will also affect our sales. If we cannot respond to changes in market conditions in Beijing or elsewhere or to changes in customer preferences as swiftly or as effectively as our competitors, our business, results of

operations and financial condition could be materially and adversely affected. For details in relation to our existing and potential competitors, please refer to “Business—Competition.”

Our operations are highly subject to government policies and regulations in the real estate market.

Since 2010, the PRC government has been tightening its control of the real estate market with the aim of curbing increases in property prices while also, since early 2015, trying to stimulate the market to reduce inventory. A number of rules and regulations have been set forth by various PRC authorities concerning the housing market. See “Regulation—Regulation of Real Estate Project Development—Measures on Stabilizing Property Prices” and “Regulations—Regulations on Taxation” for more details on some of the PRC regulations.

However, the full effect and extent of these policies on the real estate industry and our business will depend in large part on the implementation and interpretation of the circulars by governmental agencies, local governments and banks involved in the real estate industry. The PRC government’s policies and regulatory measures on the PRC real estate sector could limit our access to required financing and other capital resources, adversely affect the property purchasers’ ability to obtain mortgage financing or significantly increase the cost of mortgage financing, reduce market demand for our properties and increase our operating costs. We cannot be certain that the PRC government will not issue additional and more stringent regulations or measures or that agencies and banks will not adopt restrictive measures or practices in response to PRC governmental policies and regulations, which could substantially reduce pre-sales of our properties and cash flow from operations and substantially increase our financing needs, which would in turn materially and adversely affect our business, financial condition, results of operations and prospects.

The PRC government has adopted various measures to regulate the property development industry and may adopt further restrictive measures in the future.

In addition to its policies and measures implemented to address housing prices, the PRC government has implemented a number of regulations and measures governing the property development industry. In July 2006, the MOHURD, the National Development and Reform Committee (“NDRC”), the PBOC, the State Administration for Industry and Commerce, or the SAIC, and the State Administration of Foreign Exchange, or the SAFE, issued *Opinions on Regulating the Entry and Administration of Foreign Investment in the Real Estate Market*, which impose significant requirements on foreign investment in the PRC real estate sector. For instance, these opinions set forth requirements of registered capital of a foreign invested real estate enterprise as well as thresholds for a foreign invested real estate enterprise to borrow domestic or overseas loans. In addition, since June 2007, a foreign invested real estate enterprise approved by local authorities is required to file such approvals with the MOFCOM or its provincial branches. We cannot assure you that any foreign invested real estate enterprise that we establish, or whose registered capital we increase, will be able to complete the filing with the MOFCOM or its provincial branches.

On July 10, 2007, the SAFE issued the *Notice on Publicity of the List of the 1st Group of Foreign-Invested Real Estate Projects filed with the MOFCOM*. This notice may strictly limit our capacity to raise funds offshore for the purpose of funding our PRC subsidiaries by means of increasing their registered capital or extending shareholders’ loans.

On December 24, 2011, the MOFCOM and the NDRC jointly issued the *Catalogue of Industries for Guiding Foreign Investment (2011 Revision)*, or the Catalogue 2011, which took effect on January 30, 2012. Consistent with the provisions of a prior catalogue, the Catalogue 2011 restricts the construction and operation of high-end residential and commercial properties by foreign investment entities. Further, on March 10, 2015, the *Catalogue of Industries for Guiding Foreign Investment (2015 Revision)*, or Catalogue 2015, was issued and supersedes the Catalogue 2011. Compared with its 2011 revision, the development of tracts of land, the construction and operation of high-end hotels, office buildings, international conference centers, and real estate intermediary/agency business have been removed from the category under which foreign investment is restricted, with the construction and operation of large-scale scheme parks remaining in the category.

Despite the changes in various sectors in Catalogue 2015, the requirement of obtaining approval at the relevant level of the MOFCOM remains. The PRC government’s restrictive regulations and measures could increase our operating costs in adapting to these regulations and measures, limit our access to capital resources or even restrict our business operations. We cannot be certain that the PRC government will not issue additional and more stringent regulations or measures, which could further adversely affect our business and prospects.

We may be involved from time to time in disputes and administrative, legal and other proceedings arising out of our operations and may face significant liabilities as a result.

We may be involved in disputes with various parties involved in the construction, development and sale of our properties, including contractors, suppliers, construction workers, original owners and residents, partners and purchasers. These disputes may lead to protests and legal or other proceedings and may result in damage to our reputation, the incurrence of substantial costs and the diversion of resources and management's attention. As most of our projects are comprised of multiple phases, purchasers of our properties in earlier phases may file legal actions against us if our subsequent planning and development of the relevant project is perceived to be inconsistent with our representations and warranties made to such earlier purchasers. These disputes and legal and other proceedings may materially and adversely affect our reputation, business, results of operations and financial condition. See "Business—Legal Proceedings." In addition, we may have compliance issues with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decrees that result in liabilities and cause delays to our property developments. If we fail to comply with any applicable PRC laws or regulations, our reputation and our business, results of operations and financial condition may be materially and adversely affected.

The construction business and the property development business are subject to claims under statutory quality warranties.

Under Regulations on the Administration of Development and Operation of Urban Real Estate (2011 Revision) (《城市房地產開發經營管理條例(2011修訂)》), all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. We may sometimes receive quality warranties from our third-party contractors with respect to our development projects. If a significant number of claims is brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, we could incur significant expenses to resolve such claims or face delays in correcting the related defects, which could in turn harm our reputation and have a material and adverse effect on our business, financial condition and results of operations.

Mortgage loans may not be available on favorable terms, if at all, to purchasers of our residential properties and this in turn may affect our sales.

Many of the purchasers of our residential properties rely on mortgage loans to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing, thus reducing the attractiveness in some cases, and eliminating the availability of mortgages as a source of financing for property purchases, and materially and adversely affecting the affordability of residential properties. In addition, the PRC government and commercial banks may also increase down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unattractive or unavailable to potential property purchasers.

In April 2010, the State Council also issued a notice to further increase the minimum down payment with respect to mortgage loans on purchases of second residential properties by individuals to 50% of the purchase price and provide that the applicable mortgage rate must be at least 1.1 times the relevant benchmark lending rate published by the PBOC. The minimum down payment with respect to mortgage loans on purchases of a third or any subsequent residential property by individuals may be substantially increased at the commercial bank's discretion and based on its risk control policies. The notice also specifies that the minimum amount of down payment for the purchase of properties with a GFA of more than 90 sq.m. by first time purchasers must be at least 30% of the purchase price. In September 2010, the PBOC and the China Banking Regulatory Commission ("CBRC") issued a notice requiring commercial banks to suspend granting mortgage loans to buyers purchasing their third or any subsequent residential properties or to those non-local residents who cannot provide documentation evidencing their payment for over one year of tax or social security in the locality. In January 2011, the General Office of the State Council issued the Notice on Further Improving the Regulation of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知), under which a household that borrows a mortgage loan for the purchase of a second residential property must make a down payment of not less than 60% of the purchase price and pay a mortgage rate which is not lower than 110% of the benchmark interest rate. In February 2013, the General Office of the State Council announced a new circular to further increase down payment ratios and interest rates for loans to purchase second properties for those cities with

excessive growth in housing prices. Since 2011, as a result of foregoing factors, various cities have promulgated measures to further control the property markets. See “Regulation” in this offering memorandum for details. PRC banks also tightened mortgage lending in general, which had affected the demand in the property markets. If mortgage financing for property purchases becomes more difficult to obtain or if the costs of such financing increase, our prospective customers who rely on such mortgage financing may not be able to purchase our properties, which in turn may materially and adversely affect our business, liquidity and results of operations.

Acts of God, epidemics, including the recent outbreaks of A/H1N1 and H7N9 influenza, and other disasters could affect our business.

Our business is subject to general and social conditions. Natural disasters, epidemics, acts of God and other events and disasters that are beyond our control may materially and adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some cities in the PRC are under the threat of flood, typhoon, earthquake or drought. For example, in the past, Hunan Province has been affected by flooding from time to time. Our business, financial condition and results of operations may be materially and adversely affected if natural disasters or other events occur. Certain areas of the PRC have experienced epidemics such as A/H1N1 and H7N9 influenza. There can be no assurance that such epidemics will not intensify or recur, or that other similar outbreaks or epidemics will not occur, in China. Any epidemic occurring in areas in which we operate, or even in areas in which we do not operate, may materially and adversely affect our business, financial condition and operating results.

Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchasers or our or their respective advisors.

Facts and statistics in this offering memorandum relating to China’s economy and the property industry are derived from various official or other publications available in China. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Initial Purchasers or our or their respective advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside China. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

RISKS RELATING TO THE PRC

Our results of operations and financial condition are highly susceptible to changes in PRC’s economic, political and social conditions as well as government policies.

The economy of the PRC differs from the economies of most of the other developed countries in many respects, including but not limited to structure, level of government involvement, level of development, growth rate, foreign exchange and allocation of resources.

While the PRC economy has grown significantly in the past 20 years, the growth has been uneven, both in terms of geography and also across the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our business, financial condition, results of operations and prospects may be adversely affected by the PRC government control over property development, capital investments or any changes in tax regulations or foreign exchange controls that are applicable to us.

The PRC economy has been transitioning from a planned economy to a market-oriented economy. For the past two decades, the PRC government has implemented economic reform measures emphasising utilization of market forces in the development of the PRC economy. Although we believe these reforms will have a positive effect on our overall and long-term development, we cannot predict whether changes in the PRC’s political, economic and social conditions, laws, regulations and policies will have any adverse effect on our current or future business, financial condition, results of operations and prospects.

Restrictions imposed by the PRC government on currency conversion and exchange rate fluctuations may limit our ability to remit dividends and may affect our business.

Currently, the Renminbi is not a freely convertible currency. We receive our revenue in Renminbi and will need to convert Renminbi to foreign currency for the payment of dividends, if any, to holders of our Shares. Existing restrictions on the conversion of Renminbi into foreign currencies may affect our ability to convert Renminbi into foreign currencies (and thus restrict the subsequent repatriation of those funds). Under existing PRC foreign exchange regulations, payment of current account items, including profit distributions, can be made in foreign currency without prior approval from the State Administration of Foreign Exchange (“SAFE”) upon compliance with certain procedural requirements. However, individual payments of capital items, for example the conversion of Renminbi into foreign currency to repay foreign loans, requires prior approval from the appropriate government authority. In addition, any tightening of such restrictions, including but not limited to the future imposition of restrictions on foreign exchange transactions for current account items, such as the payment of dividends, may limit our ability to use resources generated in Renminbi to fund our business activities outside the PRC.

As our revenue and operating costs are mostly denominated in Renminbi, our business and operating results may be materially and adversely affected in the event of severe fluctuations in the value of Renminbi against other currencies. The value of the Renminbi is subject to changes in PRC governmental policies and to international economic and political developments.

PRC regulation on direct investments and loans by offshore holding companies to PRC entities may delay or limit our ability to use the proceeds from this offering to make additional capital contributions or loans to our PRC operating businesses.

Any capital contributions or loans that we, as an offshore company, make to our PRC operating businesses are subject to PRC regulations. For example, any of our loans to our PRC operating businesses cannot exceed the difference between the total amount of investment our PRC operating businesses are allowed to make under relevant PRC laws and their respective registered capital, and must be registered with the local branch of the SAFE as a procedural matter. Capital contributions by us and our non-PRC subsidiaries to our PRC subsidiaries will require approvals from the commerce department of the local government and filing with MOFCOM and the local branch of SAFE, which may take considerable time and result in delays of receiving the contribution. There is no guarantee that we will be able to obtain these approvals in time, or at all. If we fail to obtain such approvals, our ability to make capital contributions, provide loans to our PRC operating businesses or to fund their operations may be entirely prohibited or affected, which, as a result, could affect their liquidity, their ability to fund their working capital and expansion projects, and meet their obligations and commitments.

The PRC government may introduce new policies that could further restrict our ability to use funds raised outside China. Our borrowings from sources outside of China as a percentage of our total borrowings has been increasing and may continue to increase in the future. Due to restrictions imposed by the PRC laws and regulations, we may not be able to use all or any of the funds that we raise outside of China, including the net proceeds from the current offering, as we contemplated, which may have a material and adverse effect on our business, results of operations, financial condition and prospects.

We may be subject to restrictions introduced by the PRC government on foreign investment in the PRC property market.

Since our Company is an offshore company, we may be subject to the restrictions introduced by the PRC government on foreign investment in the PRC property market when we engage in new project development.

On July 11, 2006, the Ministry of Construction, the MOFCOM, the NDRC, the PBOC, the State Administration for Industry and Commerce and SAFE issued the Opinion on Regulating the Access and Management of Foreign Capital in the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》) (the “171 Opinion”), which states that, among other things, a foreign entity or individual investing in the PRC property other than for self-use, must apply for the establishment of a Foreign Invested Real Estate Enterprise (the “FIREE”) in accordance with the applicable PRC laws and can only conduct operations within the authorized business scope. The opinion attempts to impose additional restrictions on the establishment and operation of a FIREE by measures including regulating the amount of registered capital as a percentage of total investment in

certain circumstances, limiting the validity of a FIREE or the transfer of its projects and prohibiting the borrowing of money from domestic and foreign lenders where, among other things, the registered capital is not paid up, land use rights are not obtained, or the capital fund is less than 35% of the total investment amount in the intended development project. In addition, the opinion also limits the ability of certain foreign individuals to purchase residential properties in China.

On May 23, 2007, MOFCOM and SAFE issued the Circular on Further Reinforcing and Standardizing the Examination and Supervision on Foreign Direct Investment in Real Estate Industry (《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》) (the “May Circular”), which states that, among other things, a foreign investor must apply to establish a FIREE in accordance with PRC laws if it plans to develop or operate property business in the PRC. The May Circular states that foreign investors cannot bypass the examination and approval requirements applicable to foreign invested property businesses by changing the actual controllers of the domestic property enterprises in the PRC and the merger of or investment in domestic real estate enterprises by way of returning investment (返程投資) (including the same actual controller) shall be placed under strict control. If foreign-invested enterprises wish to engage in property development or operation business, or FIREEs wish to engage in new project development operations, they must apply to the relevant examination and approval authorities for their expansion of scope of business or scale of business operation. In addition, local examination and approval authority shall file the approval of the establishment of foreign-funded real estate enterprises with the MOFCOM for record in a timely manner according to law.

The PRC Labor Contract Law may cause our labor costs to increase and we may be liable for fines and penalties for any material breach of this law.

On June 29, 2007, the Standing Committee of the NPC adopted the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the “Labor Contract Law”), which became effective on January 1, 2008. The Labor Contract Law imposes requirements relating to, among others things, minimum wages, severance payments and non-fixed term employment contracts, and establishes time limits for probation periods and the circumstances in which an employee can be placed on a fixed-term employment contract. It also provides that social insurance is required to be paid on behalf of employees, and employees are entitled to unilaterally terminate the labor contract if this requirement is not being satisfied.

Pursuant to this law, our PRC subsidiaries are required to enter into non-fixed term employment contracts with employees who have consecutively worked for them for more than 10 years or, unless otherwise provided under the Labor Contract Law, for whom a fixed-term employment contract has been concluded for two consecutive terms since January 1, 2008. Consequently, we may not be able to efficiently terminate the employment contracts with our employees under this law without demonstrating the cause. In addition, we are required to make severance payments to employees upon early termination of their employment contracts, unless the contract is terminated due to (i) the employee’s misconduct, (ii) the employee voluntarily terminates the contract or (iii) the employee voluntarily rejects an offer to renew the contract in circumstances where the conditions offered by the employer are the same as or better than those stipulated in the current contract. The amount of severance payment is calculated based on monthly wage of the employee multiplied by the number of full years that the employee was employed by the employer, capped at 12 years. If the employee has been employed for more than six months but less than a year, it is deemed one year. If the employee has been employed for less than six months, the employer shall pay a half-month salary as severance payment. If the employee’s monthly wage is three times greater than the average monthly wage of the preceding year in the relevant district or locality, the calculation of the severance payment will be based on a monthly wage equal to three times the average monthly wage.

On December 28, 2012, the Labor Contract Law was amended and passed by the 30th session of the Standing Committee of the 11th National People’s Congress, which was implemented from July 1, 2013. This amendment is relating to the labor dispatch section in the Labor Contract Law, which clearly expresses the criteria for the dispatch service providers, the administrative license for dispatch service, the “equal pay for equal work” principle for the dispatched employees and the positions for which the dispatch service applies.

The amended Labor Contract Law mainly has the following requirements regarding the qualifications of the dispatch service providers: (1) increasing the registered capital requirement of the dispatch service providers from RMB 500,000 to RMB 2,000,000; (2) requiring the dispatch service providers to legally apply for and obtain the prerequisite administrative license from the competent labor administrative bureau. The enterprises that were operating the dispatch service before the effectiveness of the amended Labor Law Contract shall obtain the administrative license and apply for the change of registration before July 1, 2014.

Compliance with the relevant laws and regulations may substantially increase our operating costs and may have a material impact on our results of operations. In particular, an increase in labor costs in the PRC will increase our service costs, and we may not be able to pass these extra costs onto our customers due to competitive pricing pressures. There is no guarantee that any employment disputes or strikes will not happen in the future. Increase in our labor costs and any future disputes with our employees can materially and adversely affect our business, financial condition or results of operations.

Interpretation of PRC laws and regulations involves uncertainty.

The PRC legal system is based on written statutes. Prior court decisions can only be used as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree of uncertainty. For example, we have registered the issuance of the Notes with the NDRC with reference to the NDRC Notice and are required to file a post-issuance report with the NDRC within 10 working days in the PRC pursuant to the registration certificate. As the NDRC Notice is a new regulation, there are still uncertainties regarding its interpretation, implementation and enforcement by the NDRC. If we fail to complete such filing in accordance with the relevant requirements, due to any change in the relevant regulation we may be subject to penalties or other enforcement actions by relevant PRC government authorities. Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are subject to policy changes. There is no guarantee that the introduction of new laws, changes to existing laws and the interpretation or application thereof, or delays in obtaining rulings, interpretations or approvals from the relevant authorities will not have an adverse impact on our business or prospects. In addition, any litigation in the PRC may be protracted and result in substantial costs as well as diversion of resources and management attention. The outcome of litigation and dispute resolutions may not be consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the law in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction. All these uncertainties may cause difficulties in the enforcement of our entitlements under our licenses, and other statutory and contractual rights and interests.

We may be deemed to be a PRC tax resident enterprise under the EIT Law, which could result in unfavorable tax consequences to us and our non-PRC holders of the Notes.

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) and the implementation regulations to the EIT Law issued by the PRC State Council became effective on January 1, 2008. Under the EIT Law, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and will generally be subject to a uniform 25% enterprise income tax (“EIT”) on their worldwide income. Under the implementation rules of the EIT Law (the “EIT Rules”), “de facto management bodies” are defined as bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. Substantially all of our management is currently based in China and may remain in China. Therefore, we may be treated as a PRC resident enterprise for EIT purposes and thus be subject to EIT on our worldwide income. However, a PRC resident enterprise is exempt from tax on dividend income received from qualified resident enterprises. The tax consequences to us in the case that we are treated as a PRC resident enterprise are not entirely clear, as they will depend on the implementation regulations and how local tax authorities apply or enforce the EIT Law and the EIT Rules. Furthermore, if we are treated as a PRC “resident enterprise,” we may be obligated to withhold PRC income tax, generally at a rate of 10%, on payments of interest on the Notes to investors that are “non-resident enterprises,” because the interest may be regarded as being derived from sources within the PRC. If we are required under the PRC tax laws to

withhold PRC tax on our interest payable to noteholders who are “non-resident enterprises,” we will be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by the holder of each Note of such amounts as would have been received by such holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes, and could have a material adverse effect on our ability to pay interest on, and repay the principal amount of, the Notes, as well as our profitability and cash flow. If we fail to do so, we may be subject to fines and other penalties. Further, if we are treated as a PRC “resident enterprise,” any gain realized by a “non-resident enterprise” investor from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly may be subject to a 10% PRC tax.

The M&A Rules may limit our ability to acquire PRC companies and may materially and adversely affect the implementation of our acquisition strategies as well as our business and prospects.

The M&A Rules contain requirements with which foreign investors must comply should they seek to (i) purchase the equities of the shareholders of a domestic non-foreign-funded enterprise, or subscribe to the increased capital of a domestic non-foreign-funded enterprise, and thus change the domestic non-foreign-funded enterprise into a foreign-funded enterprise, or (ii) set up a foreign-funded enterprise to acquire assets from a domestic enterprise, or acquire assets from a domestic enterprise and set up a foreign-funded enterprise by contribution of the acquired assets. The M&A Rules stipulate that the business scope upon acquisition of a domestic enterprise must conform to the Catalogue for the Guidance of Foreign Investment Industries (2015 version) 《外商投資產業指導目錄》 (2015年修訂) promulgated by the NDRC and MOFCOM. The M&A Rules also provide for the takeover procedures for equity interests in domestic enterprises.

There are uncertainties as to how the M&A Rules will be interpreted and implemented. If we decide to acquire a PRC enterprise, we cannot assure you that we or the owners of such PRC enterprise can successfully complete all necessary approval requirements under the M&A Rules. This may restrict our ability to implement our acquisition strategies and may materially and adversely affect our business, financial condition and results of operations.

A failure by the beneficial owners of our shares who are PRC residents to comply with certain PRC foreign exchange regulations could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws and regulations.

In July 2014, SAFE issued the “Notice on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and in Return Investment via Special Purpose Companies” (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》 (the “Circular 37”), requiring PRC residents, including both legal persons and natural persons, to register with an appropriate local SAFE branch before it contributes its domestic or overseas assets or equity interests to any company outside of China, referred to as an “offshore special purpose company” for the purpose of acquiring any assets of or equity interest in PRC companies and raising funds from overseas. When a PRC resident contributes the assets or equity interests it holds in a PRC company or an offshore enterprise into the offshore special purpose company, or engages in overseas financing after contributing such assets or equity interests into the offshore special purpose company, such PRC resident shall modify its SAFE registration in light of its interest in the offshore special purpose company and any change thereof. In addition, any PRC resident that is the shareholder of an offshore special purpose company is required to amend its SAFE registration with the local SAFE branch, with respect to that offshore special purpose company in connection with any change in the basic information or other material changes such as capital increase or decrease, equity transfer or merger and acquisition of the domestic resident shareholders. If the PRC resident shareholder fails to comply with Circular 37, the PRC subsidiary may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to their offshore parent company, and the offshore parent company may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the above SAFE registration requirements could result in liabilities under PRC laws and regulations for evasion of foreign exchange restrictions.

All of our PRC resident shareholders or beneficiary owners have completed their initial registrations and are in the process of updating their registrations with SAFE. We are committed to complying, and to ensuring that our shareholders and beneficial owners, who are PRC residents, comply with the SAFE Circular 37 requirements. However, we may not at all times be fully aware or informed of the identities of all our beneficial owners who are PRC residents, and we may not always be able to compel our beneficial owners to comply with the SAFE Circular 37 requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by, SAFE Circular 37 or other related regulations. Failure by any such shareholders or beneficial owners to comply with SAFE Circular 37 could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC Subsidiary's ability to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

We may be subject to PRC taxation if transfers of equity interests in PRC enterprises between related parties are not conducted at fair value.

Pursuant to the EIT Law and its implementation rules, the transfer of equity interests in PRC enterprises between related parties are related party transactions which may need to be filed with local tax authorities and may be subject to audit and challenge by PRC tax authorities. If the tax authorities determine the transfer price does not represent fair value of the equity interests subject to the transfer, the tax authority shall have the right to make tax adjustments within ten years from the tax paying year in which the transaction occurs, as a result of which we may be required to make up the taxable amount between fair value of the equity interest transferred and the cost of investment. During 2013, 2014, 2015 and the six months ended June 30, 2016, there were certain transfers of PRC enterprises between our Group and related parties.

There is uncertainty as to whether the PRC tax authorities will make adjustment to the taxable capital gains if the transfer prices are deemed not being the fair value of the equity interests. It is currently unclear whether the relevant PRC tax authorities will deem the transfer prices of a particular equity interest transfer as not being at fair value and hence the EIT on capital gains may be subject to further change. In case we are required to make adjustments and to pay the enterprise income tax on capital gains by the relevant PRC tax authorities, and our tax provision is not sufficient, our business, financial condition and operating results may be materially and adversely affected.

RISKS RELATING TO OUR PROPOSED PROPERTY DEVELOPMENT IN THE U.S.

Land use regulations and zoning laws may increase our expenses, delay the completion of planned projects or limit our ability to develop our property as planned.

We are subject to numerous local, state, federal and other laws, statutes, ordinances, rules and regulations of the United States concerning various matters which may affect our business, including, but not limited to, zoning, development, building design, architectural design, construction, fire and safety, and other similar matters which impose restrictive zoning, density or other development controls and requirements that may limit our ability to develop our property for our intended use. We must obtain licenses, permits and approvals from various governmental agencies for any development activities, the granting of which are beyond our control. The process to change such regulations or the process to obtain approvals or waivers for such regulations may be costly, lengthy, can be opposed by consumer, environmental or other groups, and can cause significant delays and may ultimately be unsuccessful, forcing us to permanently halt any planned development. Delays or a permanent halt in the development process can cause substantial increases to development costs, or may cause us to abandon any planned project and sell our property at a potential loss, any of which could harm our operating results.

We are responsible for all ad valorem taxes and other fees on our property and our failure to pay such taxes and fees may result in liens or other adverse consequences.

Our property in the U.S., currently comprising a parcel of land located in the City of Pearland, Texas (“U.S. Property”), will be subject to ad valorem taxes that may increase as tax rates change and as our U.S. Property is assessed and reassessed by taxing authorities. Our property may also be subject to fees and taxes associated with certain municipal utility districts in the State of Texas. As the owner of this property, we will be ultimately responsible for the payment of all taxes and fees to the applicable government authorities. Taxes on our U.S. Property are administered by each of the Brazoria County Tax Assessor-Collector and the Harris County Tax Assessor-Collector, and are based on the annual assessed value of our U.S. Property. These assessments are made by each of the Brazoria County Appraisal District and the Harris County Appraisal District, and may not correctly reflect the value of the U.S. Property. If we fail to pay any such taxes, the applicable taxing authority may place a lien on the property and the property may be subject to a forced sale at public auction.

We are subject to various environmental laws and regulations, which may increase costs, limit our ability to develop our property and delay completion of planned projects.

We are also subject to a variety of local, state and federal statutes, ordinances, rules and regulations of the United States concerning the protection of health and the environment. These include, but are not limited to, the Clean Water Act, the Clean Air Act and the Endangered Species Act and comparable state and local laws and regulations. We must comply with laws regulating the release of hazardous substances and other emissions into the air, soil and water, including, among other things, air emissions, wastewater discharge and the handling and disposal of waste. We must also comply with laws governing the protection of endangered or threatened species and other environmental laws that may limit or prevent development in certain environmentally sensitive areas. We must comply with any flood plain restrictions, native plant regulations, cultural resource protections and view restrictions. We may be subject to environmentally sensitive land ordinances that mandate open space areas with public elements in any development and prevent development on hillsides, wetlands or other protected areas.

The U.S. Property may be contaminated by hazardous materials and we may be responsible for the remediation and cleanup of such hazardous materials, even if we are not responsible for the contamination.

Pursuant to federal, state and local environmental laws and regulations of the United States, we may be required to investigate, remove and/or remediate a release of hazardous substances or other regulated materials at, or emanating from, our U.S. Property. Under certain circumstances, we may be held liable for property damage, personal injury and/or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to lead to joint and several liability unless the harm is divisible and there is a reasonable basis for allocation of responsibility. We may also be liable under certain laws for contamination and damage that occurred prior to our ownership of our property. Such laws often impose liability regardless of whether we knew, or were responsible for, the presence of the hazardous materials or toxic substances that caused the contamination. Our failure to remediate a contaminated property may adversely affect our ability to develop, lease, sell or rent the property or borrow funds using the property as collateral.

We may be subject to additional regulations addressing concerns over climate change, and these regulations may increase our cost to develop the U.S. Property.

There are a variety of new legal requirements being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. These include, but are not limited to, new efficiency standards for heating and cooling equipment, new building codes and possible carbon emissions taxes or other initiatives. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to develop our property. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and may result in increased costs. Similarly, energy-related initiatives affect a wide variety of companies in the United States and the world. These initiatives could have an adverse impact on our operations and profitability to the extent that they affect our costs.

Our business and property may be subject to damage and interruptions from adverse weather, and any insurance requirements related to this weather may adversely affect us.

Our property in the United States is located near the Gulf of Mexico, which makes us particularly vulnerable to risks associated with hurricanes and tropical storms. In addition to the risk of damage to our property, once developed, and the potential for business interruptions, we must obtain insurance coverage commensurate with such risks. We cannot predict whether we will continue to be able to obtain insurance for hurricane-related damages or, if obtainable and carried, whether this insurance will be adequate to cover our liabilities. We may also be subject to future federal, state and local laws, regulations and other requirements related to the potential risk associated with operating in this region, including potential requirements regarding insurance coverage, and we are unable to accurately predict whether such measures would adversely affect our business.

We may be required to make expenditures related to compliance with the Americans with Disabilities Act.

We are also required to comply with the provisions of the Americans with Disabilities Act. This act requires places of public accommodation to meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If we are required to make unanticipated expenditures to comply with the Americans with Disabilities Act, including removing access barriers, our business or profitability may be negatively affected. Additionally, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us that may affect our cash flows and results of operations.

We are subject to the Fair Housing Amendment Act of 1988 and the failure to comply with this law could result in litigation, fines or other penalties.

We are also subject to the Fair Housing Amendment Act of 1988. This law, its state law counterparts and regulations promulgated by the U.S. Department of Housing and Urban Development and various state agencies prohibit the discrimination in housing on the basis of race or color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18) or disability and, in some states, financial capability. A failure to comply with these laws in our operations could result in litigation, fines, penalties or other adverse claims, or could result in limitations or restrictions on our ability to operate, any of which could materially and adversely affect us.

We may be subject to certain federal and state housing programs, which may place additional compliance requirements on our business.

We may also be subject to additional federal and state laws and regulations administered by numerous federal and state government agencies. These include eligibility and other requirements for participation in programs offered by the Federal Housing Administration, the Department of Veteran Affairs, Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and the United States Department of Agriculture (USDA). These laws and regulations require compliance with consumer lending laws and other regulations governing disclosure requirements, prohibitions against discrimination and real estate settlement provisions. These laws would subject our PRC operations to examination by the applicable agencies.

RISKS RELATING TO THE NOTES

We are a holding company and payments with respect to the Notes are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.

We are a holding company with no material operations. We conduct our operations primarily through our PRC subsidiaries and we have expanded into the US property market. The Notes will not be guaranteed by any current or future PRC subsidiaries or by certain other Non-Guarantor Subsidiaries (including all of our existing US subsidiaries) as defined in the section entitled "Description of the Notes." In addition, shares of our PRC subsidiaries and other Non-Guarantor Subsidiaries will not be pledged for the benefit of the holders of the Notes.

Our primary assets are ownership interests in our PRC subsidiaries and other Non-Guarantor Subsidiaries. The Subsidiary Guarantors do not, and the JV Subsidiary Guarantors (if any) may not, have material operations. Accordingly, our ability to pay principal and interest on the Notes and the ability of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to satisfy their obligations under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be) will depend upon our receipt of principal and interest payments on the intercompany loans and distributions of dividends from our PRC subsidiaries. See “—Risks Relating to the PRC—A failure by the beneficial owners of our shares who are PRC residents to comply with certain PRC foreign exchange regulations could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws and regulations.”

Creditors, including trade creditors of our Non-Guarantor Subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the Notes. As a result, our payment obligations under the Notes will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of our Non-Guarantor Subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Notes. As of June 30, 2016, our Non-Guarantor Subsidiaries had bank and other borrowings in the amount of RMB3,834.5 million (US\$577.0 million) and capital and other commitments and outstanding guarantees of approximately RMB3,285.5 million (US\$494.4 million) and RMB9,546.2 million (US\$1,436.4 million), respectively. See “Description of Other Material Indebtedness and Obligations.” The Notes and the Indenture permit us, the Subsidiary Guarantors, the JV Subsidiary Guarantor (if any) and our Non-guarantor Subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. The Notes and the Indenture do not restrict the ability of our subsidiaries to issue certain categories of guarantee in the ordinary course of business. In addition, our secured creditors or those of any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) would have priority as to our assets or the assets of such Subsidiary Guarantor or JV Subsidiary Guarantor (if any) securing the related obligations over claims of holders of the Notes.

Under the terms of the Notes, a Subsidiary Guarantee required to be provided by a subsidiary of the Company under the terms of the Notes may be replaced by a limited-recourse guarantee, or JV Subsidiary Guarantee, following the sale or issuance to a third party of a 20% to 49.9% equity interest in such subsidiary by its direct or indirect majority shareholders or the purchase by the Company or any Restricted Subsidiary of no less than 50.1% of the Capital Stock of an Independent Third Party and designate such entity as a Restricted Subsidiary (subject to the satisfaction of certain conditions). Recovery under the JV Subsidiary Guarantees provided by a JV Subsidiary Guarantor and its shareholders and subsidiaries is limited to an amount equal to our proportional interest in the issued share capital of such Subsidiary Guarantor, or JV Subsidiary Guarantor, multiplied by the fair market value of the total assets in such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis, as of the date of the last fiscal year end of the Company. As a result, the amount that may be recovered by the Trustee pursuant to a JV Subsidiary Guarantee (compared to a Subsidiary Guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the Notes.

We have incurred significant indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

We now have, and will continue to have after the offering of the Notes, a substantial amount of indebtedness. As of December 31, 2013, 2014 and 2015 and June 30, 2016, our total outstanding borrowings (including senior notes and corporate bond) amounted to RMB2,158.9 million, RMB4,507.2 million, RMB5,258.9 million and RMB8,731.2 million (US\$1,313.8 million), respectively. We also issued the 2013 Notes in an aggregate principal amount of US\$150 million on November 4, 2013, the January 2014 Notes in an aggregate principal amount of RMB1,100 million (US\$165.5 million) on January 22, 2014 and the July 2014 Notes in an aggregate principal amount of US\$125 million on July 24, 2014.

Our substantial indebtedness could have important consequences to you. For example, it could:

- limit our ability to satisfy our obligations under the Notes and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and for other general corporate purposes;

- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increase the cost of additional financing.

In the future, we may from time to time incur substantial additional indebtedness and contingent liabilities. Although the Indenture restricts us and our Restricted Subsidiaries from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. Under the Indenture, our ability to incur additional indebtedness is subject to the limitation on indebtedness and preferred stock covenant. Under such covenant, we may incur (i) certain Permitted Indebtedness or (ii) additional indebtedness if we can, among other things, satisfy the Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio is derived by dividing Consolidated EBITDA by Consolidated Fixed Charges. Because our definition of Consolidated Net Income (which is a significant component of Consolidated EBITDA) for the Notes includes our unrealized gains on valuation adjustments on our investment properties as well as fair value gains arising from the revaluation of properties under development and completed properties held for sale in connection with purchase, redemption or acquisition of shares of a Restricted Subsidiaries, our Consolidated EBITDA and therefore our ability to incur additional debt under such covenants could be substantially larger when compared to other similarly situated PRC senior notes issuers whose covenants do not typically include such unrealized gains or revaluation gains in the definition of consolidated net income. In addition, because our definition of Consolidated Interest Expense for the Notes excludes the interest expense on indebtedness of third parties that we guarantee (except to the extent that such interest expense has become payable by us), our Consolidated Interest Expense and our ability to incur additional indebtedness could be even larger when compared to other similarly situated PRC senior notes issuers whose covenants would typically include such interest expense in the definition of consolidated interest expense. If we or our subsidiaries incur additional indebtedness, the risks that we face as a result of our already substantial indebtedness and leverage could intensify. If our onshore subsidiaries incur additional indebtedness, the ratings assigned to the Notes by any rating agency may be adversely affected which could adversely affect the market price of the Notes. See “– The ratings assigned to the Notes may be lowered or withdrawn in the future.” In addition, the terms of the Notes allow our subsidiaries to borrow from shareholders (including our joint venture partner(s) and do not count them as Indebtedness if they are interest-free and do not provide for a fixed maturity date. If we or our subsidiaries incur additional debt, the risks that we face as a result of our already substantial indebtedness and leverage could intensify.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due. However, we may not generate sufficient cash flow for these purposes. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

In addition, the terms of the Indenture prohibit us from incurring additional indebtedness unless (i) we are able to satisfy certain financial ratios or (ii) we are able to incur such additional indebtedness pursuant to any of the specific exceptions to the financial ratios requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We cannot assure you that we will be able to meet these ratios. Certain of our other financing arrangements also impose operating and financial restrictions on our business. See “Description of Other Material Indebtedness and Obligations.” Such restrictions in the Notes and our other financing arrangements may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in our business. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Notes and other debt.

Our ability to generate cash to service our indebtedness depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund planned capital expenditures and project development will depend on our ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our business might not generate sufficient cash flow from operations to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including the Notes, on or before maturity. We might not be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we are unable to service our indebtedness or obtain refinancing on terms acceptable to us, we may be forced to adopt an alternative strategy that may include reducing or delaying capital expenditures, selling assets or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

Our subsidiaries are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to us and our subsidiaries.

As a holding company, we depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our debt obligations, including our obligations under the Notes. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, applicable laws and restrictions contained in the debt instruments of such subsidiaries. See “Description of Other Material Indebtedness and Obligations.” In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to us to make payments on the Notes. Further, certain loan agreements and secured trust financing agreements obtained by our PRC subsidiaries from lender banks and trust companies in the PRC contain provisions that restrict or prohibit the payment or declaration of dividends or distributions. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Notes and the ability of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) to satisfy their obligations under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be).

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with IFRS in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends by the board of directors. In addition, dividends paid by our PRC subsidiaries to their non-PRC parent companies are subject to a 10% withholding tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated, which specifically exempts or reduces such withholding tax. Pursuant to a double tax treaty between Hong Kong and the PRC, if the non-PRC parent company is a Hong Kong resident and directly holds a 25% or more interest in the PRC enterprise, such withholding tax rate may be lowered to 5%. However, according to the Circular in Relation to the Understanding and Determination of “Beneficial Owners” in Tax Treaties (《關於如何理解和認定稅收協定中“受益所有人”的通知》) issued by the PRC State Administration of Taxation on October 27, 2009, tax treaty benefits will be denied to “conduit” or shell companies without substantive business activities. As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet our payment obligations required by the Notes or to satisfy the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be), and there could be restrictions on payments required to redeem the Notes at maturity or as required for any early redemption.

Furthermore, in practice, the market interest rate that our PRC subsidiaries can pay with respect to offshore loans generally may not exceed comparable interest rates in the international finance markets. The interest rates on shareholders’ loans paid by our subsidiaries, therefore, are likely to be lower than the interest rate for the Notes. Our PRC subsidiaries are also required to pay a 10% (or 7% if the interest is paid to a Hong Kong resident, subject to approval by local tax authorities) withholding tax on our behalf on the interest paid under any shareholders’ loans. PRC regulations require approval by the SAFE prior to any of our non-PRC subsidiaries making shareholder loans in foreign currencies to our PRC subsidiaries (except the loans to a foreign-invested enterprise within the difference between its total investment and registered capital), and require

such loans (including the loans to a foreign-invested enterprise within the difference between its total investment and registered capital) to be registered with the SAFE. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with the SAFE, as well as any other documents that the SAFE or its local branch may require.

As a result of the foregoing, we cannot assure you that we will have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries to satisfy our obligations under the Notes or the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be). Any limitation on the ability of our PRC subsidiaries to pay dividends to us may also materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses or otherwise fund and conduct our business.

The terms of the Notes permit us to make investments in Unrestricted Subsidiaries and minority owned joint ventures; the terms of the Notes also give us flexibility to pay dividends and repurchase our shares.

In light of land prices, sizes of projects, the competitive landscape and other factors, we may from time to time consider developing properties jointly with other property developers. As a result, we may need to make investments in joint ventures (including joint ventures in which we may own less than a 50% equity interest) and such joint ventures may or may not be Restricted Subsidiaries under the Indenture governing the Notes and the indentures governing our other outstanding notes. Although the Indenture governing the Notes and the indentures governing our other outstanding notes restricts us and our Restricted Subsidiaries from making investments in Unrestricted Subsidiaries or joint ventures, these restrictions are subject to important exceptions and qualifications. In particular, the Indenture governing the Notes does not impose a minimum shareholding requirement or restrict the types of business these entities are engaged in, and we are also not required to satisfy the Fixed Charge Coverage Ratio if the aggregate amount of these investments does not exceed 10% of the Total Assets. See the section entitled “Limitation on Restricted Payments” and the definition of “Permitted Investment” in “Description of the Notes.”

In addition, notwithstanding any other provision of the “Description of the Notes – Certain Covenants – Limitation on Restricted Payments” covenant under the terms of the Notes, we are not required to satisfy the Fixed Charge Coverage Ratio or the restricted payment “basket” for any restricted payment consisting solely of the declaration or payment of dividends in cash on our Common Stock or the repurchase of our Common Stock and otherwise have flexibility to make substantial amounts of dividend distributions on our Common Stock and repurchases of our Common Stock. See “Description of the Notes – Certain Covenants – Limitations on Restricted Payments.”

The terms of the Notes permit us to buy out minority interests in non-wholly owned Restricted Subsidiaries, and such purchases will not constitute Restricted Payments.

The Indenture governing the Notes permit us to redeem, repurchase or otherwise acquire minority interests in our Restricted Subsidiaries in an arm’s length transaction, and such purchases will not constitute Restricted Payments. See “Description of the Notes – Certain Covenants – Limitation on Restricted Payments.” Even though such transactions would potentially increase our ownership interests in the relevant Restricted Subsidiary, we may pay substantial amounts of consideration in these transactions, whether in cash or other assets, which may adversely impact our business, results of operations and financial condition.

The terms of the Notes permit us to designate any Non-Core Entity as an Unrestricted Subsidiary in connection with any Qualified Spin-off IPO, and investments we retain in such Unrestricted Subsidiaries will not constitute Restricted Payments upon such designation.

We may consider spinning off certain business for listing, such as our property management business and acquisition, development, management and operation of commercial properties, or business conducted outside the PRC, in the future as we desire. Subject to certain restrictions, in connection with a spin-off listing of Non-Core Entities that are engaged in businesses other than our core residential development business in the PRC, the terms of the Notes permit us to designate any such Non-Core Entity as an Unrestricted Subsidiary, and any interests we retain in such Non-Core Entities will not constitute Restricted Payments upon such designation. See “Description of the Notes – Certain Covenants – Limitation on Restricted Payments” and the definition of

“Permitted Investment.” We currently do not have any plan for such spin off listing and do not expect to make such designations. The effects of any such designation, if applicable, include, but are not limited to, that:

- any entity so designated as an Unrestricted Subsidiary will no longer be subject to the covenants under the Indenture governing the Notes;
- the Subsidiary Guarantees of any entity so designated as an Unrestricted Subsidiary may be released, and the shares of such entity previously pledged to the collateral agent or the trustee for the benefit of the holders of the Notes may be released; and
- interest expenses on Indebtedness of any entity so designated as an Unrestricted Subsidiary will not be included in the calculation of our Consolidated Interest Expense, other than such interest expenses on Indebtedness that is Guaranteed by the Company or a Restricted Subsidiary.

We may be subject to risks presented by fluctuations in exchange rates between the Renminbi and other currencies, particularly the U.S. dollar.

The Notes are denominated in U.S. dollars, while substantially all of our revenues are generated by our PRC operating subsidiaries and are denominated in Renminbi. Pursuant to reforms of the exchange rate system announced by the PBOC on July 21, 2005, Renminbi-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from May 18, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on April 16, 2012 and further widened to 2.0% on March 17, 2014. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 24.5% from July 21, 2005 to June 30, 2016. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared to August 10, 2015, and further depreciated by nearly 1.6% on August 12, 2015 as compared to August 11, 2015. The International Monetary Fund announced on September 30, 2016 that the Renminbi joins its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of the Renminbi against the U.S. dollar, our financial condition and results of operations could be adversely affected because of our substantial U.S. dollar denominated indebtedness and other obligations. The fluctuations in exchange rates could also adversely affect the value, translated or converted into U.S. dollars or otherwise, of our earnings and our ability to satisfy our obligations under the Notes and other indebtedness denominated in foreign currencies.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. To date, we have not entered into any hedging transactions to reduce our exposure to such risks. Following the offering of the Notes, we may enter into foreign exchange or interest rate hedging agreements in respect of our foreign currency-denominated liabilities and our liabilities under the Notes. These hedging agreements may require us to pledge or transfer cash and other collateral to secure our obligations under the agreements, and the amount of collateral required may increase as a result of mark-to-market adjustments. The Initial Purchasers and their affiliates may enter into such hedging agreements permitted under the Indenture, and these agreements may be secured by pledges of our cash and other assets as permitted under the Indenture. If we were unable to provide such collateral, it could constitute a default under such agreements.

Any hedging obligation entered into or to be entered into by us or our subsidiaries, may contain terms and conditions that may result in the early termination, in whole or in part, of such hedging obligation upon the occurrence of certain termination or analogous events or conditions (howsoever described), including such events relating to us and/or any of our subsidiaries, and the terms and conditions of such hedging obligation(s)

may provide that, in respect of any such early termination, limited or no payments may be due and payable to, or that certain payments may be due and payable by, us and/or any of our subsidiaries (as relevant) in respect of any such early termination. Any such early termination, in whole or in part, of any such hedging obligation(s), and the payment and any other consequences and effects of such early termination(s), may be material to our financial condition and/or any of our subsidiaries and may be material in relation to the performance of our or their respective obligations under or in relation to the Notes (if applicable), any indebtedness or any other present or future obligations and commitments.

The Notes may not be a suitable investment for all investors seeking exposure to green assets.

We have developed our Green Bond Framework and intend to adopt certain obligations with respect to the issue of Green Bonds as described in the section headed “Notes Being Issued as Green Bonds.” We intend to issue Green Bonds to fund new and existing projects and businesses with environmental benefits in alignment with the Green Bond Principles, 2016.” We cannot guarantee that we will be able to comply with the obligations as set out in the Green Bond Framework. However, it will not be an event of default under the terms of the Notes if we fail to comply with such obligations. Such failure may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Therefore, the Notes may not be a suitable investment for all investors seeking exposure to green assets.

We may not be able to repurchase the Notes, the 2013 Notes, the January 2014 Notes and the July 2014 Notes upon a change of control triggering event.

We must offer to purchase the Notes, the 2013 Notes, the January 2014 Notes and the July 2014 Notes upon the occurrence of a change of control triggering event at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See “Description of the Notes,” “Description of Other Material Indebtedness and Obligations—2013 Notes,” “Description of Other Material Indebtedness and Obligations—January 2014 Notes” and “Description of Other Material Indebtedness and Obligations—July 2014 Notes.”

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any change of control triggering event to make purchases of the outstanding Notes, the 2013 Notes, the January 2014 Notes and the July 2014 Notes. Our failure to make the offer to purchase or to purchase the outstanding Notes, the 2013 Notes, the January 2014 Notes and the July 2014 Notes would constitute an event of default under the Notes, the 2013 Notes and the January 2014 Notes and the July 2014 Notes. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, we may not have sufficient funds to purchase the Notes, the 2013 Notes, the January 2014 Notes and the July 2014 Notes and repay the debt.

In addition, the definition of change of control triggering event for purposes of the Indenture does not necessarily afford protection for the holders of the Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of change of control triggering event for purposes of the Indenture also includes a phrase relating to the sale of “all or substantially all” of our assets. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition under applicable law. Accordingly, our obligation to make an offer to purchase the Notes, and the ability of a holder of the Notes to require us to purchase its Notes pursuant to the offer as a result of a highly leveraged transaction or a sale of less than all of our assets may be uncertain.

We may be able to redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in the event we are required to pay additional amounts because we are treated as a PRC “resident enterprise.”

In the event we are treated as a PRC “resident enterprise” under the EIT Law, we may be required to withhold PRC tax on interest payable to certain of our non-resident investors. In such case, we will, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. As described

under “Description of the Notes—Redemption for Taxation Reasons,” in the event we are required to pay additional amounts as a result of certain changes in specified tax law or certain other circumstances, including any change or interpretation that results in our being required to withhold tax on interest payments as a result of our being treated as a PRC “resident enterprise,” we may redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The insolvency laws of the Cayman Islands and the PRC and other local insolvency laws applicable to us may differ from those of any other jurisdiction with which holders of the Notes are familiar.

Because we are incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to us, even if brought in the United States, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the laws of the United States or other jurisdictions with which holders of the Notes are familiar. In addition, the Subsidiary Guarantors are incorporated in the British Virgin Islands or Hong Kong and the insolvency laws of the British Virgin Islands and Hong Kong may also differ from the laws of the United States or other jurisdictions with which the holders of the Notes are familiar.

We conduct substantially all of our business operations through PRC-incorporated subsidiaries in China. We and our Subsidiary Guarantors, as equity holders in our PRC subsidiaries, are necessarily subject to the bankruptcy and insolvency laws of China in a bankruptcy or insolvency proceeding involving any of such PRC subsidiaries. Any JV Subsidiary Guarantors which become equity holders of our PRC Subsidiaries would also be subject to such laws. The PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of the United States and other jurisdictions with which the holders of the Notes are familiar. You should analyze the risks and uncertainties in the insolvency laws of the Cayman Islands, the British Virgin Islands, Hong Kong, the PRC and other jurisdictions applicable to us carefully before you invest in our Notes.

We may be unable to obtain and remit foreign exchange.

Our ability to satisfy our obligations under the Notes depends solely upon the ability of our subsidiaries in the PRC to obtain and remit sufficient foreign currency to pay dividends to us and to repay shareholder loans. Our PRC subsidiaries must present certain documents to the SAFE, its authorized branch or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of the PRC (including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with the SAFE). Prior to payment of interest and principal on any shareholder loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of the 10% (or 7% if the interest is paid to a Hong Kong resident, subject to approval by local tax authorities) withholding tax on the interest payable in respect of such shareholder loan. If any PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, the PRC subsidiary will be unable to pay us dividends or interest and principal on our existing shareholder loans, which may affect our ability to satisfy our obligations under the Notes.

If we are unable to comply with the restrictions and covenants in our debt agreements or the Indenture, there could be a default under the terms of these agreements or the Indenture, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Indenture or our current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of debt, including the Notes, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our operations are restricted by the terms of the Notes, which could limit our ability to plan for or react to market conditions or meet our capital needs, which could increase your credit risk.

The Indenture includes a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our Restricted Subsidiaries, to:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on their capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- engage in any business other than permitted business;
- enter into sale and leaseback transactions;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation, merger, restructuring or changes in shareholding in subsidiaries.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

A trading market for the Notes may not develop, and there are restrictions on resale of the Notes.

The Notes are a new issue of securities for which there is currently no trading market. Although approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST, we cannot assure you that we will obtain or be able to maintain a listing on the SGX-ST, or that, if listed, a liquid trading market will develop. We have been advised that the Initial Purchasers intend to make a market in the Notes, but the Initial Purchasers are not obligated to do so and may discontinue such market making activity at any time without notice. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See "Plan of Distribution." We cannot predict whether an active trading market for the Notes will develop or be sustained.

The Notes may initially be sold to a small number of investors; accordingly, a liquid trading market for the Notes may not develop. In addition, one or more of the initial investors may own a significant percentage or a majority of the Notes and may therefore be able to exercise certain rights and powers on behalf of all Noteholders.

The Notes may initially be sold to a small number of investors. Some of such investors are affiliates of certain Initial Purchasers. One or a limited number of investors may purchase a significant portion of the Notes offered. Accordingly, a liquid trading market may not develop or be sustained, in which case you may not be able to resell your Notes at their fair market value or at all. In addition, one or more of the initial investors may purchase a significant percentage or a majority of the aggregate principal amount of the Notes in this offering.

Any holder of a majority in aggregate principal amount of the Notes will have certain rights and powers under the Indenture and related documents. For example, subject to certain exceptions, the holders of a majority in aggregate principal amount of the Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. In addition, as described in “Description of the Notes—Amendments and Waiver”, the Indenture or any Security Document may be amended with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes, and any Default or Event of Default or compliance with any provision of the Notes, the Indenture and any Security Document may be waived with the consent of the holders of a majority in aggregate principal amount of the Notes, subject in each case to certain exceptions. Accordingly, any investor that holds a majority in aggregate principal amount of the Notes will be able to exercise such rights and powers on behalf of all Noteholders and control the outcome of votes on such matters. In addition, any investor that holds a significant percentage of the Notes, even if less than a majority, will be able to exercise certain rights and powers and will have significant influence on matters voted on by Noteholders. For example, holders of at least 25% in aggregate principal amount of the Notes may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable if certain types of Events of Default have occurred and are continuing.

The ratings assigned to the Notes may be lowered or withdrawn in the future.

The Notes are expected to be assigned a rating of B+ by Fitch Ratings and B2 by Moody’s Investor’s Service. The ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure you that the ratings will be confirmed or they will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

Certain transactions that constitute “connected transactions” under the Listing Rules will not be subject to the “Limitation on Transactions with Shareholders and Affiliates” covenant.

Our shares are listed on the Hong Kong Stock Exchange and we are required to comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), which provide, among other things, that any transaction between a listed company or any of its subsidiaries, on the one hand, and a “connected person” of such listed company, on the other hand, is a “connected transaction” that, if the value of such transaction exceeds the applicable de minimis thresholds, will require the prior approval of the independent shareholders of such listed company. The definition of “connected person” to a listed company includes, among others, any 10% or more shareholder of (i) such listed company or (ii) any subsidiary of such listed company. The concept of “connected person” also captures “associates,” which include, among others, (a) any subsidiary of such “connected person,” (b) any holding company of such “connected person” and any subsidiary of such holding company, and (c) any company in which such entity or entities mentioned in (a) and (b) above taken together has/have the power to exercise control, directly or indirectly, of 30% or more of the voting power of such company.

The “Limitation on Transactions with Shareholders and Affiliates” covenant in the Notes only applies to transactions between the Company or any Restricted Subsidiary, on the one hand, and

- (a) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company; or
- (b) any Affiliate of the Company, on the other hand.

As such, transactions between the Company or any Restricted Subsidiary, on the one hand, and an Affiliate of any Restricted Subsidiary, on the other hand, will not be captured by such covenant, even though they may be connected transactions under the Listing Rules and subject to any requirements under the Listing Rules to obtain approval from independent shareholders. As a result, we are not required by the terms of the Notes to ensure that any such transactions are on terms that are fair and reasonable, and we will not need to deliver officers’ certificates or procure the delivery of fairness opinions of accounting, appraisal or investment banking firms to the trustee of the Notes for any such transactions.

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and government regulations and changes thereof applicable to our industry and general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. We cannot assure you that these developments will not occur in the future.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, and such standards may be different from those applicable to debt securities listed in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificate form and held through Euroclear and Clearstream. Interests in the Notes represented by the global certificate will trade in book entry form only, and notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of the Notes. The nominee of the common depository for Euroclear and Clearstream will be the sole registered holder of the global certificate representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global certificate representing the Notes will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the global certificate representing the Notes and credited by such participants to indirect participants. After payment to the nominee of the common depository for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream or, if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of Noteholder under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from Noteholders. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

RISKS RELATING TO THE SUBSIDIARY GUARANTEES, THE JV SUBSIDIARY GUARANTEES AND THE COLLATERAL

Our initial Subsidiary Guarantors do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees.

We conduct substantially all of our business operations through our PRC subsidiaries and we have recently expanded into the US property market but none of our current PRC subsidiaries or US subsidiaries will provide a Subsidiary Guarantee either upon issuance of the Notes or at any time thereafter. No future subsidiaries that are organized under the laws of the PRC will provide a Subsidiary Guarantee or JV Subsidiary Guarantee

at any time in the future. In addition, certain of our offshore subsidiaries (including but not limited to our existing and any future US subsidiaries) will not be required to guarantee the Notes if the consolidated assets of these subsidiaries do not exceed 20% of our total assets. As a result, the Notes will be effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of our PRC subsidiaries and other Non-Guarantor Subsidiaries. Moreover, the Collateral will not include the capital stock of our existing or future PRC subsidiaries and other Non-Guarantor Subsidiaries.

The initial Subsidiary Guarantors that will guarantee the Notes do not have significant operations. We cannot assure you that the initial Subsidiary Guarantors or any subsidiaries that may become Subsidiary Guarantors or JV Subsidiary Guarantors in the future will have the funds necessary to satisfy our financial obligations under the Notes if we are unable to do so.

The holders of the 2013 Notes, the January 2014 Notes, the July 2014 Notes and the holders of any future permitted *pari passu* secured indebtedness have a right to share any security interests, guarantees, indemnities and other arrangements that the Company creates or permit to subsist in respect of any debt securities issued thereafter. Therefore, unless such right is waived, any future Subsidiary Guarantees that guarantee the Notes may have to be shared with holders of the 2013 Notes, the January 2014 Notes, the July 2014 Notes and any future permitted *pari passu* secured indebtedness, which may further decrease the funds available to satisfy our financial obligations under the Notes.

Moreover, under the terms of the Notes, a Subsidiary Guarantee required to be provided by a subsidiary of the Company under the terms of the Notes may be replaced by a limited-recourse JV Subsidiary Guarantee following the sale or issuance to a third party of a 20% to 49.9% equity interest in such subsidiary or its direct or indirect majority shareholders or the purchase by the Company or any Restricted Subsidiary of no less than 50.1% of the Capital Stock of an Independent Third Party and designate such entity as a Restricted Subsidiary (subject to the satisfaction of certain conditions). Recovery under the JV Subsidiary Guarantees provided by a JV Subsidiary Guarantor and its shareholders and subsidiaries are limited to an amount equal to our proportional interest in the issued share capital of such Subsidiary Guarantor multiplied by the fair market value of the total assets in such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis, as of the date of the last fiscal year-end of the Company. As a result, the amount that may be recovered by the Trustee pursuant to a JV Subsidiary Guarantee (compared to a Subsidiary Guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the Notes.

Security over the Collateral will not be granted directly to the holders of the Notes, and the Collateral will generally be shared with creditors under certain other financings.

Security over the Collateral for the obligations of the Company under the Notes and the Indenture will not be granted directly to the holders of the Notes but will be granted only in favor of the Collateral Agent. As a consequence, holders of the Notes will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, except through the Collateral Agent, which has agreed to apply any proceeds of enforcement on such security towards such obligations.

The Collateral will be shared *pari passu* with holders of the 2013 Notes, the January 2014 Notes and the July 2014 Notes. In addition, the Indenture also permits us to enter into certain future financings, and creditors under those future financings may share the Collateral *pari passu* with the holders of the Notes. See “Description of the Notes—Security—Permitted *Pari Passu* Secured Indebtedness” for a further discussion of the sharing of the Collateral with future financings. If creditors under future financings opt to share the Collateral under the Intercreditor Agreement, a smaller portion of the proceeds from the Collateral will be available to satisfy the claims of the holders of the Notes, which could have a material adverse effect on their ability to recover sufficient proceeds to satisfy their claims under the Notes.

The Intercreditor Agreement may impact the ability of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to pay amounts due under the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Intercreditor Agreement (if any) may limit the rights of holders of the Notes to the Collateral.

The Collateral Agent is required to take action to enforce the Collateral in accordance with the instructions of the holders of the Notes and the holders (or representatives or agents) of other Permitted *Pari Passu* Secured

Indebtedness, given under and in accordance with the Intercreditor Agreement. Any enforcement action taken by the Collateral Agent will adversely affect the Company's entitlement to receive distributions from the Collateral, which will, in turn, have an adverse impact on the Company's ability to fulfill its payment obligations under the Notes. Further, the Subsidiary Guarantors' or the JV Subsidiary Guarantors' ability to pay under the Subsidiary Guarantees or the JV Subsidiary Guarantees will be adversely affected. The ability of holders of the Notes to enforce the Collateral is restricted under the Intercreditor Agreement, as only the Collateral Agent is permitted to take enforcement actions. If an event of default occurs under the Notes, the holders of the Notes holding 25% of the outstanding amount of the Notes and the holders of other Permitted *Pari Passu* Secured Indebtedness may decide whether to take any enforcement action and may thereafter, through their respective trustee, representative or agent, in accordance with the Intercreditor Agreement (if any), instruct the Collateral Agent to take enforcement action against the Collateral. By virtue of the instructions given to the Collateral Agent described above, actions may be taken in respect of the Collateral that may be adverse to holders of the Notes. In such event, the only remedy available to holders of the Notes would be to sue for payment under the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any).

The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the Security Documents as are set forth in the Intercreditor Agreement. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents or the Intercreditor Agreement that are in conflict with the holders of the Notes. The Collateral Agent will not be under any obligation to exercise any rights or powers conferred under the Intercreditor Agreement or any of the Security Documents for the benefit of the holders of the Notes unless such holders have offered to the Collateral Agent indemnity and/or security satisfactory to the Collateral against any loss, liability or expense.

Further, under the Intercreditor Agreement, although the Trustee is entitled to give instructions to the Collateral Agent to enforce the Collateral, in the event that there is any conflicting instruction from another creditor representative which is entitled to so instruct the Collateral Agent, the Collateral Agent will only enforce the Collateral upon receiving written instructions from creditors subject to the Intercreditor Agreement that represent more than 50% of the principal amount of the related secured liabilities outstanding at such time. Such written instructions from such majority creditors may be in conflict with the written instructions from the Trustee and may conflict with the interests of the holders of the Notes.

The Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees.

Under bankruptcy laws, fraudulent transfer laws, insolvency laws in the British Virgin Islands or bankruptcy law, fraudulent transfer laws, insolvency or unfair preference or similar laws in Hong Kong and other jurisdictions where future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) may be established or where insolvency proceeding may be commenced with respect to any such Subsidiary Guarantor or JV Subsidiary Guarantor, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

For Subsidiary Guarantors or JV Subsidiary Guarantors (if any) incorporated in the British Virgin Islands:

- incurred the debt with the intent to defraud creditors (whenever the transaction took place and irrespective of insolvency);
- either (i) put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given or (ii) received no consideration, or received consideration in money or money's worth that is significantly less than the consideration supplied by the guarantor (although in either case a guarantee will only be voidable if it (i) was entered into at a time when the guarantor was insolvent or if it became insolvent as a consequence of doing so, insolvent in this context meaning that the guarantor is unable to pay its debts as they fall due, and (ii) it was given within the six month, or, if the guarantee and beneficiary are connected entities, two year, period before the onset of insolvency).

For Subsidiary Guarantors or JV Subsidiary Guarantors (if any) incorporated in other jurisdictions:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;

- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the jurisdiction which are being applied. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debt as it became absolute and matured. We cannot assure you that such limitation will be effective in preserving the enforceability of any of the Subsidiary Guarantees or JV Subsidiary Guarantees (if any). In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantors. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration, and, as a result, such guarantee would be rendered void.

In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be) will be limited to the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor or JV Subsidiary Guarantor (if any) without rendering the guarantee, as it relates to such Subsidiary Guarantor or JV Subsidiary Guarantor (if any), voidable under such applicable insolvency or fraudulent transfer laws.

If a court voided a Subsidiary Guarantee or JV Subsidiary Guarantee (if any), subordinated such guarantee to other indebtedness of the Subsidiary Guarantor or JV Subsidiary Guarantor (if any) or held the Subsidiary Guarantee or JV Subsidiary Guarantee (if any) unenforceable for any other reason, holders of the Notes would cease to have a claim against that Subsidiary Guarantor or JV Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of such Subsidiary Guarantor or JV Subsidiary Guarantor, and would solely be creditors of us and any Subsidiary Guarantor or JV Subsidiary Guarantor whose guarantee was not voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

The pledge of certain Collateral may in some circumstances be voidable.

The pledge of the Collateral may be voidable as a preference under insolvency or fraudulent transfer or similar laws of Hong Kong and the British Virgin Islands if the creation of the pledge takes place at any time within six months prior to the onset of insolvency or, under some circumstances, within a longer period. Pledges of shares of future Subsidiary Guarantors may also be voidable as a preference under relevant insolvency or fraudulent transfer or similar laws. In addition, the pledge of certain Collateral may be voided based on the analysis set forth under “—The Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees.”

If the pledges of the Collateral were to be voided for any reason, holders of the Notes would have only an unsecured claim against us and the Subsidiary Guarantor Pledgor.

The value of the Collateral will likely not be sufficient to satisfy our obligations under the Notes, the 2013 Notes, the January 2014 Notes, the July 2014 Notes and other pari passu secured indebtedness.

The Collateral will consist only of the shares of the initial Subsidiary Guarantors. The security interest in respect of certain Collateral may be released upon the disposition of such Collateral and any proceeds from such disposition may be applied, prior to repaying any amounts due under the Notes, to repay other debt or to make investments in properties and assets that will not be pledged as additional Collateral.

The ability of the Collateral Agent to foreclose on the Collateral upon the occurrence of an Event of Default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Collateral Agent, the Trustee or holders of the Notes will be able to enforce the security interest.

The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Collateral have been prepared by or on behalf of us in connection with this offering of the Notes. Accordingly, we cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the Notes would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Notes. By their nature, some or all of the Collateral, in particular, the shares of the existing or any future Subsidiary Guarantors may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

Subject to the Intercreditor Agreement, the Collateral will be shared on a *pari passu* basis by the holders of the Notes, the 2013 Notes, the January 2014 Notes, the July 2014 Notes and any other creditors with respect to Permitted *Pari Passu* Secured Indebtedness. Accordingly, in the event of a default on the Notes or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness. The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor is unlikely to be sufficient to satisfy the Company's and the Subsidiary Guarantor Pledgor's obligations under the Notes, and the related subsidiary guarantees the 2013 Notes, the January 2014 Notes, the July 2014 Notes and the Permitted *Pari Passu* Secured Indebtedness, and the Collateral securing the Notes and such Subsidiary Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Notes or additional Permitted *Pari Passu* Secured Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture and the Intercreditor Agreement (if any).

The pledge of certain Collateral may be released under certain circumstances.

If we dispose of not less than 20% of the shares of a Subsidiary Guarantor, the Subsidiary Guarantees provided by such Subsidiary Guarantor and its subsidiaries, and the Collateral comprising the shares of these companies, may be released if the consolidated assets of our non-PRC subsidiaries that do not guarantee the Notes do not account for more than 20% of our total assets immediately following such release. In addition, in the event the conditions applicable to the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee are satisfied, we are permitted to release the pledge of the shares granted by such Subsidiary Guarantor, as well as the pledge of the shares granted by the subsidiaries of such Subsidiary Guarantor. We are only required to deliver a replacement share pledge for the shares that we continue to hold in such JV Subsidiary Guarantor (but not the subsidiaries of such JV Subsidiary Guarantor) following the sale of the equity interests in such Subsidiary Guarantor. As a result, in the event we sell minority equity interests in our Subsidiary Guarantors or otherwise create JV Subsidiary Guarantors in accordance with the terms of the Indenture, the Collateral will be reduced in value and scope, and holders of the Notes would be subject to increased risks.

USE OF PROCEEDS

We intend to use the net proceeds from this offering to refinance certain existing indebtedness.

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds. Pending application of the net proceeds of this offering, we intend to invest the net proceeds in Temporary Cash Investments (as defined under “Description of the Notes—Definitions”).

NOTES BEING ISSUED AS GREEN BONDS

PURPOSE

This Green Bond Framework has been developed to demonstrate how we will issue Green Bonds to fund new and existing projects and businesses with environmental benefits in alignment with the *Green Bond Principles, 2016*.

ASSERTIONS FROM MANAGEMENT

For each Green Bond issued, we assert that we will adopt certain obligations in our: (1) use of proceeds and (2) policies and internal control procedures in respect of each of (i) project evaluation and selection (ii) management of proceeds and (iii) reporting, as set out in this framework.

1. Use of Proceeds

With reference to the *Green Bond Principles, 2016*, the proceeds of each Green Bond will be used exclusively for the financing or the re-financing of “Eligible Projects, including without limitation, the refinancing of existing debt in relation to such projects.”

“**Eligible Projects**” refer to projects funded, in whole or in part, by us that promotes the transition to low-carbon and climate resilient growth as determined by us. Eligible Projects target climate mitigation and include investment in the development of sustainable properties. Eligible Projects are any project that fulfills the following (i) criteria 1 and 2 or (ii) criterion 3 below.

1. Commercial and residential buildings environmentally certified in accordance with any one of the following selected certification systems: (‘Environmental certification’)
 - New construction or renovation of existing buildings
 - Chinese Green Building Label (minimum certification “2 Star” for Green Building Design Label or Green Building Operation Label); or
 - LEED (minimum certification “Gold”); or
 - Any other equivalent Green Building Label, that is an equivalent standard as the above.
 - 2. Additional energy saving / performance data for projects mentioned above. Such data shall be anticipated by the management team before project completion and evidenced through third party energy reports as soon as practicable following the completion of the relevant project. Such energy saving / performance data shall provide at least: (‘Energy performance data’)
 - New construction of buildings
 - 15% energy performance improvement or greater
 - Renovation of existing of buildings
 - 30% energy performance improvement, depending on location and other justifiable building benefits
 - 3. Research and development covering energy efficiency design and technologies for housing and construction (a maximum 10% limit is established for financing such research and development)

2. Policies and Internal Control Procedures

(i) *Project Evaluation and Selection*

Eligible Projects are selected by our treasury department together with the green building research and development department.

We will review the environmental certification and energy performance data for our projects. If a project complies with the criteria listed above, it may be earmarked as a use of proceeds for the Green Bonds issued under this framework, including by way of using the proceeds of the Green Bonds to refinance debt in relation to such project.

We may commission a qualified third party to investigate and report on building energy performance and determine the project's eligibility for our Green Bond.

(ii) Management of Proceeds

We will establish a Green Bond eligible investment register for Green Bond(s) issued. The register will contain, for each Green Bond issued:

1. **Green Bond details:** including details such as ISIN, issue date, maturity date, principle amount and coupon.
2. **Eligible green investment project list:** information including:
 - confirmation that earmarked projects conform to this Green Bond Framework;
 - member entity within our Group that owns the project;
 - environmental certification (including source and date);
 - energy performance data (including source and date);
 - project location;
 - amount of investment (state currency);
 - date of investment;
 - progress or construction status; and
 - any other necessary information so that the aggregate of issuance proceeds earmarked to Eligible Projects is recorded.

Any balance of issuance proceeds not earmarked to fund eligible green investments will be held in accordance with our normal treasury or liquidity management policy.

(iii) Reporting

We will provide an annual update report that includes:

1. Details of the Green Bonds issued including details such as ISIN, issue date, maturity date, principal amount and coupon;
2. Confirmation of aggregate amount of proceeds earmarked to Eligible Projects;
3. The remaining balance of Green Bond proceeds yet to be earmarked;
4. A list of Eligible Projects earmarked to be funded by the proceeds of the Green Bonds, including information such as building certifications and energy performance data; and
5. A selection of more detailed project examples (where competition and confidentiality considerations allow).

The Green Bond update report will be available on our webpage or included in our annual report.

EXCHANGE RATE INFORMATION

CHINA

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to July 20, 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system.

On May 18, 2007, PBOC widened the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. The floating band was further widened to 1.0% on April 16, 2012 and to 2.0% on March 17, 2014. Effective since August 11, 2015, market makers are required to quote their central parity rates for Renminbi against the U.S. dollar to the China Foreign Exchange Trade System daily before the market opens by reference to the closing rate of the PRC inter-bank foreign exchange market on the previous trading day in conjunction with the demand and supply conditions in the foreign exchange markets and exchange rate movements of major currencies. The PBOC has further authorized the China Foreign Exchange Trade System to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. The PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for trading against the Renminbi on the following working day.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated.

Period	Noon buying rate			
	Period end	Average ⁽¹⁾	High	Low
(RMB per US\$1.00)				
2011.....	6.2939	6.4630	6.6364	6.2939
2012.....	6.2301	6.3088	6.3879	6.2221
2013	6.0537	6.1478	6.2438	6.0537
2014.....	6.2046	6.1620	6.2591	6.0402
2015.....	6.4778	6.2869	6.4896	6.1870
2016				
March.....	6.4480	6.5027	6.5500	6.4480
April.....	6.4738	6.4754	6.5004	6.4571
May.....	6.5798	6.5259	6.5798	6.4738
June.....	6.6459	6.5892	6.6481	6.5590
July	6.6371	6.6771	6.7013	6.6371
August	6.6776	6.6466	6.6778	6.6239
September	6.6693	6.6729	6.6855	6.6625

Note:

(1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

HONG KONG

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since October 17, 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "Basic Law"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to US\$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong government will maintain the link within the current rate range or at all.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated.

Period	Noon buying rate			
	Period end	Average ⁽¹⁾	High	Low
		(HK\$ per US\$1.00)		
2011.....	7.7663	7.7841	7.8087	7.7634
2012.....	7.7507	7.7569	7.7699	7.7493
2013.....	7.7539	7.7565	7.7654	7.7503
2014	7.7531	7.7545	7.7669	7.7495
2015	7.7507	7.7519	7.7686	7.7495
2016				
March	7.7563	7.7604	7.7745	7.7528
April.....	7.7570	7.7556	7.7570	7.7537
May	7.7689	7.7635	7.7689	7.7582
June.....	7.7591	7.7620	7.7709	7.7568
July	7.7588	7.7568	7.7588	7.7540
August.....	7.7568	7.7560	7.7609	7.7528
September	7.7554	7.7566	7.7591	7.7539

Note:

- (1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated cash and cash equivalents, short-term debt and capitalization as of June 30, 2016 on an actual basis and on an as adjusted basis after giving effect to the gross proceeds from the issuances of the Notes in this offering. The following table should be read in conjunction with the selected consolidated financial information and the audited consolidated financial statements and related notes included in this offering memorandum.

	As of June 30, 2016			
	Actual		As adjusted	
	RMB'000	US\$'000	RMB'000	US\$'000
Bank balances and cash ⁽¹⁾	4,011,264	603,570	6,329,583	952,405
Short-term borrowings ⁽²⁾⁽³⁾				
Bank and other borrowings	2,402,725	361,535	2,402,725	361,535
Senior notes	1,083,781	163,075	1,083,781	163,075
	3,486,506	524,610	3,485,506	524,610
Long-term borrowings ⁽³⁾⁽⁴⁾⁽⁵⁾				
Bank and other borrowings ⁽⁶⁾	2,482,500	373,539	2,482,500	373,539
Corporate bond	991,477	149,186	991,477	149,186
Senior Notes	1,770,669	266,430	1,770,669	266,430
Notes to be issued	–	–	2,318,319	348,835
	5,244,646	789,155	7,562,965	1,137,990
Total equity	4,123,352	620,435	4,123,352	620,435
Total capitalization ⁽⁷⁾	9,367,998	1,409,590	11,686,317	1,758,425

Notes:

- (1) Bank balance and cash do not include restricted cash.
- (2) Short-term borrowings include the current portion of long-term borrowings.
- (3) All of our borrowings as of June 30, 2016 were secured except for corporate bond.
- (4) Long-term borrowings exclude the current portion of long-term borrowings.
- (5) As of June 30, 2016, our consolidated capital and other commitments were RMB3,285.5 million (US\$494.4 million) and we had RMB8,196.2 million (US\$1,233.3 million) of guarantees for mortgage bank loans granted to purchasers of our properties.
- (6) Other borrowings are mainly in the form of trust arrangements with trust financing companies.
- (7) Total capitalization includes total long-term borrowings plus total equity.

Since June 30, 2016, as of the date of this offering memorandum, we have entered into loan agreements with certain banks and financial institutions. For details about such loans, please see “Description of Other Material Indebtedness and Obligations.”

Except as otherwise disclosed in this offering memorandum, there has been no material adverse change in our capitalization since June 30, 2016.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our selected financial and other data. The summary financial data as of and for each of the financial years ended December 31, 2013, 2014 and 2015 set forth below (except for EBITDA data) have been derived from our consolidated financial statements as of such dates and for such years, as audited by Deloitte Touche Tohmatsu, independent certified public accountants, and are included elsewhere in this offering memorandum. The summary financial data as of and for the six months ended June 30, 2015 and 2016 have been derived from our unaudited condensed consolidated financial statements for the six months ended June 30, 2015 and 2016, which have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, and KPMG, Certified Public Accountants, respectively, and should be read in conjunction with those financial statements and the accompanying notes. Our unaudited condensed consolidated financial statements for the six months ended June 30, 2016 has been included elsewhere in this offering memorandum. Results for interim periods are not indicative of results for the full years. Our financial statements have been prepared and presented in accordance with IFRS, which differ in certain respects from generally accepted accounting principles in other jurisdictions. The selected financial data below should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income and Other Financial Data

	Year ended December 31,				Six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	3,469,029	4,079,464	6,349,767	955,441	1,954,236	4,271,329	642,701
Cost of sales	(2,099,066)	(2,424,163)	(4,385,674)	(659,907)	(1,142,462)	(3,469,750)	(522,089)
Gross profit	1,369,963	1,655,301	1,964,093	295,535	811,774	801,579	120,613
Other income, gains and losses	8,680	75,334	(26,848)	(4,040)	76,353	195,215	29,374
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties	30,186	90,886	90,381	13,600	56,559	77,778	11,703
Changes in fair value of investment properties, net	46,273	111,074	77,494	11,660	50,624	89,934	13,532
Selling and distribution expenses	(170,797)	(206,835)	(209,705)	(31,554)	(88,899)	(112,127)	(16,872)
Administrative expenses	(204,136)	(242,083)	(245,837)	(36,991)	(125,696)	(141,518)	(21,294)
Finance costs	(35,570)	(265,510)	(197,276)	(29,684)	(117,670)	(119,905)	(18,042)
Listing expenses	(22,024)	–	–	–	–	–	–
Share of losses of joint ventures	–	(51,133)	(108,048)	(16,258)	(61,307)	(41,127)	(6,188)
Share of losses of associates	–	(90)	(4,696)	(707)	(3,514)	(10,076)	(1,516)
Profit before taxation	1,022,575	1,166,944	1,339,558	201,562	598,224	739,753	111,310
Income tax expense	(494,230)	(625,552)	(738,858)	(111,175)	(295,240)	(237,935)	(35,802)
Profit for the year/period	528,345	541,392	600,700	90,387	302,984	501,818	75,508
Other comprehensive income for the year/period:							
Gain on revaluation of owner-occupied properties upon transfer to investment properties	–	1,351	–	–	–	–	–
Deferred tax relating to gain on revaluation of owner-occupied properties	–	(338)	–	–	–	–	–
Exchange differences on translating foreign operations, net of nil tax	(3,740)	562	9,160	1,378	(122)	4,561	686
Other comprehensive income for the year/period, net of tax	(3,740)	1,575	9,160	1,378	(122)	4,561	686
Total comprehensive income for the year/period	524,605	542,967	609,860	91,765	302,862	506,379	76,194
Profit/(loss) for the year/period attributable to:							
Owners of the Company	528,934	521,128	577,867	86,951	284,163	499,559	75,168
Non-controlling interests	(589)	20,264	22,833	3,436	18,821	2,259	340
	528,345	541,392	600,700	90,387	302,984	501,818	75,508
Total comprehensive income attributable to:							
Owners of the Company	525,194	522,703	587,027	88,329	284,041	504,120	75,854
Non-controlling interests	(589)	20,264	22,833	3,436	18,821	2,259	340
	524,605	542,967	609,860	91,765	302,862	506,379	76,194
Earnings per share, in RMB cents:							
Basic	38.1	29.6	30.5	4.6	16.2	24.0	3.6
Diluted	–	29.6	30.3	4.6	16.1	23.9	3.6

	Year ended December 31,				Six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other financial data (unaudited):							
EBITDA ⁽¹⁾	984,335	1,277,859	1,498,523	225,481	689,941	758,410	114,117
EBITDA margin ⁽²⁾	28.4%	31.3%	23.6%	23.6%	35.3%	17.8%	17.8%

Notes:

- (1) EBITDA consists of profit before taxation less increase in fair value of investment properties, reversal of impairment loss previously recognized in respect of other receivables, reversal of impairment loss previously recognized in respect of trade receivables, dividend income, gain on disposal of interests in subsidiaries, plus impairment loss on trade receivables, impairment loss on other receivables, impairment of properties held for sale, share of results of joint ventures and associates, finance costs and depreciation of property, plant and equipment. EBITDA is not a standard measure under IFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenue and selling and distribution expenses and administrative expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. Finance costs exclude amounts capitalized.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Non-GAAP Financial Measures

We use EBITDA to provide additional information about our operating performance. EBITDA refers to our profit before taxation before the following items:

- increase in fair value of investment properties;
- reversal of impairment loss previously recognized in respect of other receivables/trade receivables;
- dividend income;
- gain on disposal of interests in subsidiaries;
- impairment loss on trade receivables/other receivables;
- impairment of properties held for sale;
- share of results of associates;
- finance costs; and
- depreciation of property, plant and equipment.

EBITDA is not a standard measure under IFRS. As the property development business is capital intensive, capital expenditure requirements and levels of debt and interest expenses may have a significant impact on the profit for the year of companies with similar operating results. Therefore, we believe the investor community commonly uses this type of financial measure to assess the operating performance of companies in our market sector.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit for the year. We operate in a capital intensive industry. We use EBITDA in addition to profit for the year because profit for the year includes many accounting items associated with capital expenditures, such as depreciation, as well as non-operating items, such as amortization of intangible assets and finance costs. These accounting items may vary between companies depending on the method of accounting adopted by a company. By minimizing differences in capital expenditures and the associated depreciation expenses as well as reported

tax positions, intangible assets amortization and interest income and expense, EBITDA provides further information about our operating performance and an additional measure for comparing our operating performance with other companies' results. Funds depicted by this measure may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments.

The following table reconciles our profit for the period under IFRS to our definition of EBITDA for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,		
	2013	2014	2015		2015	2016	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
Profit before taxation	1,022,575	1,166,944	1,339,558	201,562	598,224	739,753	111,310
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties.....	(30,186)	(90,886)	(90,381)	(13,600)	(56,559)	(77,778)	(11,703)
Changes in fair value of investment properties, net	(46,273)	(111,074)	(77,494)	(11,660)	(50,624)	(89,934)	(13,532)
Dividend income	(6,146)	(2,554)	(2,822)	(425)	2,890	3,755	565
Gain on disposal of interests in subsidiaries.....	–	(31,514)	(91)	(14)	–	–	–
Impairment loss on trade receivables/other receivables ...	610	697	4,020	605	–	–	–
Impairment of properties held for sale	(11,510)	4,928	(6,316)	(950)	–	–	–
Share of losses of associates and share of losses of joint ventures	–	51,223	112,744	16,964	64,821	51,203	7,704
Finance costs	35,570	265,510	197,276	29,684	117,670	119,905	18,042
Depreciation of property, plant and equipment	19,695	24,585	22,029	3,315	13,519	11,506	1,731
EBITDA	<u>984,335</u>	<u>1,277,859</u>	<u>1,498,523</u>	<u>225,481</u>	<u>689,941</u>	<u>758,410</u>	<u>114,117</u>
Revenue	3,469,029	4,079,464	6,349,767	955,441	1,954,236	4,271,329	642,701
EBITDA margin*	28.4%	31.3%	23.6%	23.6%	35.3%	17.8%	17.8%

Note:

(1) EBITDA margin is calculated by dividing EBITDA by revenue.

You should not consider our definition of EBITDA in isolation or construe it as an alternative to profit for the year or as an indicator of operating performance or any other standard measure under IFRS. Our definition of EBITDA does not account for income taxes and other non-operating cash expenses. Our EBITDA measures may not be comparable to similarly titled measures used by other companies. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture.

Selected Consolidated Statements of Financial Position

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
Non-current assets						
Investment properties	825,660	1,146,600	1,368,240	205,877	1,647,000	247,822
Property, plant and equipment	518,803	503,655	498,816	75,056	503,747	75,798
Intangible assets	1,229	1,259	2,355	354	1,833	276
Prepaid lease payments	916,137	–	–	–	–	–
Freehold land held for future development	27,742	27,842	29,547	4,446	30,173	4,540
Interests in associates	–	20,977	71,959	10,828	105,423	15,863
Interests in joint ventures	–	595,116	1,182,955	177,998	956,821	143,972
Loans to joint ventures	–	1,521,583	2,169,600	326,457	1,896,763	285,403
Advances to employees	–	39,769	–	–	–	–
Available-for-sale investments	34,336	114,236	34,850	5,244	36,350	5,470
Deposits paid and prepayment for acquisition of land use rights	465,000	–	–	–	–	–
Deferred tax assets	338,488	317,112	322,481	48,523	463,987	69,816
	<u>3,127,395</u>	<u>4,288,149</u>	<u>5,680,803</u>	<u>854,783</u>	<u>5,642,097</u>	<u>848,959</u>
Current assets						
Inventories	3,350	3,675	3,941	593	5,106	768
Prepaid lease payments	–	410,642	130,162	19,585	654,968	98,552
Properties under development for sale	2,936,051	4,213,683	3,653,643	549,759	11,209,199	1,686,634
Properties held for sale	1,649,366	1,036,375	1,303,189	196,089	1,452,876	218,612
Deposits paid for acquisition of land use rights	–	–	187,120	28,156	50,000	7,523
Trade and other receivables, deposits and prepayments	467,690	708,459	622,079	93,603	1,176,646	177,048
Amounts due from related parties	–	573,353	535,530	80,581	467,498	70,344
Advances to employees	–	–	31,139	4,685	–	–
Restricted cash	125,930	1,145,997	1,054,992	158,743	1,702,815	256,220
Bank balances and cash	2,743,579	2,797,941	2,520,759	379,295	4,011,264	603,570
	<u>7,925,966</u>	<u>10,890,125</u>	<u>10,042,554</u>	<u>1,511,090</u>	<u>20,730,372</u>	<u>3,119,272</u>
Current liabilities						
Trade and other payables, deposits received and accrued charges	4,926,654	5,486,747	3,859,078	580,670	10,247,547	1,541,935
Amounts due to related parties	13,990	186,183	728,840	109,668	873,072	131,370
Taxation payable	1,453,506	1,717,318	1,839,585	276,800	1,905,264	286,683
Bank and other borrowings						
– due within one year	256,910	1,314,317	1,756,687	264,326	2,402,725	361,535
Senior notes – due within one year	–	–	–	–	1,083,781	163,075
	<u>6,651,060</u>	<u>8,704,565</u>	<u>8,184,190</u>	<u>1,231,465</u>	<u>16,512,389</u>	<u>2,484,598</u>
Net current assets	<u>1,274,906</u>	<u>2,185,560</u>	<u>1,858,364</u>	<u>279,626</u>	<u>4,217,893</u>	<u>634,661</u>
Total assets less current liabilities	<u>4,402,301</u>	<u>6,473,709</u>	<u>7,539,167</u>	<u>1,134,409</u>	<u>9,860,080</u>	<u>1,483,634</u>
Capital and reserves						
Share capital	98,610	98,610	128,094	19,274	128,200	19,290
Reserves	2,373,702	2,762,043	3,637,266	547,295	3,973,301	597,857
Equity attributable to owners of the Company	2,472,312	2,860,653	3,765,360	566,569	4,101,501	617,148
Non-controlling interests	(1,319)	373,086	9,689	1,458	21,851	3,288
Total equity	<u>2,470,993</u>	<u>3,233,739</u>	<u>3,775,049</u>	<u>568,027</u>	<u>4,123,352</u>	<u>620,435</u>
Non-current liabilities						
Bank and other borrowings						
– due after one year	997,200	480,900	700,000	105,328	2,482,500	373,539
Corporate bond	–	–	–	–	991,477	149,186
Long-term payable	–	–	133,134	20,033	192,323	28,939
Senior notes – due after one year	904,753	2,712,020	2,802,214	421,646	1,770,669	266,430
Deferred tax liabilities	29,355	47,050	128,770	19,376	299,759	45,104
	<u>1,931,308</u>	<u>3,239,970</u>	<u>3,764,118</u>	<u>566,382</u>	<u>5,736,728</u>	<u>863,198</u>
	<u>4,402,301</u>	<u>6,473,709</u>	<u>7,539,167</u>	<u>1,134,409</u>	<u>9,860,080</u>	<u>1,483,634</u>

INDUSTRY OVERVIEW

Unless otherwise specified, the information set forth in this section has been extracted, in part, from various official government publications. Such information has not been independently verified by us, the Initial Purchasers, or any of our and their affiliates or advisors. The information may be inaccurate, incomplete, out-of-date or inconsistent with other information compiled within or outside the PRC.

OVERVIEW OF THE PRC ECONOMY

The PRC economy has grown significantly since the PRC government introduced economic reforms in the late 1970s. China's accession to the World Trade Organization in 2001 has further accelerated the reform of the PRC economy. China's GDP increased from approximately RMB9,921 billion in 2000 to approximately RMB67,671 billion in 2015, reflecting a CAGR of approximately 13.7%.

The table below sets out selected economic statistics for China for the years indicated.

Economic statistics of the PRC

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Nominal GDP (RMB billion)	21,631	26,581	31,405	34,090	40,151	47,310	51,947	56,885	64,397	67,671
Real GDP growth rate	12.7%	14.2%	9.6%	9.2%	10.4%	9.3%	7.8%	7.7%	7.4%	6.9%
Per capita GDP (RMB)	16,500	20,169	23,708	25,608	30,015	35,198	38,459	41,908	47,203	49,229
Total investment in fixed assets (RMB billion)	11,000	13,732	17,283	22,460	27,812	31,149	37,468	44,707	51,202	55,159
Fixed-asset investment growth	23.9%	24.8%	25.9%	30.0%	23.8%	23.8%	20.3%	19.3%	14.5%	7.7%
Foreign direct investment (US\$ billion)	63.0	74.8	92.4	90.0	105.7	116.0	111.7	117.6	119.6	126.3

Source: National Bureau of Statistics of China MOFCOM

During each of the years from 2004 to 2007, the PRC's real GDP recorded double-digit growth. In 2008, the global economic crisis caused a slowdown in the global capital and credit markets as well as the world economy, which in turn adversely affected the domestic market in the PRC, including our target cities. In 2008, the PRC's real GDP growth declined significantly to 9.6% compared to 14.2% in 2007. In view of the negative impact of the global economic crisis on the PRC economy, the PRC government launched a RMB4 trillion economic stimulus plan in November 2008. Since the inception of the economic stimulus plan, the PRC stock market has shown signs of recovery. Stock prices of companies in sectors such as real estate, construction, raw materials, machinery and energy have generally increased. In addition, the economic stimulus plan has had a positive impact on domestic consumption and demand in the PRC.

By the end of 2009, it appeared that the PRC economy was showing signs of recovery. By 2010, real GDP growth of the PRC climbed back to the double-digit growth rate with 10.4%. The PRC was poised to move from export dependency to development of an internal market. In mid-2010, the PRC became the world's second largest economy, surpassing Japan's economy and second only to the U.S. economy. In the second quarter of 2010, the PRC's economy was valued at US\$1.33 trillion, as compared with the Japan's economy at US\$1.28 trillion. Despite the fact that its real GDP slowed down to 9.3% in 2011, the PRC remained one of the fastest growing economies in the world.

Currently, the Chinese economy is undergoing a transition from investment-driven economy to a consumption-driven one. Its GDP growth rate fell below 7% in 2015, which is the first time since 2009. The economy is targeted to grow within the range of 6.5%-7% in the next year.

THE PRC PROPERTY MARKET

Overview

We believe the economic growth of the PRC, the increase in disposable income, the emergence of the mortgage lending market and the increase in the urbanization rate, are key factors in sustaining the growth of the PRC's property market. Government housing reforms continue to encourage private ownership and it is expected that an increasing proportion of urban residents who will own private properties will continue to increase over the coming years in the near future. According to the National Bureau of Statistics of China, the PRC's urbanization rate, i.e., the proportion of the population residing in urban areas, rose from approximately 44.9% in 2007 to approximately 56.1% in 2015. Increases in the urban population of the PRC will likely result in increases in demand for residential properties. The table below describes the PRC's urbanization rate for the years indicated.

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Urban population (<i>million</i>)	593.8	606.7	621.9	665.6	690.8	711.8	731.1	749.2	771.2
Total population (<i>million</i>)	1,321.3	1,328.0	1,334.5	1,340.9	1,347.4	1,354.0	1,360.7	1,367.8	1,374.6
Urbanization rate (%)	44.9	45.7	46.6	49.7	51.3	52.6	53.7	54.8	56.1

Source: National Bureau of Statistics of China

Property price and supply

Supply of properties in the PRC also increased from approximately 606.1 million sq.m. in 2007 to approximately 1,000.4 million sq.m. in 2015.

The table below sets out selected data relating to the PRC property market for the years indicated:

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total GFA completed (<i>million sq.m.</i>)	606.1	665.4	726.8	787.4	926.2	994.3	1,014.4	1,074.6	1,000.4
Total GFA sold (<i>million sq.m.</i>)	773.6	659.7	947.6	1,047.6	1,093.7	1,113.0	1,305.5	1,206.5	1,285.0
GFA of residential properties sold (<i>million sq.m.</i>)	701.4	592.8	861.9	933.7	965.3	984.7	1,157.2	1,051.8	1,124.1
Average price of commodity properties (<i>RMB per sq.m.</i>)	3,864	3,800	4,681	5,032	5,357	5,709	6,237	6,323	6,793
Average price of residential properties (<i>RMB per sq.m.</i>)	3,645	3,576	4,459	4,725	4,993	5,430	5,850	5,932	6,473

Sources: National Bureau of Statistics of China

The total GFA sold was different from the total GFA completed in the years indicated because of the difference in timing of completion and sales of properties. Total GFA completed and GFA of residential properties sold increased from approximately 606.1 million sq.m. and 701.4 million sq.m. in 2007 to approximately 1,000.4 million sq.m. and 1,124.1 million sq.m. in 2015 due to continuation of urbanization and hence construction and sales of residential units.

The average price of commodity properties sold in the PRC increased from RMB3,864 per sq.m. in 2007 to RMB6,793 per sq.m. in 2015, while the average price of residential properties sold increased from RMB3,645 per sq.m. to RMB6,473 per sq.m. during the same period.

Key real estate reforms and policies in the PRC

For details of recent real estate reforms and recent regulatory developments, please refer to the section headed “Laws and Regulations—Regulations on the Real Estate Project Development” in this prospectus.

REAL ESTATE INDUSTRY IN OUR MAIN TARGET CITIES

Beijing

Beijing is the capital of the PRC. It is also the political, cultural and educational center of the PRC. Beijing is a municipality directly under the administration of the central government of the PRC. Since August 2008, Beijing has further enhanced its international profile with the successful hosting of the Olympic Games as well as with improved infrastructure. In addition, Beijing is home to a large number of corporate regional headquarters and its development is expected to continue at a rapid pace.

According to the Beijing Municipal Bureau of Statistics, Beijing had a population of approximately 21.7 million at the end of 2015. In 2015, Beijing’s GDP reached approximately RMB2,297 billion. The table below sets forth selected economic indicators relating to Beijing for the years indicated.

	Beijing economic indicator										
										2007-2015 CAGR	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	Beijing	China Average
GDP (RMB billion)	985	1,112	1,215	1,411	1,625	1,788	1,950	2,133	2,297	11.2%	12.4%
GDP per capita (RMB)	60,096	64,491	66,940	73,856	81,658	87,091	93,213	99,139	105,822	7.3%	11.8%
Disposable income for urban households (RMB)	21,989	24,725	26,738	29,073	32,903	36,469	40,321	43,910	52,859	11.6%	10.7%

Source: Beijing Municipal Bureau of Statistics

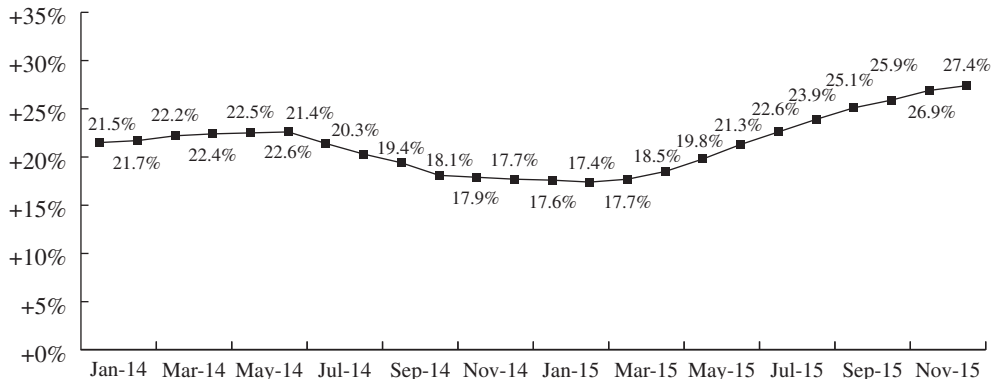
According to the Beijing Municipal Bureau of Statistics, in 2014 and 2015, residential properties with a total GFA of approximately 18.0 million sq.m. and 13.8 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 11.4 million sq.m. and 11.3 million sq.m., respectively, were sold in Beijing. The average selling price per sq.m. in 2014 was RMB18,499.

	Beijing property market indicators								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Residential properties									
GFA Completed ('000 sq.m.)....	18,540	13,993	16,132	14,985	13,161	15,227	16,920	18,043	13,782
GFA under construction ('000 sq.m.).....	59,145	55,382	55,519	61,760	71,681	75,104	74,069	69,997	63,146
GFA sold ('000 sq.m.).....	17,315	10,314	18,805	12,014	10,350	14,834	13,637	11,365	11,273
Average price (RMB/sq.m.).....	10,661	11,648	13,224	17,151	15,518	16,553	17,854	18,499	N/A

Sources: China Real Estate Statistics Yearbook 2015
National Bureau of Statistics of China

The following chart shows the changes in Beijing new residential housing price as compared to 2010 price level.

Beijing new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Nanchang

Nanchang is the capital of Jiangxi Province in southeastern China. Due to its central location relative to the Yangtze and Pearl River Delta regions, it is a major railroad hub and a regional hub for agricultural production in Jiangxi Province.

According to the Nanchang Municipal Bureau of Statistics, Nanchang had a population of approximately 5.2 million at the end of 2014. In 2015, its GDP reached approximately RMB400 billion, representing a per capita GDP of RMB75,879. The table below sets forth selected economic indicators relating to Nanchang for the years indicated.

Nanchang economic indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Nanchang	China Average
GDP (RMB billion) ...	139	166	184	221	269	300	334	367	400	14.1%	12.4%
GDP per capita (RMB).....	30,464	36,105	39,669	47,174	53,023	58,715	64,678	70,373	75,879	12.1%	11.8%
Disposable income for urban households (RMB)	13,076	15,112	16,472	18,276	20,741	23,602	26,151	29,091	31,942	11.8%	10.7%

Source: Nanchang Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook, in 2013 and 2014, residential properties with a total GFA of approximately 3.1 million sq.m. and 4.3 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 7.5 million sq.m. and 7.5 million sq.m., respectively, were sold in Nanchang. The average selling price per sq.m. in 2014 was RMB6,225.

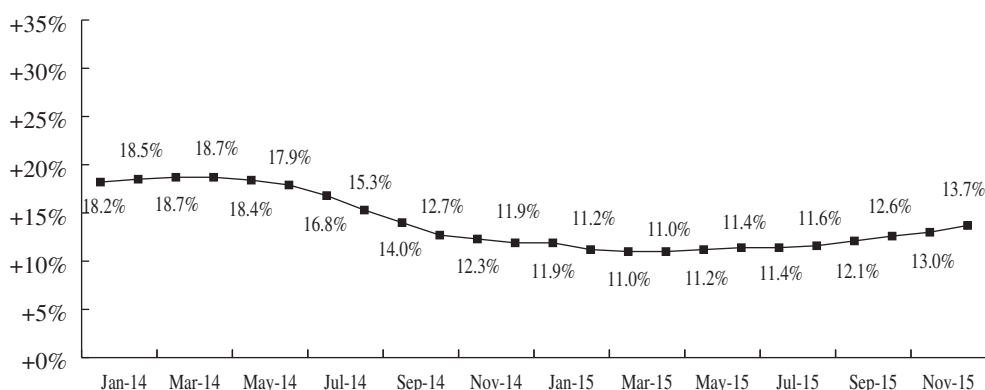
Nanchang property market indicators

	2007	2008	2009	2010	2011	2012	2013	2014
Residential properties								
GFA Completed ('000 sq.m.).....	3,474	2,971	3,266	3,140	3,892	3,254	3,055	4,268
GFA under construction ('000 sq.m.).....	12,912	15,414	14,840	17,433	21,123	22,316	27,627	29,969
GFA sold ('000 sq.m.).....	4,603	3,265	4,636	4,893	4,360	5,953	7,519	7,515
Average price (RMB/sq.m.).....	3,509	3,361	3,637	4,331	5,323	5,880	6,639	6,225

Source: China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Nanchang new residential housing price as compared to 2010 price level.

Nanchang new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Taiyuan

Taiyuan is the capital and largest city of Shanxi Province in north China. It is an industrial city and a significant producer of coal. Taiyuan is also a center of education and research, particularly in technology and applied science.

According to the Taiyuan Municipal Bureau of Statistics, Taiyuan had a population of approximately 4.3 million at the end of 2015. In 2015, its GDP reached approximately RMB274 billion. The table below sets forth selected economic indicators relating to Taiyuan for the years indicated.

Taiyuan economic indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Taiyuan	China Average
GDP (RMB billion)	129	153	155	178	208	231	241	253	274	9.9%	12.4%
GDP per capita (RMB)	36,377	44,054	44,319	46,114	49,292	54,440	56,547	59,023	63,483	7.2%	11.8%
Disposable income for urban households (RMB).....	13,745	15,230	15,607	17,258	20,149	22,587	24,000	25,768	27,727	9.2%	10.7%

Source: Taiyuan Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 2.1 million sq.m. and 4.9 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 4.0 million sq.m. and 3.9 million sq.m., respectively, were sold in Taiyuan. The average selling price per sq.m. in 2014 was RMB7,155.

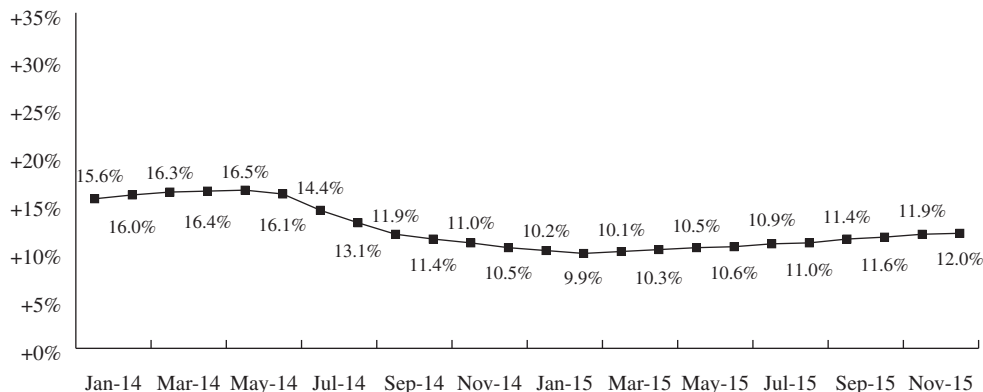
Taiyuan property market indicators

	2007	2008	2009	2010	2011	2012	2013	2014
Residential properties								
GFA Completed ('000 sq.m.).....	898	1,584	1,430	1,091	2,093	2,013	2,112	4,910
GFA under construction ('000 sq.m.).....	8,746	10,540	14,608	19,222	23,556	28,541	32,427	34,812
GFA sold ('000 sq.m.).....	1,490	1,621	1,688	2,355	1,919	3,081	4,011	3,941
Average price (RMB/sq.m.).....	3,561	3,743	4,499	7,088	6,517	6,405	6,668	7,155

Source: China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Taiyuan new residential housing price as compared to 2010 price level.

Taiyuan new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Changsha

Changsha is the capital city of Hunan Province and is a major port, handling rice, cotton, timber and livestock. Being the distribution point on the railway from Hankou to Guangzhou, it is also a commercial and industrial center in south central China.

According to the Changsha Municipal Bureau of Statistics, Changsha had a population of approximately 7.3 million at the end of 2014. In 2015, its GDP reached approximately RMB851 billion. The table below sets forth selected economic indicators relating to Changsha for the years indicated.

Changsha economic indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Changsha	China Average
GDP (RMB billion)	219	300	374	455	562	640	715	782	851	18.5%	12.4%
GDP per capita (RMB)	33,711	45,765	56,620	69,941	79,530	89,903	99,570	107,683	115,443	16.6%	11.8%
Disposable income for urban households (RMB).....	16,153	18,282	20,238	22,814	26,451	30,288	33,662	36,826	39,961	12.0%	10.7%

Source: Changsha Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 10.7 million sq.m. and 10.4 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 16.6 million sq.m. and 13.3 million sq.m., respectively, were sold in Changsha. The average selling price per sq.m. in 2014 was RMB5,458.

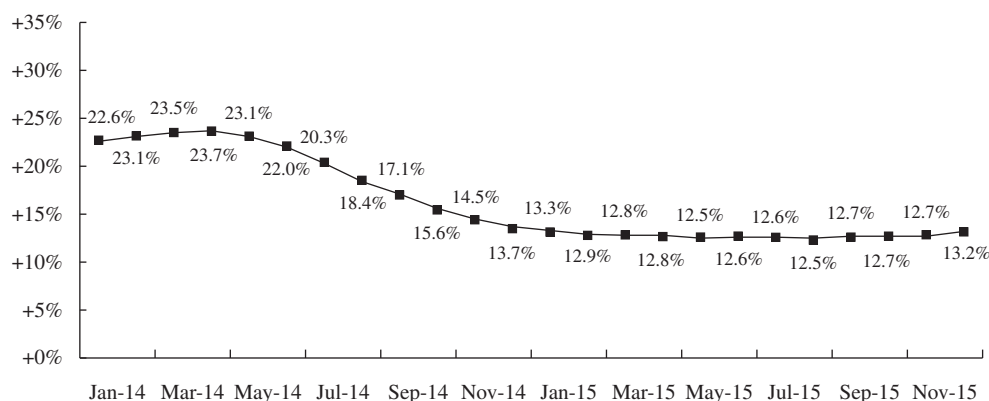
Changsha property market indicators

	2007	2008	2009	2010	2011	2012	2013	2014
Residential properties								
GFA Completed ('000 sq.m.)	5,831	6,429	11,046	11,613	11,637	11,310	10,676	10,423
GFA under construction ('000 sq.m.)	25,999	35,779	50,985	54,466	59,608	53,310	61,117	65,628
GFA sold ('000 sq.m.)	9,285	8,023	13,580	16,240	13,942	13,853	16,595	13,314
Average price (RMB/sq.m.)	3,191	3,165	3,533	4,322	5,481	5,603	5,759	5,458

Source: China Real Estate Statistics Yearbook 2015

The sales price of residential properties in Changsha has continued to increase but the growth rate has slowed down in recent years. The following chart shows the changes in Changsha new residential housing price as compared to 2010 price level.

Changsha new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Jiujiang

Jiujiang is the second-largest prefecture-level city in Jiangxi Province and a rising industrial and import/export center. Its main economic activities including shipping, oil refining and production of chemical fertilizer.

According to the Jiujiang Municipal Bureau of Statistics, Jiujiang had a population of approximately 4.8 million at the end of 2015. In 2015, its GDP reached approximately RMB190 billion, representing a per capita GDP of RMB39,505. The table below sets forth selected economic indicators relating to Jiujiang for the years indicated.

Jiujiang economic indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Jiujiang	China Average
GDP (RMB billion)	59	70	83	103	126	142	160	178	190	15.8%	12.4%
GDP per capita (RMB)	12,590	14,785	17,420	21,487	26,464	29,785	33,500	37,097	39,505	15.4%	11.8%
Disposable income for urban households (RMB)	11,272	12,889	14,203	15,764	17,911	20,330	22,504	25,077	27,635	11.9%	10.7%

Source: Jiujiang Municipal Bureau of Statistics

According to the Jiujiang Municipal Bureau of Statistics in 2014 and 2015, commodity properties with a total GFA of approximately 1.3 million sq.m. and 1.6 million sq.m., respectively, were completed and commodity properties with a total GFA of approximately 3.1 million sq.m. and 3.5 million sq.m., respectively, were sold in Jiujiang. The average selling price per sq.m. in 2015 was RMB4,250.

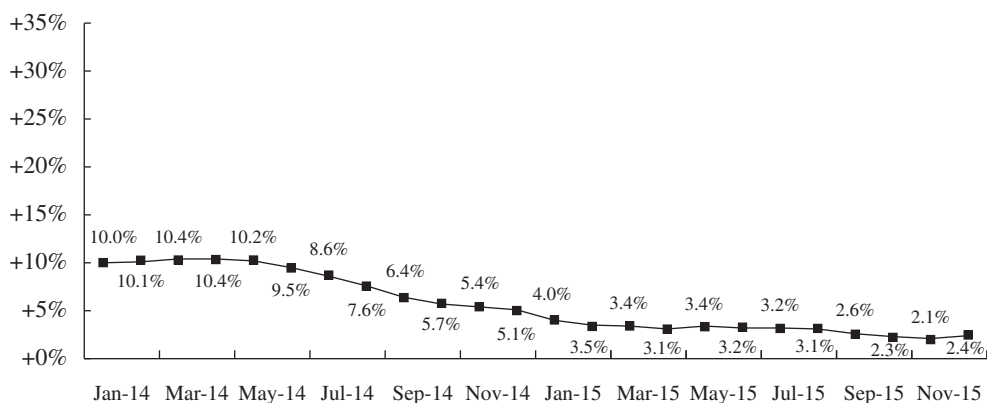
	Jiujiang property market indicators								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commodity properties									
GFA Completed ('000 sq.m.)	1,809	820	2,037	2,149	1,440	1,446	2,121	1,347	1,604
GFA sold ('000 sq.m.).....	2,468	1,216	2,662	2,929	3,264	1,965	3,048	3,172	3,549
Total sales (RMB million).....	4,650	2,026	7,995	8,518	11,898	7,342	14,744	13,438	15,080
Average price (RMB/sq.m.)*	1,884	1,666	3,004	2,908	3,645	3,737	4,837	4,236	4,250

Source: Jiujiang Municipal Bureau of Statistics and National Bureau of Statistics of China

* Calculated by dividing total sales by GFA sold of the respective year

The following chart shows the changes in Jiujiang new residential housing price as compared to 2010 price level.

Jiujiang new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Hefei

Hefei is the capital of Anhui Province in Eastern China. Due to its central location relative to the Eastern regions, it is a major railroad hub and a regional hub for industrial production in Anhui Province.

According to the Hefei Municipal Bureau of Statistics, Hefei had a population of approximately 7.8 million at the end of 2015. In 2015, its GDP reached approximately RMB566 billion, representing a per capita GDP of RMB73,102. The table below sets forth selected economic indicators relating to Hefei for the years indicated.

	Hefei economic indicator									2007-2015 CAGR	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	Hefei	China
GDP (RMB billion).....	133	166	210	270	364	416	467	516	566	19.8%	12.4%
GDP per capita (RMB) ..	28,125	34,482	41,543	47,392	48,563	55,186	61,555	67,394	73,102	12.7%	11.8%
Disposable income for urban households (RMB)	13,427	15,591	17,158	19,051	22,459	25,434	28,083	29,348	31,989	11.5%	10.7%

Source: Hefei Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook, in 2013 and 2014, residential properties with a total GFA of approximately 11.1 million sq.m. and 8.3 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 14.5 million sq.m. and 13.3 million sq.m., respectively, were sold in Hefei. The average selling price per sq.m. in 2014 was RMB6,917.

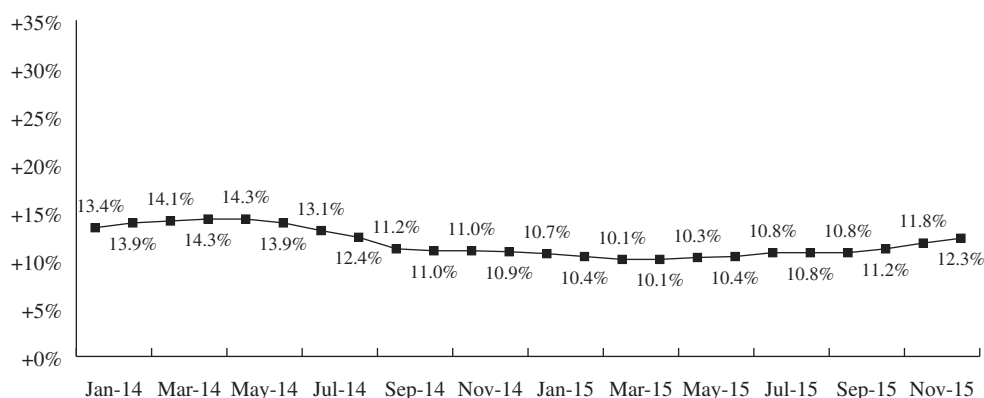
Hefei property market indicators

	2007	2008	2009	2010	2011	2012	2013	2014
Residential properties								
GFA Completed ('000 sq.m)	5,100	4,600	4,800	5,800	7,872	7,385	11,064	8,348
GFA under construction ('000 sq.m) ⁽¹⁾ ...	33,579	38,149	44,323	51,797	41,199	42,359	46,798	44,856
GFA sold ('000 sq.m).....	9,392	8,674	11,803	8,639	10,584	11,173	14,517	13,262
Average price (RMB/sq.m.).....	3,154	3,425	4,095	5,502	5,608	5,754	6,084	6,917

Source: China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Hefei new residential housing price as compared to 2010 price level.

Hefei new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Wuhan

Wuhan is the capital of Hubei Province in Central China. Historically, Wuhan has become a commerce center since Sui Dynasty. Today, Wuhan is one of the most important industrial center, transportation hub and education base in China.

According to the Wuhan Municipal Bureau of Statistics, Wuhan had a population of approximately 10.6 million at the end of 2015. In 2015, its GDP reached approximately RMB1,091 billion, representing a per capita GDP of RMB104,132. The table below sets forth selected economic indicators relating to Wuhan for the years indicated.

Wuhan economic indicator

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Wuhan	China
GDP (RMB billion).....	314	396	456	552	676	800	905	1,007	1,091	16.8%	12.4%
GDP per capita (RMB) ..	35,258	44,148	50,117	56,310	67,427	79,089	88,564	97,403	104,132	14.5%	11.8%
Disposable income for urban households (RMB)	14,358	16,712	18,385	20,806	23,738	27,061	29,821	33,270	36,436	12.3%	10.7%

Source: Wuhan Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 5.3 million sq.m. and 6.5 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 17.5 million sq.m. and 19.8 million sq.m., respectively, were sold in Wuhan. The average selling price per sq.m. in 2014 was RMB7,399.

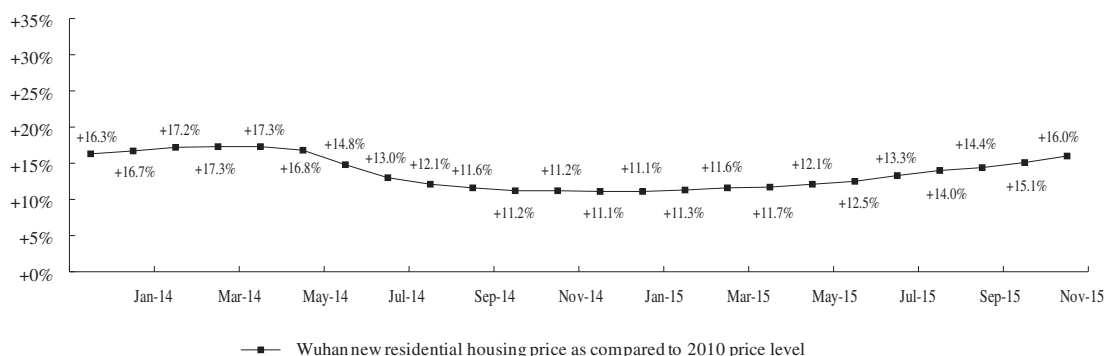
Wuhan property market indicators

	2007	2008	2009	2010	2011	2012	2013	2014
Residential properties								
GFA Completed ('000 sq.m)	8,116	7,682	8,246	7,335	9,692	9,009	5,297	6,460
GFA under construction ('000 sq.m).....	26,596	32,221	35,810	38,117	44,895	50,690	62,257	73,054
GFA sold ('000 sq.m).....	10,699	6,832	10,414	10,915	11,822	13,905	17,504	19,790
Average price (RMB/sq.m.).....	4,516	4,680	5,199	5,552	6,676	6,895	7,238	7,399

Source: Source: Wuhan Municipal Bureau of Statistics, China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Wuhan new residential housing price as compared to 2010 price level.

Wuhan new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Shanghai

Shanghai is the biggest finance center in China, also one of the most populous city in the world. For centuries, Shanghai has played an important role in China as a shipping and trading town. In 1990s, Pudong Development Policy boosted Shanghai's economy, and in 2013, Shanghai became the first free trade zone in mainland China.

According to the Shanghai Municipal Bureau of Statistics, Shanghai had a population of approximately 24.2 million at the end of 2015. In 2015, its GDP reached approximately RMB2,496 billion, representing a per capita GDP of RMB103,363. The table below sets forth selected economic indicators relating to Shanghai for the years indicated.

Shanghai economic indicator

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Shanghai	China Average
GDP (RMB billion).....	1,200	1,370	1,490	1,687	1,920	2,010	2,160	2,356	2,496	9.6%	12.4%
GDP per capita (RMB) ..	64,592	72,536	77,556	73,297	81,772	84,444	89,444	97,131	103,363	6.1%	11.8%
Disposable income for urban households (RMB)	23,623	26,675	28,838	31,838	36,230	40,188	43,851	47,710	49,867	9.8%	10.7%

Source: Shanghai Municipal Bureau of Statistics

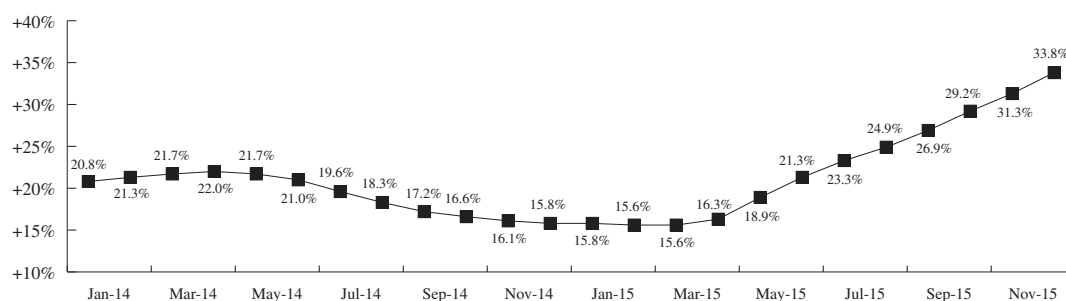
According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 14.2 million sq.m. and 15.4 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 20.2 million sq.m. and 17.8 million sq.m., respectively, were sold in Shanghai. The average selling price per sq.m. in 2014 was RMB19,650.

	Shanghai Residential properties							
	2007	2008	2009	2010	2011	2012	2013	2014
GFA Completed ('000 sq.m)	28,436	18,994	15,221	14,154	15,497	16,091	14,174	15,355
GFA under construction ('000 sq.m).....	77,899	70,602	65,812	73,441	83,863	83,157	81,255	85,259
GFA sold ('000 sq.m).....	32,792	19,659	29,280	16,854	14,737	15,926	20,158	17,809
Average price (RMB/sq.m.).....	8,253	8,182	12,364	14,213	13,448	13,870	16,192	19,650

Source: China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Shanghai new residential housing price as compared to 2010 price level.

Shanghai new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Suzhou

Suzhou, a city west of Shanghai, is known for its canals, bridges and classical gardens. Today, Suzhou is one of the most important business hub and logistic center in Yangtze River Delta region.

According to the Suzhou Municipal Bureau of Statistics, Suzhou had a population of approximately 6.6 million at the end of 2015. In 2015, its GDP reached approximately RMB1,450 billion, representing a per capita GDP of RMB136,300. The table below sets forth selected economic indicators relating to Suzhou for the years indicated.

	Suzhou economic indicator										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015 CAGR	
										Suzhou	China
GDP (RMB billion).....	570	670	774	923	1,050	1,201	1,302	1,376	1,450	12.4%	12.4%
GDP per capita (RMB)...	64,617	73,395	82,604	88,159	102,129	114,029	123,200	130,000	136,300	9.8%	11.8%
Disposable income for urban households (RMB)	21,260	23,862	26,320	29,219	33,070	37,531	41,143	46,677	50,400	11.4%	10.7%

Source: Suzhou Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 12.3 million sq.m. and 11.3 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 16.3 million sq.m. and 14.5 million sq.m., respectively, were sold in Suzhou. The average selling price per sq.m. in 2014 was RMB9,639.

	Suzhou Residential properties							
	2007	2008	2009	2010	2011	2012	2013	2014
GFA Completed ('000 sq.m).....	25,251	12,295	15,094	12,215	11,024	13,862	12,275	11,294
GFA under construction ('000 sq.m).....	N/A	N/A	N/A	58,181	58,417	60,494	68,559	76,524
GFA sold ('000 sq.m).....	N/A	N/A	N/A	11,829	9,835	12,631	16,334	14,461
Average price (RMB/sq.m.).....	N/A	N/A	N/A	8,213	9,028	8,980	9,479	9,639

Source: China Real Estate Statistics Yearbook 2015

Nanjing

Nanjing is the capital of Jiangsu province. Situated in the heartland of Yangtze River Delta, it has been a major center of culture, education, research, economy and tourism.

According to the Nanjing Municipal Bureau of Statistics, Nanjing had a population of approximately 8.2 million at the end of 2015. In 2015, its GDP reached approximately RMB972 billion, representing a per capita GDP of RMB118,171. The table below sets forth selected economic indicators relating to Nanjing for the years indicated.

	Nanjing economic indicator										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015CAGR	
										Nanjing	China
GDP (RMB billion).....	328	378	423	501	615	720	801	882	972	14.6%	12.4%
GDP per capita (RMB) ..	44,852	50,327	52,290	62,594	75,785	88,525	98,011	107,545	118,171	12.9%	11.8%
Disposable income for urban households (RMB)	20,317	23,123	25,504	28,312	32,200	36,322	39,881	42,568	46,104	10.8%	10.7%

Source: Nanjing Municipal Bureau of Statistics

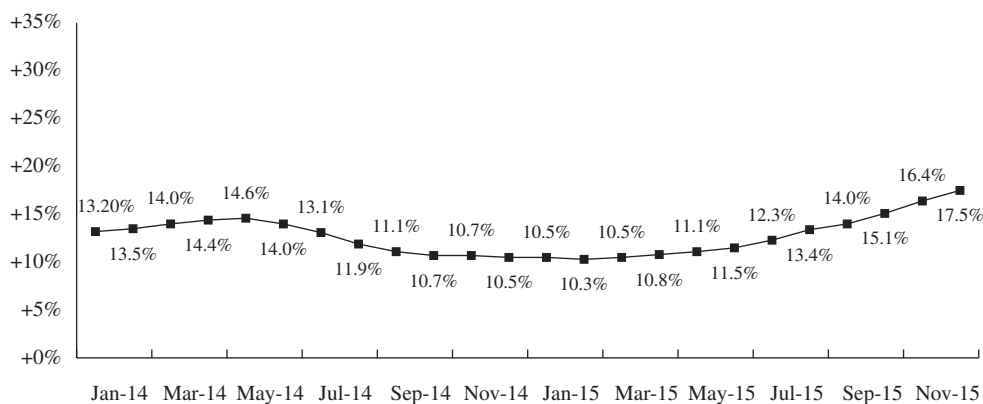
According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 7.5 million sq.m. and 7.2 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 11.1 million sq.m. and 11.0 million sq.m., respectively, were sold in Nanjing. The average selling price per sq.m. in 2014 was RMB10,964.

	Nanjing Residential properties							
	2007	2008	2009	2010	2011	2012	2013	2014
GFA Completed ('000 sq.m).....	5,786	8,929	12,279	7,374	8,641	13,622	7,540	7,223
GFA under construction ('000 sq.m).....	28,487	31,797	31,882	32,078	40,356	42,291	41,317	44,011
GFA sold ('000 sq.m).....	10,645	6,591	11,140	7,548	6,809	8,763	11,432	11,247
Average price (RMB/sq.m.).....	5,011	4,808	6,893	9,227	8,415	9,675	11,078	10,964

Source: China Real Estate Statistics Yearbook 2015

The following chart shows the changes in Nanjing new residential housing price as compared to 2010 price level.

Nanjing new residential housing price as compared to 2010 price level



Source: National Bureau of Statistics

Foshan

Foshan is the third biggest city in Guangdong Province. Historically, it was one of the earliest ports open to foreign trades. Today, it is one of the biggest production center for home appliances and exports trades.

According to the Foshan Municipal Bureau of Statistics, Foshan had a population of approximately 7.4 million at the end of 2015. In 2015, its GDP reached approximately RMB800 billion, representing a per capita GDP of RMB107,716. The table below sets forth selected economic indicators relating to Foshan for the years indicated.

Foshan economic indicator

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015CAGR	
										Foshan	China
GDP (RMB billion).....	359	433	481	565	658	671	701	760	800	10.5%	12.4%
GDP per capita (RMB)..	60,917	72,975	80,579	78,555	91,001	92,388	96,086	103,438	107,716	7.4%	11.8%
Disposable income for urban households (RMB)	21,754	22,494	24,578	27,245	30,718	34,580	34,324	36,555	39,757	7.8%	10.7%

Source: Foshan Municipal Bureau of Statistics

According to the China Real Estate Statistics Yearbook in 2013 and 2014, residential properties with a total GFA of approximately 5.3 million sq.m. and 15.6 million sq.m., respectively, were completed and residential properties with a total GFA of approximately 7.9 million sq.m. and 8.8 million sq.m., respectively, were sold in Foshan. The average selling price per sq.m. in 2014 was RMB8,728.

Foshan Residential properties

	2007	2008	2009	2010	2011	2012	2013	2014
GFA Completed ('000 sq.m)	237	751	5,771	9,805	5,210	5,210	5,258	15,614
GFA under construction ('000 sq.m).....	851	1,188	21,235	28,469	29,524	29,524	35,056	38,828
GFA sold ('000 sq.m).....	6,894	4,820	7,113	7,763	7,486	8,022	7,890	8,842
Average price (RMB/sq.m.).....	5,275	5,366	6,204	7,648	8,207	6,997	8,837	8,728

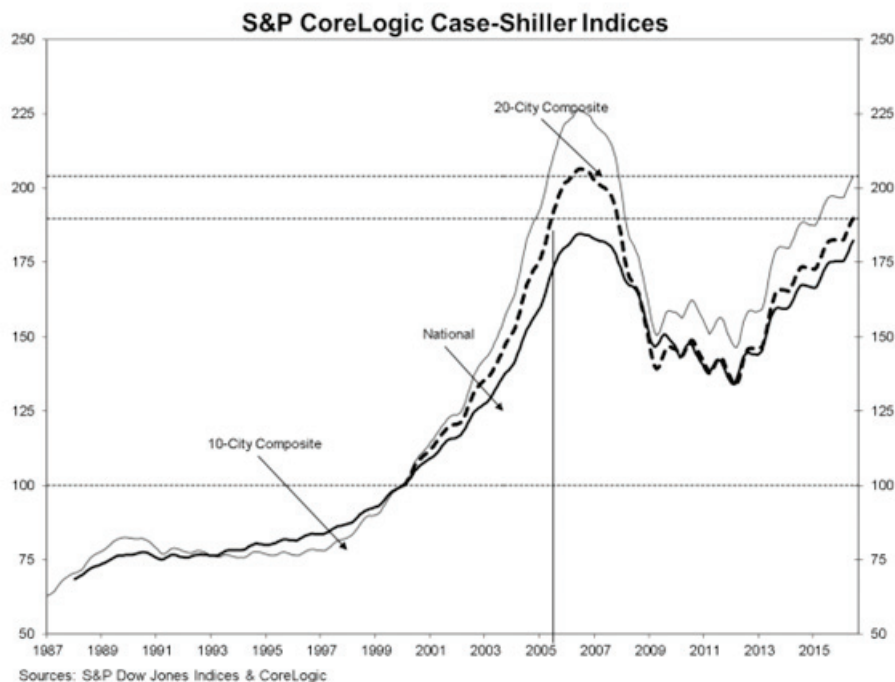
Source: China Real Estate Statistics Yearbook 2015

THE U.S. HOUSING MARKET

Overview

The U.S. housing market has experienced much volatility in recent years. U.S. housing prices topped in early 2006, began to decline in 2006 and 2007, and reached new lows in 2012. In December 2008, the Case-Shiller home price composite index reported one of its largest price drops. The correction in home price was immediately followed by a surge in foreclosure rates among U.S. homeowners.

After almost nine years have past since the housing market correction, the housing market has turned the corner in 2012 with general rising in home prices and decreasing in inventory on the back of low mortgage rates environment.



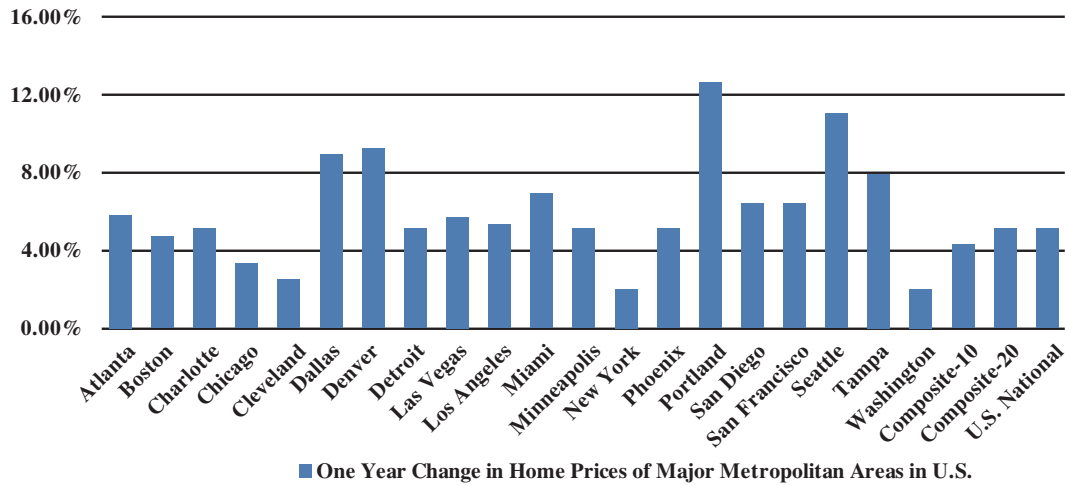
Source: S&P Dow Jones Indices and CoreLogic

Note: The S&P/Case-Shiller home price composite indices are designed to measure the average change in prices of single-family home (excluding condominium and co-operative housing) in a particular geographic market in U.S. The 10-city composite index includes 10 metropolitan areas namely, Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. The 20-city composite index includes additional areas namely, Atlanta, Charlotte, Cleveland, Dallas, Detroit, Minneapolis, Phoenix, Portland (Oregon), Seattle and Tampa, U.S. The National Home Price Index tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions and is calculated quarterly.

The S&P/Case-Shiller home price composite indices above are updated to June 2016 and are adjusted for seasonal changes.

According to S&P/Case-Shiller home price composite indices, one of the main indicators of U.S., as of June 2016, average home prices across the United States are back to their Spring 2015 levels. Measured from their June/July 2006 peaks, the peak-to-current decline for both Composites is approximately 8-10%. The recovery from the March 2012 lows is 39-42% for the 10-City and 20-City Composites.

Home price changes of major metropolitan areas

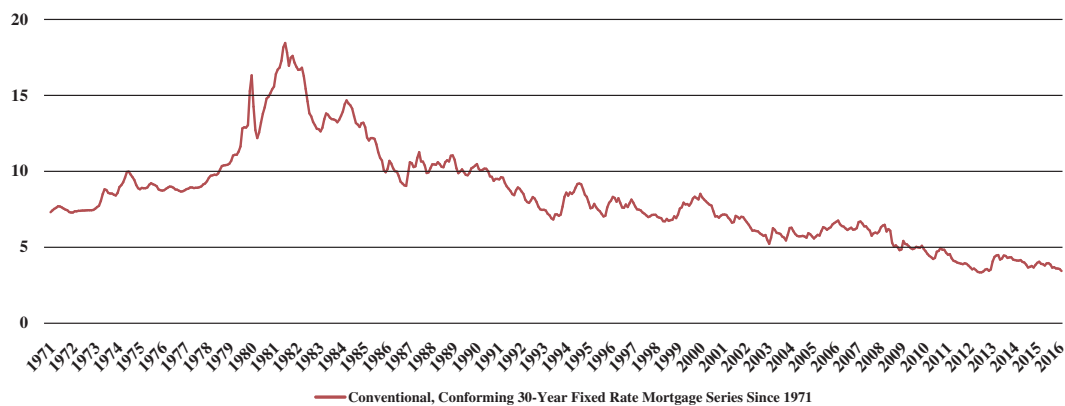


Source: S&P Dow Jones Indices and CoreLogic

Note: The chart above depicts the change in home prices across major metropolitan areas in the U.S. for June 2016.

For the 12 months ended June 2016, the average home prices increased 4.3% and 5.1% for the 10- and 20-city composites respectively.

The average mortgage rates in U.S.

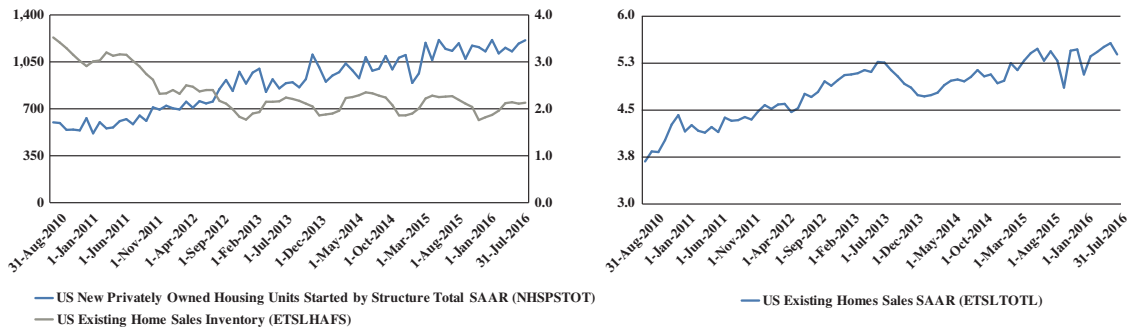


Source: Freddie Mac

Note: The chart above depicts the average rate for 30-year fixed rate mortgage in U.S.

The average U.S. mortgage rates have in general declined after the onset of the housing market correction in 2006 and 2007. The average mortgage rates have remained near historic lows. The lower mortgages have contributed to the increase in home buying and refinancing activities recently. As of July 2016, the rate is 3.44%.

Housing starts and home inventory



Source: U.S. Census Bureau

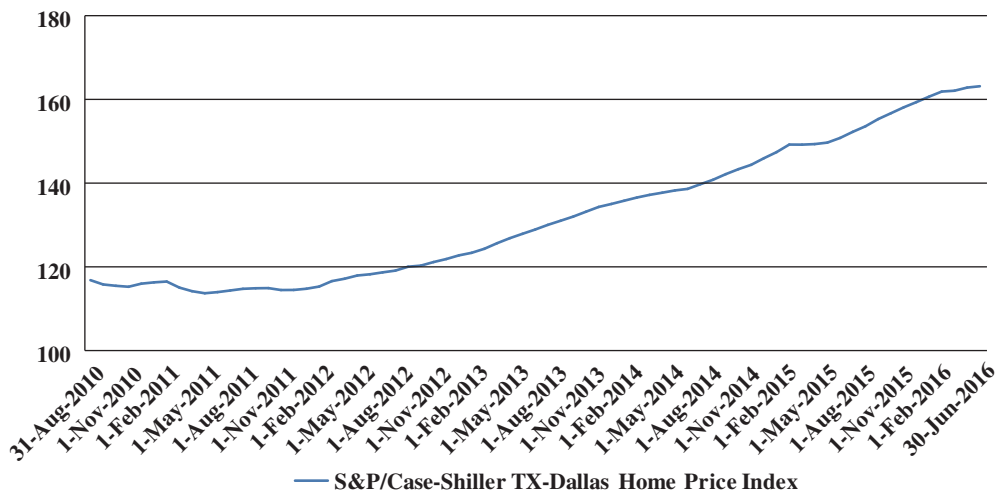
The recent data on new housing starts and home inventory has suggested a recovery in US housing market. The housing starts has recovered from their low. The recent change in housing starts reflected an increase in new building activity in U.S. The aggregate new housing inventory has in general continued to fall which likely reflected that completed homes have been selling relatively quickly recently.

HOUSING MARKET IN HOUSTON, TEXAS

We own a tract of vacant land with area of approximately 48.5 acres (or equivalent to approximately 196,155.4 sq.m.) located in Pearland, Harris and Brazoria Counties, Houston, Texas, U.S. for future development.

The city of Pearland falls almost entirely within Brazoria County, with portions extending into Fort Bend and Harris counties. According to the United States Census Bureau, the city has a total area of 47.5 square miles. In 2009 the city reported that the combined area of the city limits and of nearby unincorporated areas, including Country Place and Silverlake, was 72 square miles. As defined by the U.S. Bureau of the Census, Pearland is officially contained within the Houston-Baytown-Sugarland metropolitan statistical area (“MSA”), which based on the 2000 census consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

Texas-Dallas home price composite index



Source: S&P Dow Jones Indices and CoreLogic

The Texas-Dallas home price composite index above is updated to June 2016 and is adjusted for seasonal changes.

The average home prices in Dallas, the third most populous city in the state of Texas have continued to increase in recent years.

Population growth

Population growth rate (CAGR)	Pearland	Brazoria County	Harris County	Houston MSA	U.S.
2000-2010	9.26%	2.62%	1.87%	2.35%	0.93%
2010-2012	3.18%	1.83%	1.41%	1.72%	0.71%
2012-2017	2.48%	1.82%	1.48%	1.71%	0.68%

Source: Crosson Dannis, Inc.

The projected and historical population growth for the Houston MSA is well above national levels. Houston ranks among the nation’s top metro areas in projected population growth.

Income growth

Median household income growth rate (CAGR)	Pearland	Brazoria County	Harris County	Houston MSA	U.S.
2010-2012	0.87%	1.41%	1.26%	1.39%	1.46%
2012-2017	1.67%	2.35%	2.80%	2.75%	2.44%

Source: Crosson Dannis, Inc.

Generally, the income growth in the Houston MSA has been slightly below than that of the nation overall. From 2012-2017, the income growth rate is estimated to be significantly higher than the national average.

Employment prospects

The Houston MSA has been one of the top employment markets in the U.S. in the last few years as it has been the headquarters to over 24 companies in the Fortune 500 and more than 3,000 firms, foreign investment offices and non-profit organizations involved in international business. In the past, the Houston economy has been driven by oil production and distribution, making it the focus of drilling services, petroleum refining and petrochemical production for the whole U.S. The area is also a major manufacturing, importing and exporting center. In recent years, the Houston area has diversified to become a respected research and development hub in the computer field as well as a recognized center for research and treatment of diseases such as treatment of cancer related diseases. A large portion of Pearland's labor force commutes daily into the Texas medical center and other employment centers in the region.

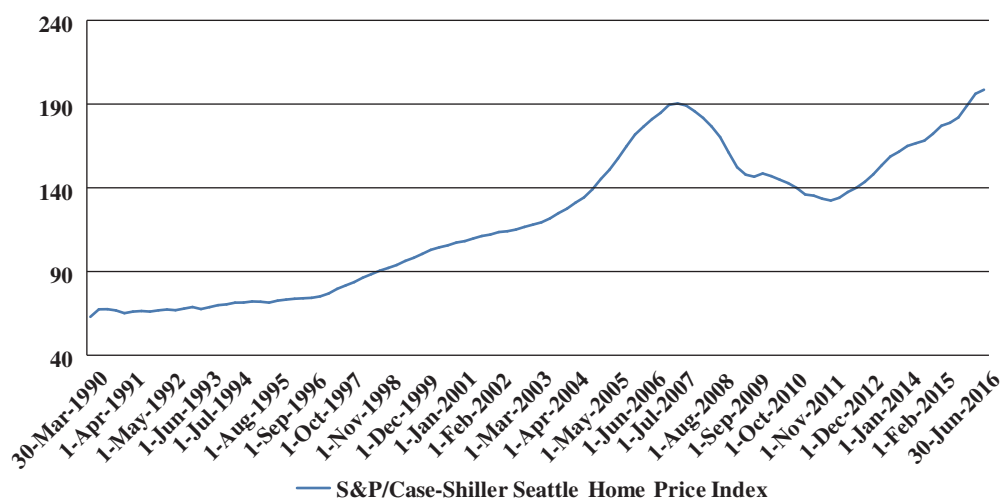
Based on statistics provided by the U.S. Bureau of Labor Statistics, non-farm for the 12 months ended June 2016, 5,200 jobs were created, in Houston MSA.

HOUSING MARKET IN SEATTLE, WASHINGTON

We acquired a parcel of land with site area of approximately 14,387 square feet and a gross floor area of approximately 237,000 square feet located at 427 9th Ave N, Seattle, WA98109, King County, Washington.

The city of King County has a total area of 2,307 square miles, of which 2,116 square miles is land and 191 square miles is water. King County is the most populous county in Washington, and the 13th most populous in the United States. The county locates in Seattle, which is the state's largest city. King County borders Snohomish County to the north, Kitsap County to the west, Kittitas County to the east, and Pierce County to the south. It also shares a small border with Chelan County to the northeast. King County includes Vashon Island and Maury Island in Puget Sound.

Seattle home price composite index



Source: S&P Dow Jones Indices and CoreLogic

The Seattle home price composite index above is updated to June 2016 and is adjusted for seasonal changes.

The average home prices in Seattle have continued to increase since recovery in 2011.

Economic prospects

	Actual					Estimates					CARG	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2016-2020
Seattle-Bellevue-Everett												
Population growth (%).....	1.60%	1.70%	1.90%	1.70%	1.70%	1.70%	1.50%	1.40%	1.30%	1.30%	1.76%	1.35%
Income growth (%).....	6.80%	9.50%	1.80%	6.20%	5.00%	5.90%	9.30%	8.00%	5.50%	4.80%	5.59%	6.88%
Gross metro product Growth (%).....	1.50%	4.20%	2.00%	4.00%	4.40%	3.90%	4.10%	3.20%	1.80%	1.70%	3.63%	2.72%
U.S.												
Population growth (%).....	0.80%	0.80%	0.70%	0.80%	0.80%	0.80%	0.80%	0.70%	0.70%	0.70%	0.77%	0.75%
Income growth (%).....	0.90%	1.70%	1.70%	2.70%	3.50%	2.40%	3.40%	4.60%	3.80%	2.60%	2.40%	3.60%
Gross domestic product Growth (%).....	2.10%	1.80%	1.60%	1.80%	1.10%	1.20%	1.70%	2.50%	2.50%	2.20%	1.58%	2.20%

Source: Moody's Analytics

Generally, the income growth in the Seattle has been significantly higher than that of the nation overall in both 2011-2015 historical data and 2016-2020 forecasts.

Seattle-Bellevue-Everett is steadfastly advancing. Though there have been job cuts at Boeing in 2016, the top employer in the region, they have been more than made up for by the breakneck pace of hiring by information technology firms and internet retailers. Seattle is adding jobs at one of the fastest paces for western metro areas, with mid-and high-wage industries accounting for two-thirds of the jobs created on net in the past six months. Intense competition for IT workers is boosting the average hourly pay rate, which stands nearly \$10 higher than the U.S. average and is quickly rising. The housing market recovery is gathering steam, and above-average house price appreciation is enticing builders to add to supply. Seattle-Bellevue-Everett is expected to outperform most of its western peers in 2016 thanks to fast growth in information technology, which is expected to enable the economy to surmount layoffs in aerospace manufacturing. Strong population gains and rising demand for IT services is expected to propel the economy in the medium term.

Based on statistics provided by the U.S. Bureau of Labor Statistics, non-farm for the 12 months ended June 2016, 68,500 jobs were created in Seattle.

We have disclosed in this section certain information such as population and income growths for some regions in U.S. extracted from the valuation report compiled by Crosson Dannis, Inc. in respect of the valuation of the parcel of land acquired by the Company in December 2012, and the site area of which is approximately 48.5 acres (or equivalent to approximately 196,155.4 sq.m.) located in Pearland, Texas, the U.S. We paid a fee of US\$6,000 for the valuation report. Please refer to the U.S. Property Valuation Report as included in Appendix IIIB to this prospectus for further details.

Save for the above, all statistics contained in this section is extracted from sources available to the public.

Notes:

- (1) Pursuant to the relevant equity interest transfer agreements, (i) Mr. Zhang Lei, Mr. Li Jing, Mr. Chen Yin, Mr. Fan Qingguo and Mr. Zhang Peng (collectively, the “Minority Shareholders”) agreed to transfer an aggregate of 3.649% equity interest in Modern Green Development Co., Ltd. (“Modern Green Development”), and (ii) Mr. Han Fengguo agreed to transfer a 0.125% equity interest in Modern Green Development to Beijing Green Project Management Co., Ltd. We are entitled to 100% (comprising 96.226% held by Modern Green Industrial Co., Ltd. and 3.774% held by Beijing Green Project Management Co., Ltd. (“Beijing Green Project”) upon completion of the equity interest transfers) of the equity interest in Modern Green Development as of December 31, 2013 from an accounting perspective. As of December 31, 2013, 75% of the equity interests agreed to be transferred by the Minority Shareholders and 100% of the equity interest agreed to be transferred by Mr. Han Fengguo had been transferred to Beijing Green Project.
- (2) These U.S. subsidiaries of Modern Green Development Co., Ltd. will not provide subsidiary guarantees for the Notes. See “Description of the Notes” and “Risk Factors—Risks Relating to the Notes—We are a holding company and payments with respect to the Notes are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.”

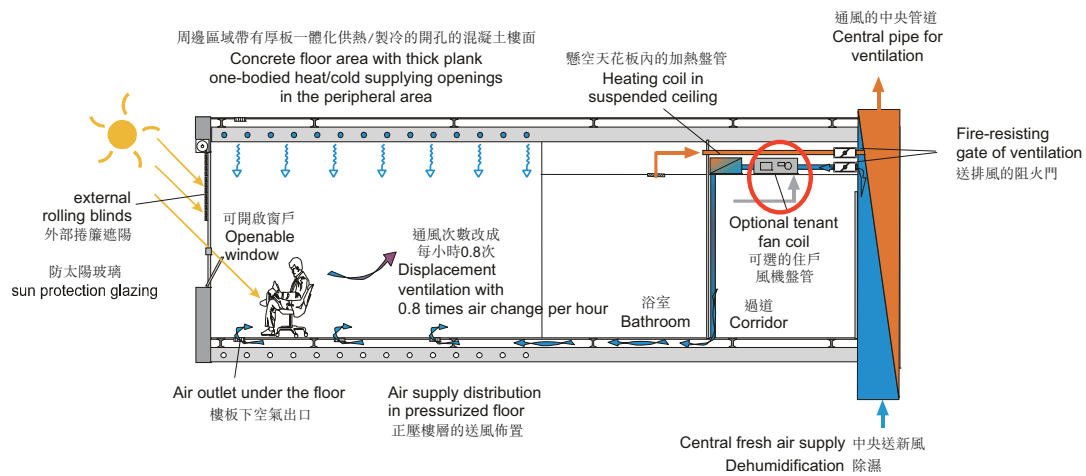
BUSINESS

OVERVIEW

We are a property developer focused on the development of green, energy-saving and eco-friendly residences in the PRC. We commenced our property development business in Beijing in 2000, and have expanded our operations to Shanghai, Suzhou, Taiyuan, Changsha, Nanchang, Wuhan, Hefei, Xi'an, Nanjing, Foshan, Dongdaihe, Jiujiang and Xiantao.

We highly regard corporate social responsibility, and are committed to delivering comfortable and eco-friendly residential properties to the market. We believe our residential properties under our “MOMA” brand enjoy broad recognition among our customers, and “MOMA” has become one of the few brand names that are representative of green building design and construction. We have, over the years, developed a technology system combining energy-saving and eco-friendly construction technologies and techniques designed to provide energy-saving and comfortable living experience to our customers.

The following diagram illustrates our typical design of a comfortable living environment.



We have developed and maintained strong relationships with many internationally reputable design organizations and architects. We have received numerous awards recognizing the energy-saving function and quality of our products, including the following:

- Our Wan Guo Cheng MOMA project was awarded the “Asian Technology Application Award for Green Ecology Habitation” by the Asian Habitat Society, the Asian Real Estate Society and the World Association of Chinese Architects;
- Our Modern MOMA project was granted the “Elite Foundation Sci-Tech Awards – Residential Commodity Green Ecological Technology Gold Award” by the All-China Federation of Industry and the Commerce Residential Industry Chamber of Commerce in September 2004, and achieved the designation of “Stage 3, Certified” from the U.S. Green Building Council, Natural Resources Defense Council and Congress for the New Urbanism under the Leadership in Energy and Environmental Design (“LEED”) for Neighborhood Development Pilot in October 2011. Eight buildings of this project were awarded the three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in June 2013;
- Our MOMA Forest Forever project was listed among the “IHA Special Contribution Awards for Green Building in China – Best Practices in Green Building Project” by the International Housing Association;
- Our Hefei Modern MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in July 2016;
- One building of our Jiu Jiang Man Ting Chun MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in October 2014; and

- One building of our Nanchang Man Ting Chun MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in September 2011.

We have a diversified product portfolio comprised of three product lines, namely, Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA. They provide different features catering to customer classes with different needs and purchasing power, from high-end to mid-end customers to the general public. Please refer to “Our Property Development Process—Product lines” for details about their features and target customers.

We have adopted and implemented prudent business expansion and land acquisition strategies, and have built our land reserves in strategically important regions where our technologies can be widely applied under local climate conditions. As of June 30, 2016, we had a total of 33 property development projects in the PRC, all of which (except Modern City Garden, a project that did not deploy our energy-saving technologies) are under our “MOMA” brand, at various stages of development, including completed projects with a total GFA of approximately 4,473,098 sq.m. and projects under development with a total planned GFA of approximately 5,163,037 sq.m. Seven of our projects are located in Beijing and the rest are located in Shanghai, Suzhou, Nanjing, Taiyuan, Changsha, Nanchang, Jiujiang, Xi’an, Hefei, Foshan, Dongdahei, Xiantao and Wuhan. We believe that our land reserves currently being developed, which have an aggregate planned total GFA (comprising the total GFA pre-sold and the total GFA unsold) of approximately 4,785,246 sq.m., will be sufficient to meet our development needs for the near future. In addition, as of June 30, 2016, we had a parcel of land with a site area of approximately 48.5 acres (or equivalent to approximately 196,155.4 sq.m.) located in Pearland, Texas, the U.S. As of the same date, we had a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington, the U.S.

Our land reserves as of June 30, 2016 were located in the following cities:

Location	Approximate planned total GFA (sq.m.)
Beijing	485,070
Shanghai	273,781
Suzhou	235,692
Nanjing	54,486
Taiyuan	60,003
Nanchang	127,149
Jiujiang	192,348
Xiantao	622,702
Changsha.....	938,249
Wuhan.....	457,523
Xi’an	151,625
Hefei	649,110
Foshan	190,833
Dongdaihe	346,675
Total	<u><u>4,785,246</u></u>

We intend to continue to expand our operations in new markets. We take into account a number of factors in selecting new markets for our expansion, such as economic growth, governmental policies and application of our technologies. We will also customize our product features according to local market conditions.

We develop our property projects primarily through our wholly owned subsidiaries. When suitable opportunities arise, we also consider entering into joint ventures with third parties such as other property developers and real estate trusts or funds. We have entered into joint venture arrangements by forming new joint venture companies with third parties, selling equity interests in and introducing new shareholders to our existing subsidiaries, securing shareholders' loans from our joint venture partners and acquiring equity interests in third parties.

For the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016, our revenue amounted to approximately RMB3,469.0 million, RMB4,079.5 million, RMB6,349.8 million and RMB4,271.3 million (US\$642.7 million), respectively.

RECENT DEVELOPMENT

Our contracted sales for the six months ended June 30, 2016 amounted to approximately RMB7,450.6 million (US\$1,121.1 million) (unaudited), including contracted sales of properties in the amount of approximately RMB7,332.0 million (US\$1,103.2 million), which increased by approximately 70.6% as compared to the corresponding period in 2015. In addition, GFA pre-sold for properties was approximately 658,689 sq.m., which increased by approximately 37.5% as compared to the corresponding period in 2015.

Our contracted sales for the two months ended August 31, 2016 amounted to approximately RMB3,052.6 million (US\$459.3 million), including contracted sales of properties in the amount of approximately RMB3,020.7 million (US\$454.5 million). The GFA sold for contracted sales properties was approximately 285,805 sq.m. during the same period.

Acquisition of Land in Gulou District, Nanjing

On June 20, 2016, we acquired the land use rights in respect of a parcel of land in South Rehe Road, Gulou district of Nanjing, the PRC through entering into an equity transfer agreement with Nanjing Xinhe Property Development Company Limited. The consideration for the acquisition was approximately RMB340 million.

The site area of this parcel of land is approximately 16,165 sq.m. We expect that the GFA of properties to be constructed on this parcel of land will be approximately 41,220 sq.m. We expect to develop this parcel of land into residential property, commercial premises and carpark spaces.

Acquisition of Land in Hankou District, Wuhan

On July 8, 2016, we acquired the land use rights in respect of a parcel of land in Wangjiadun Town, Hankou district of Wuhan, the PRC through public auction. The consideration for the acquisition was approximately RMB717 million.

The site area of this parcel of land is approximately 13,270 sq.m. We expect that the GFA of properties to be constructed on this parcel of land will be approximately 39,810 sq.m. We expect to develop this parcel of land into residential property, commercial premises and carpark spaces.

Subscription of Share Capital by the Great Wall Pan Asia International Investment Company Limited

On September 8, 2016 (after trading hours), we entered into a subscription agreement with Great Wall Pan Asia International Investment Company Limited (the "Subscriber"), being an independent third party, pursuant to which the Subscriber has conditionally agreed to subscribe for and we have conditionally agreed to allot and issue a total of 172,872,000 subscription shares at the subscription price of HK\$1.01. Such subscription shares represent approximately (i) approximately 8.28% of our existing issued share capital on September 8, 2016; and (ii) approximately 7.65% of the total enlarged issued share capital immediately following completion of the subscription.

The net proceeds from the subscription, after deducting the related expenses, are estimated to be approximately HK\$174,295,720 (US\$22,463,394). We intend to utilize the net proceeds from the subscription for the purpose of our Group's property development business outside the PRC and/or for general working capital of our Group.

OUR COMPETITIVE STRENGTHS

We consider that we have the following competitive strengths:

Leading position and brand in China's niche market of energy-saving, comfortable residential properties

We believe that we are one of the earliest PRC property developers to specialize in energy-saving, comfortable residential properties, and are now a leader in this "green property" market in terms of brand recognition and execution capability with dedicated research and development resources and cumulative technical expertise. Since our establishment in 2000, our "MOMA" brand has grown from its regional roots in Beijing to a presence across different regions in China. In 2010, we derived 69.3% of our sales of properties from four projects in Beijing and the rest from one project in Changsha. By comparison, in 2015, we had 26 projects in various stages of development in Beijing, Shanghai, Suzhou, Changsha, Taiyuan, Wuhan and Nanchang, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei and Xiantao.

"Green property" development requires not only certain design elements and construction techniques used in isolation, but also an integrated approach employing select design elements and construction techniques to cater to project-specific factors such as location, climate, geographic environment and particular customer requirements. Through years of dedicated research and development and industry experience, we have put in place and continue to improve a versatile "MOMA" technology system, under which our experienced design and project execution personnel have at their disposal a wide variety of tested design and construction concepts and modules to ensure that our key design philosophies and technical standards are implemented consistently throughout our developments in different locations. The properties we have developed typically consume less energy and are installed with temperature and humidity control, noise reduction and air ventilation systems. We believe that these distinctive features of our developments have helped distinguish us from most of the other property developers in China and contributed to our strong profit margins. Our gross profit margin was 30.9% in 2015 and 18.8% for the six months ended June 30, 2016. The lower gross profit margin for the six months ended June 30, 2016 was due to a change in the portfolio of projects scheduled for delivery during the period, which were mainly comprise of the product line of Man Ting Chun MOMA targeted to customers with rigid demand. With the scheduled delivery of our high-end projects such as Hefei Modern MOMA in the second half of 2016, we expect that the gross profit margin will rise significantly in the following periods. In addition, we believe that these design and technical features have resonated with our target customers and helped enhance our brand value. Later phases of our developments often achieve higher average selling prices than earlier ones, as they have had the time to establish a reputation among local customers.

Focused positioning in a market segment favored by government policies

We believe our leading position and brand in the "green property" market segment in China put us in an advantageous position to benefit from the PRC government's directives for energy conservation and environmental protection. In April 2012, the PRC Ministry of Finance and MOHURD promulgated certain "Implementation Opinions on Expediting the Development of Green Buildings in China," which for the first time specified PRC government grants on green buildings to the real property developer: "Three Star Green Buildings" would be entitled to RMB80 per sq.m. and "Two Star Green Buildings" would be entitled to RMB45 per sq.m. Of the nine "Three Star Green Building" labels that the Chinese Society for Urban Studies Green Building Research Center had issued as of December 31, 2015 nationwide, two (Beijing Modern MOMA and Nanchang Man Ting Chun MOMA (Phase I)) were developed by us. Also, our Nanchang Man Ting Chun MOMA (Phase II) and Jiujiang Man Ting Chun MOMA have received "Two Star Green Building" labels. In addition, the implementation opinions are targeting to have more than one billion sq.m. in GFA of green buildings by 2015 and more than 30% of new buildings as green buildings by 2020 in China, which we believe is a positive policy gesture from the PRC government.

Strategically located, low-cost land bank and differentiated property offerings catering to various customer classes

As of June 30, 2016, we had 33 property development projects in various stages of development in Beijing, Shanghai, Suzhou, Nanjing, Changsha, Taiyuan, Nanchang, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei, Xiantao and Wuhan. We have selected these cities for our expansion from Beijing as they are provincial capitals

or important regional cities with relatively robust local economies and growth potential, and as they are situated within climates (generally cold regions or regions with hot summers and cold winters) in which our technical systems are particularly suitable.

We have rolled out three property series with different design concepts and technical specifications, catering to customer classes of different needs and purchasing power.

- Wan Guo Cheng MOMA targets high-end customers. These properties, which incorporate our most advanced energy-saving technologies to provide comfort and design, are representative of our concept of green and eco-friendly life style. The profit margin for each sale of our Wan Guo Cheng MOMA properties is generally the highest.
- Shang Pin Ge MOMA targets mid- to high-end customers, to whom we aim to provide comfortable and energy-saving homes. The sales and profit margins of our Shang Pin Ge MOMA properties are generally between those of our Wan Guo Cheng MOMA and Man Ting Chun MOMA properties.
- Man Ting Chun MOMA targets the general public. We fit these properties with our core energy-saving technologies in accordance with local market and climate conditions. These properties generally sell at a more rapid pace than our other two property series, but the profit margins are generally lower.

We believe that this differentiation has helped us broaden our market reach on the one hand and maximize added value and return on the other.

Effective cost control of property developments through standardized operations

We have established and implemented a standardized and effective “flow-chart operation” system for the operation and management of property developments since 2005, through which we allocate our internal resources and delegate responsibilities for our internal departments. This operating system is guided by standardized procedures and illustrated by various flow charts. With respect to each step in our standardized operations, we specify the responsible internal department and expected turnaround time. We believe that this system has been an important component of our cost-control efforts. Our cost of sales as a portion of our revenue was 60.5%, 59.4%, 69.1% and 81.2% for 2013, 2014, 2015 and the six months ended June 30, 2016, respectively.

Stable and experienced management and research and development teams

The key members of our management team have an average of over 17 years of experience in the PRC real estate industry, and are well versed in areas of strategic planning, business management, resource operations and sustainable development. Our founder, executive director and chairman, Mr. Zhang Lei, with his insight on the PRC real estate market, has been instrumental in our strategic development since our founding. Mr. Chen Yin, an executive director and our chief technology officer and general engineer is a well-known expert in the green architecture field in China, having served in professional organizations such as the Green Architecture Committee of the Architectural Society of China and the Renewable Energy Resource Society of China. Our other senior management members collectively have significant experience in the fields of marketing, project development, capital operations, financial management and human resource management and extensive experience in real estate development and property operation and management.

Mr. Chen Yin also leads our dedicated research and development team which, as of June 30, 2016, comprised of approximately 114 technical staff in charge of overall project design as well as technical design and integration.

Prudent financial management

We pursue a prudent financial management policy by closely monitoring our capital and cash positions and carefully managing our land costs, construction costs, operating expenses and fixed charge coverage. We closely monitor the maturity profiles of our borrowings and manage the level of our liquid assets to ensure the availability of sufficient cash flows to service our indebtedness and meet cash requirements arising from our

business. As of June 30, 2016, we had cash and cash equivalents (not including restricted cash) of RMB4,011.3 million (US\$603.6 million), representing 15.2% of our total assets. We monitor our capital and indebtedness levels by reviewing our net gearing ratio, which is equal to net borrowings (total borrowings subtracting bank balances and cash) divided by total equity. Our net gearing ratio as of December 31, 2013, 2014 and 2015 was approximately (28.8%), 17.4% and 44.6% respectively.

OUR STRATEGIES

We intend to continue strengthening our participation in the development of comfortable communities. To accomplish our goal, we have formulated the following primary business strategies.

Continue to strengthen our capabilities in adapting and integrating energy-saving technologies

Our capabilities in research and development and integration of green energy-saving technologies set us apart from other PRC property developers and afford us with a competitive advantage in the PRC real estate market.

We will continue to keep abreast of the latest developments in construction and building materials using energy-saving technologies in both the PRC and the rest of the world. In order to enhance the quality, comfort level, energy efficiency, temperature control, air ventilation and noise reduction of our property developments, we will continue to strengthen our research on building techniques and materials to save energy, water, construction materials and space. We will continue to draw experience from our previous development projects to optimize our “MOMA” energy-saving system in terms of design, installation and scope of application. We will also promote the use of standardized modules in building energy-saving residences in new projects.

We will continue to deepen our relationships with our current business partners and enhance our cooperation with world famous design organizations and architects. We will maintain our working relationships with renowned individuals and entities and expand our cooperation with other leading organizations in the field of sustainable development.

Expand our footprint to carefully selected locations and enhance our brand recognition

With respect to the PRC real estate market as a whole, we intend to leverage our brand recognition and reputation in Beijing and draw on our successful experience there to expand our operations in markets where our products have competitive advantages. We take into account a number of factors in selecting new markets for our expansion, including local market conditions, geography and climate and the prospects of applying our technologies. We believe that cold areas and areas with hot summers and cold winters generally offer the most desirable climate conditions for the application of our technologies and plan to focus our development in these areas.

As of December 31, 2013, we had successfully expanded our operations to Beijing, Shanghai, Shanxi Province, Shaanxi Province, Anhui Province, Jiangsu Province, Guangdong Province, Liaoning Province, Hunan Province, Jiangxi Province and Hubei Province. We intend to expand to regions adjacent to these locations where we have accumulated experience in dealing with the local markets. We will continue to customize our energy-efficient, eco-friendly properties in new markets according to local market conditions.

We are also considering expanding our business to the U.S. as part of our long term strategic plan, which may involve the acquisition of land for mixed-use residential and retail/commercial property developments applying our energy-saving technologies, and in such regards we obtained the relevant enterprise overseas investment certificate issued by the MOFCOM and the relevant foreign exchange approval from SAFE in 2012. We have strategically chosen the U.S. as a destination for our potential expansion due to the increasing application of advanced eco-friendly technologies in properties there. We expect to enhance our experience and strengthen our capabilities in the integration and practical application of sustainable development technologies through our participation in the U.S. market. Furthermore, we have been recognized by various U.S. institutes, including LEED, in recent years, which we believe provides a favorable foundation for our expansion in the U.S. We believe that our proposed expansion plans in the U.S. will diversify our property development projects portfolio and revenue sources geographically and will expand our land reserves for future development. We

further believe that the application of our energy-saving technologies in overseas projects will help our brands to achieve international recognition. Nevertheless, it remains our intention that our business operations will continue to be based principally in the PRC.

For the purpose of our expansion to the U.S. as part of our long-term strategic plan, we purchased a parcel of land with a site area of approximately 48.5 acres (approximately 196,155.4 sq.m.) located in Pearland, Texas, the U.S. in December 2012. In May 2016, we purchased a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington, the U.S. See “Business—Our Property Project in the PRC and the U.S.—Property development in the U.S.” for more details about this parcel of land and our development plan.

We believe we have established “MOMA” as a reputable brand in the PRC real estate market and that our brand is associated with high-quality and comfortable communities. These factors enable us to enjoy a competitive advantage over our competitors in terms of demand and pricing for our products. In order to further enhance our brand recognition, we intend to continue to devote ourselves to perfecting our energy-saving development technologies and integrating such technologies into our property developments. We also recognize that customer loyalty is a key factor to our success and contributes to our reputation. As such, we will continue to foster our customer-oriented values in all stages of our operations from product design to sales and marketing.

Maximize sales and profit in our existing product lines

Currently, we have three product lines, Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA, which provide different features and target different groups of customers. We intend to maximize sales and profit in these product lines. We will carefully consider market conditions, customers’ preferences and spending power in selecting product lines for our projects at different locations, so as to increase the popularity of our products in different markets and improve our sales and maximize our profitability.

We intend to make necessary adaptations to tailor our products to the needs of local customers, taking into consideration local market conditions, geography and climate and the prospects of applying our technologies. We believe that doing this will enable us to effectively penetrate local markets.

Continue to boost operational efficiency and reduce cost

In order to optimize our “standardized progress and operation” system, we intend to consolidate and optimize our research and development, project management, operation and development and customer service functions and to implement effective management for each of our internal departments.

We plan to adopt and implement the following measures to optimize our operations:

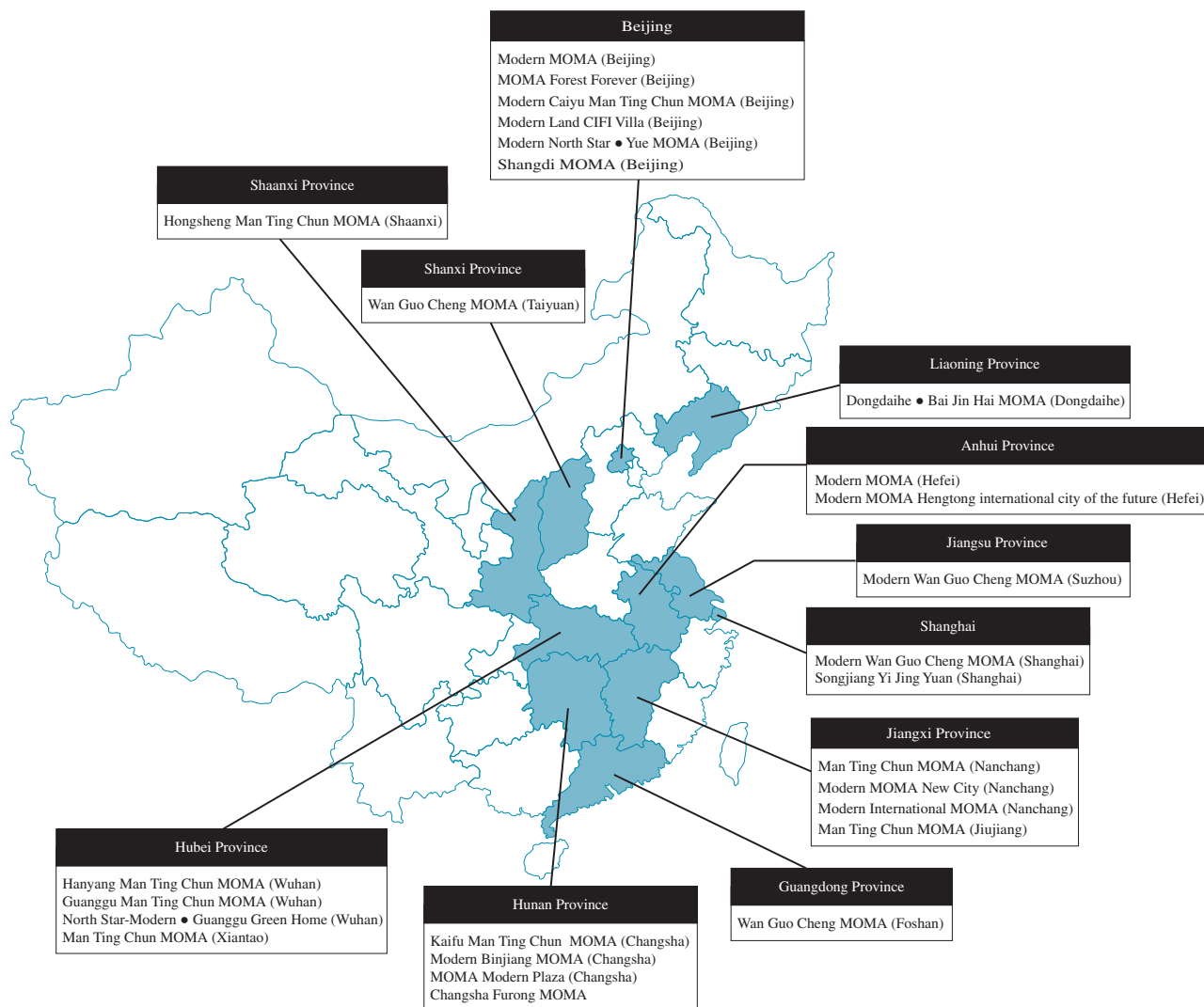
- to implement a comprehensive planned budget control;
- to build strategic alliances with our suppliers for centralized procurement and other means to lower the cost of materials; and
- to continue to optimize our effective management through our “standardized progress and operation” system.

OUR PROPERTY PROJECTS IN THE PRC AND THE U.S.

Overview of Our Property Developments

As of June 30, 2016, we had a total of 33 major property development projects at various stages of development in the PRC, seven of which were located in Beijing and the rest of which were located in Shanghai, Suzhou, Nanjing, Taiyuan, Changsha, Nanchang, Jiujiang, Xi'an, Hefei, Foshan, Dongdahei, Xiantao and Wuhan. We also had a parcel of land for future development in Pearland, Texas, the U.S. As of the same date, we had a parcel of land with a GFA of approximately 237,000 square feet (or equivalent to approximately 26,333 sq.m.) located in Seattle, Washington, the U.S. Furthermore, we had completed two land resettlement projects, namely, Water Meter Plant Area Project and Qinghe Northern Warehouse Area Project, both located in Beijing.

The following map shows the geographic locations of our property projects in the PRC:



We intend to expand the geographic scope of our property development operations in the near future and to expand our existing operations in Beijing, Hunan Province, Hubei Province, Shanxi Province and Jiangxi Province. We take into account a number of factors in selecting new markets for our expansion, such as local market conditions, geography and climate.

Most of our property development projects are developed in multiple phases and each phase may be in a different stage of development. We classify our property projects into the following three categories: completed projects, projects under development and projects held for future development. Our classification of properties reflects the basis on which we operate our business and may differ from classifications employed by other developers. Each property project or project phase may be subject to multiple land use rights certificates, construction permits, pre-sale permits and other permits and certificates which may be issued at different times throughout their developments.

The following table sets forth a breakdown of GFA and other key information as of June 30, 2016 of our property development projects in the PRC under various stages of development:

I. COMPLETED PROJECTS

Project	Attributable interest to the Group	Approximate total land site area in respect of the entire project (sq.m.)	Approximate total GFA ⁽¹⁾ (sq.m.)	Approximate total GFA sold and pre-sold ⁽²⁾ (sq.m.)	Approximate total GFA unsold ⁽²⁾⁽³⁾ (sq.m.)	Approximate total GFA held for investment (sq.m.)	Approximate total GFA held for own use (sq.m.)	Actual construction commencement date	Actual construction completion date	Pre-sale date/Date of pre-sale permit	Actual/Expected delivery date	Total costs incurred as of June 30, 2016 ⁽⁴⁾ (RMB million)
1. Wan Guo Cheng MOMA (萬國城MOMA)	100%	47,662	369,198	351,184	–	9,052	8,962	Sep-01	Apr-07	Feb-03	Feb-03	2,235
2. Modern MOMA (當代MOMA)	100%	60,004	216,483	190,642	8,403	8,432	9,005	Nov-05	Nov-10	Jan-06	Jun-08	2,372
3. Shangdi MOMA (上第MOMA)	100%	64,455	664,867	647,860	11,324	2,141	3,542	Nov-05	Aug-11	Dec-05	Dec-07	2,441
4. MOMA Forest Forever (MOMA萬萬樹)	100%	58,779	460,178	449,633	7,985	2,560	–	Apr-06	Jun-13	Jan-08	Dec-09	1,103
5. Modern Caiyu Man Ting Chun MOMA (北京當代采育滿庭春MOMA)	100%	61,306	169,941	169,116	852	–	–	Jun-14	Jun-16	Jul-14	Dec-15	1,136
6. Kaifu Man Ting Chun MOMA (Changsha) (長沙開福滿庭春MOMA)	100%	338,794	1,102,511	949,071	122,222	23,421	7,797	Jul-07	Dec-15	Jan-11	Dec-15	3,222
7. Modern Binjiang MOMA (Changsha) (長沙當代濱江MOMA)	100%	48,241	229,382	133,547	95,835	–	–	Oct-14	Sep-16	Oct-14	Jun-16	1,161
8. Wan Guo Cheng MOMA (Taiyuan) (萬國城MOMA(太原))	100%	52,717	583,549	512,741	47,837	17,706	5,265	Dec-09	Dec-15	Sep-10	Dec-11	3,111
9. Nanchang Man Ting Chun MOMA (南昌滿庭春MOMA)	100%	116,349	259,974	227,912	27,944	1,808	2,310	Sep-10	Dec-13	Nov-10	Mar-14	1,090
10. Modern International MOMA (Nanchang) (南昌當代國際MOMA)	100%	70,000	204,697	159,169	45,528	–	–	Apr-14	Jun-16	Jun-14	Dec-15	1,124
11. Modern MOMA New City (Nanchang) (南昌當代MOMA新城)	100%	31,201	91,837	63,953	18,468	9,416	–	Mar-14	Mar-16	Jun-14	Dec-15	476
12. Hanyang Man Ting Chun MOMA (Wuhan) (武漢漢陽滿庭春MOMA)	99.02%	42,314	120,481	108,782	11,699	–	–	Oct-14	May-16	Oct-14	Dec-15	459
Sub total		991,821	4,473,098	3,963,610	398,097	74,536	36,881					19,930

II. PROJECTS UNDER DEVELOPMENT

Project	Attributable interest to the Group	Approximate total land site area in respect of the entire project	Approximate total GFA ⁽¹⁾	Approximate total GFA sold and pre-sold ⁽²⁾	Approximate total GFA unsold ⁽²⁾⁽³⁾	Approximate total GFA held for investment	Approximate total GFA held for own use	Actual construction commencement date	Expected/Actual construction completion date	Pre-sale start date/Date of pre-sale permit	Actual/Expected delivery date	Total costs incurred as of June 30, 2016 ⁽⁴⁾	Estimated future development costs to be incurred
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)					(RMB million)	(RMB million)
1. Modern Land CIFI Villa (Beijing) (北京當代•熙輝墅).....	50%	75,435	158,213	120,704	37,509	-	-	Aug-14	Apr-17	Jan-15	Dec-16	1,548	211
2. Modern North Star• Yue MOMA (Beijing) (北京當代北辰•悅MOMA).....	50%	52,842	131,346	81,806	49,540	-	-	Jul-15	Jun-17	Aug-15	Jun-17	1,460	387
3. Modern Yunjing (Beijing) (當代雲鏡MOMA).....	51%	41,050	163,593	-	163,593	-	-	Sep-16	May-18	Oct-16	Oct-18	1,953	1,161
4. Wan Guo Cheng MOMA (Shanghai) (上海當代萬國府MOMA).....	65.63%	46,201	127,474	54,074	73,400	-	-	Dec-15	Jul-17	Dec-15	Jul-17	1,938	374
5. Songjiang Yi Jing Yuan (Shanghai) (上海松江頤景園).....	35%	63,128	146,307	88,216	58,091	-	-	Mar-15	Jan-17	Oct-14	Aug-17	1,978	172
6. MOMA Modern Plaza (Changsha) (長沙MOMA當代廣場).....	100%	79,374	341,786	219,482	122,304	-	-	Sep-14	Oct-16	Oct-14	Jun-16	837	269
7. Changsha Furong MOMA (長沙芙蓉MOMA).....	51%	156,285	545,752	90,961	454,791	-	-	Aug-15	Nov-17	Oct-15	Nov-16	1,587	1,214
8. Guanggu Man Ting Chun MOMA (Wuhan) (武漢光谷滿庭春MOMA).....	99.95%	94,050	277,933	160,280	117,653	-	-	Jul-14	Nov-17	Aug-14	Dec-15	1,243	333
9. North Star•Modern • Guanggu Green Home (Wuhan) (武漢北辰當代•光谷綠色家園).....	45%	104,817	315,203	126,213	188,990	-	-	Mar-15	Jun-18	Oct-15	Dec-16	1,198	645
10. Modern Wan Guo Cheng MOMA (Foshan) (佛山當代萬國府MOMA).....	51%	48,208	190,833	-	190,833	-	-	Aug-16	Sep-19	Nov-16	Nov-17	835	1,688
11. Modern Wan Guo Cheng MOMA (Suzhou) (蘇州當代萬國府MOMA).....	70%	27,322	72,730	37,057	35,673	-	-	Mar-16	Jun-17	Mar-16	Dec-17	511	286
12. Hongsheng Man Ting Chun (Shaanxi) (陝西鴻盛滿庭春MOMA).....	51%	72,362	332,876	195,012	137,864	-	-	May-14	Nov-17	Apr-14	Jan-16	773	582
13. Modern MOMA (Hefei) (合肥當代MOMA).....	100%	56,262	189,073	131,095	57,978	-	-	Feb-15	Nov-17	Mar-15	Dec-16	1,110	532
14. Modern MOMA Hengtong International City of the Future (Hefei) (合肥當代MOMA恒通國際未來城).....	20%	139,189	460,037	-	460,037	-	-	Jun-16	Sep-19	Jul-16	Apr-18	651	1,203
15. Dongdaihe • Bai Jin Hai MOMA (東戴河•白金海MOMA).....	100%	185,564	346,675	29,522	317,153	-	-	Jul-15	Oct-20	Jun-16	Nov-17	345	1,248
16. Jiujiang Man Ting Chun MOMA (九江滿庭春 MOMA).....	100%	173,129	494,821	422,476	45,956	21,122	5,267	Oct-11	Jun-17	Nov-11	Mar-14	1,668	362
17. Xiantao Man Ting Chun MOMA (仙桃滿庭春 MOMA).....	100%	226,095	868,385	327,105	528,227	9,808	3,245	Oct-11	May-19	Mar-12	Aug-15	1,302	1,317
Sub total		1,641,312	5,163,037	2,084,003	3,039,592	30,930	8,512					20,937	11,985

III. PROJECTS HELD FOR FUTURE DEVELOPMENT

Project	Attributable interest to the Group	Approximate total land site area in respect of the entire project	Approximate total GFA ⁽¹⁾	Approximate total GFA sold and pre-sold ⁽²⁾	Approximate total GFA unsold ⁽²⁾⁽³⁾	Approximate total GFA held for investment	Approximate total GFA held for own use	Expected construction commencement date	Expected construction completion date	Pre-sale start date/ Date of pre-sale permit	Actual/ Expected delivery date	Total costs incurred as of June 30, 2016 ⁽⁴⁾	Estimated future development costs to be incurred
1. Gusu Wan Guo Cheng MOMA (Suzhou) (蘇州姑蘇萬國府MOMA)	50%	14,868	24,078	–	24,078	–	–	Oct-16	Apr-18	May-17	Oct-18	427	157
2. Xiangcheng Wan Guo Shu MOMA (Suzhou) (蘇州相城萬國墅MOMA)	50%	26,643	58,373	–	58,373	–	–	Oct-16	Apr-18	Nov-16	Oct-18	511	205
3. Shishan MOMA (Suzhou) (蘇州獅山 MOMA)	20%	15,419	80,511	–	80,511	–	–	Oct-16	Aug-18	Nov-16	Mar-19	269	736
4. Nanjing Wan Guo Cheng MOMA (南京萬國城MOMA)	51%	16,165	54,486	–	54,486	–	–	Nov-16	Jan-19	Jan-17	Jun-18	200	1,019
Sub total		73,095	217,448	0	217,448	–	–					1,407	2,117
Total		2,706,228	9,853,583	6,047,613	3,655,137	105,466	45,393					42,274	14,102

Notes:

- (1) Including the approximate total GFA which was sold, pre-sold, unsold, held for investment and held for own use. Figures refer to approximate total GFA for completed projects and approximate total planned GFA for projects under development.
- (2) Our land reserves as of June 30, 2016 were 4,785,246 sq.m., which were comprised of the total GFA pre-sold of 1,120,720 sq.m. and the total GFA unsold of 3,664,526 sq.m.
- (3) Our total GFA unsold comprises the unsold portion of the GFA of completed projects, properties under construction that have not been sold or pre-sold and property held for future development.
- (4) Total costs incurred includes the construction costs, land costs, financing costs and relevant taxes. All of the costs in respect of the completed projects had been fully reflected in the relevant financial statements. In respect of projects under development and the projects for future development, the estimated future development costs to be incurred refers to the expected cash outflow. We will fund our future development costs by various means including utilizing our internal resources or applying the proceeds from the pre-sale or sale of our properties as well as obtaining bank borrowings or other external financings.

The following table sets forth a breakdown of the approximate ASP calculated on the basis of revenue recorded and GFAs delivered, where available, of our projects in the PRC for the periods indicated:

Project Name	Approximate ASP				
	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
	(RMB per sq.m.)				
Wan Guo Cheng MOMA.....	39,769	20,459	51,824	–	–
Modern MOMA.....	52,298	65,019	57,801	56,651	–
Shangdi MOMA.....	–	27,972	25,171	26,355	–
MOMA Forest Forever.....	26,119	27,900	–	–	–
Modern Caiyu Man Ting Chun MOMA.....	–	–	8,977	–	12,581
Changsha Kaifu Man Ting Chun MOMA.....	5,081	5,973	6,626	6,208	6,484
Changsha Modern Binjiang MOMA.....	–	–	–	–	6,471
Changsha MOMA Modern Plaza.....	–	–	–	–	4,337
Wan Guo Cheng MOMA (Taiyuan).....	13,780	12,868	11,499	12,636	8,585
Nanchang Modern MOMA New City.....	–	–	6,416	–	6,293
Nanchang Modern International MOMA.....	–	–	–	–	6,974
Nanchang Man Ting Chun MOMA.....	6,303	7,058	8,565	8,563	6,427
Wuhan Guanggu Man Ting Chun MOMA.....	–	–	–	–	6,494
Wuhan Hanyang MOMA New City.....	–	–	5,379	–	5,526
Xiantao Man Ting Chun MOMA.....	3,268	3,232	3,075	3,172	3,124
Jiujiang Man Ting Chun MOMA.....	5,323	5,400	4,762	4,752	4,245

Description of Our Projects in the PRC

The following sets out a detailed description of each of our property projects in the PRC as of June 30, 2016.

1. *Wan Guo Cheng MOMA (萬國城 MOMA)*

Project Overview

Wan Guo Cheng MOMA is a residential and retail complex consisting of 11 buildings located at No. 1 Xiangheyuan Road, Dongcheng District, Beijing. It is one of the landmark buildings in the Dongcheng District and one of the first buildings to apply the “constant temperature and humidity, smart-housing” technology in residential buildings in the PRC.

Wan Guo Cheng MOMA is located in the central part of Beijing, between East Second Ring Road and East Third Ring Road. It is only 400 meters away from the Dongzhimen transport hub and is within close proximity of the Second Beijing Airport Expressway. It is surrounded by the Central Business District, the Legation Quarter and Yansha business circles.

Construction for Wan Guo Cheng MOMA commenced in September 2001 and was completed in April 2007. As of June 30, 2016, 95.1% of the total GFA of 369,198 sq.m. was sold.

Based on our internal records of our completed projects as of June 30, 2016, details of Wan Guo Cheng MOMA were as follows:

Construction period	
– Commencement	September 2001
– Completion	April 2007
Development costs incurred (<i>RMB million</i>)	2,235
Total GFA (<i>sq.m.</i>)	369,198
Total GFA sold and pre-sold (<i>sq.m.</i>)	351,184
Total GFA held for investment (<i>sq.m.</i>)	9,052
Total GFA unsold (<i>sq.m.</i>)	–
Total GFA held for own use (<i>sq.m.</i>)	8,962
% of total GFA sold and pre-sold	95.1%
Attributable interest to our Group	100.0%

2. *Modern MOMA (當代 MOMA)*

Project Overview

Modern MOMA is a community consisting of luxury apartments, retail shops, a cinema and office space, and is located at No. 1 Xiangheyuan Road, Dongcheng District, Beijing, between the East Second Ring Road and the East Third Ring Road. Modern MOMA's distinctive feature is the utilization of a ground source geothermal heat pump built under the base of the building, which cools and heats the building using renewable energy.

Modern MOMA is comprised of a gallery apartment house and a one-mile corridor that connects nine buildings. There are eight chambers inside the corridor, including a swimming pool, a gallery, a spa, a fitness club, restaurants, a cafe and a tea house. The purpose of these chambers is to provide a common area for the residents to meet together and communicate, and they also serve as open spaces for various business and leisure activities. Modern MOMA was selected as one of the “2006 World Top Seven Construction Engineering Wonders” by US Popular Science and one of the “2007 The 10 Best (New and Upcoming) Architectural Marvels” by Time Magazine. It also achieved the designation of “Stage 3, Certified” from the U.S. Green Building Council, the Natural Resources Defense Council and the Congress for the New Urbanism under the LEED for Neighborhood Development Pilot in October 2011. Construction for Modern MOMA commenced in November 2005 and was completed in November 2010. As of June 30, 2016, 88.1% of the total GFA of 216,483 sq.m. has been sold.

We have converted certain portions of Building 6 within the Modern MOMA community from residential properties to a hotel comprised of approximately 54 units.

Based on our internal records as of June 30, 2016, details of Modern MOMA were as follows:

Construction period	
– Commencement	November 2005
– Completion	November 2010
Development costs incurred (<i>RMB million</i>)	2,372
Total GFA (<i>sq.m.</i>)	216,483
Total GFA sold and pre-sold (<i>sq.m.</i>)	190,642
Total GFA held for investment (<i>sq.m.</i>)	8,432
Total GFA held for own use (<i>sq.m.</i>)	9,005
Total GFA unsold (<i>sq.m.</i>)	8,403
% of total GFA sold and pre-sold	88.1%
Attributable interest to our Group	100.0%

3. *Shangdi MOMA (上第 MOMA)*

Project Overview

Shangdi MOMA is a mixed-use residential and retail community located on Anningzhuang West Road, Qinghe, Haidian District, Beijing. It is close to the Zhongguan Cun Shangdi Information Industrial Park. It consists of 19 residential and retail buildings and one kindergarten.

The project successfully integrated the “Modern MOMA” energy-saving technologies and the buildings in Shangdi MOMA are able to maintain constant humidity and temperature. Construction for Shangdi MOMA commenced in November 2005 and was completed in August 2011. As of June 30, 2016, 97.4% of the total GFA of 664,867 sq.m. was sold.

Based on our internal records as of June 30, 2016, details of Shangdi MOMA were as follows:

Construction period	
– Commencement	November 2005
– Completion	August 2011
Development costs incurred (<i>RMB million</i>)	2,441
Total GFA (<i>sq.m.</i>)	664,867
Total GFA sold and pre-sold (<i>sq.m.</i>)	647,860
Total GFA held for investment (<i>sq.m.</i>)	2,141
Total GFA unsold (<i>sq.m.</i>)	11,324
Total GFA held for own use (<i>sq.m.</i>)	3,542
% of total GFA sold and pre-sold	97.4%
Attributable interest to our Group	100.0%

4. *MOMA Forest Forever (MOMA 萬萬樹)*

Project Overview

MOMA Forest Forever is a residential low-density villa community located in the center of Gaoliying Town, Shunyi District, Beijing and within close proximity of Beijing Capital International Airport. MOMA Forest Forever was developed in four phases. As of June 30, 2016, all of the four phases of this project had been completed. Phase 2 of MOMA Forest Forever received the award “IHA Special Contribution Awards for Green Building in China – Best Practices in Green Building Project” from the International Housing Association in 2007.

MOMA Forest Forever aims to achieve harmony between indoor and outdoor environments and integrate nature with the residential living environment. Construction for Phases 1 and 2 began in April 2006 and were completed in May 2010 and November 2009, respectively. Construction for Phase 3 began in June 2006 and was completed in November 2010. Construction for Phase 4 began in June 2006 and was completed in February 2013. As of June 30, 2016, 97.7% of the total GFA of 460,178 sq.m. was sold.

Based on our internal records as of June 30, 2016, details of MOMA Forest Forever were as follows:

Construction period	
– Commencement	April 2006
– Completion	February 2013
Development costs incurred (<i>RMB million</i>)	1,103
Total GFA (<i>sq.m.</i>)	460,178
Total GFA sold and pre-sold (<i>sq.m.</i>)	449,633
Total GFA held for investment (<i>sq.m.</i>)	2,560
Total GFA unsold (<i>sq.m.</i>)	7,985
% of total GFA sold	97.7%
Attributable interest to our Group	100.0%

5. **Modern Caiyu Man Ting Chun MOMA (北京當代采育滿庭春MOMA)**

Project Overview

Modern Caiyu Man Ting Chun MOMA is a commodity property project located in Caiyu Town, Daxing District, Beijing. It is the first commodity property project for self-living developed by adopting the green energy-saving technology. The project covers an area ending at the West Green Line of Shouzhen Road with the stipulated boundary of the land parcel in the east; the North Green Line of Yulin Street with the stipulated boundary of the land parcel in the south; the East Green Line of Caifeng Road in the west; and the South Red Line of Yusheng Street in the north. The project was completed in June 2016. As of June 30, 2016, 99.5% of the total GFA of 169,941 sq.m. has been sold.

Based on our internal records as of June 30, 2016, details of Modern Caiyu Man Ting Chun MOMA were as follows:

Construction period	
– Commencement	June 2014
– Completion	June 2016
Development costs incurred (<i>RMB million</i>)	1,136
Total GFA (<i>sq.m.</i>)	169,941
Total GFA sold and pre-sold (<i>sq.m.</i>)	169,116
Total GFA unsold (<i>sq.m.</i>)	825
% of total GFA sold and pre-sold	99.5%
Attributable interest to our Group	100.0%

6. **Modern Land CIFI Villa (Beijing) (北京當代•旭輝墅)**

Project Overview

Modern Land CIFI Villa is a property project jointly developed with CIFI Holdings (Group) Co. Ltd., located in the intersection point of Pinggu Avenue and Tiyuzhongxin West Road, Pinggu District, Beijing. Construction for this project began in August 2014 and is expected to complete in April 2017. As of June 30, 2016, 76.3% of the total GFA of 158,213 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern Land CIFI Villa (Beijing) were as follows:

Construction period	
– Commencement	August 2014
– Planned date of completion	April 2017
Budgeted development costs (<i>RMB million</i>)	1,548
Total planned GFA (<i>sq.m.</i>)	158,213
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	120,704
Total planned GFA unsold (<i>sq.m.</i>)	37,509
% of total planned GFA sold and pre-sold	76.3%
Attributable interest to our Group	50.0%

7. **Modern North Star • Yue MOMA (Beijing) (北京當代北辰•悦MOMA)**

Project Overview

Modern North Star • Yue MOMA (Beijing) is a property project located at the southwestern side of Wolong roundabout, intersection point of Shunsha Road and Shunbai Road in the Shunyi District, Beijing. Construction for this project began in July 2015 and is expected to complete in June 2017. As of June 30, 2016, 62.3% of the total planned GFA of 131,346 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern North Star • Yue MOMA (Beijing) were as follows:

Construction period	
– Commencement	July 2015
– Planned date of completion	June 2017
Budgeted development costs (<i>RMB million</i>)	1,460
Total planned GFA (<i>sq.m.</i>)	131,346
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	81,806
Total planned GFA unsold (<i>sq.m.</i>)	49,540
% of total planned GFA sold and pre-sold	62.3%
Attributable interest to our Group	50.0%

8. **Modern Yunjing (Beijing) (當代雲鏡MOMA)**

Project Overview

Modern Yunjing (Beijing) is a property project located in the Shunyi District, Beijing. Construction for this project began in September 2016 and is expected to complete in May 2018.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern Yunjing (Beijing) were as follows:

Construction period	
– Commencement	September 2016
– Planned date of completion	May 2018
Budgeted development costs (<i>RMB million</i>)	1,953
Total planned GFA (<i>sq.m.</i>)	163,593
Total planned GFA unsold (<i>sq.m.</i>)	163,593
% of total planned GFA sold and pre-sold	0.0%
Attributable interest to our Group	51%

9. **Wan Guo Cheng MOMA (Shanghai) (上海當代萬國府MOMA)**

Project Overview

Wan Guo Cheng MOMA (Shanghai) is a property project situated in the Jiangchuan Zone of Minxing Old Town Center, Minhang District, Shanghai and is the regional benchmark residential project relentlessly forged by Modern Land. Construction for this project began in December 2015 and is expected to complete in July 2017. As of June 30, 2016, 42.4% of the total GFA of 127,474 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Wan Guo Cheng MOMA (Shanghai) were as follows:

Construction period	
– Commencement	December 2015
– Planned date of completion	July 2017
Budgeted development costs (<i>RMB million</i>)	1,938
Total planned GFA (<i>sq.m.</i>)	127,474
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	54,074
Total planned GFA unsold (<i>sq.m.</i>)	73,400
% of total planned GFA sold and pre-sold	42.4%
Attributable interest to our Group	65.63%

10. *Songjiang Yi Jing Yuan (Shanghai) (上海松江頤景園)*

Project Overview

Songjiang Yi Jing Yuan (Shanghai) is a property project located at Rongle West Road in Songjiang District, Shanghai. Construction for this project began in March 2015 and is expected to complete in January 2017. As of June 30, 2016, 60.3% of the total planned GFA of 146,307 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Songjiang Yi Jing Yuan (Shanghai) were as follows:

Construction period	
– Commencement	March 2015
– Planned date of completion	January 2017
Budgeted development costs (<i>RMB million</i>)	1,978
Total planned GFA (<i>sq.m.</i>)	146,307
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	88,216
Total planned GFA unsold (<i>sq.m.</i>)	58,091
% of total planned GFA sold and pre-sold	60.3%
Attributable interest to our Group	35.0%

11. *Kaifu Man Ting Chun MOMA (Changsha) (長沙開福滿庭春MOMA)*

Project Overview

Kaifu Man Ting Chun MOMA (Changsha) is a mixed-use community consisting of residential units and retail shops. It is located in the Kaifu District, Changsha, Hunan Province and within walking distance of the Metro Line One which is under construction. Construction for this project began in July 2007 and was completed in December 2015. As of June 30, 2016, 86.1% of the total GFA of 1,102,511 sq.m. has been sold and pre-sold.

Based on our internal records as of June 30, 2016, details of Kaifu Man Ting Chun MOMA (Changsha) were as follows:

Construction period	
– Commencement	July 2007
– Date of completion	December 2015
Development costs incurred (<i>RMB million</i>)	3,222
Total GFA (<i>sq.m.</i>)	1,102,511
Total GFA sold and pre-sold (<i>sq.m.</i>)	949,071
Total GFA held for investment (<i>sq.m.</i>)	23,421
Total GFA held for own use (<i>sq.m.</i>)	7,797
Total GFA unsold (<i>sq.m.</i>)	122,222
% of total GFA sold and pre-sold	86.1%
Attributable interest to our Group	100.0%

12. *Modern Binjiang MOMA (Changsha) (長沙當代濱江MOMA)*

Project Overview

Modern Binjiang MOMA (Changsha) is a property project located in Yuelu District, Changsha, Hunan Province. It is intended to be developed into a new green and deluxe residence that is the most suitable for living in Changsha, integrating the deluxe residence with technology. Construction for this project began in October 2014 and was completed in September 2016. As of June 30, 2016, 58.2% of the total GFA of 229,382 sq.m. has been sold and pre-sold.

Based on our internal records as of June 30, 2016, details of Modern Binjiang MOMA (Changsha) were as follows:

Construction period	
– Commencement	October 2014
– Date of completion	September 2016
Development costs incurred (<i>RMB million</i>)	1,161
Total GFA (<i>sq.m.</i>)	229,382
Total GFA sold and pre-sold (<i>sq.m.</i>)	133,547
Total GFA unsold (<i>sq.m.</i>)	95,835
% of total GFA sold and pre-sold	58.2%
Attributable interest to our Group	100.0%

13. *MOMA Modern Plaza (Changsha) (長沙MOMA 當代廣場)*

Project Overview

MOMA Modern Plaza (Changsha) is the first technological habitat complex project in Xingsha built by Hunan MOMA Real Estate Co., Ltd. under our Group, which is located at the south-eastern corner of the intersection point of Kaiyuan Road and Huangxing Avenue of Xingsha. Surrounding the project is a well-developed road network, and thus it enjoys a convenient travel to Huanghua Airport by car within 15 minutes. Construction for this project began in September 2014 and is expected to complete in October 2016. As of June 30, 2016, 64.2% of the total planned GFA of 341,786 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of MOMA Modern Plaza (Changsha) were as follows:

Construction period	
– Commencement	September 2014
– Planned date of completion	October 2016
Budgeted development costs (<i>RMB million</i>)	837
Total planned GFA (<i>sq.m.</i>)	341,786
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	219,482
Total planned GFA unsold (<i>sq.m.</i>)	122,304
% of total planned GFA sold and pre-sold	64.2%
Attributable interest to our Group	100.0%

14. *Changsha Furong MOMA (長沙芙蓉MOMA)*

Project Overview

Changsha Furong MOMA is a property project located at the north of Yuanda 1st Road in Furong District, Changsha, Hunan Province. Construction for this project began in August 2015 and is expected to complete in March 2019. As of June 30, 2016, 16.7% of the total planned GFA of 545,752 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Changsha Furong MOMA were as follows:

Construction period	
– Commencement	August 2015
– Planned date of completion	March 2019
Budgeted development costs (<i>RMB million</i>)	1,587
Total planned GFA (<i>sq.m.</i>)	545,752
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	90,961
Total planned GFA unsold (<i>sq.m.</i>)	454,791
% of total planned GFA sold and pre-sold	16.7%
Attributable interest to our Group	51.0%

15. **Wan Guo Cheng MOMA (Taiyuan) (萬國城 MOMA (太原))**

Project Overview

Wan Guo Cheng MOMA (Taiyuan) is a luxury complex of retail shops, hotels, offices and serviced apartments, which is located in No. 16 Changfeng West Street, Changfeng Business District, Taiyuan, Shanxi Province. It is located at the northwestern corner of Taiyuan City, which is the main developing area of the city. Wan Guo Cheng MOMA (Taiyuan) is within close proximity of Shanxi Grand Theatre, Shanxi Library, Shanxi Art Gallery, Shanxi Museum and Shanxi Science & Technology Museum.

Wan Guo Cheng MOMA (Taiyuan) is being developed in three phases. As of June 30, 2016, all the three phases were completed, and 87.9% of the total GFA of 583,549 sq.m. has been sold. In April 2011, Wan Guo Cheng MOMA (Taiyuan) was selected as one of “2011 Taiyuan Citizens’ Top Ten Most Trustful Projects” by a Shanxi real property website Housoo.

Based on our internal records as of June 30, 2016, details of Wan Guo Cheng MOMA (Taiyuan) were as follows:

Construction period	
– Commencement	December 2009
– Completion	December 2015
Development costs incurred (<i>RMB million</i>)	3,111
Total GFA (<i>sq.m.</i>)	583,549
Total GFA sold and pre-sold (<i>sq.m.</i>)	512,741
Total GFA held for investment (<i>sq.m.</i>)	17,706
Total GFA held for own use (<i>sq.m.</i>)	5,265
Total GFA unsold (<i>sq.m.</i>)	47,837
% of total GFA sold and pre-sold	87.9%
Attributable interest to our Group	100.0%

16. **Nanchang Man Ting Chun MOMA (International) (南昌滿庭春 MOMA (國際))**

Project Overview

Nanchang Man Ting Chun MOMA (International) is a residential and commercial development project located on the Changzhen West Road, Xinjian County, Nanchang City, Jiangxi Province. Construction for this project began in April 2014 and was completed in April 2016. As of June 30, 2016, 77.8% of the total GFA of 204,697 sq.m. has been sold or pre-sold.

Based on our internal records as of June 30, 2016, details of Nanchang Man Ting Chun MOMA (International) were as follows:

Construction period	
– Commencement	April 2014
– Date of completion	June 2016
Development costs incurred (<i>RMB million</i>)	1,124
Total GFA (<i>sq.m.</i>)	204,697
Total GFA sold and pre-sold (<i>sq.m.</i>)	159,169
Total GFA unsold (<i>sq.m.</i>)	45,528
% of total GFA sold and pre-sold	77.8%
Attributable interest to our Group	100.0%

17. Nanchang Man Ting Chun MOMA (南昌滿庭春 MOMA)

Project Overview

Nanchang Man Ting Chun MOMA is a community consisting of residential units, retail shops, a composite building, a supermarket, a kindergarten, a swimming pool and restaurants. It is located on the east side of Qingshan Lake, Nanchang, Jiangxi Province and within a 25 minute drive to downtown Nanchang. This project is an attempt to create Nanchang's first new mixed-use community that features energy conservation, comfort and design innovation. This project aims to spearhead the construction trend of green buildings in Nanchang. Construction for this project began in September 2010 and was completed in December 2013. As of June 30, 2016, 87.7% of the total GFA of 259,974 sq.m. has been sold and pre-sold.

Based on our internal records as of June 30, 2016, details of Nanchang Man Ting Chun MOMA were as follows:

Construction period	
– Commencement	September 2010
– Completion	December 2013
Development costs incurred (<i>RMB million</i>)	1,090
Total GFA (<i>sq.m.</i>)	259,974
Total GFA sold and pre-sold (<i>sq.m.</i>)	227,912
Total GFA held for investment (<i>sq.m.</i>)	1,808
Total GFA held for own use (<i>sq.m.</i>)	2,310
Total GFA unsold (<i>sq.m.</i>)	27,944
% of total GFA sold and pre-sold	87.7%
Attributable interest to our Group	100.0%

18. Modern MOMA New City (Nanchang) (南昌當代MOMA新城)

Project Overview

Modern MOMA New City (Nanchang) is a property project located in the Xinjian County, Nanchang, Jiangxi Province. Construction for this project began in March 2014 and was completed in March 2016. As of June 30, 2016, 69.6% of the total GFA of 91,837 sq.m. has been sold and pre-sold.

Based on our internal records as of June 30, 2016, details of Modern MOMA New City (Nanchang) were as follows:

Construction period	
– Commencement	March 2014
– Date of completion	March 2016
Development costs incurred (<i>RMB million</i>)	476
Total GFA (<i>sq.m.</i>)	91,837
Total GFA sold and pre-sold (<i>sq.m.</i>)	63,953
Total GFA held for investment (<i>sq.m.</i>)	9,416
Total GFA unsold (<i>sq.m.</i>)	18,468
% of total GFA sold and pre-sold	69.6%
Attributable interest to our Group	100.0%

19. Guanggu Man Ting Chun MOMA (Wuhan) (武漢光谷滿庭春MOMA)

Project Overview

Guanggu Man Ting Chun MOMA (Wuhan) is a property project located at the intersection point of Gaoxiner Road and Guanggusi Road of Wuhan, Hubei Province. It comprises seven 33-storey high-rise buildings and 13 11-storey small high-rise buildings, with a parking space ratio of 1:0.7. Construction for this project began in July 2014 and is expected to complete in November 2017. As of June 30, 2016, 57.7% of the total planned GFA of 277,933 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Guanggu Man Ting Chun MOMA (Wuhan) were as follows:

Construction period	
– Commencement	July 2014
– Planned date of completion	November 2017
Budgeted development costs (<i>RMB million</i>)	1,243
Total planned GFA (<i>sq.m.</i>)	277,933
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	160,280
Total planned GFA unsold (<i>sq.m.</i>)	117,653
% of total planned GFA sold and pre-sold	57.7%
Attributable interest to our Group	99.95%

20. Hanyang Man Ting Chun MOMA (Wuhan) (武漢漢陽滿庭春MOMA)

Project Overview

Hanyang Man Ting Chun MOMA (Wuhan) is a property project located at the intersection point of Houguanhu Avenue and Fengshusi Road of Dunkou, Wuhan, Hubei Province, facing the natural wetland of Houguan Lake of 17,000 mu with beautiful lake view. Construction for this project began in October 2014 and was completed in May 2016. As of June 30, 2016, 90.3% of the total GFA of 120,481 sq.m. has been sold and pre-sold.

Based on our internal records as of June 30, 2016, details of Hanyang Man Ting Chun MOMA (Wuhan) were as follows:

Construction period	
– Commencement	October 2014
– Date of completion	May 2016
Development costs incurred (<i>RMB million</i>)	459
Total GFA (<i>sq.m.</i>)	120,481
Total GFA sold and pre-sold (<i>sq.m.</i>)	108,782
Total GFA unsold (<i>sq.m.</i>)	11,699
% of total GFA sold and pre-sold	90.3%
Attributable interest to our Group	99.02%

21. **North Star-Modern • Guanggu Green Home (Wuhan) (武漢北辰當代 • 光谷綠色家園)**

Project Overview

North Star-Modern • Guanggu Green Home (Wuhan) is a residential and commercial development project, jointly developed with Beijing North Star Company Limited, located in Gaoxin District, Wuhan City, Hubei Province. Construction for this project began in March 2015 and is expected to complete in June 2018.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of North Star-Modern • Guanggu Green Home (Wuhan) were as follows:

Construction period	
– Commencement	March 2015
– Planned date of completion	June 2018
Budgeted development costs (<i>RMB million</i>)	1,198
Total planned GFA (<i>sq.m.</i>)	315,203
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	126,213
Total planned GFA unsold (<i>sq.m.</i>)	188,990
% of total planned GFA sold and pre-sold	40.0%
Attributable interest to our Group	45.0%

22. **Nanjing Wan Guo Cheng MOMA (南京萬國城MOMA)**

Project Overview

Nanjing Wan Guo Cheng MOMA is a property project located in the Gulou District, Nanjing. Construction for this project is expected to begin in November 2016 and to complete in January 2019.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Nanjing Wan Guo Cheng MOMA were as follows:

Construction period	
– Planned commencement	November 2016
– Planned date of completion	January 2019
Budgeted development costs (<i>RMB million</i>)	200
Total planned GFA (<i>sq.m.</i>)	54,486
Total planned GFA unsold (<i>sq.m.</i>)	54,486
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	51.0%

23. **Modern MOMA (Hefei) (合肥當代MOMA)**

Project Overview

Modern MOMA (Hefei) is a property project located at the center of the Municipal and Culture District, Hefei, Anhui Province. It faces the river with mountain at the back, like the backyard of the municipal government. For ancillary purpose, the project will develop kindergarten and service space exclusively for residents such as community clinic, leisure and fitness as well as private banquet venues, and it will introduce the “China Circle (中國圈)”, which is established by taking Beijing Modern MOMA as a sample, into Anhui Province. Construction for this project began in February 2015 and is expected to complete in November 2017. As of June 30, 2016, 69.3% of the total planned GFA of 189,073 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern MOMA (Hefei) were as follows:

Construction period	
– Commencement	February 2015
– Planned date of completion	November 2017
Budgeted development costs (<i>RMB million</i>)	1,110
Total planned GFA (<i>sq.m.</i>)	189,073
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	131,095
Total planned GFA unsold (<i>sq.m.</i>)	57,978
% of total planned GFA sold and pre-sold	69.3%
Attributable interest to our Group	100.0%

24. Modern MOMA Hengtong International City of the Future (Hefei) (合肥當代MOMA 恒通國際未來城)

Project Overview

Modern MOMA Hengtong International City of the Future (Hefei) is a property project located in the intersection point of East Street and Wenzhong Road in Xinzhan District, Hefei, Anhui Province. The community will utilize a ground-source geothermal heat pump, ceiling radiation to build a homeland of green, technology, health and full life cycle. Construction for this project began in June 2016 and is expected to complete in September 2019.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern MOMA Hengtong International City of the Future (Hefei) were as follows:

Construction period	
– Commencement	June 2016
– Planned date of completion	September 2019
Budgeted development costs (<i>RMB million</i>)	651
Total planned GFA (<i>sq.m.</i>)	460,037
Total planned GFA unsold (<i>sq.m.</i>)	460,037
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	20.0%

25. Hongsheng Man Ting Chun (Shaanxi) (陝西鴻盛滿庭春MOMA)

Project Overview

Hongsheng Man Ting Chun (Shaanxi) is a property project located in the High New Tech Development Zone, Xi'an, Shaanxi Province. Construction for this project began in May 2014 and is expected to complete in November 2017. It is intended that the land will be developed for commercial and residence use.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Hongsheng Man Ting Chun (Shaanxi) were as follows:

Construction period	
– Commencement	May 2014
– Planned date of completion	November 2017
Budgeted development costs (<i>RMB million</i>)	773
Total planned GFA (<i>sq.m.</i>)	332,876
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	195,012
Total planned GFA unsold (<i>sq.m.</i>)	137,864
% of total planned GFA sold and pre-sold	58.6%
Attributable interest to our Group	51.0%

26. **Modern Wan Guo Cheng MOMA (Foshan) (佛山當代萬國府MOMA)**

Project Overview

Modern Wan Guo Cheng MOMA (Foshan) is a property project located in the Nanhai District, Foshan, Guangdong Province. Construction for this project began in August 2016 and is expected to complete in September 2019.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern Wan Guo Cheng MOMA (Foshan) were as follows:

Construction period	
– Commencement	August 2016
– Planned date of completion	September 2019
Budgeted development costs (<i>RMB million</i>)	835
Total planned GFA (<i>sq.m.</i>)	190,833
Total planned GFA unsold (<i>sq.m.</i>)	190,833
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	51.0%

27. **Modern Wan Guo Cheng MOMA (Suzhou) (蘇州當代萬國府MOMA)**

Project Overview

Modern Wan Guo Cheng MOMA (Suzhou) is a property project located in the Gusu District, Suzhou, Jiangsu Province. It is in close proximity to regional government and Wanda Plaza. Construction for this project began in March 2016 and is expected to complete in June 2017. As of June 30, 2016, 51.0% of the total planned GFA of 72,730 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Modern Wan Guo Cheng MOMA (Suzhou) were as follows:

Construction period	
– Commencement	March 2016
– Planned date of completion	June 2017
Budgeted development costs (<i>RMB million</i>)	511
Total planned GFA (<i>sq.m.</i>)	72,730
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	37,057
Total planned GFA unsold (<i>sq.m.</i>)	35,673
% of total planned GFA sold and pre-sold	51.0%
Attributable interest to our Group	70.0%

28. **Gusu Wan Guo Cheng MOMA (Suzhou) (蘇州姑蘇萬國府MOMA)**

Project Overview

Gusu Wan Guo Cheng MOMA (Suzhou) is a property project located near Hucheng River in the Gusu District, Suzhou Province. Construction for this project is expected to begin in October 2016 and to complete in April 2018.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Gusu Wan Guo Cheng MOMA (Suzhou) were as follows:

Construction period	
– Planned commencement	October 2016
– Planned date of completion	April 2018
Budgeted development costs (<i>RMB million</i>)	427
Total planned GFA (<i>sq.m.</i>)	24,078
Total planned GFA unsold (<i>sq.m.</i>)	24,078
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	50.0%

29. **Xiangcheng Wan Guo Shu MOMA (Suzhou) (蘇州相城萬國墅MOMA)**

Project Overview

Xiangcheng Wan Guo Shu MOMA (Suzhou) is a property project located in the Xiangcheng District, Suzhou Province. Construction for this project is expected to begin in October 2016 and to complete in April 2018.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Xiangcheng Wan Guo Shu MOMA (Suzhou) were as follows:

Construction period	
– Planned commencement	October 2016
– Planned date of completion	April 2018
Budgeted development costs (<i>RMB million</i>)	511
Total planned GFA (<i>sq.m.</i>)	58,373
Total planned GFA unsold (<i>sq.m.</i>)	58,373
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	50.0%

30. **Shishan MOMA (Suzhou) (蘇州獅山MOMA)**

Project Overview

Shishan MOMA (Suzhou) is a property project located in the Shishan District, Suzhou Province. Construction for this project is expected to begin in October 2016 and to complete in August 2018.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Shishan MOMA (Suzhou) were as follows:

Construction period	
– Planned commencement	October 2016
– Planned date of completion	August 2018
Budgeted development costs (<i>RMB million</i>)	269
Total planned GFA (<i>sq.m.</i>)	80,511
Total planned GFA unsold (<i>sq.m.</i>)	80,511
% of total planned GFA sold and pre-sold	–
Attributable interest to our Group	20.0%

31. *Dongdaihe • Bai Jin Hai MOMA (東戴河•白金海MOMA)*

Project Overview

Dongdaihe • Bai Jin Hai MOMA is a property project located near Binhai Highway in the Dongdaihe New District, Liaoning Province. Construction for this project began in July 2015 and is expected to complete in October 2020. As of June 30, 2016, 8.5% of the total planned GFA of 346,675 sq.m. has been sold and pre-sold.

Based on our internal estimates of current project plans and our internal records of our projects held for future development as of June 30, 2016, details of Dongdaihe • Bai Jin Hai MOMA were as follows:

Construction period	
– Commencement	July 2015
– Planned date of completion	October 2020
Budgeted development costs (<i>RMB million</i>)	345
Total planned GFA (<i>sq.m.</i>)	346,675
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	29,522
Total planned GFA unsold (<i>sq.m.</i>)	317,153
% of total planned GFA sold and pre-sold	8.5%
Attributable interest to our Group	100.0%

32. *Jiujiang Man Ting Chun MOMA (九江滿庭春 MOMA)*

Project Overview

Jiujiang Man Ting Chun MOMA is a residential and commercial development project located in Xunyang District, Jiujiang City, Jiangxi Province. It will face the Changjiang River and Fuyin highway. The community will utilize a ground source geothermal heat pump, ceiling radiation and other energy-saving technologies. Jiujiang Man Ting Chun MOMA aims to improve the living environment of Jiujiang, which typically has a humid and cold winter season and a very hot summer season, and will be one of the few high-end residential developments in Jiujiang's central business district. Construction for this project began in October 2011 and is expected to complete in June 2017. As of June 30, 2016, 85.4% of the total GFA of 494,821 sq.m. has been pre-sold.

Based on our estimates of current project plans as of June 30, 2016, details of Jiujiang Man Ting Chun MOMA were as follows:

Construction period	
– Commencement	October 2011
– Planned date of completion	June 2017
Budgeted development costs (<i>RMB million</i>)	1,668
Total planned GFA (<i>sq.m.</i>)	494,821
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	422,476
Total GFA held for investment (<i>sq.m.</i>)	21,122
Total GFA held for own use (<i>sq.m.</i>)	5,267
Total planned GFA unsold (<i>sq.m.</i>)	45,956
% of total planned GFA pre-sold	85.4%
Attributable interest to our Group	100.0%

33. *Xiantao Man Ting Chun MOMA (仙桃滿庭春 MOMA)*

Project Overview

Xiantao Man Ting Chun MOMA is a residential and commercial development project consisting of serviced apartments, a hotel, a clubhouse and school. It will be located on the south side of Huangjin Boulevard, Ganhe office, Xiantao, Hubei Province. Construction for Xiantao Man Ting Chun MOMA commenced in October 2011 and is expected to complete in May 2019. As of June 30, 2016, 37.7% of the total planned GFA of 868,385 sq.m. has been pre-sold.

Based on our estimates of current project plans as of June 30, 2016, details of Xiantao Man Ting Chun MOMA were as follows:

Construction period	
– Commencement	October 2011
– Planned date of completion	May 2019
Budgeted development costs (<i>RMB million</i>)	1,302
Total planned GFA (<i>sq.m.</i>)	868,385
Total planned GFA pre-sold (<i>sq.m.</i>)	327,105
Total planned GFA held for investment (<i>sq.m.</i>)	9,808
Total planned GFA held for own use (<i>sq.m.</i>)	3,245
Total planned GFA unsold (<i>sq.m.</i>)	528,227
% of total planned GFA pre-sold	37.7%
Attributable interest to our Group	100.0%

Property development in the U.S.

For the purpose of our expansion to the U.S. as part of our long term strategic plan, in December 2012, we purchased a parcel of land with a site area of approximately 48.5 acres (approximately 196,155.4 sq.m.) located in Pearland, Texas, for a consideration of US\$4,550,000, settled by cash and funded by our internal resources. We currently intend to use the land to develop a mixed use community targeting middle-aged to senior people and members of their families, or younger people who are interested in purchasing or leasing property in or close to such community to meet their future residential needs. We have obtained the City Planned Development Approval on April 25, 2016 and early stage construction work has commenced. We plan to finish the land development in the third quarter of 2017.

On May 30, 2016, we acquired a parcel of land located in Seattle, King County, Washington, U.S., through entering into the LLC agreement in relation to the formation of MGCW, LLC with Modern Green Land Bellevue LLC and CW Development LLC. The consideration for the acquisition and development of the parcel of land was approximately US\$16.3 million.

The site area of this parcel of land is approximately 14,387 square feet. We expect that the GFA of properties to be constructed on this parcel of land will be approximately 237,000 square feet (approximately 26,333 sq.m). We expect to develop this parcel of land into serviced apartment for sale.

The total investment for our U.S. project will be funded by us through a combination of internal and external financing, such as credit facilities from financial institutions. While we currently do not have any concrete plans as to our external financing, we will consider all feasible financing channels that are most suitable and favorable to ourselves, such as borrowings from financial institutions under fixed tenor with payment of interest and principal by installments or stages in accordance with the progress of the property development and with certain assets such as title of the parcel of land on which property is to be developed secured. Save for the staff expenses, land cost and legal and professional fees incurred in connection with the land acquisition, we had not recorded significant expenses for this project. We currently contemplate that the total assets in relation to our proposed expansion plan in the U.S. will not exceed 5% of our total assets as of the latest balance sheet date. As of June 30, 2016, our consolidated total assets were RMB26,372.5 million (US\$3,968.2 million).

As of the date of this memorandum, we were still in the stages of project planning and assessment of our U.S. project, and save for the purchase of the said parcel of land, we have not entered into any binding agreement in relation to our proposed expansion plan in the U.S.

We currently have 15 staffs in the U.S., supervised by our head of business operations. We will maintain an adequate number of staff in the leased office of appropriate size in designated locations. We intend to adopt our multi-project management information system, which has been successfully applied in the property development in the U.S. and the property development and management in the PRC. To comply with the relevant laws and regulations in the U.S. in the course of business operation, we have designated our head of business operations in the U.S. to oversee the regulatory and legal compliance in the U.S. and to report to the Board on a quarterly basis. Our staff are required to attend semi-annual training sessions provided by relevant organizations to ensure the compliance with U.S. laws and regulations in property development and sales in the U.S. Furthermore, we continue to work closely with our external legal counsels to safeguard the legal and regulatory compliance of business operations in the U.S.

OUR INVESTMENT IN THE APPLICATION OF ENERGY-SAVING TECHNOLOGIES IN REAL ESTATE

We have been focusing on the research and development of energy-saving technologies. Through the formation of our energy-saving system, we have integrated a number of advanced building technologies, which can be summarized in the following 22 categories based on the national PRC standards of “Four Conservations and One Environment”: land conservation, water conservation, energy conservation, material conservation and environmental protection:

- | | |
|---------------------|--|
| Land Conservation | <ul style="list-style-type: none">• Use of environmental virtualization analysis technology in planning and designing in order to achieve a residential development with reasonable density (with floor area ratio being three or more)• Use of underground spaces• Use of abandoned land or upgrade of city development |
| Water Conservation | <ul style="list-style-type: none">• Dual water supply• Recovery and processing of waste water and use of reclaimed water• Collection and use of rain water• Rain infiltration• Man-made wet land |
| Energy Conservation | <ul style="list-style-type: none">• European standard building surface maintenance structure• Exterior windows with high performance insulation• Exterior shading• Separated air-conditioning systems with coil in dry or wet conditions• Application of heat recycling technology• Application of renewable energy, including solar and geothermal energy• Implementation of an intelligent building control system |

Material Conservation

- Recycling and recovery of building materials
- Optimizing building design to save material
- Modeling, digitalization, standardization and simplification of style to reduce building volume

Environmental Protection

- Classification and reduction of household rubbish
- Use of recoverable and degradable material
- Protection of trees and natural vegetation on land to be developed
- Prevention of municipal noise and light pollution

These technologies have all been adopted in our property development projects. With respect to each technology, we prepare several alternatives to adapt to various geographic climates and customer needs. While optimizing each technology, we have also proactively explored new energy-saving technologies so as to continuously enrich and improve the entire energy-saving system. During 2013, 2014, 2015 and the six months ended June 30, 2016, there had not been any material incidents or impact on our Group arising from prohibition of the use or application of eco-friendly technologies in our projects.

Core technical systems

To save energy and achieve sustainability, we have adopted the following core technical systems:

Exterior temperature preservation system

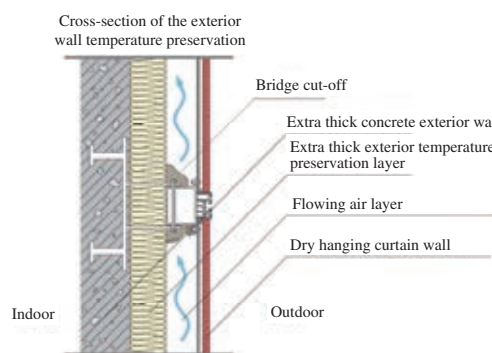
The combination of the exterior walling system, the exterior window system and the exterior shading system constitutes the exterior temperature preservation system that improves heat insulation performance in our buildings.

- **Exterior Walling System:** the exterior walls of our products utilize exterior insulation to preserve temperature. Outside the concrete exterior wall, an insulation layer is created which uses a plate made from rockwool or other high-performance insulation materials. Between the heat-insulation layer and the decorative glass on the exterior wall is a layer of flowing air which enhances insulation and keeps the insulation layer dry. Application of this exterior insulation approach can bring the heat transfer coefficient of the exterior wall to a level lower than that specified in the Energy Saving Design Standards for Residential Buildings.

Exterior Walling System



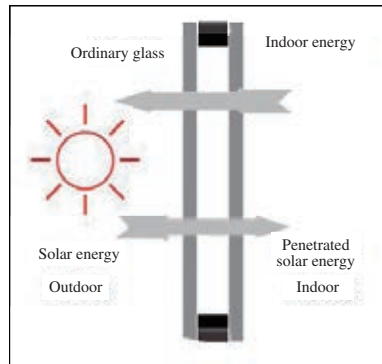
The exterior wall of common residential properties is approximately 20 cm, using common polyphenyl board of 3-5 cm thick, without air layer.



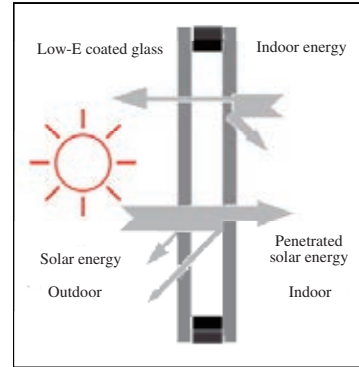
The exterior wall of our products is 30-40 cm, using a board made from rockwool or other high-performance insulation materials which is more than 7 cm thick. Such exterior wall can decrease the heat transmission using the air layer as well as decrease the heat loss of metal parts using bridge cut-off.

- Exterior Window System: our products utilize off-bridge aluminum alloy windows equipped with heat insulating off-bridge technology and the glass used on these windows is Low-E coated glass, ensuring that no heat will leak out in the winter or get in in the summer. This technology brings the heat transfer coefficient of our windows to a level lower than that specified in the Energy Saving Design Standards for Residential Buildings.

Exterior Window System



Solar radiation penetrated through common glass results in higher indoor energy consumption in summer.



The Low-E glass used in our products allows less solar penetration, which results in lower indoor energy consumption.

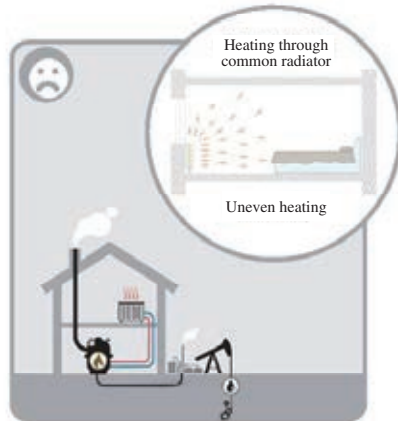
- Exterior Shading System: our products use an adjustable exterior shading system, which not only prevents strong sunlight from directly entering the room, but also preserves the interior of the room in private. The combination of the exterior window system and exterior shading system enables the entire building to block much of the sunlight radiation and helps keep the room cool throughout the summer.

Heating and cooling system

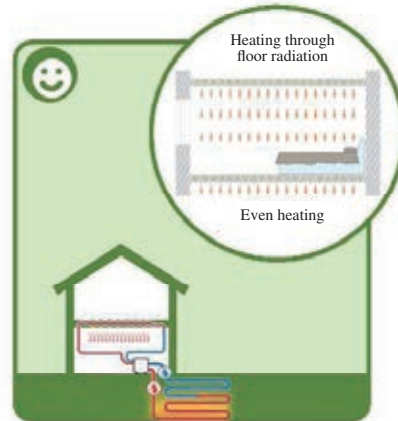
The overall fresh air displacement ventilation system and the ceiling heating and cooling system together achieve the separation of wet and dry air, and assure a comfortable indoor air temperature and humidity. It can also effectively prevent dew corrosion in humid areas during the summer.

- Ceiling Cooling and Heating System: The ceiling cooling and heating system used in our products is an advanced technology which provides constant temperature and humidity, continuous circulation of fresh air and is devoid of external noise. The system can be used in both winter and summer. Under this system, water pipes are buried in concrete floor slabs, either cold or hot water with an appropriate temperature determined by a change in season is injected into the pipes, and the concrete floor slabs will in turn give off and absorb heat. Consequently, the room temperature will be uniformly controlled by mild radiation from the floor slabs. Furthermore, no noise is generated when the system is in operation.

Ceiling Cooling and Heating System



Common Housing properties adopt air conditioner and heater, which result in noise and uneven heating.



Our products do not adopt air conditioner or heater, which does not generate noise but have even heating.

- Overall Fresh Air Displacement Ventilation System: This is a high performance ventilation and air quality control system. Fresh outdoor air is ventilated into the room after filtration, moisture addition or absorption, and polluted air is discharged by the waste ventilation system. This fresh air system is computer controlled, indicating that even if the room is left unoccupied for a long time, the interior air quality and air humidity can be kept constant. Furthermore, it does not cause any damage to the environment and generate any noise.

Overall Fresh Air Displacement Ventilation System



Common Housing properties use air conditioner to control temperature and air circulation, which results in low quality air.



Our products make continuous circulation of fresh air to provide better air quality.

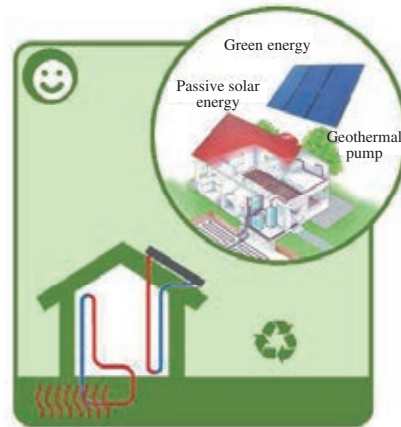
Application of Geothermal Pump System

In consideration of the need for environmental protection and sustainable development, we use the geothermal pump system to a large extent in our property developments, which is able to provide heat in winter and cooling in summer using renewable energy from the ground. The geothermal pump is in line with the PRC government environmental protection and energy efficiency policy, since the low temperature heat resource used in the heat pump is subterranean heat, a renewable energy source. In addition, the relatively stable geothermal energy allows the pumps to operate stably and efficiently, thereby greatly reducing maintenance fees.

Application of Geothermal Pump System



Common Housing properties use traditional energy which has low efficiency and high level of pollution.



Our products use clean energy which has high efficiency and no pollution.

proBA

We installed an energy-saving control and smart home system named “proBA” in the buildings of our properties. The proBA system includes a communication platform and sensory equipment. Based on the inspection platform of the energy consumption of different items and the energy-saving diagnosis, the system is able to provide a highly efficient energy-saving control strategy, which controls a building’s temperature, humidity, fresh air and lighting, and supplies the amount of energy which corresponds to actual need.

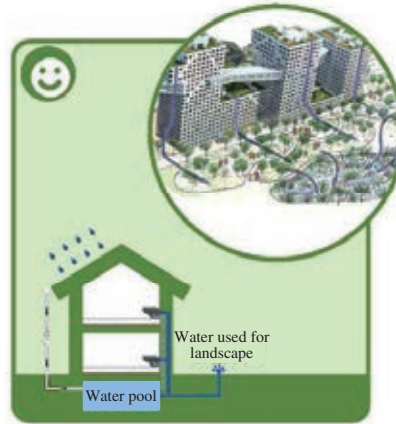
System for Optimizing Water Treatment

Our system for optimizing water treatment comprises four water supply systems (a cool water system, a hot water system, a reclaimed water system and a drinking water system) and two drainage systems (a waste water system and a sewage system). We achieve multi-purpose use of water resources by (i) recovering the domestic waste water for reclaimed use, (ii) using the reclaimed water for gardening, waterscape and plumbing, (iii) applying our technology to improve the water quality in the landscape work and changing water less frequently and (iv) recovering, treating, using and recycling rain water.

System for Optimizing Water Treatment



Common Housing properties consume more water which result in higher costs.



Our products use recycled water to reduce costs.

We apply our core technical systems across a number of property projects and some projects utilize more than one of the core technical systems. In terms of degree of application in each project, our core technical systems are applied to the whole project instead of to specific units. The following table sets forth the application of core technical systems in our property projects.

Projects	Exterior Temperature Preservation System			Heating and Cooling System			ProBa System	System for Optimizing Water Treatment
	Exterior Walling System	Exterior Window System	Exterior Shading System	Ceiling Cooling and Heating System	Overall Fresh Air Displacement Ventilation System	Geothermal Pump System		
Wan Guo Cheng MOMA	√	√	√	√	√	√	√	√
Modern Land • CIFI Villa (Beijing)...	√	√	-	-	-	-	-	-
Shangdi MOMA.....	√	√	√	√	√	√	√	√
Modern Wan Guo Fu MOMA (Shanghai)	√	√	-	-	-	-	-	-
Modern Wan Guo Fu MOMA (Suzhou)	√	√	√	√	√	√	√	√
Shishan MOMA (Suzhou)	√	√	√	√	√	√	√	-
Wan Guo Cheng MOMA (Nanjing)....	√	√	√	√	√	√	√	-
Modern MOMA (Hefei)	√	√	√	√	√	√	√	-
Modern MOMA Hengtong international city of the future (Hefei).....	√	√	-	-	-	√	-	-
Wan Guo Cheng MOMA (Taiyuan)....	√	√	√	√	√	-	-	√
Modern Wan Guo Fu MOMA (Foshan)	√	√	-	-	√	-	√	-
Hongsheng Man Ting Chun MOMA (Shaanxi).....	√	√	-	-	√	-	-	-
Modern Furong Wan Guo Cheng MOMA (Changsha)	√	√	-	-	√	-	-	-
Kaifu Man Ting Chun MOMA (Changsha).....	√	√	-	√	-	√	-	√
Modern Binjiang MOMA (Changsha)..	√	√	-	√	-	√	-	-
MOMA Modern Plaza (Changsha)....	√	√	-	√	-	√	-	-
Hanyang Man Ting Chun MOMA (Wuhan).....	√	√	-	-	√	-	-	-
Guanggu Man Ting Chun MOMA (Wuhan).....	√	√	-	√	-	√	-	-
Man Ting Chun MOMA (Nanchang) ..	√	√	-	√	-	√	-	√
Modern MOMA New City (Nanchang).....	√	√	-	√	-	√	-	-
Modern International MOMA (Nanchang).....	√	√	-	√	-	√	-	-
Man Ting Chun MOMA (Jiujiang)	√	√	-	√	-	√	-	-
Man Ting Chun MOMA (Xiantao).....	√	√	-	√	-	√	-	-

Energy conservation effect of our products

Through our proBA system, our “MOMA” series residential buildings are able to reduce energy consumption while providing residents with a comfortable living experience.

For example, according to an Inspection Report (No. BETC-JN2-2008-8) dated March 21, 2008, which was issued by the National Architecture Engineering and Construction Quality Supervision and Inspection Center, the heat transfer coefficient of the outer wall of Wan Guo Cheng MOMA No. 8 building was approximately $0.49\text{W}/(\text{m}^2\cdot\text{K})$, which was lower than the specified figure $0.60\text{W}/(\text{m}^2\cdot\text{K})$, the standard heat transfer coefficient of 65% as required by Design Standard for Energy Efficiency of Residential Buildings of Beijing (DBJ01-602-2004). Based on the above inspection result and by using the index of heat loss of the building provided by Design Standard for Energy Efficiency of Residential Buildings of Beijing, the energy consumption of Wan Guo Cheng MOMA No. 8 building was approximately 6.96 kilograms standard coal per sq.m..

According to 2008 China Architecture Energy Saving Development and Research Annual Report released by the Architecture Energy Saving Development and Research Center of Tsinghua University, the energy consumption of a typical Beijing residential building was $83\text{kWh}/\text{m}^2$, equal to 10.2 kilograms standard coal per sq.m. The energy consumption of Wan Guo Cheng MOMA No. 8 building was approximately 31.8% lower than that of a common Beijing residential building (see the table below), while providing residents with a high quality comfortable living environment.

Assuming that the energy consumption of Wan Guo Cheng MOMA No. 8 building is the average energy consumption of our energy-saving products, our energy-saving products can save 162 kilograms of standard coal per sq.m. during the full life span of residential buildings, as calculated on a 50-year basis, as compared to a Beijing common residential building.

The following table sets forth a comparison of (i) the standard coal consumption of a common residential building in Beijing, (ii) residential buildings that accomplish up to 65% in energy savings and (iii) our residential buildings.

Residential Type	Standard coal consumption per sq.m. of residential buildings	Standard coal consumption per sq.m. during full life span (50 years)
Beijing common residential building ⁽¹⁾	10.2 kilograms	510 kilograms
Residential buildings in Beijing up to 65% energy-saving standard ⁽¹⁾	8.82 kilograms	441 kilograms
Wan Guo Cheng MOMA No. 8 building	6.96 kilograms	348 kilograms

Note:

- (1) The source of the data is the 2008 China Architecture Energy Saving Development and Research Annual Report (the “Report”) issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us. As Wan Guo Cheng MOMA No. 8 Building was completed in 2008 and its relevant data were based on the Inspection Report (No. BETC-JN2-2008-8) dated March 21, 2008, which was issued by the National Architecture Engineering and Construction Quality Supervision and Inspection Center, the standards set out in the 2008 Report are adopted for fair comparison.

In addition to calculating energy savings by using standard coal consumption as a measure, our buildings are also energy efficient by using energy consumption for heating per sq.m. as a measure, as illustrated by our Wan Guo Cheng MOMA No. 3 and No. 12 buildings and our Shangdi MOMA project.

The following table sets forth the actual energy consumption index for heating (measured by volume) of our Wan Guo Cheng MOMA No. 3 and No. 12 buildings as compared to Common Housing projects:

Energy consumption index	Value of the Wan Guo Cheng MOMA No. 3 and No. 12 buildings	Common residential buildings in Northern China	Percentage of energy saving	Reference source
Hourly energy consumption per sq.m. (W/m ²)	16.88	45~70	63%~76%	Architecture Equipment Professional Technology Measures (Beijing Institute of Architectural Design)
Energy consumption for heating per sq.m. (GJ/m ²)	0.186	0.486	62%	2012 China Architectural Energy Saving Development Annual Research Report ⁽¹⁾

Note:

(1) The 2012 China Architecture Energy Saving Development and Research Annual Report (the "Report") was issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us.

The following table sets forth the actual energy consumption index for heating (measured by monetary value) of our Shangdi MOMA project:

Energy consumption index	Value of Shangdi MOMA	Common residential buildings in Northern China	Percentage of energy saving	Reference source
Costs of energy consumption for heating per sq.m. (RMB/m ²)	15.98	30	47%	Common residence heating charges of Beijing
Energy consumption for heating per sq.m. (GJ/m ²)	0.18	0.486	63%	2012 China Architectural Energy Saving Development Annual Research Report ⁽¹⁾

Note:

(1) The 2012 China Architecture Energy Saving Development and Research Annual Report (the "Report") was issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us.

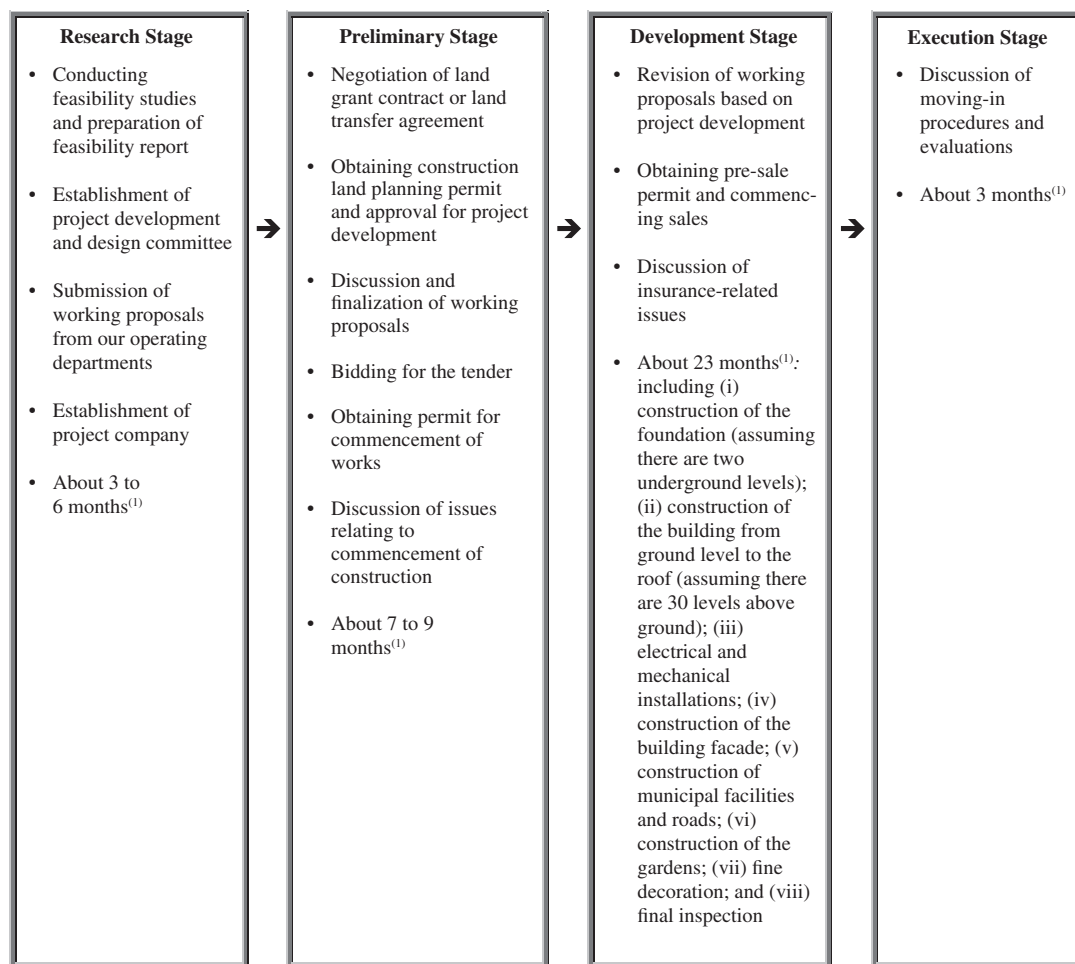
With the advanced building energy conservation technology system, the products we developed provide a comfortable accommodation experience and at the same time reduce energy consumption and contribute to the development of energy conservation and emission reduction in the PRC.

OUR PROPERTY DEVELOPMENT PROCESS

Project management system and procedures

We are highly focused on our property development process. As such, we have developed a set of detailed and standardized operating procedures to which we strictly adhere when implementing each step of the process, including a feasibility study, site selection, project planning, project design and construction, marketing, pre-sales, sales, post-sales support, and others. These processes are managed, coordinated and supervised by our management at our headquarters in Beijing and implemented by the departments of our regional offices and project companies. Under these operating procedures, substantial input from, and constant monitoring and supervision by, different departments will be in place for each stage of our development process. We also take into account the conditions of land planning adjustment that relate to different aspects of our project development, such as plot ratio, height and density of construction, as well as other development requirements of a project as requested by the planning authorities in our project management system and procedures.

Our operating procedures are designed to enable real-time monitoring and supervision of each stage of our development process to help us identify and resolve potential problems as early as possible during the project cycle, and to minimize material deviations from pre-approved budgets at each stage of our development process. Although the nature and sequence of specific planning and execution activities will vary among projects and may be subject to the requirements of local laws and regulations, we have summarized below the core elements of our typical project development process for our properties:



Note:

(1) This is an estimated range as the required time for each property development stage may vary among projects depending on the geographical location and the size of the projects. As mentioned above, the sequence of specific planning and execution activities may also vary among projects as they may be subject to the requirement of local laws and regulations.

We have generally established separate project companies to undertake and facilitate the management of the development of each project. In line with industry practice and for the purpose of avoiding unnecessary administrative costs and resources to maintain a project company, we will consider a number of factors to determine whether a project company will be dissolved after the property development project has been completed. These factors include the availability of a new property development project in the locality and whether it is necessary or useful to retain the project company to obtain a higher qualification certificate on the basis of the property development experience of such project company.

Project selection

We generally follow these steps in selecting or developing a new project:

- gather and analyze new project information (including land and projects under development) based on strategic development for a geographic region;
- preliminarily examine and register the project (subject to our strategic planning);
- review and approve project proposals (including preliminary market research and design analysis);
- perform a feasibility study (including detailed market research, design analysis, forensic research, investment budgeting, financial analysis and environmental protection assessment); and
- submit a feasibility report to our chief executive officer for approval.

Based on our strategic planning and taking into account local market conditions, we identify and evaluate land with potential and companies holding land or having projects under development. We believe that the ability to identify such sites and companies is essential to the success of a real estate development company. Prior to the development of a piece of land, we conduct market research and analysis to identify the development trends in the area. We continue to monitor the property markets in the northwestern PRC, northern PRC and the middle and lower reaches of the Changjiang River and other emerging cities to identify new opportunities for property development. During the process of evaluation, our operations planning department works closely with our design and marketing team as well as with external consultants to thoroughly analyze the target site and to evaluate its potential for development. We make the decision to invest based upon our analysis of, among other things:

- our strategic planning;
- the location, size, shape and planned use of the project land;
- infrastructure and ancillary facilities nearby;
- regional planning and local policies on real estate development, future land supply and long-term and short-term development plans for the area and surrounding areas;
- local regulations and policies affecting the economy and the technological infrastructure of the region;
- economic development prospects and local population and its purchasing power;
- estimated time for construction and completion of the project and costs of relocations (as appropriate); and
- competitors in the market.

Once we have decided on the acquisition of either a piece of land or a company with either land or a project under development, we prepare a feasibility report for approval by our chief executive officer. We cooperate with and provide opinions to the relevant local governments throughout the project development process in order to develop the land in a way that is compatible with general urban planning.

Land acquisition

We generally acquire land through the acquisition of land use rights by participating in public tenders, auctions or listings-for-sale. In accordance with the Regulations on the Grant of State-owned Land Use Rights by Invitation of Tender, Auction or Listing-for-sale (《招標拍賣掛牌出讓國有土地使用權規定》), promulgated on May 9, 2002 and effective since July 1, 2002, all land planned for commercial development (such as retail, tourism, entertainment, and commercial property) must be transferred in one of the following ways: public tenders, auctions or listings-for-sale on the land exchanges.

Another method we use to acquire land is through the acquisition of equity interests in companies that hold land use rights. This increases our land bank and helps us to maintain a sustainable land supply in accordance with our development strategy.

We generally follow the following steps in land acquisition:

- arrange for bidding/tendering or contract negotiations for land;
- wait for notice of our successful bid/tender;
- sign land grant contract or equity transfer agreement with respect to target company concerning acquisition of the land;
- pay land grant premium;
- obtain land use rights certificate or acquire equity in the company with land use right;
- obtain all requisite permits and approvals from the relevant local PRC government authorities; and
- relocate existing residents (as appropriate).

We from time to time enter into land resettlement contracts with original land use rights owners to undertake certain fundamental operations required on their lands before the lands become suitable for property development and can be granted to property developers or other entities through public tender, auction or listing-for-sale. Land resettlement generally involves (i) compensation and resettlement of residents in the affected area, (ii) destruction of existing structures and clearing of the land, (iii) construction of infrastructure and civil and public facilities, and (iv) construction of the water supply, drainage, power supply, roads, communications infrastructure, heat supply and natural gas supply.

We believe that by conducting land resettlement operations, we can enhance our understanding of the relevant land and the related government development plan, thereby increasing our chance of successfully obtaining the land from the public tender, auction and listing-for-sale process for property development purposes.

Pre-construction

We begin the pre-construction process by obtaining the necessary permits and certificates prior to the commencement of construction and following the grant of the development rights to a parcel of land. A property developer is only permitted to commence construction of a property development upon obtaining the construction land planning permit, the construction work planning permit and the construction work commencement permit (which will only be issued after the land use rights certificate, the construction land planning permit and the construction work planning permit are obtained). Details of these certificates and permits are set out below:

- land use rights certificate: a certification evidencing the right of a party to use a parcel of land;
- construction land planning permit: a permit authorizing a developer to begin the survey, planning and design of a parcel of land;
- construction work planning permit: a permit evidencing government approval for a developer's overall planning and design of a project and allowing a developer to apply for a construction work commencement permit; and
- construction commencement permit: a permit required for commencement of operation.

As of June 30, 2016, save as disclosed in this offering memorandum, we had obtained land use rights certificates for all of our property development projects that had been completed, were under development and were held for future development. In addition, save as disclosed in this offering memorandum, for all of our projects currently under development, we had obtained all relevant certificates and permits prior to the commencement of construction as required under PRC laws and regulations.

Project financing

We finance our projects primarily through bank loans and our internal cash flow, including proceeds from the pre-sale and sale of our properties.

Although the financing methods vary from project to project, under relevant PRC regulations, not less than 35% of the total investment in a property development project must come from a property developer's own capital in order for banks to be able to extend loans to the property developer.

Bank financing has been one of the major sources of funding for our property development projects. According to guidelines issued by CBRC, no construction loan may be granted to projects which have not obtained the relevant land use rights certificate, construction land planning permit, construction work planning permit and construction work commencement permit.

We also use proceeds from the pre-sale of our properties to fund part of the construction costs of the relevant projects and to settle the bank loans for projects sold at the pre-sale stage. Proceeds from pre-sale form the integral source of operating cash inflows during our project development. According to the laws of the PRC, we may pre-sell properties under construction after certain criteria are met and proceeds from the pre-sales must be used for the construction of such properties.

Our ability to obtain financing for our projects also depends on the various measures introduced by the PRC government. The PRC government had from time to time in the past adopted certain restrictive measures to control the pace of development of the PRC property market, which may affect our ability to obtain bank financing. Among these measures were policy initiatives issued by the PRC government on May 24, 2006 to use taxation, bank credit and land policies to regulate housing demand. For example, the PBOC has in recent years announced several increases in the reserve ratio of commercial banks as a result of which the reserve ratio increased. The reserve ratio refers to the amount that banks must set aside when they engage in lending. Any decisions to raise the reserve ratio by the PBOC will limit the amount available to commercial banks for lending and our ability to obtain financing from commercial banks may be adversely affected.

It is one of our strategies to optimize our capital and financing structure to secure sufficient financing for our future property development projects, which we aim to achieve through a combination of retained earnings and access to the capital and debt markets.

Project design

Through our mission “better living through architectural design and integrated technology” (科技建築，品位生活), we emphasize quality in all of our designs. We have a dedicated, experienced and professional team of designers. Many of our design managers possess practical experience from leading domestic property companies and extensive international experience. More importantly, our design team understands our culture of quality excellence.

We also work with selected third party architectural and interior design institutions. We select third party designers through a process involving multiple interviews. Selected designers are highly reputable and known for their great innovation in both the domestic and overseas markets. Their collaboration is integral to the completion of our high-quality projects.

We determine the design of a particular property development by taking into account various factors including:

- proposed type of development;
- target market customers; and
- size and surrounding area of the site.

Construction

A property developer is only permitted to commence construction of a property development upon obtaining the construction land planning permit, the construction work planning permit and the construction work commencement permit (which will only be issued after the land use rights certificate, the construction land planning permit and the construction work planning permit are obtained).

During the construction phase, we work closely together with the contractors, the project engineers and the design firms to manage and monitor the project’s progress. We also require our design team to provide constant supervision and conduct progress audits in order to ensure that construction progresses are in accordance with the design plan, budget and schedule.

Under current PRC law, if we failed to commence construction more than one year from the commencement date prescribed in the land grant contract, the relevant PRC land administrative department may serve a warning notice on us and impose an idle land fee of up to 20% of the land grant premium. If we failed to commence construction for more than two years from the relevant prescribed commencement date, the PRC government may reclaim the land without compensation unless the delay is caused by force majeure, acts of government or their departments concerned, or early preparations necessary for commencement of development. For details, see “Regulation—Regulations on Real Estate Project Development—Idle Land” in this offering memorandum. We have failed to carry out development before prescribed commencement date in compliance with the applicable idle land laws and regulations for four of our property development projects. Suizhong Yutingchun MOMA has not started construction and been delayed for more than two years. We have not been subject to any penalty and no action has been taken by the government authorities in relation to our delay in commencement of construction. Our Directors consider that such delay will not have any material operational or financial impact on our operations, and the risk that we will be subject to idle land fees and/or forfeiture of lands with respect thereto is remote. We will strictly comply with the relevant laws and regulations on idle land with respect to our future property development projects.

Procurement

Our procurement department is responsible for our strategic procurement, management of our contractors and suppliers and management of our bidding process.

Our property development projects normally involve the use of various contractors and suppliers, with many of whom we have established strong long-term business relationships. Among the factors we take into account when selecting contractors and suppliers are price, skillset, workmanship, and level of experience. As of June 30, 2016, we had business relationships with approximately 4,002 suppliers, including approximately 120 long-term contractors.

Our typical co-operation arrangement is for a two-year term, renewable upon the consent of both parties. In order to ensure the quality of our product, we generally do not allow our contractors to subcontract the work to others. Our construction contracts generally provide for progressive payments at specific milestones throughout the construction process. We also generally retain 5% of the contract sum for a period of one to two years after completion of the construction work and will apply such retained amount against any expense incurred by us to rectify any defects should the contractor fail to rectify these when called upon to do so. Equipment and construction materials required for our construction works are generally procured by our contractors at a pre-agreed price. In the event that the final purchase price of the equipment and construction materials procured by our construction contractors increases or decreases by more than a pre-determined percentage from the pre-agreed price, payments to our contractors will be adjusted accordingly to reflect any such difference exceeding the pre-determined percentage. Certain equipment, such as elevators and air-conditioning units, are centrally procured through our procurement department from our pre-selected vendors, which are willing to provide favorable price arrangement for our bulk purchases.

For the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016, we incurred construction and other development costs of approximately RMB1,527.5 million, RMB3,780.6 million, RMB2,457.5 million and RMB5,813.6 million (US\$874.8 million), respectively.

Quality control and supervision

We place a strong emphasis on quality control to ensure our property development projects not only comply with relevant regulations but also meet our quality standards.

Under Regulations on the Administration of Development and Operation of Urban Real Estate (2011 Revision) (《城市房地產開發經營管理條例(2011修訂)》), all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. We may sometimes receive quality warranties from our third-party contractors with respect to our development projects. Our Directors confirm that during 2013, 2014, 2015 and the six months ended June 30, 2016 and up to the date of this offering memorandum, there has not been any material incidents or impact on our Group arising from claims under statutory quality warranties.

We have standardized and detailed quality control procedures in place for our various functional departments. We have also established stringent internal quality control procedures which apply to the design, construction and quality of materials used in our property development projects. In addition, we engage independent and certified engineering supervisory companies to conduct quality and safety control checks on all building materials, equipment and construction in accordance with relevant PRC laws and regulations. Quality control procedures are implemented through on-site inspections and supervision on a daily basis.

Sales and marketing

In addition to our cooperation arrangements with external professional marketing and sales service providers to support our marketing activities, our Group has a dedicated marketing team of approximately 220 employees as of June 30, 2016. Our marketing and service center is responsible for formulating our marketing and sales strategies and managing the overall sales process. Each of our project companies has also established its own marketing and sales department to implement the marketing and sales strategies laid down by our marketing and sales center. The marketing and sales strategy varies from project to project and depends on a wide range of factors, including market conditions, our cash position, size, the phase and location of the project, timing for sales, targeted customer group as well as assessment of the latest austerity measures on the property market as promulgated by the PRC government from time to time. We will continue to take into account different factors as mentioned above as well as the potential impacts of the austerity measures on the PRC property market promulgated by the PRC government in formulating our sales and marketing strategy for our projects. Our marketing and sales center sets the sale price for each unit within a particular project based on the recommendation by the relevant project company, taking into account the marketing and sales strategies adopted for such project.

During 2013, 2014, 2015 and the six months ended June 30, 2016, we had not engaged in sales and marketing activities such as offering price discounts or price guarantees and repurchase of properties, waivers of down payments, payment of mortgage installments on behalf of purchasers and conducting auctions with no set price on the internet. There has been no material change in our sales and marketing strategies or terms of our sales after June 30, 2016 and up to the date of this offering memorandum.

Our marketing and service center is divided into a Marketing Planning Department, a Customer Service Department, an Asset Management Department and a Corporate Culture and Brand Name Department. The responsibilities of each department are as follows:

- Marketing Planning Department: responsible for formulation of our marketing strategy and the marketing, promotion, monitoring and management of our projects.
- Customer Service Department: responsible for establishment of our customer service system, monitoring and management of customer service provided by our project companies.
- Asset Management Department: responsible for asset management and other related matters.
- Corporate Culture and Brand Name Department: responsible for corporate culture development, brand name build-up, advertising and computer & information science (CIS) management.

We outsource our sales to external sales agents which are Independent Third Parties. We select sales agents who have a wide client base, ample experience in property sales, a good reputation, and strong historical performance and sales quality. We give priority to sales agents who have previous experience in selling our properties.

Product lines

Currently, we have three product lines: Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA, providing different product features:

- Wan Guo Cheng MOMA, and its sub-product line, Wan Guo Fu MOMA, targets high-end customers. These properties, which incorporate our most advanced energy-saving technologies and feature the highest quality in terms of comfort and design, are representative of our green and eco-friendly living style. While sales are relatively small among our three property series, the profit margin for each sale of our Wan Guo Cheng MOMA properties is generally higher.
- Shang Pin Ge MOMA, and its sub-product line, Shang Pin Wen MOMA, targets mid- to high-end customers, to whom we aim to provide comfortable and energy-saving homes. The sales and profit margins of our Shang Pin Ge MOMA properties are generally between those of our Wan Guo Cheng MOMA and Man Ting Chun MOMA properties.
- Man Ting Chun MOMA, and its sub-product line, Man Ting Yue MOMA, targets the general public. We fit these properties with our core energy-saving technologies in accordance with local market and climate conditions. These properties generally sell at a more rapid pace than our other two property series, but the profit margins are generally lower.

The following sets forth a breakdown of the revenue generated and GFA sold for the periods indicated for each of our three product lines:

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
Wan Guo Cheng MOMA					
Revenue (<i>RMB million</i>).....	1,736.4	3,381.7	3,243.5	1,653.5	273.8
GFA sold (<i>sq.m.</i>).....	82,605	317,833	339,449	181,839	35,372
Shang Pin Ge MOMA					
Revenue (<i>RMB million</i>).....	4.9	70.2	42.0	15.8	16.3
GFA sold (<i>sq.m.</i>).....	283	8,672	5,435	2,176	2,318
Man Ting Chun MOMA					
Revenue (<i>RMB million</i>).....	1,544.2	460.8	2,597.3	177.0	3,781.1
GFA sold (<i>sq.m.</i>).....	284,211	104,539	431,485	39,229	678,360
Revenue (Carpark) (<i>RMB million</i>).....	142.1	105.6	319.1	49.2	124.3
Carpark Unit Sold (<i>units</i>).....	1,033	1,019	2,255	440	1,231
Total Revenue of Sales of Properties (<i>RMB million</i>).....	<u>3,427.6</u>	<u>4,018.2</u>	<u>6,201.9</u>	<u>1,895.5</u>	<u>4,195.5</u>

As our products are customer-based and our main selling points are comfort and energy efficiency, apart from relying on a small number of traditional advertising campaigns and promotions, we also encourage potential customers to experience the level of comfort of our properties by living in our sample accommodations. We have four sample accommodations in Beijing where potential customers can apply for such trials. Once their applications are accepted, they can live in our sample accommodations for a few days. During their stay, they and their invited friends can use our facilities and join in leisure activities, such as watching movies at our cinemas or seeing plays at our theater. At the end of their stay, they are invited to complete questionnaires to help us improve the quality of our properties and tailor them to their individual needs.

We emphasize on the importance of our customers' relationship management and we use the Moma Club Management (Beijing) Co., Ltd. as an avenue to organize customer events to promote good publicity and maintain strong ties with our existing customers.

Pre-sales and sales

Our Marketing and Service Center is responsible for setting the price for our property developments. In order to determine the sales price, we take into account a number of factors, including, but not limited to, the following:

- size of the property
- direction where the property faces
- views
- floor level
- average sales price of other similar property developments
- the necessary sales price that will meet the profit rate requirement

During the price determination process, we conduct surveys, communicate with local people and investigate common problems of local housing. We also ascertain the price that local people are willing to pay for a more comfortable living environment. As a result, prices differ for each development.

Under the Measures for Administration of Sale of Commodity Properties (《商品房銷售管理辦法》) promulgated by the MOHURD in April 2001, the sale of commodity houses can include both sales prior to the completion of the buildings i.e. pre-sale of commodity properties and sales after the completion of the buildings. Any pre-sale of commodity properties must be conducted in accordance with the Measures for Administration of Pre-sale of Commodity Properties (《城市商品房預售管理辦法》) promulgated by the Ministry of Construction in November 1994, as amended in August 2001 and July 2004. For details, please refer to “Regulation—Regulations on the Real Estate Project Development—Sale of Commodity Properties” in this offering memorandum. The pre-sale of commodity properties is required to meet the following conditions:

- (i) the related land grant fee must be fully paid up and a Land Use Rights Certificate obtained;
- (ii) a Construction Project Planning Permit and a Construction Commencement Permit must have been obtained;
- (iii) the funds invested in the development of the commodity properties intended for pre-sale must represent 25% or more of the total investment in the project and the progress of construction and the completion and delivery dates must have been properly determined; and
- (iv) the pre-completion sale has been registered and a pre-sale permit has been obtained.

The proceeds from the pre-sale of commodity properties must be used to develop the relevant project that is pre-sold.

Generally, it takes approximately 12 to 18 months from the date of purchase of a pre-sale property until its actual completion. Most customers who purchase properties at pre-sales take out mortgages and pay at least a 30% down payment on the value of the property, depending on that customers' particular circumstance.

Our customers are committed to completing the purchase of the pre-sold properties at the fixed price agreed with us pursuant to the relevant pre-sale contracts. There were no major returns of properties sold or pre-sold from January 1, 2013 to June 30, 2016 that had a material adverse impact on the financial or operating positions of our Group. We had not experienced any cancellation of sales (including pre-sales) during the 2013, 2014, 2015 and the six months ended June 30, 2016 and up to the date of this offering memorandum.

As of the date of this offering memorandum, we are in compliance, in all material respects, with the relevant laws and regulations applicable to the pre-sale of properties in the PRC.

Payment and end-user financing

Our customers can choose between a lump sum payment or by mortgage payment. During 2013, 2014, 2015 and the six months ended June 30, 2016, we did not pre-sell or sell any of our properties under a payment by installment arrangement. If our customer chooses to settle the purchase price by making one lump sum payment, the customer will be required to fully settle the purchase price shortly after the date of the execution of the sales contract. Where a customer elects to pay by mortgage payment, such customer is required to pay a portion of the purchase price by cash, which is at least 30% of the total purchase price upon signing of the sales contract in accordance with the terms stipulated thereof, and the remaining amount is settled through proceeds from the relevant mortgage within two to three months, depending on approval process of relevant mortgagee bank. In line with market practice, we have made arrangements with various banks for the provision of mortgage facilities to our customers. Our guarantees are released upon completion of construction and either (i) the delivery of the mortgage registration documents to the relevant banks after the issuance of the property ownership certificate, or (ii) the full settlement of the mortgage loans by our customers, whichever occurs earlier. Where customers default on their mortgage payments, we help them by making the mortgage payment for them. However, if they default on several payments, we may repossess their properties and resell them.

As of December 31, 2013, 2014, 2015 and June 30, 2016, the amount of the outstanding guarantees of the mortgage loans was approximately RMB2,128.4 million, RMB2,680.4 million, RMB3,460.0 million and

RMB8,196.2 million (US\$1,233.3 million), respectively. In line with market practice, we do not conduct independent credit checks on our customers but instead rely on the credit checks conducted by the relevant bank. During 2013, 2014, 2015 and the six months ended June 30, 2016, according to our records, we generally did not encounter defaults by purchasers, except in such circumstances that we are able to retain the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, our credit risk is significantly reduced.

Please also refer to “Risk Factors—Risks Relating to Our Business—We guarantee mortgage loans of our customers and may be liable to the mortgagee banks if our customers default on their mortgage payments” in this offering memorandum. There were no material disputes between our Group and the mortgagee banks during 2013, 2014, 2015 and the six months ended June 30, 2016.

Delivery of properties

Once a property development project has passed the requisite government inspections and is ready for delivery, we notify the purchaser and deliver the properties to complete the sales process. Our pre-sale and sale contracts provide the time frame for delivery and we are required to make penalty payments to our customers for any delay in delivery. For sale of completed properties by one lump sum payment, we usually deliver the properties to the customers within one week of the signing of the contracts. For pre-sales, our contracts stipulate the expected date of delivery which according to our internal procedures is usually about 60 days after the expected date of completion of construction. To facilitate timely delivery, we closely monitor the construction process and conduct inspections on the property prior to delivery. Upon service of the delivery notice by our customer service officer, our sales and engineering staff, in cooperation with the staff of the project management company, will inspect the property. Our customers are required to acknowledge receipt of delivery of properties in accordance with the terms under their respective sales and purchase agreements.

In relation to our properties for sale, after construction has been completed, we are required to obtain a completion and acceptance certificate (竣工驗收證明) from the relevant local governments before we are able to hand over the properties to our customers. Pursuant to a typical pre-sale agreement, if we fail to deliver the property on the delivery date stipulated in the pre-sale agreement, we are, depending on the length of delay, liable to pay a monetary penalty at the rate of 0.02% of the paid amount of the property purchase price on a daily basis until the delivery of the property is completed. If our delay exceeds 90 days, the relevant purchaser may have the right to declare the pre-sale agreement repudiated and to claim penalty fees against us.

For the years ended December 2013, 2014, 2015 and the six months ended June 30, 2016, we did not have any compensation payable due to delay in delivery of properties to customers. As of June 30, 2016, we did not foresee significant delay in the delivery of properties to our customers in accordance with terms of the relevant pre-sale contracts entered into with them.

Property management and after-sales services

Prior to the formation of the owner's committee, we are responsible for the management of the completed developments.

We have a dedicated customer service team providing comprehensive after-sales services, which include assisting customers in obtaining property title certificates, handling customer complaints and sponsoring social events for customers. In addition, our customer service team is responsible for collecting and analyzing customer data to identify the latest trends in customer preferences and it conducts customer satisfaction surveys to help improve our projects' design, marketing strategies and quality of service.

PROPERTIES USED BY US

Our corporate headquarters is located at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, PRC. In addition, we leased 12 properties from other parties as of June 30, 2016. We use these leased properties primarily as office space.

Lessors of these leased properties have not provided ownership certificates to prove their titles or rights to lease these properties to us. Pursuant to the Law of Administration of Urban Real Estate in the PRC (《中華人民共和國城市房地產管理法》) promulgated on July 5, 1994 and revised on August 30, 2007 and August 27, 2009, if the lessors do not have titles or are unable to obtain consent to lease properties from the property owners, they are not entitled to lease the relevant properties. As a result, the validity of the relevant lease agreements is uncertain. Since the leased properties are used for office purpose, in the event that the lease agreements are declared invalid, our Directors consider that alternative premises are readily available for relocation and there would not be material impact on our operations.

INVESTMENT PROPERTIES

We develop certain properties to generate rental income and to gain from the appreciation in the properties' values in the long term.

We carefully monitor and assess the market conditions before making our selection of properties with long-term investment value as investment properties. We take into account various factors such as location, land use plans, supporting commercial facilities in nearby proximity and our commercial interests in deciding whether properties should be held for sale or retained for investment purpose, and will from time to time adjust the portfolio of our investment properties for the best interests of our Group.

In 2013, 2014, 2015 and the six months ended June 30, 2016, we held investment properties in the following projects: Wan Guo Cheng MOMA, Modern MOMA, Modern City Garden, iMOMA, MOMA Forest Forever, Nanchang Modern MOMA New City, Nanchang Man Ting Chun MOMA, Changsha Wan Guo Cheng MOMA, Changsha Man Ting Chun MOMA, Xiantao Man Ting Chun MOMA, Taiyuan Wan Guo Cheng MOMA, Jiujiang Chao Yang Li MOMA and Jiujiang Man Ting Chun MOMA.

SUPPLIERS AND CUSTOMERS

Our suppliers primarily include construction contractors and building material suppliers. Our five largest suppliers accounted for approximately 26.9%, 20.4%, 23.5% and 7.2% of our total purchases in the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016. Purchases from our largest supplier accounted for approximately 9.8%, 7.3%, 7.7% and 2.0% of our total purchases for the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016, respectively.

None of our Directors, their associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of our share capital) has any interest in any of our five largest suppliers for the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016.

We target a broad base of customers with varied income levels and backgrounds who aim to improve their living environment and to enjoy a high standard of living while recognizing the significance of conservation.

Our five largest customers accounted for approximately 3.5%, 3.8%, 1.8% and 0.4% of our total sales for the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016. Our largest customer accounted for approximately 0.9%, 0.9%, 0.5% and 0.1% of our total sales for the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2016.

RESEARCH AND DEVELOPMENT

Our research and development department is headed by Mr. Chen Yin, an executive director who is responsible for planning and designing our projects and managing the entire process from making the proposal to creating the construction drawing. Our research and development department includes our internal research and development design institute and our PRC subsidiary, New Power (Beijing) Architectural Technology Co., Ltd. (“Beijing New Power”). As of June 30, 2016, our research and development department had 114 full-time employees who are engaged in architecture research and development and design.

We seek to build comfortable and eco-friendly properties that integrate unique energy-saving technologies. In 2006, the MOHURD issued the Evaluation Standard for Green Building, which provides that the authentication of a “green building” has three levels: one-star, two-star and three-star. Depending on the level of compliance with “green building” standard comprising reduced energy output, water conservation, and decreased consumption of construction materials, a property may be authenticated as a one-star, two-star or for highest level of compliance, three-star “green building.” One-star and two-star authentications can be granted by provincial departments across the PRC that are in-charge of the housing and urban-rural development, but three-star authentication can only be granted by the Chinese Society for Urban Studies Green Building Research Center (中國城市科學研究會綠色建築研究中心) or “Green Building Label” Management Office (綠色建築評價標識管理辦公室). We are in the course of applying for two-star authentication for six buildings of four of our property projects under development and three-star authentication for one building under development. One building of our Beijing Modern MOMA and one building of our Nanchang Man Ting Chun MOMA (Phase 1) has been given a three-star authentication.

Our research and development department is in charge of the management of Beijing New Power and the coordination of internal and external research and development resources. Beijing New Power is principally engaged in new architectural technology consultation, the design of specialized systems and working with external research and development institutions. In addition, it is responsible for acceleration of our design process as a whole and integration of our technology and related standardized work. It is engaged in the research and development and production of building automation system and intelligent household products which provides control solutions for various energy-saving technologies.

Our research and development design development and Beijing New Power work closely together to form a comprehensive research and development platform which provides research and design support for our property projects. As of the date of this offering memorandum, we had registered 66 patents and had made 32 patent applications in the PRC. Of the 66 patents we own, 23 are invention patents and of the 32 pending patents, 27 are invention patents. Our registered patents are in relation to and applied in one or more of our exterior temperature preservation system, heating and cooling system and proBA system, being three of our five core technical systems.

The building of a comfortable and environmentally friendly property requires not only certain construction techniques used in isolation. It also requires an integrated approach in applying all construction techniques in order to overcome problems caused by differences in the construction environment and, changes in customers’ needs, and to overcome various obstacles in the design and construction process. Such an approach enables the transformation from design to the finished product which meets market requirements for eco-friendly buildings. We have accumulated a wealth of experience, through years of development and practice, in the integration and practical application of energy-saving technology, which has helped shape our “MOMA” technology system. Further, in order to target the need of each construction project, we have prepared a wide variety of options to meet differing weather, environment and customers’ needs. Following continuous development and practical application, we continue to improve our existing technology, explore new technology and perfect our “MOMA” technology systems.

AWARDS AND RECOGNITIONS

We have received various awards and recognition for our property development projects, including awards for quality, promotion of eco-friendly properties, research and development capabilities in the development of real estate products and overall reputation in the real estate industry in the PRC.

The tables below set forth some of the awards and recognitions we have received in the past. None of the awards and recognitions was sponsored or commissioned by our Group.

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Body</u>
2016.....	2016 Top 100 Real Estate Company	China Index Academy (中國指數研究院)
	2016 China Specialized Real Estate Company – Green Technology Real Estate	China Index Academy (中國指數研究院)
	2016 Top 15 Chinese Real Estate Listed Company by Comprehensive Strength (2016年度地產上市公司綜合實力排行榜TOP15)	Beijing Beta Fact Centre and Capital Week (北京貝塔諮詢中心與《證券市場周刊》聯合推出)
	2016 Top 20 Green Property Developer in China (2016中國綠房企TOP20)	2016 China Green Life Conference (2016中國綠色生活高峰論壇暨2016中國綠色地產指數報告發布盛典)
	The Most Influential Brand (最具影響力品牌)	Sohu (搜狐焦點)
	Three-star authentication of “Green Building” – Hefei Modern Garden (三星級綠色建築設計標識 – 合肥當代花園)	China Society for Urban Studies (中國城市科學研究會)
2015.....	2015 China Specialized Real Estate Company – Green Technology Real Estate (2015中國特色地產運營優秀企業 – 綠色節能地產)	China Real Estate Research Association (中國房地產研究會)
	2015 Top 100 Chinese Real Estate Listed Company (2015中國房地產上市公司100強)	China Real Estate Research Association, China Real Estate Industry Association and China Real Estate Evaluation Center (中國房地產業協會、中國房地產研究會、中國房地產測評中心)
	Top China Real Estate Developer Brand Value (2015最具品牌價值企業)	People.cn (人民網)
	2015 Top 10 China Real Estate Developer Professional Leading Brand Value (2015年中國房地產專業領先品牌價值TOP10)	Development Research Center of the State Council of the PRC, Tsinghua University Real Estate Research Center and China Index Academy (國務院發展研究中心企業研究院、清華大學房地產研究所和中國指數研究院)
	2015 Top 10 Real Estate Developer Brand Value in Northern China (2015中國華北房地產公司品牌價值TOP10)	Development Research Center of the State Council of the PRC, Tsinghua University Real Estate Research Center and China Index Academy (國務院發展研究中心企業研究院、清華大學房地產研究所和中國指數研究院)
	2015 Architectural Quality Innovative Prize – Hongwan Man Ting Chun MOMA (2015建築品質創新獎 – 紅灣滿庭春MOMA)	China Real Estate Association (中國房地產業協會人居環境委員會)

Year	Award/Recognition	Awarding Body
2014.....	Three-star authentication of “Green Building” – Jiujiang Man Chun Ting MOMA (三星級綠色建築設計標識 – 九江滿庭春MOMA)	MOHURD (中華人民共和國住房和城鄉建設部)
	Two-star authentication of “Green Building” – Xiantao Man Chun Ting MOMA (二星級綠色建築設計標識 – 仙桃滿庭春MOMA)	MOHURD (中華人民共和國住房和城鄉建設部)
2013.....	Three-star authentication of “Green Building” – Nanchang Man Chun Ting MOMA (三星級綠色建築設計標識 – 南昌滿庭春MOMA)	MOHURD (中華人民共和國住房和城鄉建設部)

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights primarily consist of the patents, trademarks and domain names we use in our operations. As of the date of this offering memorandum, we are the registered proprietor of 41 patents, 122 trademarks and 30 domain names, and have 38 copyrights in respect of our management information system. We also have applied for the registration of 17 patents and 100 trademarks. As of the date of this offering memorandum, we are not aware of any infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

INSURANCE

Property developers are not required under PRC laws and regulations to maintain insurance coverage with respect to their property development operations. In addition, we generally do not take out insurance against personal injuries that may occur during the construction of our properties. According to relevant PRC laws and regulations, general contractors and construction companies are responsible for safety control during the course of construction and are required to maintain accident insurance for their construction workers. The general contractors and construction companies will bear the risks and liabilities arising from tortuous acts committed on work sites under the terms of our construction contracts. As of June 30, 2016, we had not experienced any material damage to our property developments nor do we have any material personal injury-related claims brought against us.

However, there is a risk that we do not have sufficient insurance coverage for losses, damages and liabilities that may arise from our business operations. See “Risk Factors—Risks Relating to Our Business—We may not have adequate insurance to cover all kinds of losses and claims in our operations.”

SOCIAL, HEALTH AND SAFETY MATTERS

In respect of social responsibilities, in particular, health, safety and social insurance, pursuant to the relevant laws and regulations in the PRC, we are required to execute an employment contract with our employees in accordance with relevant laws and regulations and cannot rescind the employment contract without cause. In addition, we are required to pay contributions for basic medical insurance, pension insurance, maternity insurance, unemployment insurance and personal injury insurance as well as housing provident funds for our employees in accordance with the relevant laws and regulations.

In order to comply with the relevant laws and regulations, we participate in various defined retirement contribution plans organized by the PRC provincial and municipal governments for our employees. We pay on behalf of our employees a monthly social provident insurance premium covering pension insurance, medical insurance, unemployment insurance and housing provident fund. During 2013, 2014, 2015 and the six months ended June 30, 2016, we have complied with applicable PRC social, health and safety regulations in all material respects.

ENVIRONMENTAL MATTERS

We are subject to certain laws and regulations concerning the protection of the environment. The particular environmental laws and regulations that apply to any given property development project vary according to its location, the environmental factors associated with such development, construction and/or operations and the current and future usage of the land and the properties. Pursuant to these laws and regulations, each property development project is required to undergo environmental assessments. An environmental impact assessment document has to be submitted by the property developer before the relevant authorities will grant a permit for commencement of construction work on the property development. As of June 30, 2016, the construction of two of our projects, Modern International Man Ting Chun MOMA (當代國際滿庭春MOMA) and Modern MOMA (當代摩碼華園項目), had started but we had not obtained the approval for the environmental impact assessment report by the relevant environmental protection authorities. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure the compliance with applicable environmental standards and regulations before the property can be delivered to the purchaser.

LEGAL PROCEEDINGS

As of the date of this offering memorandum, we are not aware of any current, pending or threatened litigation, arbitration proceedings or administrative proceedings against us or any of our subsidiaries or any of our Directors which could have a material adverse effect on the results of our operations or financial condition.

COMPETITION

Competition within the property industry in the PRC is intense. Our existing and potential competitors include major domestic State-owned and private property developers and foreign-funded property developers who focus on developing residential properties in the PRC. Competitive factors include size of land reserves, geographical location of properties, brand recognition and creditworthiness, ability to secure financing, pricing and property design quality and ancillary facilities. Some of these developers may have better track records and greater financial, land and other resources, broader name recognition and greater economies of scale than us. We consider those property developers who adopt energy-saving technologies in their properties, have property developments close to our projects and target customers similar to ours as our direct competitors.

Notwithstanding the foregoing, we believe that we offer unique housing products in the property development sector which we believe distinguish us from our competitors.

There are many PRC property developers that compete with each other on the basis of price and quality of product. These developers may have a competitive advantage over us in terms of the pricing of the development properties, location of the property, marketing strategy or brand name. However, we believe that our primary competitive advantage is that we are a developer of eco-friendly residential communities, and that we offer strong research and development capabilities and technology application ability. We also have a strong, highly experienced management team.

We believe that the major entry barriers to the property market in the PRC, and in particular to the market for eco-friendly properties, include the limited knowledge of local property market conditions, limited brand recognition, and limited knowledge and research and development capability for green technologies.

REGULATION

This section contains a summary of certain laws and regulations currently relevant to our operations in the PRC and the U.S. For a description of the legal risks relating to government regulations of our business, and in particular the land system in China, see “Risk Factors.”

REGULATION OF REAL ESTATE DEVELOPERS IN THE PRC

Establishment of a Real Estate Developer

Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》) (the “Urban Real Estate Law”) promulgated by the Standing Committee of the National People’s Congress, effective on January 1, 1995 and revised in 2007 and 2009, a “real estate developer” refers to an enterprise which engages in the development and sale of real estate for profit-making purposes. Under the Regulations on Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) (the “Development Regulations”) promulgated by the State Council on July 20, 1998 and revised in 2011, an enterprise engaging in real estate development must satisfy the following requirements in addition to other enterprise establishment conditions provided in relevant laws and administrative regulations:

- (i) its registered capital must be RMB1 million or more; and
- (ii) it must have four or more full-time professional real estate/construction technicians and two or more full-time accounting officers, each of whom must hold the relevant qualification certificate.

The Development Regulations also stipulated that people’s governments of the provinces, autonomous regions and/or municipalities directly under the central government may impose more stringent requirements regarding the registered capital and qualifications of professional personnel of a real estate development enterprise according to the local circumstances.

Pursuant to the Regulations on Real Estate Developments of Hunan Province (《湖南省城市房地產開發經營管理辦法》), enacted by the People’s Government of Hunan Province on April 12, 2006 and enforced on June 1, 2006, the registered capital of a real estate development enterprise in Hunan Province (“Hunan”) shall not be less than RMB4 million, and a real estate development enterprise with different qualification classification should accord to their respective requirements of full-time professional technicians.

Pursuant to the Regulations on Real Estate Developments of Hubei Province (《湖北省城市房地產開發經營管理辦法》), enacted by the People’s Government of Hubei Province on November 19, 1999 and enforced on November 19, 1999 and amended in December 31, 2014, the registered capital of a real estate development enterprise in Hubei Province (“Hubei”) shall not be less than RMB2 million, and a real estate development enterprise with one or more full-time professional real estate/construction management personnel, each of whom must hold the relevant qualification certificate.

Pursuant to the Regulations on Real Estate Developments of Jiangxi Province (《江西省城市房地產開發管理條例》), enacted by the Standing Committee of the People’s Congress of Jiangxi Province on May 5, 1995 and enforced on June 1, 1995 and amended on June 1, 2002, and September 17, 2010 a real estate development enterprise must have five or more full-time professional real estate/construction technicians.

Pursuant to the Development Regulations, to establish a real estate development enterprise, the developer must apply for registration with the department of industry and commerce administration of the people’s government at or above the county level, which should, in examining the application for the registration, seek the views of the governmental department governing real estate development at the relevant level. The developer must also report its establishment to the department of real estate development in the location of its registration, within 30 days of the receipt of its business license.

Qualifications of a Real Estate Developer

According to the Provisions on Administration of Qualifications of Real Estate Developers (《房地產開發企業資質管理規定》) (the “Provisions on Administration of Qualifications”) promulgated by the Ministry of Construction on March 29, 2000, and revised on May 11, 2015, a real estate developer must apply for registration of its qualifications. An enterprise shall not engage in the development and sale of properties without a qualification classification certificate. The Ministry of Construction is in charge of monitoring the qualifications of all real estate developers within the PRC, and local real estate development authorities at or above the county level are in charge of monitoring the qualifications of local real estate developers. In accordance with the Provisions on Administration of Qualifications, real estate developers are divided into four classes.

- (i) Class 1 qualifications are subject to preliminary examination by the construction authorities at the provincial level and the final approval of the Ministry of Construction. A Class 1 real estate developer is not restricted as to the scale of its real estate projects and may undertake a real estate development anywhere in the country. Class 2, 3 or 4 qualifications are regulated by the construction authorities at the provincial level subject to delegation to lower level government agencies. A real estate developer of Class 2 or lower may undertake a project with a GFA of less than 250,000 sq.m., the detailed business scope of the developer of Class 2 or lower is determined by the construction authorities at the provincial level.

Under the Provisions on Administration of Qualifications, the real estate development authorities will examine applications for registration of qualifications submitted by real estate developers by mainly considering their registered capital and financial condition, lengths of time they have conducted real estate development business, professional personnel they employ, performance and operating results from past real estate operations and their quality control systems. A real estate developer that passes the qualification examination will be issued with a qualification certificate of the relevant class by the qualification examination authority. A real estate developer shall only conduct the real estate development in compliance with the approved class of qualification.

For a newly established real estate developer, the real estate development authority will issue a provisional qualification certificate, if it is an eligible developer, within 30 days of receipt by the authority of the application. The provisional qualification certificate will be effective for one year from its date of issuance and may be extended for not more than two additional years with the approval of the real estate development authority. The real estate developer must apply for a formal qualification classification certificate with the real estate development authority within one month before the expiration of its provisional qualification certificate. Failure to obtain the required provisional or formal qualification certificate may result in a fine ranging from RMB50,000 to RMB100,000 and, if such failure is not rectified, revocation of the developer’s qualification certificate or business license.

Pursuant to the Provisions on Administration of Qualifications, the qualification of a real estate developer should be annually inspected. The construction authority under the State Council or the entrusted institution is responsible for carrying out the annual inspection of class 1 real estate developer’s qualification. Procedures for annual inspection of developers of class 2 or lower qualifications shall be formulated by the construction authority under the people’s government of the relevant province, autonomous region or municipality.

Foreign Investment in the PRC Real Estate Market

On July 11, 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, the State Administration for Industry and Commerce and SAFE issued the Opinion on Regulating the Access and Management of Foreign Capital in the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》) (the “**171 Opinion**”), which states that, among other things, a foreign entity or individual investing in the PRC property other than for self-use, must apply for the establishment of a Foreign Invested Real Estate Enterprise (the “**FIREE**”) in accordance with the applicable PRC laws and can only conduct operations within the authorized business scope. The opinion attempts to impose additional restrictions on the establishment and operation of a FIREE by measures including regulating the amount of registered capital as a percentage of total investment in certain circumstances, limiting the validity of a FIREE or the transfer of its projects and prohibiting the borrowing of money from domestic and foreign lenders where, among other things, the registered capital is not paid up, land use rights are not obtained, or the capital fund is less than 35% of the total investment amount in the intended development project. In addition, the 171 Opinion also limits the ability of certain foreign individuals to purchase residential properties in China.

On May 23, 2007, MOFCOM and SAFE issued the Circular on Further Reinforce and Standardize the Examination and Supervision on Foreign Direct Investment in Real Estate Industry (《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》) (the “**May Circular**”), which states that, among other things, a foreign investor must apply to establish a FIREE in accordance with PRC laws if it plans to develop or operate property business in the PRC. The May Circular states that foreign investors cannot bypass the examination and approval requirements applicable to foreign invested property businesses by changing the actual controllers of the domestic property enterprises in the PRC, and the merger of or investment in domestic real estate enterprises by way of returning investment (返程投資) (including the same actual controller) shall be placed under strict control. If foreign-invested enterprises wish to engage in property development or operation business, or FIREEs wish to engage in new project development operations, they must apply to the relevant examination and approval authorities for their expansion of scope of business or scale of business operation. In addition, local examining and approving organs shall file the approval of the establishment of foreign-funded real estate enterprises with the MOFCOM for record in a timely manner according to law.

REGULATION OF REAL ESTATE PROJECT DEVELOPMENT

Obtaining of Land Use Rights

All land in the PRC is either State-owned or collectively-owned, depending on the location of the land. All land in the urban areas of a city or town is State-owned, and all land in the rural areas and the suburban areas and all farm land is, unless otherwise specified by law, collectively-owned. The State has the right to resume its ownership of land or the land use rights in accordance with law if required for the public interest (and compensation must be paid by the State).

Although all land in the PRC is owned by the State or by collectives, individuals and entities may obtain land use rights and hold such land use rights for development purposes. Individuals and entities may acquire land use rights in different ways, the two most important ones being land grants from local land authorities and land transfers from land users who have already obtained land use rights.

Grant of Land Use Rights

Under the Interim Regulations of the People’s Republic of China on Assignment and Transfer of the State-owned Land Use Rights in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) (the “Interim Regulations on Assignment and Transfer”) promulgated and enforced by the State Council on May 19, 1990, a system of assignment and transfer of the right to use State-owned land has been adopted. A land user shall pay a premium to the State as consideration for the assignment of the land use rights within certain terms, and a land user may transfer, lease, mortgage or otherwise commercially exploit the land use rights within his terms of use. Under the Interim Regulations on Assignment and Transfer and the Urban Real Estate Law, the land administration authority under the local government of the relevant city or county shall enter into an assignment contract with the land user for an assignment of land use rights. The land user shall pay the assignment price as stipulated in the assignment contract. After paying the assignment price in full, the land user shall register with the land administration authority and obtain a Land Use Rights Certificate. The Certificate is an evidence of the acquisition of land use rights. The Development Regulations provide that the land use rights for a site intended for real estate development shall be obtained by way of an assignment except for those land use rights which may be obtained by way of allocation pursuant to the PRC laws or the stipulations of the State Council.

The grant of land use rights by way of competitive processes is subject to the Regulations on the Grant of State-owned Land Use Rights by Invitation of Tender, Auction or Listings-for-sale (《招標拍賣掛牌出讓國有土地使用權規定》), issued by the Ministry of Land and Resources of the PRC on May 9, 2002 (2002 Regulations) and revised as of September 21, 2007 by Regulations on Granting State-owned Construction Land Use Right through Tenders, Auction and Putting up for Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》), or the 2007 Regulations. In addition, the Ministry of Land and Resources required that with effect from August 31, 2004, the grant of land use rights must be made pursuant to auctions or listings at a land exchange and that no land use rights for commercial uses may be granted by way of agreement. The 2007 Regulations specifically provide that land to be used for industrial, commercial, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for the certain piece of land, must be granted by way of competitive processes. A number of measures are provided by the 2007 Regulations to ensure such grant of land use rights for commercial purposes is conducted openly and fairly. For instance, the local land

bureau must take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to approval of the city or provincial government. The grantee shall apply for land registration and obtain the State-owned land use rights certificate upon full payment of the land premium of the granted land according to the State-owned land use right granting contract. In the event that the land premium of the granted land is not paid in full, the grantee will not receive the land use rights certificate. In addition, the announcement of tender, auction or listing-forbidding must be made 20 days prior to the date on which such competitive process begins. Further, it also stipulated that for listing at a land exchange, the time period for accepting bids must be no less than 10 days.

In the case of tender, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and inform those qualified to participate in the bidding processes by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted by way of tender, a tender evaluation committee consisting of not less than five members (including a representative of the grantor and other experts), formed by the land bureau is responsible for opening the tenders and deciding on the successful bidder. The successful bidder will then sign the land grant contract with the land bureau and pay the balance of the land grant fee before obtaining the State-owned land use rights certificate.

Where land use rights are granted by way of auction, a public auction will be held by the relevant local land bureau. The land use rights are granted to the highest bidder. The successful bidder will then be asked to sign the land grant contract with the local land bureau and pay the relevant land grant fee within a prescribed period.

Where land use rights are granted by way of listings-for-sale administered by the local government, a public notice will be issued by the local land bureau to specify the location, area and purpose of use of land and the initial bidding price, period for receiving bids and terms and conditions upon which the land use rights are proposed to be granted. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions. The successful bidder will enter into a land grant contract with the local land bureau and pay the relevant land grant fee within a prescribed period.

Land use rights are granted by way of bilateral agreement is subject to the Regulation Concerning the Grant of Land Use Right Through Bilateral Agreement (《協議出讓國有土地使用權規定》) promulgated by the Ministry of Land and Resources, effective on August 1, 2003, only when the methods of tender or auction are not required by the laws, regulations and rules may land use rights be granted by bilateral agreement between the relevant land authority and the grantee party. The land grant fees carried out in agreement should not be lower than the minimum price set by the central government. For land in areas with standard land prices, the purchase price of land pursuant to any bilateral agreement should not be less than 70% of the standard land price of the relevant land category. If the price guidelines are not followed, the validity of the provision of land grant fees in the land grant contract may be deemed invalid. Only when there is only one prospective land user on the land to be granted may the land authority grant the land use rights through bilateral agreement, with the exception of land used for business, tourism, entertainment, commodity properties and others. After payment in full of the land grant fee, the land user may register with the land administration authority and obtain a Land Use Rights Certificate as evidence of the acquisition of the land use rights.

Land Transfer from Current Land User

In addition to a direct grant from the government, an investor may also acquire land use rights from land users that have already obtained the land use rights by entering into an assignment contract or a joint-develop agreement with the land user. The assignment contract or joint-develop agreement must be registered with the relevant local land bureau at the municipal or county level for land use rights title change purposes. Upon a transfer of land use rights, all rights and obligations contained in the land grant contract are deemed to be incorporated as part of the terms and conditions of such transfer.

The assignment contract or the joint-develop agreement is subject to terms and conditions specified in the land grant contract. For residential construction projects, under the Provisions on the Administration of Urban Real Estate Transfer (《城市房地產轉讓管理規定》) promulgated by the Ministry of Construction in August 1995, as amended in August 2001, and the Interim Regulations on Assignment and Transfer, at least 25% of total construction costs, excluding land grant fees, should be expended and the construction schedule and date of

completion and delivery of the project have been determined before assignment can take place. All rights and obligations of the current holder under a land grant contract will be transferred contemporaneously to the assignee of the land use rights. The relevant local government has the right to acquire the land use rights to be assigned if the assignment price is significantly lower than the market price. Relevant local governments may also acquire the land use rights from a land user in the event of a change in town planning. The land user will then be compensated for the loss of his land use rights.

Pre-examination of the Construction Sites

Under the Measures for Administration of Examination and Approval for Construction Sites (《建設用地審查報批管理辦法》) promulgated by the Ministry of Land and Resources in March 1999 as amended in November 2010, and the Measures for Administration of Preliminary Examination of Construction Project Sites (《建設項目用地預審管理辦法》) promulgated by the Ministry of Land and Resources in July 2001, as amended on October 29, 2007 and on November 12, 2008, when carrying out the feasibility study for a construction project, a real estate developer must make a preliminary application for construction to the relevant land administration authority. After receiving the preliminary application, the land administration authority will carry out a preliminary examination of various aspects of the construction project in compliance with the overall zoning plans and land supply policies of the government, and will issue a preliminary approval if its examination proves satisfactory. The opinions derived from this preliminary examination are requisite documents for the approval and notification of the construction project. The construction standards and the total scale of the land to be used are set forth in the opinions issued after the preliminary examination and shall be taken into full consideration during the initial design phase of the construction project.

Obtaining Planning Permits and Construction Commencement Permits

Under the Measures for Planning of Granting and Transfer of Right to Use Urban State-Owned Land (《城市國有土地使用權出讓轉讓規劃管理辦法》) enacted by the Ministry of Construction on December 4, 1992 and effective on January 1, 1993 as amended on January 26, 2011, after signing a grant contract, a real estate developer shall apply for an Opinion on Site Selection of Construction Project and a Permit for Construction Land Planning from the city and county planning authorities. After obtaining a Permit for Construction Land Planning, the real estate developer shall organize the necessary planning and design work in accordance with planning and design requirements and a planning and design proposal in respect of the real estate project shall be submitted to the municipal planning authority following the requirements and procedures under the Urban and Rural Planning Law of the PRC (《城鄉規劃法》), which was issued on October 28, 2007 and revised on April 24, 2015, and a construction work planning permit must be obtained from the municipal planning authority.

In addition, a real estate developer shall apply for a Construction Commencement Permit from the construction administrative authority under the local people's government above the county level pursuant to the Measures for the Administration of Construction Work Permit of Construction Projects (《建築工程施工許可管理辦法》) enacted by the Ministry of Construction on October 15, 1999 and revised on June 25, 2014 and effective as of October 25, 2014.

Completion of a Real Estate Project

Construction projects shall be delivered for use only after passing the inspection and acceptance under the Construction Law (《中華人民共和國建築法》) which was promulgated in November 1997 and amended in 2011. A real estate development project must comply with various laws and legal requirements concerning planning, construction quality, safety and environment and technical guidance on architecture, design and construction work, as well as provisions of the relevant contracts. After construction of a project is complete, the real estate developer must organize an acceptance examination by relevant government authorities and experts according to the Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》) promulgated and implemented by State Council on January 10, 2000 and the Provisions on Inspection Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收規定》) promulgated by the Ministry of Housing and Urban-rural Development on December 2, 2013. The developer must also file details of the acceptance examination pursuant to the Measures for Filing Regarding Acceptance Examination upon Completion of Buildings and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the Ministry of Construction on April 7, 2000 and amended on October 19, 2009. A real estate development project may only be occupied after passing the inspections and

acceptances by the competent authorities. For a housing estate or building complex, an acceptance examination shall be conducted upon completion of the entire project. In the case of a cluster of real estate development projects, such as a residential area developed in phases, separate acceptance examinations may be carried out for each completed phase.

Sale of Commodity Properties

Under the Measures for Administration of Sale of Commodity Properties (《商品房銷售管理辦法》) promulgated by the Ministry of Construction in April 2001, the sale of commodity houses can include both sales prior to the completion of the buildings, i.e. pre-sale of commodity properties and sales after the completion of the buildings.

Pre-Sale of Commodity Properties

Any pre-sale of commodity properties must be conducted in accordance with the Measures for Administration of Pre-sale of Commodity Properties (《城市商品房預售管理辦法》) (the “Pre-sale Measures”) promulgated by the Ministry of Construction in November 1994, as amended in August 2001 and July 2004. The Pre-sale Measures provide that any pre-sale of commodity properties is subject to specified procedures. The pre-sale of commodity properties shall be subject to a licensing system. Where a real estate developer intends to sell commodity properties in advance, it shall apply to the real estate administrative department to obtain a pre-sale permit (《商品房預售許可證》). The pre-sale of commodity properties is required to meet the following conditions:

- (i) the related land grant fee must be fully paid up and a Land Use Rights Certificate obtained;
- (ii) a Construction Project Planning Permit and a Construction Commencement Permit must have been obtained;
- (iii) the funds invested in the development of the commodity properties intended for pre-sale must represent 25% or more of the total investment in the project and the progress of construction and the completion and delivery dates must have been properly determined; and
- (iv) the pre-completion sale has been registered and a pre-sale permit has been obtained.

The proceeds of pre-sale of commodity properties must be used to develop the relevant project so pre-sold.

Pursuant to the Regulations on Real Estate Development of Hunan Province, the following conditions shall be fulfilled for pre-completion sale of commodity properties in Hunan province: (a) the “Land Use Permit for State-Owned Land”, the “Construction Work Planning Permit” and the “Permit for Construction of Work” have been obtained; (b) the progress of high-rise construction projects has reached or has exceeded one-third of the design’s progress, the progress of other construction projects has reached or has exceeded one-half of the design’s progress; and (c) the construction schedule and the date for completion and delivery have been determined.

Pursuant to the Circular of the General Office of the State Council on Forwarding the Opinion of Such Departments as the Ministry of Construction on Stabilizing Housing Prices (《國務院辦公廳轉發建設部等部門關於做好穩定住房價格工作意見的通知》) promulgated by the General Office of the State Council on May 9, 2005, a purchaser of a pre-sale commodity property is prohibited from transferring such property prior to the completion of its construction. Prior to the completion and delivery of a pre-sold commodity property and the obtaining of the Property Ownership Certificate, the administrative department of real estate shall not conduct any transfer formalities for the pre-sale purchaser. Property developers are required to carry out an immediate archival filing network system for pre-sales contracts of commodity properties with the local authorities on a real name and real time basis.

On April 13, 2010, the Ministry of Housing and Urban-Rural Development issued the Notice on Further Regulating the Real Estate Market and Improving the Commodity Housing Pre-sale System (《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》), which sets forth certain measures to enhance the regulation of pre-sale of commodity property. Property developers are strictly prohibited from pre-sale commodity property without obtaining pre-sale permits. Within 10 days after obtaining the relevant pre-sale permits, property developers are required to make a public announcement on all information relating to units available for pre-sale and the price of each unit.

On March 16, 2011, NDRC promulgated the Regulation on Price of Commodity Property (商品房銷售明碼標價規定), which took effect on May 1, 2011. According to the regulation, property developers are required to make public the sale price of each of apartment of the commodity properties for sale or pre-sale and the number of apartments available for sale or pre-sale within a certain time period. Property developers are also required to state factors that would affect housing prices and relative charges before the property transaction, such as commission fee and property management fee. No additional charge beyond what is stated in the price tag or made public by the property developers is permitted.

Commodity buildings may be put to post-completion sale after they have passed the clearance examination and otherwise satisfy the various preconditions for such sale. Before the post-completion sale of a commodity building, the developer must, among other things, submit the Real Estate Development Project Manual and other documents evidencing the satisfaction of preconditions for post-completion sale to the real estate development authority for its record.

Sales after the Completion of Commodity Properties

Under the Measures for the Administration of Sale of Commodity Properties (《商品房銷售管理辦法》), commodity properties may be put to post-completion sale only when the following preconditions have been satisfied:

- (i) the real estate development enterprise offering to sell the post-completion buildings shall have a enterprise legal person business license and a qualification certificate of a real estate developer;
- (ii) the enterprise has obtained a Land Use Rights Certificate or other approval documents of land use;
- (iii) the enterprise has obtained the Construction Project Planning Permit and the Construction Commencement Permits;
- (iv) the commodity properties have been completed and been inspected and accepted as qualified;
- (v) the relocation of the original residents has been well settled;
- (vi) the supplementary essential facilities for supplying water, electricity, heating, gas, communication, etc. have been made ready for use, and other supplementary essential facilities and public facilities have been made ready for use, or the schedule of construction and delivery date of have been specified;
- (vii) the property management plan has been completed.

Before the post-completion sale of commodity properties, a real estate developer shall submit the real estate development project manual and other documents showing that the preconditions for post-completion sale have been fulfilled to the real estate development authority for making a record.

Lease of Properties

Under the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the Standing Committee on July 5, 1994 which became effective on January 1, 1995 and as amended on August 30, 2007 and August 27, 2009 and the Administrative Measures for Commercial Housing Leases (《商品房屋租賃管理辦法》) promulgated by the MOHURD on December 1, 2010, which became effective on February 1, 2011, illegal properties cannot be leased. Further, a lease must be filed with the real estate administrative department.

Loan for Real Estate Developer

The PBOC issued the Circular on Further Strengthening the Management of Loans for Property Business (《關於進一步加強房地產信貸業務管理的通知》) in June 2003 to tighten the requirements on banks for the provision of loans for the purpose of residential development, individual home mortgage and individual commodity properties as follows:

- (i) Property development loans may be granted to property developers who are qualified for property development, are ranked high in credibility and have no overdue payment for construction. For property developers with commodity properties with a large amount of idle land and high vacancy rate and high debt ratio, strict approval procedures must be applied for their new property development loans and their activities must also be subject to close monitoring.
- (ii) Commercial banks are not allowed to grant loans to property developers to pay off land grant premium.
- (iii) Commercial banks may only provide housing loans to individual buyers when the roofing of the main structural buildings has been completed. When a borrower applies for individual housing loans for a first residential unit, the down payment by the borrower must be at least 20% of the purchase price. In respect of a loan application for the additional purchase of residential unit(s), the percentage of the down payment by the borrower is increased.
- (iv) When a borrower applies for mortgage loan for an individual commercial use building, the mortgage ratio may not be more than 60% of the purchase price of the property. In addition, the term of the loan may not be more than 10 years and the commodity property must be completed and delivery accepted after inspection.

Pursuant to the Guidance on Risk Management of Property Loans Granted by Commercial Banks (《商業銀行房地產貸款風險管理指引》) issued by the CBRC in August 2004 and the Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的通知》) issued by the PBOC and CBRC on September 27, 2007, with a supplement issued on December 5, 2007, commercial banks are banned from providing loans in any form for a property development project that has not yet obtained the State-owned Land Use Rights Certificate, Construction Land Planning Permit, Construction Works Planning Permit and Construction Commencement Permit and the portion of the real estate developer's own capital among the total project investment shall be no less than 35%. In addition, a commercial bank is required to maintain a strict loan evaluation system for processing applications for property development loans for property development and are not allowed to use borrowings obtained from local banks to fund property developments outside of such bank's respective local regions.

Mortgages of Real Estate

Under the Urban Real Estate Law and the Security Law of PRC (《中華人民共和國擔保法》) promulgated by the Standing Committee of the NPC in June 1995, and the Measures for Administration of Mortgages of Urban Real Estate (《城市房地產抵押管理辦法》) promulgated by the Ministry of Construction in May 1997, as amended in August 2001, when a mortgage is placed on the ownership of a building, the mortgage must be simultaneously placed on the land use rights of the land on which the building is attached. After a real estate mortgage contract has been signed, the parties to the mortgage must register the mortgage with the real estate administration authority within 30 days of its execution. A real estate mortgage contract becomes effective on the date of registration of the mortgage.

Idle Land

According to the Measures on Disposing Idle Land (《閒置土地處置辦法》) enacted and enforced by the Ministry of Land and Resources on April 28, 1999 and amended on June 1, 2012, the land can be defined as idle land under any of the following circumstances:

- (i) development and construction of the land is not commenced after one year of the prescribed time limit in the contract of granting the land use rights; or

- (ii) the development and construction of the land has been commenced but the area of the development and construction that has been commenced is less than one-third of the total area to be developed and constructed or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without an approval.

If the delay of commencement is caused by the activities of the government, the municipality or county-level land administrative department shall negotiate with the concerned land user and conclude a proposal on methods of disposal of the idle land for the local government's approval, including but not limited to extending the time period for development and construction (provided that the extension shall be no longer than one year), changing the use of the land, arranging for temporary use, replacing with another land and withdrawing the land with a compensation. If the delay of commencement is caused by other reasons, if the work has not been commenced after one year from the prescribed date of commencement, a surcharge on idle land equivalent to no more than 20% of the land grant premium may be levied; if the work has not been commenced after two years from the prescribed date of commencement, the land can be confiscated without any compensation.

On September 8, 2007, the MLR promulgated the Notice on Strengthening the Disposing of Idle Land (《關於加大閒置土地處置力度的通知》) providing that the surcharge on idle land shall be 20% of the land grant premium in principle and where the confiscation measure is required in accordance with the law, such measure shall be strictly implemented.

On January 3, 2008, the State Council issued the Notice on Promoting the Saving and Intensive Use of Land (《國務院關於促進節約集約用地的通知》). This notice strictly enforces the policies for dealing with idle land. If a piece of land has been idle for two years or more, it must be taken back free of charge resolutely and rearranged for other uses; if the land does not meet the statutory conditions for recovery, it must be timely dealt with and fully used through changing its uses, replacement by parity value, temporary use or incorporation into government reserves. If a piece of land has been idle for more than one year but less than two years, the idle land surcharge must be collected at 20% of the land grant premium. If the land premium has not been completely paid off according to the contract, no land certificate may be granted, and it is also prohibited to grant the land certificate by dividing the land based on the proportion of the paid land grant fee.

Measures on Stabilizing Property Prices

In March 2005, the General Office of the State Council promulgated the Circular on Effectively Stabilizing Housing Prices (《國務院辦公廳關於切實穩定住房價格的通知》), which is aimed at restraining housing prices from increasing too rapidly and promoting stable development of the real estate market. On May 9, 2005, the General Office of the State Council issued the Circular of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Departments on Stabilizing Property Prices (《國務院辦公廳轉發建設部等部門關於做好穩定住房價格工作意見的通知》) which was followed by a series of corresponding measures which constitute a set of policies by the PRC government to tackle the perceived overheating of the PRC property market, including:

- (i) Where housing prices grow too rapidly at a time when the supply of ordinary commodity houses at medium or low prices and low-cost affordable houses is insufficient, construction projects should mainly involve the construction of ordinary commodity houses at medium or low prices and low-cost affordable houses. The construction of low-density, high-end houses should be strictly controlled.
- (ii) Where the price of land for residential use and the price of residential housing grow too rapidly, land supply for residential use as a proportion of the total land supply should be appropriately raised, and the land supply for the construction of ordinary commodity houses at medium or low prices and low-cost affordable houses should be especially increased. Land supply for villa construction should continue to be suspended, and land supply for high-end residential property construction should be strictly restricted.
- (iii) Idle land fee must be imposed on land that has not been developed for one year from the contractual construction commencement date. Land use rights of land that has not been developed for two years must be revoked without compensation.

- (iv) Commencing from June 1, 2005, a business tax upon the transfer of a residential property by an individual within two years from his or her purchase will be levied on the gain from such transfer. If an individual transfers his or her ordinary residential property more than two years after its purchase, the business tax will be exempted. For an individual who transfers a property other than an ordinary residential house more than two years after from its purchase, the business tax will be levied on the difference between the price of such transfer and the original purchase price.
- (v) Ordinary residential houses with medium or small GFA and at medium or low prices may be granted certain preferential treatment in relation to planning permits, land supply, credit and taxation. Properties enjoying these preferential policies must satisfy the following conditions in principle: the plot ratio of the residential development is above 1.0, the GFA of one single unit is less than 120 sq.m., and the actual transfer price is lower than 120% of the average transfer price of comparable properties at comparable locations. Local governments at the provincial level may, based on their actual local circumstances, formulate specific standards for ordinary residential properties that can enjoy the preferential policies.
- (vi) Transfer of uncompleted commodity properties by any pre-sale purchaser is forbidden. In addition, purchasers are required to buy properties in their real names. Any pre-sale contract of commodity property must also be filed with the relevant government agencies electronically immediately after its execution.

On May 24, 2006, the General Office of the State Council issued the Circular of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Departments on Adjusting the Housing Supply Structures and Stabilizing Property Prices (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》) (“Circular No. 37”) which was jointly prepared by nine ministerial departments, including the MOHURD, the NDRC, the MLR and the SAT. Circular No. 37 was aimed at guiding and promoting sustainable and healthy development of the real estate industry through adjusting housing supply structure and curbing soaring housing prices. Circular No. 37, among other things:

- (i) requiring that at least 70% of the land supply approved by a local government for residential property development for any given year must be used for developing low- to medium-cost and small- to medium-sized units or low-cost rental properties;
- (ii) requiring that at least 70% of the units in the residential projects approved or constructed on or after June 1, 2006 must be smaller than 90 sq.m. in terms of GFA and that projects which have received project development approvals prior to that date but have not obtained Construction Permits must adjust their planning in order to conform with this new requirement. However, municipalities under direct administration of the PRC central government and provincial capitals and certain cities may deviate from such ratio under special circumstances upon approval from the MOHURD;
- (iii) increasing the minimum amount of down payment from 20% to 30% of the purchase price of the underlying residential property if the underlying property has a GFA of 90 sq.m. or more, as effective from June 1, 2006;
- (iv) prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio, calculated by dividing the internal funds by the total project capital required for the relevant projects, of less than 35%, restricting the grant or extension of revolving credit facilities to property developers holding a large amount of idle land and vacant commodity properties, and prohibiting commercial banks from taking commodity properties which have been vacant for more than three years as security for loans; and
- (v) imposing a business tax levy on the entire sales proceeds from the re-sales of properties if the holding period is shorter than five years, effective from June 1, 2006, as opposed to two years as such levy was initially implemented from June 2005. Where an individual transfers a property other than an ordinary residential property more than five years after his or her purchase, the business tax will be levied on the difference between the resale price and the original purchase price.

On May 30, 2006, the MOHURD, NDRC, Ministry of Supervision, MOF, MLR, PBOC, State Bureau of Statistics, State Taxation Bureau and CBRC jointly issued the Opinions on Adjusting Housing Supply Structure and Stabilization of Housing Prices (《關於調整住房供應結構穩定住房價格意見的通知》) (“Notice No. 17”). Notice No. 17 emphasized that local governments must adhere to their annual overall land use planning and land supply plans and tighten the control on land supply for non-agricultural use. Notice No. 17 requires local governments to suspend the supply of land for new villa projects to ensure adequate supply of land for more affordable housing and to strictly enforce the regulations applicable to the holding of idle land.

On July 6, 2006, the MOHURD promulgated Certain Opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly Constructed Residential Units (《關於落實新建住房結構比例要求的若干意見》), which stipulates that residential units with a GFA of less than 90 sq.m. shall account for over 70% of the total area of residential units which are newly approved and constructed in each city or county after June 1, 2006. The relevant local government will have the authority to determine the configuration of newly constructed properties.

On January 27, 2011, the MOF and the SAT issued the Notice on Adjusting the Business Tax Policy on Transfers of Residential Properties by Individuals (《關於調整個人住房轉讓營業稅政策的通知》) to discourage speculative activities in the secondary property market and control soaring housing prices. According to the Notice:

- (i) transfers of residential properties by individuals who have held them for less than five years are subject to business tax calculated on a gross basis;
- (ii) transfers of non-ordinary residential properties by individuals who have held them for five years or more are subject to business tax calculated on a net basis; and
- (iii) transfers of ordinary residential properties by individuals who have held them for five years or more are exempted from business tax.

On January 7, 2010, the General Office of the State Council issued the Circular on Promoting the Stable and Sound Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》) to further regulate the real estate market. This circular provides for 11 measures addressing the following objectives:

- (i) effectively increasing the supply of social welfare housing and ordinary commodity residential properties;
- (ii) directing consumers to make reasonable purchases of residential properties and discouraging investment and speculation in the housing market;
- (iii) strengthening credit risk management for real estate projects and market supervision;
- (iv) speeding up the construction of social welfare housing projects; and
- (v) setting or clarifying the responsibilities of provincial and local governments.

On April 17, 2010, the State Council also issued the Notice on Strictly Control of the Escalation of Property Prices in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), which further increased the minimum down payment in respect of mortgage loans on purchases of second residential properties by individuals to 50% of the purchase price and provides that the applicable mortgage rate must be at least 1.1 times the relevant benchmark lending rate published by the PBOC. The minimum down payment in respect of mortgage loans on purchases of third or more residential properties by individuals may be substantially increased at the commercial bank’s discretion and based on its risk control policies. The notice also specifies that the down payment for first owner-occupied residential properties with a GFA of more than 90 sq.m. must be at least 30% of the purchase price. Further, in those areas where property prices have escalated and property supply is tight, commercial banks may, depending on the level of risk, suspend granting mortgage loans to buyers purchasing their third or more residential properties or to those non-local residents who cannot provide documentation evidencing their payment for over one year of tax or social security in the locality.

On April 30, 2010, the Beijing Municipal Government issued the Notice on Implementation of State Counsel's Rules on Strictly Control of the Escalation of Property Prices in Certain Cities (《北京市人民政府貫徹落實國務院關於堅決遏制部分城市房價過快上漲文件的通知》), under which the commercial banks are required to stop grant loans to those households who purchase their third or more houses or those non-Beijing residents not capable of providing a local tax payment certificate or social security payment certificate for more than one year. In addition, each household is providing a local allowed to purchase only one new residential unit in Beijing since the issuance of such Notice.

On May 26, 2010, the MOHURD, PBOC, and the CBRC jointly issued the Circular on Standardizing the Assessing Criteria of the Second Home for Personal Mortgage Loans (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》), under which a stricter standard will be adopted in assessing whether a house to be bought is a second home when granting mortgage loans. The new standard will be based on property ownership, not mortgage history, and the unit for the number of the houses will be determined in terms of family (including the borrower, his spouse and minor children), rather than individuals. Home buyers are required to provide a registration record from the local housing registration system when applying for mortgage loans. If it is impossible to check the purchasing record, loan applicants are required to submit a certification listing the number of homes owned by the applicant's family. The banks will examine both the number of the homes owned by the applicant's family and the applicant's previous mortgage and purchasing record in order to counter speculative activities. The banks will define a loan applicant as a second-home buyer as long as the applicant has taken out a mortgage loan previously, or his family has a home ownership record in the housing registration system, or it is confirmed that his family has owned a property based on due diligence.

On September 21, 2010, the MLR and the MOHURD jointly promulgated the Notice on Further Strengthening the Administration and Control of the Lands for Real Estates and the Construction of Real Estates (《關於進一步加強房地產用地和建設管理調控的通知》) to tighten the examination of qualifications of land bidders.

On September 29, 2010, the PBOC and the CBRC issued the Notice of the People's Bank of China and China Banking Regulatory Commission on Issues concerning the Improvement of Differential Housing Credit Policies (《中國人民銀行、中國銀行業監督管理委員會關於完善差別化住房信貸政策有關問題的通知》), which requires commercial banks to suspend the extension of loans to individuals for the purchase of third or subsequent residential properties. All commercial banks are also required to suspend the extension of loans for the purchase of residential properties by non-residents who cannot provide certificates evidencing the payment of local taxes or social insurance for more than one year. In addition, commercial banks are prohibited from extending loans to real estate developers, which hold idle land, who have changed the land use and land status, delayed the commencement date or completion date of construction or delayed the commencement of sales of property for speculative purposes.

On November 2, 2010, the MOF, the MOHURD, the CBRC and the PBOC jointly issued the Circular on Issues Concerning Policies on Regulation of Personal Housing Provident Fund Loan (《關於規範住房公積金個人住房貸款政策有關問題的通知》), which provides that where personal housing provident fund loan is used to buy the first ordinary self-use house and the floor area of the house is no more than 90 sq.m., the down-payment proportion shall not be lower than 20%; where the floor area of the house is more than 90 sq.m., the down-payment proportion shall not be lower than 30%. Only the housing provident fund-paying families whose floor area per capita is less than local average shall have access to personal housing provident fund loan which is used to buy the second house, and the loan shall be used to buy ordinary self-use house so as to improve dwelling conditions. Where the personal housing provident fund loan is used to buy the second house, the down-payment proportion shall not be lower than 50%, and the interest rate of such loan shall not be less than 1.1 times of the interest rate of the personal housing provident fund loan for the purchase of the first house. Personal housing provident fund loan for the purchase of a third or more houses by housing provident fund-paying families shall be suspended.

On January 26, 2011, the General Office of the State Council further issued the Notice of the State Council on Issues relating to Further Well Managing the Central Control of the Real Estate Market (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》) which specifies that:

- (i) individuals who resell a residential property within five years of purchase would be subject to a business tax on the proceeds from the resale;
- (ii) if a property developer fails to obtain the relevant construction permits and fails to commence construction within two years from the designation of land for property development, the relevant land use rights granted would be forfeited and an idle land penalty would be imposed;

- (iii) transfer of land and property development projects is prohibited if the amount of property development investment (excluding the land premium) incurred is less than 25% of the total investment amount in respect of the project;
- (iv) in the cities where the real estate market price is under rapidly growth, families holding local residency and owning two or more residential properties and families holding non-local residency and owning at least one residential property or who cannot provide a local tax payment certificate or a social security certificate are prohibited from purchasing additional residential properties in the local district;
- (v) a household that borrows a mortgage loan for the purchase of a second residential property must make a down payment of not less than 60% of the purchase price and pay a mortgage rate which is not lower than 110% of the benchmark interest rate.

On March 8, 2011, CBRC issued the Notice of the General Office of China Banking Regulatory Commission on Doing a Good Job in Housing Financial Services and Strengthening Risk Management (中國銀監會辦公廳關於做好住房金融服務加強風險管理的通知), which emphasized that banks and financial institutions shall strictly observe the Notice of the State Council on Issues relating to Further Well Managing the Central Control of the Real Estate Market when handling the individual housing loan business, strictly observe the provision that “the down payment for families that purchase a second housing unit with loans shall not be less than 60%, and the loan rate shall not be less than 1.1 times the benchmark rate,” and cooperate with the relevant departments in strictly implementing the purchase restriction policies of the local governments and do well in the communication and interpretation work.

On February 26, 2013, the General Office of the State Council issued the Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) (the “國五條”) which stipulates to:

- (i) improve the mechanism of work responsibility of stability of the real estate price, measures including requiring the relevant departments under the State Council to strengthen the supervision and inspection of the stability of prices. The provincial people’s government shall conduct interviews if local governments in its jurisdiction fail to implement housing purchase restrictions;
- (ii) stick to suppress the investment purchasers, measures including continuing to implement and improve the purchase restriction measures; using the effect of tax to adjust the real estate price, the tax bureau and housing construction departments shall closely coordinate and shall levy individual income tax at a tax rate of 20% according to the regulations;
- (iii) increase the land supply for residential commercial properties, measures including the total land supply for residential land in 2013 in principle shall be no less than the average land supply in the past five years;
- (iv) accelerate the planning and construction of affordable housing project. Fully implement the task of basically built of 4.7 million units, new construction of 6.3 million sets of affordable housing projects in 2013; and
- (v) improve the market supervision and anticipation management. Strengthen the administration on the credibility of real estate development enterprises; to study the establishment of shared credit management system among housing and urban construction, development and reform, land and natural resources, finance, taxation, industry and commerce, statistics and other departmental, timely records, released the illegal behavior of the real estate enterprises. If real estate enterprises conduct activities or have idle land, land speculation, keep the properties out of markets, drive up prices and other illegal acts, the relevant departments shall establish a linkage mechanism and intensify punishment. The land and resources department shall prohibit the enterprise from participating in land bidding, the banking financial institutions shall not grant new loans for development projects, the securities regulatory authorities shall suspend the approval of its listing, refinancing or significant asset restructuring and the banking supervision departments shall prohibit the enterprises from financing through trust scheme, etc.

On March 30, 2015, the MOF and the SAT issued the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer (關於調整個人住房轉讓營業稅政策的通知) pursuant to which prescribed the business tax is charged in full amount where any individual sells a residential property held for less than two years after the day of purchase; where any individual sells a non-ordinary residential property held for two years or more after the date of purchase, the business tax thereon shall be charged on the basis of the balance between the sales income and the purchase price of the house; where any individual sells an ordinary residential property held for two years or more after the day of purchase, he shall be exempt from the business tax charge thereon.

In connection with the said Notices issued by the State Council on January 26, 2011 and February 26, 2013, various municipal governments have promulgated measures to further control the property markets in their respective cities which include:

Beijing

On February 15, 2011, the Beijing Municipal Government issued the Notice on Implementation of the Spirit of the General Office of the State Counsel's Rules and Further Intense the City's Real Estate Market Control Work (《北京市人民政府辦公廳關於貫徹落實國務院辦公廳文件精神進一步加強本市房地產市場調控工作的通知》), and on February 16, 2011, the Beijing Municipal Commission of Housing and Urban-rural Development issued the Notice on Issues Relating to Implementation of the City's Property-purchase Restriction Policies (《北京市住房和城鄉建設委員會關於落實本市住房限購政策有關問題的通知》) under which the properties are not allowed to sell to the Beijing households who have already purchased two or more residential properties or non-Beijing households who have already purchased one or more residential property or non-Beijing households without a valid temporary living permit and a local tax payment certificate or social security certificate for over 5 consecutive years (including 5 years).

On March 30, 2013, Beijing Local Taxation Bureau and Beijing Municipal Commission of Housing and Rural and Urban Construction promulgated the Announcement of relevant Tax Issues on Further Conduct Real Estate Market Control Work (《北京市地方稅務局、北京市住房和城鄉建設委員會關於進一步做好房地產市場調控工作有關稅收問題的公告》) to impose further requirements on the pre-collection of Land Appreciation Tax. The announcement provides that, except for social security housing, the LAT pre-collection rate shall be subject to a regime of four level progressive rates: 2% on the appreciation amount not exceeding 50% of the sum of deductible items; 3% on the appreciation amount exceeding 50% but not exceeding 100% of the sum of deductible items; 5% on the appreciation amount exceeding 100% but not exceeding 200% of the sum of deductible items; 8% on the appreciation amount exceeding 200% of the sum of deductible items. If the volume rate of the real estate development projects is less than 1.0, the lowest LAT pre-collection rate is subject to 5% of sales revenue.

On the same date, Beijing Government Office issued a Notice on Implementation of Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market and Further Improve the Work of Control Beijing Real Estate Market (北京市人民政府辦公廳貫徹落實《國務院辦公廳關於繼續做好房地產市場調控工作的通知》精神進一步做好本市房地產市場調控工作的通知). Pursuant to this notice, Beijing will continue to strictly implement the restriction on real estate properties purchase measures. Starting from the next day of the issuance of this notice, each of Beijing Residents who is single is allowed to purchase one properties if he/she has not purchased any properties and is prohibited from purchasing another properties if he/she already owns properties. In addition, for the individual income tax levied on individuals, if the original purchase price can be verified through the registration information in tax authority or house administration authority, the individual transferor shall be strictly subject to individual income at the tax rate of 20%. If original purchase price is not able to be verified, individual income tax shall be subject to the approved levy methods. For individuals transfer properties which the families lived in for more than five years and are the sole property for the whole family, the individual income tax shall continue to be exempt.

In April 2013, the Business Administration Department of the PBOC issued the Notice on Adjustment of Differential Housing Credit Policies in Beijing (中國人民銀行營業管理部關於調整北京市差別化住房信貸政策的通告), under which a down payment for the purchase of a second residential property has been increased from 60% of the purchase price to 70% of the purchase price.

On September 30, 2016, Beijing Municipality Commission of Housing and Urban-Rural Development, Beijing Municipality Commission of Planning and Land and Resources, Administration for Industry and Commerce of Beijing Municipality, Financial Services Bureau of Beijing Municipality, Business Administration Department of PBOC and Banking Regulatory Bureau of Beijing Municipality jointly promulgated Several Measures to Promote the Stable and Health Development of the City's Real Estate Market. Such Measures implement much stricter differentiated housing credit policies, under which the minimum percentage of the down payment in respect of mortgage loan has been raised to 35% for purchasing the first ordinary residential property and to 40% for purchasing the first non-ordinary residential property except for the policy-related housing (“政策性住房”). For the households who have owned one residential property, the minimum down payment with respect to the mortgage loan shall not be less than 50% of the purchase price. Moreover, the Measures further emphasized the importance of so-called” setting ceiling for property sale prices, bidding for land premiums” (“限房價、競地價”).

Taiyuan

On January 11, 2011, the Taiyuan Municipal Government issued Several Measures on Further Implementation of Real Estate Central Control Policies to Promote the Stable and Health Growth of the Real Estate Market (《太原市人民政府關於進一步貫徹落實房地產宏觀調控政策促進房地產市場平穩健康發展的若干意見》), under which each household is allowed to purchase only one new residential properties in the six downtown area of the city after the effective of the rules. Besides, the commercial banks are required to stop grant loans to those households who purchase their third or more houses or those non-Taiyuan residents without a local tax payment certificate or social security payment certificate for more than one year. For purchase with loans, the minimum down payment in respect of mortgage loans on purchase of first residential properties is 30% of the purchase price and of the second residential properties is 50% of the purchase price and the applicable mortgage rate must be at least 1.1 times the relevant benchmark lending rate.

On February 19, 2011, the Taiyuan Municipal Government further issued Taiyuan Municipal Government's Opinion on Further Improving the Real Estate Market Control Work (《太原市人民政府關於進一步做好房地產市場調控工作的意見》), which further increased the minimum down payment for purchasing second residential properties to 60% of the purchase price and the applicable mortgage rate must be at least 1.1 times the relevant benchmark lending rate. No properties situated in the six areas under the administration of the city are allowed to sell to Taiyuan resident households who have already purchased two or more residential properties in the six area under the administration of the city or non-Taiyuan resident households who have already purchased one or more residential properties in the six area under the administration of the city or non-Taiyuan resident households who are not able to provide a local tax payment certificate or social security certificate for more than one year.

Nanchang

On January 20, 2011, the Nanchang Municipal Government Issued the Notice on Further Implementation of the Supplemental Opinions on Central Real Estate Control Policies to Improve the Stable and Health Growth of the Real Estate Market (《關於進一步貫徹落實國家宏觀調控政策促進房地產市場平穩健康有序發展的補充意見的通知》), under which each household is allowed to purchase only one new residential properties in the five downtown area of the city since February 1, 2011.

On February 20, 2011, the Nanchang Municipal Government further issued Opinions on Nanchang Municipal's Implementation of State Counsel's Notice on Further Improving Real Estate Market Control Work (《南昌市貫徹落實國務院辦公廳關於進一步做好房地產市場調控工作有關問題的意見》), under which the minimum down payment in respect of mortgage loans on purchase of the second residential properties is 60% of the purchase price and the applicable mortgage rate must be at least 1.1 times the relevant benchmark lending rate. In addition, properties are not allowed to sell to the Nanchang resident household who have already purchased two or more residential properties or non-Nanchang resident households who have purchased one or more residential properties or non-Nanchang resident households who are not able to provide a local tax payment certificate or social security certificate for more than one year.

On March 31, 2013, Nanchang Municipal Housing Support and Building Administration Bureau promulgated the Announcement of 2013 Newly-built Commodity House Price Control Targets (《南昌市住房保障和房產管理局關於公佈2013年度新建商品住房價格控制目標的公告》) to set forth the control objective which is that the increase rate of newly-built commodity housing price in 2013 is lower than the actual increase rate of per capita disposable income of urban residents.

Wuhan

On February 21, 2011, the Wuhan Municipal Government issued Notice on the Issues Relating to the Municipal Real Estate Bureau Adjusting the City's Property Purchase Restriction Polices (《市房管局關於調整我市住房限購政策有關問題的通知》), according to which the Wuhan resident households who have already purchased one residential property, non-Wuhan resident who are able to provide one year's tax payment and social security payment are allowed to purchase only one residential property. No properties are allowed to sell to Wuhan resident households who have already purchased two or more residential properties or non-Wuhan resident households who have already purchased one or more residential properties or who are not able to provide the one year's local tax payment or social security payment certificate.

On October 2, 2016, the Office of Wuhan Municipality Government issued the Notice on Implementation the Measures to Restrict the Purchase and Credit of the Residential Properties, under which for the households with the registered permanent residence of Wuhan who have owned one housing, the minimum down payment in respect of mortgage loans on purchase the residential properties in the specific areas (Jiangan District, Hankou District, Qiaokou District, Hanyang District, Wuchang District, Qingshan District, Hongshan District, East Lake Wuhan New Technology Development Zone, Wuhan economic and Technological Development Zone (excluding Hannan District) and East Lake ecological tourism scenic area) in Wuhan Municipality are raised to 50% of the purchase price. Moreover, the Notice provides that commercial bank loans are stopped to grant to the households who intend to purchase the housings in the areas mentioned above if 1) such households have no registered permanent residence of Wuhan but have owned one housing in Wuhan, or 2) such households have registered permanent residence of Wuhan but have owned two or more housings in Wuhan. Besides, the households who have owned two or more housings in Wuhan but have no registered permanent residence are forbidden to purchase the housings in such areas temporarily.

Changsha

On March 4, 2011, Changsha Municipal Government issued the Notice on Further Strengthening the Real Estate Market Administration (《關於進一步加強房地產市場管理有關問題的通知》), under which Changsha resident households who have already purchased one residential property in the prime area of the city, non-Changsha resident households who have not purchased any residential property in the prime area of the city and can also provide city living permit are allowed to purchase only one residential property with the GFA below 90 sq.m. in the prime area of the city. No properties are allowed to sell to Changsha resident households who have already purchased two residential properties situated in downtown area (the five areas under the administration of the city) or non-Changsha resident households who have already purchased one residential properties situated in downtown area (the five areas under the administration of the city) or who are not able to provide the living permit.

Hefei

On October 2, 2016, Real Estate Administrative Bureau of Hefei Municipality, Land and Resources Bureau of Hefei Municipality, Planning Bureau of Hefei Municipality, Administration for Industry and Commerce of Hefei Municipality, Commodity Price Bureau of Hefei Municipality, Financial Services Office of Hefei Municipality and News Services Office of Hefei Municipality jointly issued the Notice on Further Promoting the Stable and Health Development of the City's Real Estate Market, under which the households with registered permanent residence of Hefei who have two or more housings are forbidden to purchase new residential properties in the urban district of Hefei temporarily and the households without registered permanent residence of Hefei who have owned one or more residential properties or fail to provide the certificate of the continuous monthly payment of tax or social insurance for one year within two-year periods since the purchase the residential property are forbidden to purchase new and existing residential properties in the urban district of Hefei temporarily. Besides, the commercial banks are required to stop granting loans to the households with registered permanent residence of Hefei who have owned two or more housings or the households fail to provide

the certificate of the continuous monthly payment of tax or social insurance for one year within two-year periods since the purchasing the housing. The minimum down payment on purchase of first residential properties are increased to 30% of the purchase price and the minimum down payment on purchase the residential properties are increased to 40% of purchase price for the following three categories of households: 1) the households without housing loan records who have owned one housing; 2) the households who have owned one housing and have paid off the housing loan; 3) the households without the residential property but with one housing loan record. For the households who have one housing and have not paid off the housing loan, the minimum down payment on purchase the residential properties are increased to 50% of the purchase price. Furthermore, the application for housing fund loan are tightened up.

Suzhou

On October 3, 2016, the Suzhou Municipality Government promulgated the Opinions on Further Strengthening the Regulation of the Real Estate Market. The Opinions provides that for the purpose of purchasing first housing in Suzhou, the households without the registered permanent residence of Suzhou shall provide the certificate of payment of individual income tax or social insurance for one year consecutively in urban district of Suzhou, Kunshan or Taicang. The purchase of new or existing residential properties are stopped for the households without the registered permanent residence of Suzhou who has owned one housing or households with the registered permanent residence of Suzhou who have owned three or more housings in Suzhou. Besides, the differentiated housing credit policies has been detailed in the Opinions, under which 1) the minimum down payment in respect of mortgage loan on purchase the housings are raised to 50% of purchase price for the households with housing loan records but without housings at the time of purchase and households who has owned one housing and has paid off the housing loan; 2) the minimum down payment in respect of mortgage loan on purchase the housings are raised to 80% of purchase price for the households who have owned one housing but have not paid off the housing loan; 3) the commercial bank loans are stopped to grant to the households who have owned two or more housings in Suzhou. Furthermore, the quota of housing fund loan are decreased relatively for the households applying housing fund loan not for the first time.

Foshan

On October 7, 2016, the Foshan Municipality Government issued the Notice on Further Promoting the Stable and Health Development of the City's Real Estate Market. The Notice provides that housing purchase restriction and differentiated housing credit policies shall be implemented with respect to the housings in the specific areas in Foshan Municipality (Chancheng District, Guicheng Street of Nanhai District, Dali Town, Lishui Town, Daliang Street of Shunde District, Chencun Town, Beijiao Town and Lecong Town). Specifically, the households with the registered permanent residence of Foshan who has owned two or more housings in Foshan are forbidden to purchase new residential properties in the areas mentioned above. For the households without the registered permanent residence of Foshan, the purchase policy for the housing located in such areas shall be as followed: 1) the households who have owned no housing in Foshan may purchase one residential property in such areas; 2) the households who have owned one housing in Foshan and intend to purchase new residential property in such areas shall provide the certificate of the payment of individual income tax or social insurance for one year consecutively within two years since the purchase the housing; 3) the households who have two or more housings in Foshan are forbidden to purchase the housings in such areas temporarily. Besides, the differentiated housing credit policies has also been detailed in the Notice, under which 1) the minimum down payment in respect of mortgage loan on purchase the housings in such areas shall not be less than 30% of purchase price for the households with housing loan records but without housings at the time of purchase and households who have owned one housing and have paid off the housing loan; 2) the minimum down payment in respect of mortgage loan on purchase the housings in such areas are raised to 40% of purchase price for the households who have owned one housing but have not paid off the housing loan; 3) the commercial bank loan are stopped to grant to the households who intend to purchase the housings in such areas and have owned two or more housings in Foshan.

REGULATIONS ON TAXATION

EIT

Under the EIT Law effective from January 1, 2008 and its Implementation Rules, domestic enterprises and foreign owned enterprises are subject to the same EIT rate of 25%.

Moreover, under the new EIT Law, enterprises organized under the laws of jurisdictions outside China with their “de facto management bodies” located within China may be considered PRC resident enterprises and therefore subject to PRC EIT at the rate of 25% on their worldwide income. The Implementing Rules define the term “de facto management body” as the management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise.

Dividend Withholding Tax

Pursuant to the new EIT Law and its Implementing Rules which are effective as of January 1, 2008, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise to its foreign investors will be subject to a 10% withholding tax if the foreign investors are considered as non-resident enterprises without any establishment or place within China or if the dividends payable have no connection with the establishment or place of the foreign investors within China, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement.

According to the Arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, or the Mainland and the Hong Kong Taxation Arrangement (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), dividends paid by a foreign-invested enterprise in China to its direct holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% interest in the foreign-invested enterprise). On August 24, 2009, the State Administration of Taxation released the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation) (《關於印發非居民享受稅收協定待遇管理辦法(試行)的通知》), or the Measures, which took effect on October 1, 2009. Under the Measures, our Hong Kong subsidiary needs to obtain approval from the competent branch of the State Administration of Taxation in order to enjoy the preferential withholding tax rate of 5% in accordance with the Mainland and the Hong Kong Taxation Arrangement. In addition, the State Administration of Taxation promulgated the Notice of the State Administration of Taxation on How to Understand and Determine “Beneficial Owner” in Tax Treaties (《國家稅務總局關於如何理解和認定稅收協定中“受益所有人”的通知》) or Circular 601 on October 27, 2009, which provides that tax treaty benefits will be denied to “conduit” or shell companies without substantial business activities, and a beneficial ownership analysis will be used based on a “substance-over-the-form” principle to determine whether or not to grant tax treaty benefits.

We have complied and will continue to comply with all relevant withholding tax regulations in the PRC.

Deed Tax

Under the PRC Provisional Regulations on Deed Tax (《中華人民共和國契稅暫行條例》) of 1997, a deed tax is chargeable to transferees of land use rights and/or ownership in real properties within the territory of China. The deed tax rate is between 3% to 5% subject to determination by local governments at the provincial level in light of local conditions.

Business Tax

Pursuant to the Interim Regulations of the People’s Republic of China on Business Tax (《中華人民共和國營業稅暫行條例》) enacted by the State Council on November 10, 2008 and enforced on January 1, 2009 and its Detailed Implementation Rules on the Provisional Regulations of The People’s Republic of China on Business Tax (《中華人民共和國營業稅暫行條例實施細則》) issued by the Ministry of Finance and State Administration of Taxation on December 15, 2008 and amended on October 28, 2011, the tax rate on transfer of immovable properties is 5%.

The Ministry of Finance and the State Administration of Taxation promulgated the Pilot Proposals for Levying the Value-added Tax in Lieu of Business Tax (《營業稅改徵增值稅試點方案》) on November 16, 2011, and issued Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner on March 23, 2016, as enforced on May 1st, 2016, the pilot program of replacing business tax with Value-Added Tax (VAT) shall be implemented across the nation. All business tax taxpayers in the construction industry, the real estate industry, the financial industry and the living service industry shall be included in the scope of the pilot program and the payment of business tax shall be replaced by the payment of VAT.

Land Appreciation Tax

Under the Provisional Regulations of the PRC on Land Appreciation Tax (《中華人民共和國土地增值稅暫行條例》) of 1994 as amended in 2011 and its implementing rules of 1995, the LAT applies to both domestic and foreign investors in real properties in mainland China, irrespective of whether they are corporate entities or individuals. The tax is payable by a taxpayer on the appreciation value derived from the transfer of land use rights, buildings or other facilities on such land, after deducting certain “deductible items” that include the following:

- (i) payment made to acquire land use rights;
- (ii) costs and charges incurred in connection with land development;
- (iii) construction costs and charges in the case of newly constructed buildings and facilities;
- (iv) assessed value in the case of old buildings and facilities;
- (v) taxes paid or payable in connection with the transfer of land use rights, buildings or other facilities on such land; and
- (vi) other items allowed by the Ministry of Finance.

LAT shall be subject to a regime of four level progressive rates: 30% on the appreciation amount not exceeding 50% of the sum of deductible items; 40% on the appreciation amount exceeding 50% but not exceeding 100% of the sum of deductible items; 50% on the appreciation amount exceeding 100% but not exceeding 200% of the sum of deductible items; and 60% on the appreciation amount exceeding 200% of the sum of deductible items.

On December 28, 2006, the State Bureau of Taxation promulgated the Notice of the State Administration of Taxation on the relevant Issues Concerning the Settlement Management of Land Appreciation Tax on Real Estate Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題的通知》), effective beginning February 1, 2007. According to the Notice, the LAT assessment amount shall be derived from the entire value of the real estate development project if the project was approved by the relevant authority as a unit; and for a project developed in stages, the LAT assessment amount shall be derived from the value of each individual stage of the project.

A taxpayer should pay the LAT if one of the following circumstances occurs:

- (i) a construction project has been completed and its commodity houses sold;
- (ii) an uncompleted real estate development project is transferred; or
- (iii) a direct transfer a land use right.

The tax authority may require the taxpayer to pay the LAT in one of the following circumstances:

- (i) the floor area of the real estate sold is in excess of 85% of the saleable GFA of the entire project or, if the proportion is less than 85%, the residual saleable floor area has been leased out or is held for self-use;
- (ii) the pre-sale permit has been held for three years, but the commodity houses of the project still have not been sold;
- (iii) the taxpayer applies for cancellation of tax registration but has yet to carry out the procedures for the LAT settlement; or
- (iv) others circumstances provided by tax authorities at the provincial level.

On May 25, 2010, the State Administration of Taxation promulgated the Notice on Strengthening the Levy and Administration of Land Appreciation Tax (《關於加強土地增值稅徵管工作的通知》) to impose further requirements on the collection of LAT. This notice provides that, except for social security housing, the minimum LAT prepayment rate shall be no less than 2% for properties in East China, no less than 1.5% for properties in Central or Northeast China and no less than 1% for properties in West China. The LAT prepayment rate shall be determined by the local authorities based on different property types in the locality.

Urban Land Use Tax

Pursuant to the Provisional Regulations of the PRC on Urban Land Use Tax (《中華人民共和國城鎮土地使用稅暫行條例》) promulgated by the State Council in September 1988, urban land use tax is levied according to the area of the urban land plot and the annual tax rate on urban land was set at between RMB0.2 and RMB10 per sq.m.. On December 31, 2006, the Provisional Regulations of the PRC on Urban Land Use Tax were amended by the State Council. As of January 1, 2007, on the basis of the amended regulations, the urban land use tax is charged at a rate three times higher than the previous rate and foreign invested enterprises are no longer exempt. On July 12, 2013, the Article 7 of Provisional Regulations of the PRC on Urban Land Use Tax was amended by State Council. As of July 12, 2013, taxpayers really have difficulties in paying land use tax and need to be granted regular tax reductions or exemptions, the matter concerned shall be subject to the approval of the local tax authorities at the county level or above.

Building Tax

Under the Provisional Regulations of the PRC on Buildings Tax (《中華人民共和國房產稅暫行條例》) promulgated by the State Council in September 1986 and amended in January 2011, building tax applicable to domestic enterprises is 1.2% if it is calculated on the basis of the residual value of a building and 12% if it is calculated on the basis of the value of a rental lease.

Stamp Duty

Under the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) promulgated by the State Council in August 1988 and amended in January 2011 applying to building property transfer instruments, including property ownership transfer instruments, the duty rate is 0.05% of the amount stated therein. For permits and certificates relating to rights, including Property Ownership Certificates and Land Use Rights Certificates, stamp duty is levied on an item-by-item basis at a rate of RMB5 per item.

Municipal Maintenance Tax

Under the Interim Regulations of the People's Republic of China on Municipal Maintenance and Construction Tax (《中華人民共和國城市維護建設稅暫行條例》) enacted by the State Council on February 8, 1985 and amended in January 2011, any taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall be required to pay municipal maintenance tax. The tax rate shall be 7% for a taxpayer whose domicile is in an urban area, 5% for a taxpayer whose domicile is in a county and a town, and 1% for a taxpayer whose domicile is not in any urban area or county or town.

Education Surcharge

Under the Interim Provisions on Imposition of Education Surcharge (《徵收教育費附加的暫行規定》) enacted by the State Council on April 28, 1986 and revised on June 7, 1990 and August 20, 2005 and January 8, 2011, a taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall pay an education surcharge, unless such obliged taxpayer is instead required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas (《國務院關於籌措農村學校辦學經費的通知》).

Regulations on Offshore Investment by PRC Residents

Pursuant to the State Administration of Foreign Exchange's Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Overseas Investment and Financing and Inbound Investment via Overseas Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), generally known in China as State Administration of Foreign Exchange Circular No. 37, issued on July 14, 2014, (i) a PRC citizen residing in the PRC shall register with the local branch of the State Administration of Foreign Exchange before it contributes its domestic or overseas assets or equity interests to an overseas special purpose company, for the purpose of overseas investment or equity financing (including convertible debts financing); (ii) when a PRC resident contributes the assets of or its equity interests in a domestic or overseas enterprise into an overseas special purpose company, or engages in overseas financing or investment after contributing assets or equity interests into a special purpose company, such PRC resident shall register his or her interest in the special purpose company and the change thereof with the local branch of the State Administration of Foreign Exchange; and (iii) when the special purpose company undergoes a material event outside of China, such as change in the basic information, capital increase or decrease, equity transfer or merger and acquisition of the domestic resident shareholder, the PRC resident shall register such change with the local branch of the State Administration of Foreign Exchange.

Regulations on Environment Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law (《環境保護法》), the Environmental Impact Assessment Law (《環境影響評價法》), the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》) and the Administrative Regulations on Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建設項目竣工環境保護驗收管理辦法》). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table or an environmental impact registration form must be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

REGULATION OF LABOR

Labor Laws

Pursuant to the PRC Labor Law (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and effective on January 1, 2008 and amended on December 28, 2012, if an employment relationship is established between an entity and its employees, written labor contracts shall be signed. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wages. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the State on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

Social Security Laws

Under applicable PRC laws, rules and regulations, including the Interim Measures Concerning the Maternity Insurance of Enterprises Employees (《企業職工生育保險試行辦法》) which became effective on January 1, 1995, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) promulgated and became effective on January 22, 1999, The Regulation on Work-Related Injury Insurance (《工傷保險條例》), which was promulgated on January 1, 2004 and amended on December 20, 2010, and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002, employers are required to make contributions to the basic pension insurance fund, unemployment insurance, basic medical insurance fund, work-related injury insurance fund, maternity leave insurance fund and housing accumulation funds for their employees.

On October 28, 2010, the Social Security Law of the People's Republic of China (《中華人民共和國社會保險法》) (the "Social Security Law") was passed during the 11th session of the Standing Committee of the National People's Congress of China and took effect as of July 1, 2011. The Social Security Law is the first comprehensive law in China to address social securities and related administrative issues. In addition to consolidating various existing social security rules and regulations, the Social Security Law also introduces some new provisions and policies. Key provisions of the Social Security Law are as follows:

- (i) The Social Security Law allows for an employee to transfer his or her pension, basic medical and unemployment insurance relationships with him or her when the individual decides to move to another city to take up new employment, which was not possible in the past.
- (ii) If the employer fails to make social security registration and refuses to rectify within the ordered time limits, in addition to a standard penalty of anywhere between RMB500 to RMB3,000 imposed directly on the responsible persons which are directly in charge and involved, the employer will also be subject to a penalty which is calculated based on one to three times of the outstanding social security contributions.

LAWS AND REGULATIONS PERTAINING TO REAL PROPERTY LOCATED IN THE U.S.

We are subject to numerous local, state, federal and other laws, statutes, ordinances, rules and regulations concerning various matters which may affect our business including, but not limited to, zoning, development, building design, construction and similar matters which impose restrictive zoning, density or other development requirements. Specifically, principal current land use regulations that apply in the jurisdictions in which our property is located (Pearland, Texas and situated partially in Harris County and Brazoria County, Texas) are set out below.

Zoning

Our property is subject to the zoning ordinances of the City of Pearland, Texas. Our property is currently zoned according to the Water Lights District Planned Development created under City Ordinance No. 2000M-47 which has become inactive due to the prior owner's failure to submit a site development plan for approval by the City of Pearland within two years from the effective date of the establishment of the planned development district. Prior to commencing any development on our property, we would need to apply to the City of Pearland to have our property rezoned so that it may be developed for its ultimate intended purpose. There is no assurance that the City of Pearland would approve the intended use, and the process can be costly and lengthy, and may be opposed by community groups or members of the public. Nevertheless, we currently do not expect any major difficulty in obtaining necessary approval for rezoning and the intended use of the land in the U.S.

Subdivision

Our property is also subject to state and local laws and regulations that require separately owned parcels of land to be subdivided as platted lots and comply with various development regulations to ensure that each lot is properly configured and has the proper street access, drainage, utility connections and other infrastructure.

Utilities

There are laws and regulations regarding the availability and delivery of water, wastewater, electricity, gas, telecommunications and other utility service to the property.

Development impact

Certain laws and regulations may require the owner of real property to pay impact fees or provide public improvements to mitigate the adverse effects of new development on the existing streets, parks, schools and other public facilities.

Minerals

In Texas, the mineral estate can be severed from the surface estate to create two separate estates that each has its own rights of use and disposition. If severed, the mineral estate owners' rights are dominant to the rights of the surface estate absent a waiver of surface rights in the conveyance document. The mineral estate has been severed from the surface estate for our property in Pearland, Texas. Although we own the surface of the property, we do not own any rights to minerals beneath the property. Our ability to develop the surface of the property is not affected by the fact that the surface estate has been severed from the mineral estate because the conveyance documents all contain a waiver of surface rights. Accordingly, the third party mineral interest owners are not entitled to access the surface of the property; however, such third parties may extract minerals under the property from locations adjacent to the property.

Fire and safety requirements

We will also be subject to certain state and local fire and safety requirements. We must obtain licenses, permits and approvals from various governmental agencies for any development activities.

Ad valorem and other taxes

Currently, our U.S. Property will be subject to ad valorem taxes which include taxes on the fair market value of the property as determined by a special appraisal district, payable annually and which are applicable to both real property and personal property owned by and used in connection with the business. Ad valorem taxes may increase or decrease as tax rates change and as our U.S. Property is assessed and reassessed by the applicable taxing authorities. Until disposition of the property or the occurrence of any other taxable event, there is currently no additional annual tax associated with the appreciation in value of the property. Our property may also be subject to fees and taxes payable to city, county, local or other quasi-governmental entities including certain Municipal Utility Districts in the State of Texas which provide infrastructure services to the property. As the owner of this property, we will be ultimately responsible for the payment of all taxes and fees to the applicable government authorities. Upon disposition or sale of the property we may be subject to U.S. income taxation to the extent we have an overall gain in relation to all other income or loss from taxable events during the year of disposition. The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) imposes a withholding requirement on purchasers who acquire U.S. property from foreign sellers. If we are determined to be a foreign seller (as defined under FIRPTA) the purchaser of our property must withhold a statutorily determined dollar amount from the purchase price for the payment of U.S. income taxes. We may also be subject to an annual franchise tax imposed on each taxable entity organized or doing business in the state of Texas. However, all taxes are subject to change from year to year depending on changes in federal and state tax laws.

Health and environment

We are also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. We must comply with laws regulating the release of hazardous substances and other emissions into the air, soil and water including, among other things, air emissions, wastewater discharges and the handling and disposal of wastes. We must also comply with laws governing the protection of endangered or threatened species and other environmental laws that may limit or prevent development in certain environmentally sensitive areas. We must comply with any flood plain restrictions, native plant regulations, protection of endangered species, cultural resource protections and view restrictions. We may be subject to environmentally sensitive land ordinances that mandate open space areas with public elements in any development and prevent development on hillsides, wetlands or other protected areas.

Contamination and damage

Pursuant to federal, state and local environmental laws and regulations, we may be required to investigate, remove and/or remediate a release of hazardous substances or other regulated materials at, or emanating from, our property. Under certain circumstances, we may be held liable for property damage, personal injury and/or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to lead to joint and several liability unless the harm is divisible and there is a reasonable basis for allocation of responsibility. We may also be liable under certain laws for contamination and damage that occurred prior to our ownership of our property. Such laws often impose liability regardless of whether we knew, or were responsible for, the presence of the hazardous materials or toxic substances that caused the contamination.

Energy efficiency standards

Additionally, there are a variety of new legal requirements being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. These requirements relate to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to develop our property.

Americans with Disabilities Act

We are also required to comply with the provisions of the Americans with Disabilities Act. This act requires places of public accommodation to meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants.

Fair Housing Amendment Act of 1988

We are also subject to the Fair Housing Amendment Act of 1988. This law, its state law counterparts and regulations promulgated by the U.S. Department of Housing and Urban Development and various state agencies prohibit the discrimination in housing on the basis of race or color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18) or disability and, in some states, financial capability.

Housing programs offered by federal and state government agencies

We may also be subject to additional federal and state laws and regulations administered by numerous federal and state government agencies. These include eligibility and other requirements for participation in programs offered by the Federal Housing Administration, the Department of Veteran Affairs, Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and the United States Department of Agriculture (USDA). These laws and regulations require compliance with consumer lending laws and other regulations governing disclosure requirements, prohibitions against discrimination and real estate settlement provisions. These laws would subject our operations to examination by the applicable agencies.

Laws regarding shareholder and member liability

We have formed a number of subsidiaries in the United States in connection with our existing and possible future operations there. Some of our United States subsidiaries are a form of business organization known as a “limited liability company,” and others are a form of business organization known as a “corporation.” These limited liability company and corporation subsidiaries are organized under the laws of the State of Delaware or the State of Texas. Generally, the owner of an equity interest in a limited liability company or a corporation is not directly personally liable for the liabilities of the limited liability company or corporation beyond the value of the owner’s investment in such limited liability company or corporation. However, in certain circumstances, the owner may be held directly personally liable. These include instances of fraudulent or reckless behavior by the owner, the undercapitalization or flagrant disregard for the operations and governance formalities of the limited liability company or the corporation, or a violation of law by the owner or limited liability company or corporation, in connection with the business or operations of the limited liability company or corporation.

REGULATIONS ON REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. In July 2009, the PRC government promulgated Measures for the Administration of the Pilot Program of Renminbi Settlement of Cross-Border Trades (跨境貿易人民幣結算試點管理辦法) (the “Measures”) and its implementation rules pursuant to which Renminbi may be used to settle imports and exports of goods between approved enterprises in five designated cities in the PRC, namely Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai, and enterprises in designated offshore jurisdictions such as Hong Kong and Macau. On June 17, 2010, the PRC government promulgated the Notice on Matters Relating to the Expansion of Pilot Areas for RMB Settlement for Cross-border Trade (Yin Fa [2010] No. 186) (關於擴大跨境貿易人民幣結算試點有關問題的通知(銀發[2010] 186號) (“186 Circular”). According to the 186 Circular, (i) imports and exports of goods and services and other current account items might be settled in Renminbi, (ii) the pilot scheme was expanded to cover 20 provinces and regions including Beijing, Hubei, Shandong, Liaoning, Tianjin and Inner Mongolia, and (iii) there was no longer any restriction on the offshore jurisdictions that may participate in the pilot scheme. Accordingly, any enterprises in the designated regions and any offshore enterprises may use Renminbi to settle any current account items between them (except, in the case of payments for exports of goods from the PRC, only approved enterprises in the designated PRC regions may remit Renminbi).

On July 27, 2011, the PRC government promulgated the Circular on the Expansion of the Regions of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算地區的通知), pursuant to which the list of designated pilot districts was expanded to the whole country. On February 3, 2012, the PRC government promulgated the Circular on the Relevant Issues Pertaining to Administration over Enterprises Engaging in RMB Settlement of Export of Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知), pursuant to which any enterprises in China which are qualified to engage in import and export trade are allowed to settle their goods export trade in Renminbi.

The Measures and the subsequent circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Measures and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital account item payments including proceeds from liquidation, transfer of shares, reduction of capital and principal repayment under foreign debt to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On October 12, 2011, the MOFCOM promulgated the MOFCOM Circular. The MOFCOM Circular states that if a foreign investor intends to make direct investments in the PRC with Renminbi that it has generated from cross-border trade settlement, that is lawfully obtained by it outside the PRC, or that it has generated from other sources as stipulated in the MOFCOM Circular, the competent commerce departments' prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining the competent commerce departments' written prior consent for remittance of Renminbi back to the PRC by a foreign investor, the foreign investor will also be required to obtain approvals from other PRC regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items.

On June 3, 2011, the PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement (中國人民銀行關於明確跨境人民幣業務相關問題的通知) (the "PBOC Circular"). The PBOC Circular provides instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment into the PRC. The PBOC Circular applies to all non-financial Renminbi foreign direct investment into the PRC, and includes investment by way of establishing a new enterprise, acquiring an onshore enterprise, transferring the shares, increasing the registered capital of an existing enterprise, or providing loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications to the relevant local PBOC authorities which include, inter alia, requisite approval letters issued by the relevant MOFCOM authorities. The PBOC Circular only applies to cases where the receiving onshore enterprise is not a financial institution. On October 13, 2011, the PBOC issued the PBOC Measures, to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the PBOC Circular is no longer necessary.

On June 14, 2012, the PBOC issued the Notice on Clarifying the implementation of Settlement of Cross-Border Renminbi Direct Investment (《中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知》銀發 [2012] 165 號), which provide more detailed rules for cross-border Renminbi direct investments and settlements.

Recently, the MOFCOM promulgated the Circular on the Issues Concerning Cross-Border Renminbi Direct Investment (《關於跨境人民幣直接投資有關問題的公告》商務部公告2013年第87號) (the “New MOFCOM Circular”), under which the approval procedure for the amendment of the articles of association and joint venture contract is not required when the foreign investor apply to use RMB currency instead of foreign currency as contribution. The MOFCOM Circular shall be replaced by the New MOFCOM Circular since its effective on January 1, 2014.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorized as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

MANAGEMENT

DIRECTORS

Our Board currently consists of eight directors, comprising three executive directors, two non-executive directors and three independent non-executive directors. The table below shows certain information in respect of our Directors.

Name	Age	Position
Mr. Zhang Lei (張雷)	53	Executive director and chairman
Mr. Zhang Peng (張鵬)	40	Executive director and president
Mr. Chen Yin (陳音)	60	Executive director
Mr. Fan Qingguo (范慶國)	44	Non-executive director
Mr. Zhong Tianxiang (鍾天降)	41	Non-executive director
Mr. Qin Youguo (秦佑國)	72	Independent non-executive director
Mr. Cui Jian (崔健)	45	Independent non-executive director
Mr. Hui Chun Ho, Eric (許俊浩)	41	Independent non-executive director

Executive Directors

Mr. Zhang Lei (張雷先生), aged 53, is an executive director and our founder and chairman. He is responsible for strategic planning, board management and overall management of our Company. He is also a director of a number of our subsidiaries. Mr. Zhang has over 17 years of experience in the real estate business in the PRC. From July 1985 to February 1995, he worked as a department manager in the aspect of talents information management and exchange at China International Talent Exchange Center (中國國際人才交流中心), which is a State-owned enterprise. From February 1995 to July 2000, he worked for his controlled entity, Zhongji Real Estate Development Co., Ltd. (中際房地產開發有限公司), as the general manager. Mr. Zhang founded our Group in 2000. In January 2005, Mr. Zhang received an Executive Master of Business Administration degree from Tsinghua University (清華大學).

Mr. Zhang Peng (張鵬先生), aged 40, is an executive director and our president. He is also a director of a number of our subsidiaries. He graduated from Beifang University of Nationalities (北方民族大學, 原西北第二民族學院) in 1997 with a bachelor's degree in Law. Mr. Zhang joined us in November 2001. From October 1997 to September 1998, Mr. Zhang worked for the police in Yinchuan. From September 1998 to September 1999, he worked for Coastline Times Beijing Journalist Center (《沿海時報》北京記者中心) as a journalist and editor. From September 1999 to October 2000, Mr. Zhang worked for Langluo E-commerce Co., Ltd. (朗絡電子商務有限公司) as the assistant to the director and was responsible for brand promotion. From October 2000 to November 2001, he worked for Qiantong Technology Group (乾通科技集團), an E-commerce company, and he was the deputy manager in brand creation. Mr. Zhang has 12 years of experience in the real estate business in the PRC.

Mr. Chen Yin (陳音先生), aged 60, is an executive director and our chief technology officer and general engineer. He is responsible for R&D and project management in our Group. He is also a director of a number of our subsidiaries. Mr. Chen graduated from Beijing University of Civil Engineering and Architecture (北京建築工程學院) in July 1982 with a bachelor's degree in Heat Energy Engineering. In January 2007, Mr. Chen received a Master of Business Administration degree from Renmin University of China (中國人民大學). From 1982 to 1987, Mr. Chen taught in Beijing University of Civil Engineering and Architecture (北京建築工程學院). From July 1987 to May 2001, Mr. Chen worked for Sinotrans Limited (中國外運集團) as a deputy general manager of Sinotrans Real Estate Development Company, whereby he was mainly responsible for the management of the infrastructure projects and the development of real estate projects. Meanwhile, Mr. Chen served as a member of the expert committee at the Center for Housing Industrialization of the Ministry of Housing and Urban-Rural Development, a member of China Green Building Council at Chinese Society for Urban Studies and a member of the expert committee on Real Estate Technology Policy of China Property Association. Mr. Chen joined us in May 2001. Mr. Chen Yin is a well-known expert in the architectural energy-saving field. He is a member of the Committee on Green Architectures of Architectural Society of China and Renewable Energy Resource Society of China. Mr. Chen has over 27 years of experience in the real estate business in the PRC.

Non-executive directors

Mr. Fan Qingguo (范慶國先生), aged 44, is a non-executive director of our Company. Mr. Fan graduated from Renmin University of China (中國人民大學) in July 1998 with a graduation certificate in Accounting. In January 1999, Mr. Fan received a bachelor's degree in Accounting from Renmin University of China (中國人民大學). In June 2006, Mr. Fan graduated from Renmin University of China (中國人民大學) with a graduate equivalent course-completion certificate in Finance. Mr. Fan joined us since our inception in December 2000. Mr. Fan served as an executive director and the chief financial officer of our Company, and was re-designated as a non-executive director of our Company in 2014. Before joining us, Mr. Fan worked for Beijing Huayuan Property Company (北京華遠房地產公司), Beijing Fazheng Group (北京法政集團), a conglomerate including real estate business, and Beijing KFC Limited Company (北京肯德基有限公司) as an accountant, respectively. Mr. Fan has 17 years of experience in the real estate business in the PRC.

Mr. Zhong Tianxiang (鍾天降先生), aged 41, is a non-executive director of our Company. Mr. Zhong graduated from The PLA Information Engineering University (中國人民解放軍信息工程大學) in July 2014 with a bachelor's degree in Information Management and Information System. Mr. Zhong has over 10 years of experience in the real estate business in the PRC. Mr. Zhong joined us in January 2002. Mr. Zhong was an executive director and the chief executive officer of our Company, and was re-designated as a non-executive Director of our Company in 2014. From June 1992 to December 2001, he was the finance manager of the Beijing office of Shenzhen Overseas Decoration Engineering Company (深圳海外裝飾工程公司) whose principal business is construction and refined decoration.

Independent non-executive directors

Mr. Qin Youguo (秦佑國先生), aged 72, is an independent non-executive director and was appointed to our Board on June 14, 2013. Mr. Qin is the chairman of our remuneration Committee and a member of our audit committee. He had been appointed as an independent non-executive director of Modern Green Development to provide independent advice to the board of directors of Modern Green Development since March 2008 but he has not been and is not a full-time employee of Modern Green Development. Mr. Qin was the chairman of Building Physics Sub-Institute of Architectural Society of China (中國建築學會建築物理分會) from October 2004 to October 2012 and is currently a professor of architecture at Tsinghua University (清華大學). From March 1990 to December 2004, Mr. Qin was the associate dean and the dean of School of Architecture, Tsinghua University in succession. He was a visiting scholar at Harvard University from September 1996 to March 1997. Mr. Qin has 32 years of experience in the field of architecture and real-estate in the PRC. Mr. Qin received his bachelor's degree in Architecture and master's degree in Engineering from Tsinghua University (清華大學) in July 1967 and April 1981, respectively.

Mr. Qin has won several awards, including the Second Prize for Technology Improvement (科技進步獎二等獎) issued by The Chinese People's Liberation Army Headquarters of the Central Staff (中國人民解放軍總參謀部) in 1990, the First Prize for Outstanding Design (優秀設計一等獎) issued by Ministry of Education of the PRC (中華人民共和國教育部) in 1995, the First Prize for Outstanding Design (優秀設計一等獎) issued by PLA General Armament Department of the PRC (中國人民解放軍總裝備部) in 2000, the Gold Prize of Technology for High-end Residential Building (精瑞住宅科學技術獎金獎) issued by China Real Estate Chamber of Commerce (全國工商聯住宅產業商會) in 2004, the First Prize for Technology (科技獎一等獎) issued by Beijing municipal government (北京市政府) in 2005, Outstanding Contributor of Green Buildings (綠色建築傑出貢獻人物) by International House Association (國際住宅協會) in 2007. He was awarded with a special subsidy for his contributions in the tertiary education of the PRC.

Mr. Cui Jian (崔健先生), aged 45, is an independent non-executive director and was appointed to our Board on June 14, 2013. He is the chairman of our nomination Committee and a member of each of our audit committee and remuneration committee. Mr. Cui is currently the chairman of Beijing Zhixing Chuangxin Investment Management Co., Ltd. (北京知行創新投資有限公司). From January 2008 to December 2011, Mr. Cui worked as the manager of Navi Capital (Beijing) Co., Ltd. (領航藍海投資諮詢(北京)有限公司). Before that, Mr. Cui used to work for China Mobile Communications Corporation (中國移動通信集團公司) as a manager in the department of products and marketing from March 1997 to December 2007 and China International Telecommunication Construction Corporation (中國通信建設總公司) as an engineer from July 1992 to March 1997. In December 2002, Mr. Cui obtained the senior engineer qualification certificate from China Mobile Communications Corporation (中國移動通信集團公司). Mr. Cui received his bachelor's degree in

Communications Engineering from Changchun Institute of Posts and Telecommunications (長春郵電學院) in July 1992. In April 2001, he received his master's degree in International Management from The Australian National University. He also received an Executive Master of Business Administration degree from Peking University (北京大學) in July 2006.

Mr. Hui Chun Ho, Eric (許俊浩先生), aged 41, is an independent non-executive director and was appointed to our Board on June 14, 2013. He is the chairman of our audit committee and a member of our nomination committee. Mr. Hui is currently the financial controller and company secretary of Hong Kong Finance Group Limited (stock code: 1273). Before joining the above companies, Mr. Hui worked for an international accounting firm and hold several senior positions in other listed companies in Hong Kong. Mr. Hui is a fellow member of both Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associate member of The Taxation Institute of Hong Kong. In 1998, Mr. Hui received his bachelor's degree in Accounting from The Hong Kong Polytechnic University and was awarded a master's degree in Business Administration with distinction by The University of Manchester, United Kingdom in 2013. Mr. Hui has extensive professional experience in auditing, financial accounting and reporting, company secretarial matters and corporate finance.

SENIOR MANAGEMENT OF OUR FINANCIAL PLANNING CENTER

Mr. Wang Qiang (王強先生), aged 43, joined our Group in March 2002. He worked successively as the vice president of the financial planning center of Modern Green Development, the general manager and the director of information operation center of Hubei Wanxing Real Estate Co., Ltd. Mr. Wang is currently the vice president of our Group and the president of the financial planning centre and is responsible for our Company's financial capital lines and our Group's specialized process of financial plans and operations. Mr. Wang graduated from Tianjin University of Commerce (天津商學院) and obtained a diploma in accounting in July 1996. He has more than 13 years of experience in the real estate business in the PRC.

COMPANY SECRETARY

Mr. Yeung Tak Yip (楊德業先生), aged 35, has over 10 years of experience in accounting and financial reporting, corporate finance, regulatory compliance and investor related matters. Mr. Yeung joined our Company in April 2016. He is our group financial controller in Hong Kong. Mr. Yeung graduated from The Chinese University of Hong Kong. Before joining us, Mr. Yeung served as a group financial controller of another listed company in Hong Kong. Prior to that, he was an audit manager at an international accounting firm. He is a fellow member of Association of Chartered Certified Accountants and is a member of the Hong Kong Institute of Certified Public Accountants.

AUDIT COMMITTEE

An audit committee was established by our Company on June 14, 2013 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and monitor the Group's financial reporting and internal control principles. The members of the audit committee are our independent non-executive directors, Mr. Hui Chun Ho, Eric, Mr. Cui Jian and Mr. Qin Youguo. Mr. Hui Chun Ho, Eric is the chairman of the audit committee.

REMUNERATION COMMITTEE

A remuneration committee was established by our Company on June 14, 2013 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to make recommendations to the Board on the Company's policy and structure with regard to the directors and senior management of our Group and on the establishment of a formal and transparent procedure for the development of remuneration policy and to review and approve management's remuneration proposals. The members of the remuneration committee are Mr. Qin Youguo, Mr. Cui Jian and Mr. Zhang Lei. Mr. Qin Youguo is the chairman of the remuneration committee.

NOMINATION COMMITTEE

A nomination committee was established by our Company on June 14, 2013 with written terms of reference. The primary duties of the nomination committee are to review the composition of the Board and to make recommendations to the Board on the appointment or re-appointment of directors. The members of the nomination committee are Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Zhang Lei. Mr. Cui Jian is the chairman of the nomination committee.

DIRECTORS' REMUNERATION

The remuneration received by our directors (including fees, salaries, discretionary bonus, contributions to defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind) for the years ended December 31, 2013, 2014, 2015 and the six months ended June 30, 2015 and 2016 was approximately RMB19.1 million, RMB14.6 million, RMB5.8 million, RMB2.2 million and RMB4.5 million (US\$0.7 million), respectively.

We have not paid any remuneration to our directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of 2013, 2014 and 2015. Further, none of our directors had waived any remuneration during the same years.

Except as disclosed above, no other payments have been paid or are payable, in respect of 2013, 2014, 2015 and June 30, 2016, by our Group to our directors.

PRINCIPAL SHAREHOLDERS

As of June 30, 2016, the following persons or institutions have beneficial interests or short positions in any of our shares or underlying shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, Cap 571 of the Laws of Hong Kong, or are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our other members:

<u>Name of interested party</u>	<u>Capacity/Nature of interest</u>	<u>Total number of shares</u>	<u>Approximate percentage of interest in the share capital of our Company</u>
Super Land ⁽¹⁾	Registered holder	1,491,994,300	71.65%
Fantastic Energy Limited.....	Interest in a controlled corporation	1,491,994,300	71.65%
Cititrust Cayman ⁽²⁾	Trustee	1,491,994,300	71.65%
Mr. Salum Zheng Lee ⁽³⁾	Settlor of the Family Trust ⁽⁴⁾	1,491,994,300	71.65%
Ms. Zhang Degui ⁽⁵⁾	Interest of a spouse	1,491,994,300	71.65%

Notes:

- (1) Super Land Holding Limited is wholly owned by Fantastic Energy Ltd., which is wholly owned by Cititrust Private Trust (Cayman) Limited acting as the trustee of the Family Trust. The Family Trust is a discretionary trust established by Mr. Salum Zheng Lee, the beneficiaries of whom are family members of Mr. Salum Zheng Lee, including Mr. Zhang Lei. Mr. Salum Zheng Lee is deemed to be interested in 1,491,994,300 shares held by the Family Trust.
- (2) Cititrust Private Trust (Cayman) Limited, the trustee of the Family Trust.
- (3) Mr. Salum Zheng Lee is the younger brother of our executive director and chairman, Mr. Zhang Lei.
- (4) Referring to the family trust in respect of the entire issued share capital of Super Land Holdings Limited set up by Mr. Salum Zheng Lee as the settlor and Cititrust Private Trust (Cayman) Limited acting as the trustee pursuant to a trust deed dated September 7, 2012. The beneficiaries of the Family Trust include Mr. Salum Zheng Lee, Mr. Zhang Lei and their family members.
- (5) Ms. Zhang Degui is the spouse of Mr. Salum Zheng Lee.

Save as disclosed above, as of June 30, 2016, no other person had interest or short position in our shares and underlying shares which were required, pursuant to Section 336 of the SFO, to be recorded into the register referred to therein.

RELATED PARTY TRANSACTIONS

The following discussion describes certain material transactions between us and our related parties in 2013, 2014 and 2015 and for the six months ended June 30, 2016.

BALANCES WITH RELATED PARTIES

The following tables summarize balances with our related parties as of December 31, 2013, 2014 and 2015 and June 30, 2016.

Balances Due from Related Parties

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)
Amounts due from companies controlled by Mr. Zhang Lei..	–	463	1,540	232	2,425	365
Amount due from an associate..	–	355,000	285,874	43,015	283,455	42,651
Amounts due from joint ventures and their subsidiaries.....	–	148,931	110,726	16,661	140,303	21,111
Total non-trade balance⁽¹⁾	–	504,394	398,140	59,908	426,183	64,127
Amounts due from companies controlled by Mr. Zhang Lei..	–	3,068	13,471	2,027	14,905	2,243
Amount due from an associate..	–	7,867	16,941	2,549	22,404	3,371
Amounts due from joint ventures and their subsidiaries.....	–	58,024	106,978	16,097	4,006	603
Total trade balance⁽²⁾	–	68,959	137,390	20,673	41,315	6,217
	–	573,353	535,530	80,581	467,498	70,344
Loans to joint ventures.....	–	1,521,583	2,169,600	326,457	1,941,083	292,072
Total	–	2,094,936	2,705,130	407,037	2,408,581	362,416

Notes:

(1) Balances are of non-trade nature, unsecured, interest free and repayable on demand.

(2) Balances are of trade nature, unsecured, interest free and repayable on demand.

Balances Due to Related Parties

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
				(unaudited)	(unaudited)	(unaudited)
Amounts due to joint ventures and their subsidiaries	–	182,952	724,905	109,076	856,261	128,840
Total non-trade balance	–	182,952	724,905	109,076	856,261	128,840
Amounts due to companies controlled by Mr. Zhang Lei	13,990	3,231	3,935	592	16,811	2,530
Total trade balance.....	13,990	3,231	3,935	592	16,811	2,530
Total	13,990	186,183	728,840	109,668	873,072	131,370

KEY MANAGEMENT PERSONNEL REMUNERATION

The following table summarizes our key management personnel's remuneration for the periods indicated.

Remuneration type	For the year ended December 31,			For the six months ended June 30,	
	2013	2014	2015	2016	
	RMB'000	RMB'000	RMB'000	RMB'000	US\$'000
Short-term benefits.....	16,778	16,533	11,004	2,208	332
Post-employment benefits.....	148	263	404	63	9
Share-based payment.....	2,190	1,717	5,974	1,178	177
	<u>19,116</u>	<u>18,513</u>	<u>17,382</u>	<u>3,449</u>	<u>518</u>

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS AND OBLIGATIONS

To fund our existing property projects and to finance our working capital requirements, we have entered into financing agreements with various financial institutions. As of June 30, 2016, our total borrowings (including senior notes and corporate bond) amounted to RMB8,731.2 million (US\$1,313.8 million). Since June 30, 2016, we entered a RMB610.0 million PRC loan agreement with China Minsheng Bank. Set forth below is a summary of the material terms and conditions of these loans and other indebtedness.

PRC LOAN AGREEMENTS

Certain of our PRC subsidiaries have entered into loan agreements with local branches of various PRC banks and financial institutions, including Industrial and Commercial Bank of China, China Minsheng Banking Corp., Ltd., China Construction Bank, Bank of China, China Credit Trust, Xiamen International Bank, The Bank of East Asia Limited, Hang Seng Bank, Shengjing Bank Co. Ltd, Huishang Bank and China Bohai Bank. These loans are mainly used to finance the construction of our projects and our working capital requirements. They have terms ranging from 12 months to 120 months, which generally correspond to the construction periods of the particular projects. As of June 30, 2016, the aggregate outstanding amount under these loans totaled approximately RMB3,834.5 million (US\$577.0 million), of which RMB1,352.0 million (US\$203.4 million) was due within one year, and RMB2,482.5 million (US\$373.5 million) was due between one and five years. Our PRC loans are typically secured by land use rights and properties as well as guaranteed by certain of our other PRC subsidiaries. On July 14, 2016, we entered into a loan agreement with China Minsheng Bank in relation to a six-month term loan of RMB610.0 million. The interest rate is 6.8% per annum.

Interest

The principal amounts outstanding under our PRC loans generally bear interest at floating rates calculated with reference to the PBOC benchmark interest rate. Floating interest rates are generally subject to annual or quarterly review by the lending banks. Interest payments are payable either monthly or quarterly and must be made on each payment date as provided in the particular loan agreement. As of June 30, 2016, the weighted average effective interest rate on the aggregate outstanding amount of our PRC loans was 8.4% per annum.

Covenants

Under these PRC loans, many of our subsidiary borrowers have agreed, among other things, not to take some of the following actions without obtaining the relevant lender's prior consent:

- creating encumbrances on any part of their property or assets or dealing with their assets in a way that may adversely affect their ability to repay their loans;
- granting guarantees to any third parties that may adversely affect their ability to repay their loans;
- making any major changes to their corporate structures, such as entering into joint ventures, mergers, acquisitions and reorganizations;
- altering the nature or scope of their business operations in any material respect;
- transferring part or all of their liabilities under the loans to a third party;
- prepaying the loans;
- declaring or paying dividends;
- selling or disposing of assets that may adversely affect their ability to repay their loans; and
- incurring other indebtedness that may adversely affect their ability to repay their loans.

Events of Default

The PRC loan agreements contain certain customary events of default, including failure to pay the amount payable on the due date, unauthorized use of loan proceeds, failure to obtain the lender's approval for an act that requires the latter's approval and material breach of the terms of the loan agreement. The banks are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest upon the occurrence of an event of default.

Guarantee and Security

Certain of our PRC subsidiaries have entered into guarantee agreements with PRC banks and financial institutions in connection with some of the PRC loans, pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these loans. Further, as of June 30, 2016, RMB1,634.5 million (US\$245.9 million) of the PRC loans were secured by land use rights and properties held by the subsidiary borrowers and/or our other PRC subsidiaries.

2013 NOTES

On November 4, 2013, we entered into an indenture (as amended and supplemented from time to time, the "2013 Indenture") pursuant to which we issued US\$150,000,000 principal amount of the 13.875% Senior Notes due 2018. As of date of this offering memorandum, the entire principal amount of the 2013 Notes remains outstanding.

Guarantee

Our obligations under the 2013 Notes are guaranteed by certain of our existing subsidiaries (the "2013 Notes Subsidiary Guarantors") other than those organized under the laws of the PRC and certain other subsidiaries specified in the 2013 Indenture. Under certain circumstances and subject to certain conditions, a guarantee required to be provided by our subsidiary may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the 2013 Indenture. Each of the 2013 Notes Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, if any, and interest on, and all other amounts payable under, the 2013 Notes.

Collateral

The Company and Great Trade Technology Ltd., one of the 2013 Subsidiary Guarantors under the 2013 Indenture, pledged the capital stock of all the 2013 Subsidiary Guarantors for the benefit of the holders of the 2013 Notes and holders of permitted *pari passu* secured indebtedness satisfying conditions set forth in the 2013 Indenture (the "Shared Collateral") on a first priority basis (subject to permitted liens and any intercreditor agreement).

The Shared Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. In addition, we and each subsidiary guarantor pledgor may, subject to certain conditions, in the future incur additional indebtedness which would be secured by the Shared Collateral on a *pari passu* basis with the 2013 Notes and the related subsidiary guarantees.

Great Trade Technology Ltd.

Great Trade Technology Ltd. ("Great Trade"), the initial Subsidiary Guarantor Pledgor, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on September 8, 2015. Pursuant to section 340 of the Companies Ordinance (Cap. 622, Laws of Hong Kong) (the "Companies Ordinance"), Great Trade is required to register the particulars of the share charge dated November 4, 2013 (the "2013 Share Charge") entered into favor of Citicorp International Limited as the Collateral Agent, in connection with the 2013 Notes with the Hong Kong Companies Registry. Even though no such registration has been made as of the date of the Offering Memorandum, the validity of the 2013 Share Charge would not be affected. Great Trade entered into an additional share charge on October 11, 2016 (the "2016 Share Charge") as chargor in favor of the Collateral Agent for the benefit of the secured parties under the Intercreditor Agreement and has delivered the particulars of the 2016 Share Charge to the Hong Kong Companies Registry on October 11, 2016 for registration in the manner prescribed by the Companies Ordinance.

Interest

The 2013 Notes bear interest at the rate of 13.875% per annum, payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the 2013 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The 2013 Indenture contains certain customary events of default, including default in the payment of principal (or premium, if any) on the 2013 Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants for 30 consecutive days, insolvency and other events of default specified in the 2013 Indenture. If an event of default occurs and is continuing, the trustee under the 2013 Indenture or the holders of at least 25% in aggregate principal amount of the 2013 Notes then outstanding may declare the principal of the 2013 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control and a rating decline, we are obligated to make an offer to repurchase all outstanding 2013 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the 2013 Notes is November 4, 2018.

At any time and from time to time on or after November 4, 2016, the Company may at its option redeem the 2013 Notes, in whole or in part, at the redemption prices set forth in the 2013 Indenture, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to November 4, 2016, the Company may at its option redeem the 2013 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2013 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to November 4, 2016, the Company may redeem up to 35% of the aggregate principal amount of the 2013 Notes at a redemption price of 113.875% of the principal amount of the 2013 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the 2013 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the 2013 Notes at a redemption price equal to 100% of the principal amount of the 2013 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

JANUARY 2014 NOTES

On January 22, 2014, we entered into an indenture (as amended and supplemented from time to time, the “January 2014 Indenture”) pursuant to which we issued RMB1,100,000,000 principal amount of 11% Senior Notes due 2017. As of date of this offering memorandum, the entire principal amount of the January 2014 Notes remains outstanding.

Guarantee

Our obligations under the January 2014 Notes are guaranteed by certain of our existing subsidiaries (the “January 2014 Notes Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the January 2014 Indenture. Under certain circumstances and subject to certain conditions, a guarantee required to be provided by our subsidiary may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the January 2014 Notes Indenture. Each of the January 2014 Notes Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, if any, and interest on, and all other amounts payable under, the January 2014 Notes.

Collateral

On the issue date of the January 2014 Notes, we entered into the Intercreditor Agreement with the trustee for the 2013 Notes, the trustee for the January 2014 Notes and the collateral agent as named therein, among others, pursuant to which the January 2014 Notes are secured by the Shared Collateral.

The Shared Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. In addition, we and each subsidiary guarantor pledgor may, subject to certain conditions, in the future incur additional indebtedness which would be secured by the Shared Collateral on a *pari passu* basis with the January 2014 Notes and the related subsidiary guarantees.

The Trustee will accede to the Intercreditor Agreement at the closing of this offering so that the Notes will be secured by the Shared Collateral on a *pari passu* basis.

Interest

The January 2014 Notes bear interest at the rate of 11% per annum, payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the January 2014 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;

- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The January 2014 Indenture contains certain customary events of default, including default in the payment of principal (or premium, if any) on the January 2014 Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants for 30 consecutive days, insolvency and other events of default specified in the January 2014 Indenture. If an event of default occurs and is continuing, the trustee under the January 2014 Indenture or the holders of at least 25% in aggregate principal amount of the January 2014 Notes then outstanding may declare the principal of the January 2014 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control and a rating decline, we are obligated to make an offer to repurchase all outstanding January 2014 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the January 2014 Notes is January 22, 2017.

At any time prior to January 22, 2017, the Company may at its option redeem the January 2014 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2014 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to January 22, 2017, the Company may redeem up to 35% of the aggregate principal amount of the January 2014 Notes at a redemption price of 111% of the principal amount of the January 2014 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the January 2014 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the January 2014 Notes at a redemption price equal to 100% of the principal amount of the January 2014 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

JULY 2014 NOTES

On July 31, 2014, we entered into an indenture (as amended and supplemented from time to time, the "July 2014 Indenture") pursuant to which we issued US\$125,000,000 principal amount of 12.75% Senior Notes due 2019. As of date of this offering memorandum, the entire principal amount of the July 2014 Notes remains outstanding.

Guarantee

Our obligations under the July 2014 Notes are guaranteed by certain of our existing subsidiaries (the “July 2014 Notes Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the July 2014 Indenture. Under certain circumstances and subject to certain conditions, a guarantee required to be provided by our subsidiary may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the July 2014 Notes Indenture. Each of the July 2014 Notes Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, if any, and interest on, and all other amounts payable under, the July 2014 Notes.

Collateral

On the issue date of the July 2014 Notes, we entered into the Intercreditor Agreement with the trustee for the 2013 Notes, the trustee for the January 2014 Notes, the trustee for the July 2014 Notes and the collateral agent as named therein, among others, pursuant to which the July 2014 Notes are secured by the Shared Collateral.

The Shared Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. In addition, we and each subsidiary guarantor pledgor may, subject to certain conditions, in the future incur additional indebtedness which would be secured by the Shared Collateral on a *pari passu* basis with the July 2014 Notes and the related subsidiary guarantees.

The Trustee will accede to the Intercreditor Agreement at the closing of this offering so that the Notes will be secured by the Shared Collateral on a *pari passu* basis.

Interest

The July 2014 Notes bear interest at the rate of 12.75% per annum, payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the 2014 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into agreements that restrict the related restricted subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The July 2014 Indenture contains certain customary events of default, including default in the payment of principal (or premium, if any) on the July 2014 Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants for 30 consecutive days, insolvency and other events of default specified in the July 2014 Indenture. If an event of default occurs and is continuing, the trustee under the July 2014 Indenture or the holders of at least 25% in aggregate principal amount of the July 2014 Notes then outstanding may declare the principal of the July 2014 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control and a rating decline, we are obligated to make an offer to repurchase all outstanding July 2014 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the July 2014 Notes is July 31, 2019.

At any time prior to July 31, 2017, the Company may at its option redeem the July 2014 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the July 2014 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to July 31, 2017, the Company may redeem up to 35% of the aggregate principal amount of the July 2014 Notes at a redemption price of 112.75% of the principal amount of the July 2014 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided that* at least 65% of the aggregate principal amount of the July 2014 Notes originally issued remains outstanding, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the July 2014 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the July 2014 Notes at a redemption price equal to 100% of the principal amount of the July 2014 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

BANK OF MACAU LOAN

On January 5, 2016, we entered into a loan agreement with Bank of Macau in relation to a one-year term loan of US\$80.0 million. Our obligations under the US\$80.0 million term loan are secured by a credit letter of RMB4,120.0 million issued by Xiamen International Bank. Under the US\$80.0 million term loan, the interest rate during the term of the loan is at fixed rate of 2.4% per annum.

As of the date of the Offering Memorandum, US\$59.0 million of the term loan facility was outstanding.

BANK OF EAST ASIA LOAN

On January 15, 2016, we entered into an agreement with Bank of East Asia in relation to a term loan facility of US\$55.0 million. Our obligations under the term loan facility are secured by a deposit of RMB36.2 million with the Bank of East Asia. Under the term loan facility, the interest rate during the term of the loan is at floating rate of LIBOR plus 1.7% or 1.95% per annum.

As of the date of the Offering Memorandum, US\$50.0 million of the term loan facility has been drawn down.

HANG SENG BANK LOANS

HK\$200.0 million Term Loan

On May 11, 2016, we entered into an agreement with Hang Seng Bank Limited, in relation to a term loan facility of HK\$200.0 million, secured by a deposit of RMB1,700.0 million of Modern Green Development Co., Ltd. with Hang Seng Bank Limited to finance the interest payments on senior notes issued. Under the HK\$200.0 million term loan, the interest rate during the term of the loan is at a floating rate of HIBOR plus 0.9% per annum, with maturity date on May 10, 2017.

As of the date of the Offering Memorandum, HK\$200.0 million of the term loan facility has been drawn down.

US\$38.0 million Term Loan

On June 29, 2016, we entered into an agreement with Hang Seng Bank Limited in relation to a term loan facility of US\$38.0 million. Under the US\$38.0 million term loan, the interest rate during the term of the loan is at a floating rate of HIBOR plus 0.9% per annum, with maturity date on June 28, 2017.

As of the date of the Offering Memorandum, US\$19.0 million of the term loan facility has been drawn down.

CHINA MERCHANTS BANK OFFSHORE CREDIT FACILITY

On July 15, 2016, we entered into an agreement with China Merchants Bank, pursuant to which China Merchants Bank made a US\$30,000,000 credit facility, guaranteed by Shengjing Bank (Beijing Branch), for a term of one year and at a one-month floating LIBOR interest rate plus 140 basis points as defined in the facility agreement.

As of the date of the Offering Memorandum, US\$17.5 million of the credit facility has been drawn down.

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” the term “Company” refers only to Modern Land (China) Co., Limited, and any successor obligor on the Notes, and not to any of its Subsidiaries. Each Subsidiary of the Company which Guarantees the Notes is referred to as a “Subsidiary Guarantor,” and each such Guarantee is referred to as a “Subsidiary Guarantee.” Each Subsidiary of the Company that in the future provides a JV Subsidiary Guarantee (as defined below) is referred to as a “JV Subsidiary Guarantor.”

The Notes are to be issued under an indenture (the “Indenture”), to be dated as of the Original Issue Date, among the Company, the Subsidiary Guarantors, as guarantors, and Citicorp International Limited, as trustee (the “Trustee”).

The following is a summary of certain material provisions of the Indenture, the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Intercreditor Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Intercreditor Agreement. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available on or after the Original Issue Date at the corporate trust office of the Trustee at 39/F, Champion Tower, 3 Garden Road, Central, Hong Kong.

BRIEF DESCRIPTION OF THE NOTES

The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with the 2013 Notes, the January 2014 Notes, the July 2014 Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors on a senior basis, subject to the limitations described below under the caption “—The Subsidiary Guarantees and the JV Subsidiary Guarantees” and in “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral;”
- effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral); and
- effectively subordinated to all existing and future obligations of the Non Guarantor Subsidiaries (as defined below).

In addition, on the Original Issue Date, subject to the limitations described in “Risk Factors-Risks Relating to the Subsidiary Guarantees, and the JV Subsidiary Guarantees and the Collateral”, the Notes will be secured by a pledge of the Collateral as described below under the caption “—Security” and will:

- be entitled to a first priority lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement (as defined below)) shared on a *pari passu* basis with (i) the holders of the 2013 Notes; (ii) the holders of the January 2014 Notes; (iii) the holders of the July 2014 Notes; and (iv) holders of other Permitted *Pari Passu* Secured Indebtedness; and
- rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

The Notes will mature on October 20, 2019, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the “Additional Notes”), subject to certain limitations described under “—Further Issues.” Unless the context requires otherwise, references to the “Notes” for all purposes of the Indenture and this “Description of The Notes” include any Additional Notes that are actually issued.

The Notes will bear interest at 6.875% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears on April 20 and October 20 of each year (each an “Interest Payment Date”), commencing April 20, 2017. Interest on the Notes will be paid to Holders of record at the close of business on April 5 or October 5 immediately preceding an Interest Payment Date (each, a “Record Date”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date.

In any case in which the date of the payment of principal of, premium, if any, or interest on the Notes is not a Business Day in the relevant place of payment, or in the place of business of the Paying Agent, then payment of such principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year composed of twelve 30-day months.

The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment by the Holders of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch, One North Wall Quay, Dublin 1, Ireland) and the Notes may be presented for registration of transfer or exchange at such office or agency; provided that, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register. Interest payable on the Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants on the Business Day following payment thereof.

THE SUBSIDIARY GUARANTEES AND THE JV SUBSIDIARY GUARANTEES

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will be Great Trade Technology Ltd., Jiu Yun Development Co., Limited, Modern Land (HKNo. 2) Co., Limited, Modern Land (HKNo. 3) Co., Limited, Modern Land (HKNo. 4) Co., Limited, Modern Land (HKNo. 6) Co., Limited, Modern Land (HKNo. 7) Co., Limited, Modern Land (HKNo. 8) Co., Limited, Modern Land (HKNo. 9) Co., Limited, Modern Land (HKNo. 10) Co., Limited, Modern Land (HKNo. 11) Co., Limited and Modern Land (HKNo. 12) Co., Limited. These Subsidiary Guarantors consist of all of the Company’s Restricted Subsidiaries other than the Non-Guarantor Subsidiaries (defined below). None of Modern Land (HKNo.1) Co., Limited, Modern Land (Hong Kong) Co., Limited, Modern Land (HKNo. 5) Co., Limited, America Modern Green Holding Corporation, America Modern Green (Houston) Holding Corporation, America Modern Green Development (Texas) Co., America Pearland Investments Holding Corporation, America Pearland Crown LLC, America Modern Green Development (Houston) LLC, America Modern Green Development Co., America Modern Green Commercial Centre (Houston) LLC, America Modern Green Senior (Houston) LLC, America Modern Land Expand Holding Corporation, America Modern Land Expand Co., America Modern Land Expand (Pearland), LLC, America Modern Land Hotel Holding Corporation, America Modern Land Hotel Co., America Modern Land Senior Hotel (Pearland), LLC, America Washington DC Modern Green Development LLC, America Modern Land (Cayman) Co., Limited, America Modern Land (Hong Kong) Co., Limited, Modern Land (America) Co., Limited, Crown Point Regional Center (Boston) LLC, Crown Point Regional Center (New York) LLC, Crown Point Regional Center (Seattle) LLC, Crown Point Funding Management (New York) LLC, Crown Point Funding Management (Seattle) LLC, Crown Senior Investment Fund LP, Crown Community Investment Fund LP, Crown Residential Investment Fund LP, Crown Commercial Center Investment Fund LP, Crown Sueba Investment Fund 1 LP,

Modern Land (Washington) Holding Co, Modern Land Seattle LLC, AMG Houston Venture Fund LLC, Crown Seattle Investment Fund LP, Crown Boston Investment Fund LP, Crown New York Investment Fund LP, Modern Land Redmond No.1 Corporation, Modern Land Redmond LLC, MGRM LLC, Seattle Metro Regional Center LLC, Modern Land (Virgin) Co., Limited, Crown Point Regional Center LLC, Crown Point Funding Management LLC, Crown Point Funding Management (Boston) LLC, America Modern Green Community (Houston) LLC, America Modern Green Residential (Houston) LLC (collectively, the “Initial Other Non-Guarantor Subsidiaries”) and Restricted Subsidiaries organized under the laws of the PRC (collectively, the “PRC Non-Guarantor Subsidiaries,” and together with the Other Non-Guarantor Subsidiaries (as defined below), the “Non-Guarantor Subsidiaries”) will be a Subsidiary Guarantor on the Original Issue Date.

No future Restricted Subsidiaries organized under the laws of the PRC will provide a Subsidiary Guarantee at any time in the future. Although the Indenture contains limitations on the amount of additional Indebtedness that Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, such Non-Guarantor Subsidiary will pay the holders of its debt and its trade creditors before they will be able to distribute any of its assets to the Company.

In the case of a Restricted Subsidiary (i) that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established after the Original Issue Date, (ii) that is incorporated in any jurisdiction other than the PRC and (iii) in respect of which the Company or any of its Restricted Subsidiaries (x) is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20.0% and no more than 49.9% of the Capital Stock of such Restricted Subsidiary or (y) is proposing to purchase no less than 50.1% of the Capital Stock of an Independent Third Party and designate such entity as a Restricted Subsidiary, the Company may, concurrently with the consummation of such sale, issuance or purchase, provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee for (a) such Restricted Subsidiary and (b) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC, if the following conditions, in the case of both (a) and (b), are satisfied:

- as of the date of execution of the JV Subsidiary Guarantee (as defined below), no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (i) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee or (ii) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in place a guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock is made to, or such purchase of Capital Stock is purchased from, an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company, *provided, however*, that no such appraisal is required if the sale, issuance or purchase of Capital Stock is made within 180 days after land use rights are acquired by such JV Subsidiary Guarantor or any Restricted Subsidiary of such JV Subsidiary Guarantor;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;

- concurrently with providing the JV Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor (the “JV Subsidiary Guarantee”) and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC, and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the applicable JV Entitlement Amount;
 - (ii) a duly executed Security Document that pledges in favor of the Collateral Agent the Capital Stock of such JV Subsidiary Guarantor held by the Company or any Subsidiary Guarantor, but not the Capital Stock of the direct or indirect Subsidiaries of such JV Subsidiary Guarantor;
 - (iii) an Officers’ Certificate certifying a copy of the Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iv) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantees are valid, binding and enforceable against the JV Subsidiary Guarantors providing such JV Subsidiary Guarantees (subject to customary qualifications and assumptions).

As of June 30, 2016,

- the Company and its consolidated subsidiaries had total consolidated bank and other borrowings of approximately RMB4,885.2 million (US\$735.1 million), including short-term indebtedness of RMB2,402.7 million (US\$361.5 million);
- the Company and the Subsidiary Guarantors (on an unconsolidated basis) had total secured bank and other borrowings of RMB1,050.7 million (US\$158.1 million); and
- the Non-Guarantor Subsidiaries had bank and other borrowings in the amount of RMB3,834.5 million (US\$577.0 million).

In addition, as of June 30, 2016, the Non-Guarantor Subsidiaries had capital commitments and outstanding guarantees of approximately RMB3,285.5 million (US\$494.4 million) and RMB9,546.2 million (US\$1,436.4 million), respectively.

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to other secured obligations (if any) of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- ranks at least *pari passu* with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to secured obligations (if any) of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to the JV Entitlement Amount, and will rank at least *pari passu* with all other unsecured, unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

The Company will cause each of its future Restricted Subsidiaries (other than Subsidiaries organized under the laws of the PRC) as soon as practicable (but in any event within 30 days) after it becomes a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture to the Indenture, pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing, the Company may elect to have any future Restricted Subsidiary (and its Restricted Subsidiaries) organized outside the PRC not provide a Subsidiary Guarantee or JV Subsidiary Guarantee (each a “New Non-Guarantor Subsidiary,” together with the Initial Other Non-Guarantor Subsidiaries, the “Other Non-Guarantor Subsidiaries”), *provided that*, after giving effect to the consolidated assets of such Restricted Subsidiary and its Subsidiaries (other than any Unrestricted Subsidiaries), the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of the Total Assets of the Company.

In the case of a Subsidiary Guarantor with respect to which the Company or any of its Restricted Subsidiaries is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with the consummation of such sale or issuance of Capital Stock, (a) instruct the Trustee to release the Subsidiary Guarantees provided by such Subsidiary Guarantor and each of its Restricted Subsidiaries organized outside the PRC, and upon such release such Subsidiary Guarantor and its Restricted Subsidiaries organized outside the PRC will become New Non-Guarantor Subsidiaries (such that each New Non-Guarantor Subsidiary will no longer Guarantee the Notes) and (b) instruct the Collateral Agent to (i) discharge the pledge of the Capital Stock granted by each such New Non-Guarantor Subsidiary and (ii) discharge the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the shares it owns in each such New Non-Guarantor Subsidiary (in each case, without any requirement to seek the consent or approval of the Holders of the Notes), *provided that* after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors (including the New Non-Guarantor Subsidiaries) do not account for more than 20% of the Total Assets of the Company. A Subsidiary Guarantee of a Subsidiary Guarantor may only be released pursuant to this paragraph if as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee or (b) requiring the Company or such Subsidiary Guarantor to deliver or keep in place a guarantee of other Indebtedness of the Company by such Subsidiary Guarantor.

Each Restricted Subsidiary that guarantees the Notes after the Original Issue Date other than a JV Subsidiary Guarantor is referred to as a “Future Subsidiary Guarantor” and upon execution of the applicable supplemental indenture to the Indenture will be a “Subsidiary Guarantor.”

In addition, subject to the limitations described in “Risk Factors-Risks Related to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Subsidiary Guarantee of each Subsidiary Guarantor Pledgor:

- will be entitled to a first ranking security interest in the Collateral (subject to any Permitted Liens) pledged by such Subsidiary Guarantor Pledgor, as described below under the caption “—Security” shared on a *pari passu* basis pursuant to the Intercreditor Agreement with (i) the holders of the 2013 Notes; (ii) the holders of the January 2014 Notes; (iii) the holders of the July 2014 Notes; and (iv) holders of any other Permitted *Pari Passu* Secured Indebtedness; and
- will rank effectively senior in right of payment to the unsecured obligations of such Subsidiary Guarantor Pledgor with respect to the value of the Collateral securing such Subsidiary Guarantee (subject to any priority rights of such unsecured obligations pursuant to applicable law).

The JV Subsidiary Guarantee of each JV Subsidiary Guarantor will not be secured.

Under the Indenture and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors and JV Subsidiary Guarantors (if any) will jointly and severally Guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes; *provided that* any JV Subsidiary Guarantee provided by any JV Subsidiary Guarantor will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to the applicable JV Entitlement Amount. The Subsidiary Guarantors and JV Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be. Moreover, if at any time any amount paid under a Note is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be reinstated with respect to such payment as though such payment had not been made. All payments under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be made in U.S. dollars.

Under the Indenture, and any supplemental indenture thereto, as applicable,

- each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to insolvency, fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally; and
- each JV Subsidiary Guarantee provided by any JV Subsidiary Guarantor will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to an amount which is the lower of (i) the applicable JV Entitlement Amount and (ii) an amount not to exceed the maximum amount that can be guaranteed by the applicable JV Subsidiary Guarantor without rendering the JV Subsidiary Guarantee, as it relates to such JV Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If a Subsidiary Guarantee or JV Subsidiary Guarantee were to be rendered void or voidable, it could be rendered ineffective or subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, and, depending on the amount of such indebtedness, a Subsidiary Guarantor’s liability on its Subsidiary Guarantee or a JV Subsidiary Guarantor’s liability on its JV Subsidiary Guarantee, as the case may be, could in each case be reduced to zero.

The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee and the enforceability of the Collateral granted in respect of the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor may be limited, or possibly invalid, under applicable laws. Similarly, the obligations of each JV Subsidiary Guarantor under its JV Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. The guarantee of a Subsidiary Guarantor or a JV Subsidiary Guarantor may be voided or subject to review under applicable insolvency or fraudulent transfer laws, or subject to a lawsuit by or on behalf of creditors of such Subsidiary Guarantor or JV Subsidiary Guarantor. See “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral—The Subsidiary Guarantees or JV Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or JV Subsidiary Guarantees.”

Release of the Subsidiary Guarantees and JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under “—Defeasance;”
- upon the designation by the Company of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale, merger or disposition of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, in compliance with the terms of the Indenture (including the covenants under the captions “Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “Certain Covenants—Limitation on Asset Sales” and “Consolidation, Merger and Sale of Assets”) resulting in such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is simultaneously released from its obligations in respect of any of the Company’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture;
- upon the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee; or
- in the case of a Subsidiary Guarantor that becomes a New Non-Guarantor Subsidiary, in compliance with the terms of the Indenture.

Replacement of Subsidiary Guarantees with JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released following the sale or issuance by the Company or any of its Restricted Subsidiaries of Capital Stock in (a) such Subsidiary Guarantor or (b) any other Subsidiary Guarantor that, directly or indirectly, owns a majority of the Capital Stock of such Subsidiary Guarantor, in each case where such sale or issuance, whether through the sale of existing shares or the issuance of new shares, is for no less than 20.0% and no more than 49.9% of the issued Capital Stock of the relevant Subsidiary Guarantor, *provided that* the following conditions are satisfied or complied with:

- as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (i) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee, (ii) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee, or (iii) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in force a replacement guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;

- such sale is made to an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company, *provided, however*, that no such appraisal is required if the sale or issuance of Capital Stock is made within 180 days after land use rights are acquired by such JV Subsidiary Guarantor or any Restricted Subsidiary of such Subsidiary Guarantor;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;
- concurrently with the release of such Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the applicable JV Entitlement Amount;
 - (ii) a duly executed Security Document that pledges in favor of the Collateral Agent the Capital Stock of such JV Subsidiary Guarantor held by the Company or any Subsidiary Guarantor, but not the Capital Stock of the direct or indirect Subsidiaries of such JV Subsidiary Guarantor;
 - (iii) an Officers' Certificate certifying a copy of a Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iv) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantee is valid, binding and enforceable against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

Notwithstanding the foregoing paragraph, any such sale or issuance of the Capital Stock of the relevant Subsidiary Guarantor (including where such sale results in the relevant Subsidiary Guarantor ceasing to be a Restricted Subsidiary) will need to comply with the other covenants set forth in the Indenture, including, without limitation, the "Limitation on Asset Sales" and "Limitation on Restricted Payments" covenants.

Any Net Cash Proceeds from the sale of such Capital Stock shall be applied by the Company (or any Restricted Subsidiary) in accordance with the "Limitation on Asset Sales" covenant.

As of the date of the Indenture, all of the Company's Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants-Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not Guarantee the Notes.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee or a JV Subsidiary Guarantor from its JV Subsidiary Guarantee, as the case may be, shall be effective against the Trustee or the Holders until the Company has delivered to the Trustee an Officer's Certificate stating that all requirements relating to such release under the Indenture have been complied with and that such release is authorized and permitted by the Indenture.

SECURITY

The Company has pledged or caused the initial Subsidiary Guarantor Pledgor to pledge, as the case may be, the Capital Stock of all of the initial Subsidiary Guarantors held directly by the Company or the initial Subsidiary Guarantor Pledgor (the “Collateral”) on a first priority basis (subject to Permitted Liens and the Intercreditor Agreement) in order to secure the obligations of (a) the Company under the 2013 Notes and of the Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (b) the Company under the January 2014 Notes and of the Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (c) the Company under the July 2014 Notes and of the Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, and (d) the Company and the Subsidiary Guarantor Pledgor under any other Permitted Pari Passu Secured Indebtedness.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgor to extend, as the case may be, the benefit of the security interests created over the Collateral to the Holders on the Original Issue Date in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the Trustee acceding to the Intercreditor Agreement in the manner described under “—Intercreditor Agreement,” such security interests will be so extended.

The initial Subsidiary Guarantor Pledgor will be Great Trade Technology Ltd.

None of the Capital Stock of the Non-Guarantor Subsidiaries will be pledged on the Original Issue Date or at any time in the future. In addition, none of the Capital Stock of any future Restricted Subsidiary that may be organized under the laws of the PRC will be pledged at any time in the future. If any JV Subsidiary Guarantor is established, the Capital Stock of such JV Subsidiary Guarantor owned by the Company or any Subsidiary Guarantor will be pledged to secure the obligations of the Company under the Notes and the Indenture, and of such Subsidiary Guarantor under its Subsidiary Guarantee, as the case may be, in the manner described above. However, none of the JV Subsidiary Guarantors will provide a Security Document pledging the Capital Stock of its direct or indirect Subsidiaries as security to secure any obligations under the Notes, the Indenture or any Subsidiary Guarantee or JV Subsidiary Guarantee.

The Company has also agreed, for the benefit of the Holders of the Notes, to pledge, or cause each Subsidiary Guarantor (other than a JV Subsidiary Guarantor, if any), including each Future Subsidiary Guarantor, to pledge, the Capital Stock directly owned by the Company or such Subsidiary Guarantor of any Person that becomes a Restricted Subsidiary (other than Persons organized under the laws of the PRC or Other Non-Guarantor Subsidiaries) after the Original Issue Date, as soon as practicable (but in any event within 30 days) after such Person becomes a Restricted Subsidiary, to secure the obligations of the Company under the Notes and the Indenture, and of such Subsidiary Guarantor under its Subsidiary Guarantee, in the manner described above.

Each Subsidiary Guarantor that pledges capital stock of a Restricted Subsidiary after the Original Issue Date is referred to as a “Future Subsidiary Guarantor Pledgor” and, upon giving such pledge, will be a “Subsidiary Guarantor Pledgor.”

The Collateral will be shared on a *pari passu* basis pursuant to the Intercreditor Agreement among the holders of the Notes, the holders of the 2013 Notes, the holders of the January 2014 Notes, the holders of the July 2014 Notes and the holders of other permitted *pari passu* secured indebtedness. Accordingly, in the event of a default on the Notes, the 2013 Notes, the January 2014 Notes, the July 2014 Notes or such other permitted *pari passu* secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by such holders of secured indebtedness in proportion to the outstanding amounts of each class of such secured indebtedness in accordance with the Intercreditor Agreement.

The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement) is unlikely to be sufficient to satisfy the Company’s and each of the Subsidiary Guarantors’ obligations under the Notes, and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor, and the Collateral securing the Notes and such Subsidiary Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and other Permitted Pari Passu Secured Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. See “—Release of

Security” and “Risk Factors—Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral—The value of the Collateral will likely not be sufficient to satisfy our obligations under the Notes, the 2013 Notes, the January 2014 Notes, the July 2014 Notes and other *pari passu* secured indebtedness.”

No appraisals of the Collateral have been prepared in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Subsidiary Guarantees. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

So long as no Payment Default has occurred and is continuing, and subject to the terms of the Security Documents and the Indenture, the Company and the Subsidiary Guarantor Pledgor, as the case may be, will be entitled to exercise any and all voting rights and to receive and retain and use any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of Capital Stock constituting Collateral.

Permitted *Pari Passu* Secured Indebtedness

On or after the Original Issue Date, the Company and each Subsidiary Guarantor Pledgor may create Liens on the Collateral *pari passu* with the Lien for the benefit of the Holders to secure Indebtedness of the Company (including Additional Notes) and any *Pari Passu* Subsidiary Guarantee of a Subsidiary Guarantor Pledgor with respect to such Indebtedness (such Indebtedness of the Company and any such *Pari Passu* Subsidiary Guarantee, “Permitted *Pari Passu* Secured Indebtedness”); *provided that* (i) the Company or such Subsidiary Guarantor Pledgor was permitted to Incur such Indebtedness under the covenant under the caption “Limitation on Indebtedness and Preferred Stock;” (ii) the holders (or their representative, trustee or agent) of such Indebtedness (other than Additional Notes) become party to an Intercreditor Agreement referred to below; (iii) the agreement in respect of such Indebtedness contains provisions with respect to releases of Collateral and such *Pari Passu* Subsidiary Guarantee substantially similar to and no more restrictive on the Company and such Subsidiary Guarantor Pledgor than the provisions of the Indenture and the Security Documents; and (iv) the Company and such Subsidiary Guarantor Pledgor deliver to the Trustee an Opinion of Counsel and Officers’ Certificate with respect to corporate and collateral matters in connection with the Security Documents, stating that either (x) all necessary actions have been taken with respect to the recording, registering and filing of the Security Documents, financing statements or other instruments necessary to make effective the Liens intended to be created by the Security Documents, and reciting the details of such action or (y) no such action is necessary to make such Lien effective. The Trustee and the Collateral Agent are permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents, the Intercreditor Agreement referred to below or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted *Pari Passu* Secured Indebtedness in accordance with this paragraph and the terms of the Indenture (including, without limitation, the appointment of any collateral agent under an Intercreditor Agreement referred to below to hold the Collateral on behalf of the Holders, the holders of the 2013 Notes, the holders of the January 2014 Notes, the holders of the July 2014 Notes and the holders of other Permitted *Pari Passu* Secured Indebtedness).

Except for certain Permitted Liens and the Permitted *Pari Passu* Secured Indebtedness, the Company and its Restricted Subsidiaries will not be permitted to issue or Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Notes then outstanding.

Intercreditor Agreement

The Company, the initial Subsidiary Guarantor Pledgor, Citicorp International Limited as the collateral agent (the “Collateral Agent”), the January 2014 Notes Trustee and the 2013 Notes Trustee entered into an intercreditor agreement on January 22, 2014, as supplemented by a supplemental intercreditor agreement among the 2013 Notes Trustee, the January 2014 Notes Trustee, the July 2014 Notes Trustee, the Collateral Agent, the Company and the initial Subsidiary Guarantor Pledgor dated July 31, 2014 (together with the intercreditor agreement dated January 22, 2014, as may be amended, restated or supplemented from time to time, the “Intercreditor Agreement”), pursuant to which they agreed to (1) share the Collateral on an equal and ratable basis

(the secured parties thereto and any future Permitted Pari Passu Secured Indebtedness sharing equal priority and pro rata entitlement in and to the Collateral); (2) the conditions that are applicable to the release of or granting of any Lien on such Collateral; and (3) the conditions under which their rights with respect to such Collateral and the Indebtedness secured thereby will be enforced.

The Trustee, as representative of the Holders, will, without requiring any instruction or consent from the Holders, accede to the Intercreditor Agreement by entering into a supplement to the Intercreditor Agreement on or about the Original Issue Date.

The Intercreditor Agreement provides, among other things, that upon the occurrence of an Event of Default (as defined below) that is continuing, any Secured Party (as defined in the Intercreditor Agreement) may instruct the Collateral Agent to enforce the Collateral and to deliver a notice of enforcement to the Company and the applicable Subsidiary Guarantor Pledgor (such instructions, the “Enforcement Instructions”). Upon receipt of an Enforcement Instruction from any Secured Party, the Collateral Agent will provide a copy of such Enforcement Instruction and notice of enforcement to the Company and the other Secured Parties. If (a) the Collateral Agent identifies a conflict (i) between Secured Parties’ interests in connection with any Enforcement Instruction or (ii) in the event that at least two Secured Parties issues Enforcement Instructions, between those Enforcement Instructions, and (b) the Collateral Agent believes in its sole and absolute discretion that the interests of the Secured Parties would be in conflict upon the exercise of those Enforcement Instructions, or that compliance with an Enforcement Instruction would cause the Collateral Agent to contravene another Enforcement Instruction, the Collateral Agent shall notify each Secured Party in writing not more than five Business Days after it becomes aware of such conflict. In such circumstances, the Collateral Agent is not obligated to take any action if it identifies such conflict and shall incur no liability for doing so.

In connection with the Incurrence of any future Permitted Pari Passu Secured Indebtedness (other than Additional Notes), the holders of such Permitted Pari Passu Secured Indebtedness (or their representative) will accede to the Intercreditor Agreement to include the holders (or their representative or agents) of such Permitted Pari Passu Secured Indebtedness as parties to the Intercreditor Agreement.

By accepting the Notes, each Holder shall be deemed to have consented to the execution of a second supplemental intercreditor agreement to the Intercreditor Agreement and any amendments or modifications thereto required or permitted under the Indenture.

Enforcement of Security

The first priority Lien securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgor have been granted to the Collateral Agent for itself and for the benefit of the Trustee, the 2013 Notes Trustee, the January 2014 Notes Trustee, the July 2014 Notes Trustee and the holders of any future Permitted Pari Passu Secured Indebtedness (together the “Secured Parties”). The Collateral Agent, subject to the Intercreditor Agreement, will hold such Liens and security interests in the Collateral granted pursuant to the Security Documents with sole authority as directed by the Trustee (acting upon written instruction of the Holders) to exercise remedies under the Security Documents. The Trustee will act as secured party on behalf of the Holders under the applicable Security Documents, to follow, or cause to be followed, the instructions provided to it under the Indenture, the Intercreditor Agreement and the Security Documents and to carry out certain other duties.

The Indenture and/or the Security Documents will principally provide that, at any time while the Notes are outstanding, the Collateral Agent will have the exclusive right to manage, perform and enforce the terms of the Security Documents relating to the Collateral and to exercise and enforce all privileges, rights and remedies thereunder according to its direction, including to take or retake control or possession of such Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, including, without limitation, following the occurrence of an Event of Default under the Indenture.

The Collateral Agent, subject to the Intercreditor Agreement, will hold such Liens over the Collateral granted pursuant to the Security Documents and the Intercreditor Agreement with sole authority as directed by the written instruction of the Trustee and holders of any future Permitted Pari Passu Secured Indebtedness (or their trustees or agents) that become a party to the Intercreditor Agreement (together, the “Secured Party Representatives”) to exercise remedies under the Security Documents.

The Trustee will give instructions to the Collateral Agent by itself or in accordance with instructions it will receive from the Holders under the Indenture. The Intercreditor Agreement will provide that the Collateral Agent will enforce the Collateral in accordance with a written instruction by any Secured Party Representative if it does not receive any conflicting instruction, and in the case of conflicting instructions delivered by two or more Secured Party Representatives, the Collateral Agent will only enforce the Collateral upon receiving written instructions from the Secured Party Representatives on behalf of Secured Parties representing a majority of the outstanding aggregate principal amount of the Indebtedness secured by the Collateral under the Secured Party Documents.

All payments received and all amounts held by the Collateral Agent in respect of the Collateral under the Security Documents will be, subject to the Intercreditor Agreement, applied as follows:

first, to the Collateral Agent to the extent necessary to reimburse the Collateral Agent for any fees, costs and expenses properly incurred in connection with the collection, distribution or enforcement of such amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Security Documents and the Intercreditor Agreement and preserving the Collateral and all amounts for which the Collateral Agent is entitled to indemnification under the Security Documents and the Intercreditor Agreement;

second, to the extent not reimbursed under the above paragraph, pro rata to the 2013 Notes Trustee, the January 2014 Notes Trustee, the July 2014 Notes Trustee, the Trustee and the trustee or agent of holders of any Permitted Pari Passu Secured Indebtedness (if any), to the extent necessary to reimburse such persons for any unpaid fees, costs and reasonable expenses (including fees and expenses of any paying agents, transfer agents, registrars or other agents appointed in connection with the foregoing and reasonable expenses of counsel) incurred under the Security Documents, the agreements governing the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes or any Permitted Pari Passu Secured Indebtedness (or any other document in connection with the foregoing that such paying agents, transfer agents, registrars or other agents are party to) in connection with the performance of its duties under the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes, the agreements governing the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes or any Permitted Pari Passu Secured Indebtedness, the Security Documents and the Intercreditor Agreement, the collection or distribution of such amounts held or realized or in connection with expenses reasonably incurred in enforcing all available remedies under the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes, the agreements governing the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes or any Permitted Pari Passu Secured Indebtedness, the Intercreditor Agreement, the Security Documents and preserving the Collateral and all indemnification payments for which such persons are entitled to under the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes, the agreements governing the 2013 Notes, the January 2014 Notes, the July 2014 Notes, the Notes or any Permitted Pari Passu Secured Indebtedness, the Intercreditor Agreement and the Security Documents, as applicable;

third, pro rata, to the 2013 Notes Trustee for the benefit of holders of the 2013 Notes, the January 2014 Notes Trustee for the benefit of holders of the January 2014 Notes, the July 2014 Notes Trustee for the benefit of holders of the July 2014 Notes, the Trustee for the benefit of Holders and, to the extent applicable, to holders of Permitted Pari Passu Indebtedness (or their representative); and

fourth, any surplus remaining after such payments will be paid to the Company or the Subsidiary Guarantor Pledgor or to whomever may be lawfully entitled thereto.

The Collateral Agent may decline to foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security to its satisfaction. In addition, the Collateral Agent's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agent's Liens on the Collateral. Neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral securing the Notes, for the legality, adequacy, enforceability, effectiveness or sufficiency of the Security Documents or the Intercreditor Agreement, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

The Security Documents will provide that the Company and the Subsidiary Guarantor Pledgor will indemnify and/or secure the Collateral Agent for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against the Collateral Agent arising out of the Security Documents except to the extent that any of the foregoing are finally judicially determined to have resulted from the fraud, gross negligence or willful misconduct of the Collateral Agent.

This section, “—Enforcement of Security,” shall be subject to any amendments to the Security Documents or the Indenture to permit the creation of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with “—Permitted Pari Passu Secured Indebtedness” above.

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon defeasance and discharge of the Notes as provided below under the caption “—Defeasance—Defeasance and Discharge;”
- upon certain dispositions of the Collateral in compliance with the covenants under the captions “—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries” or “—Limitation on Asset Sales” or in accordance with the provision under the caption “—Consolidation, Merger and Sale of Assets;”
- with respect to security granted by a Subsidiary Guarantor Pledgor, upon the release of the Subsidiary Guarantee of such Subsidiary Guarantor Pledgor in accordance with the terms of the Indenture;
- in connection with and upon execution of a JV Subsidiary Guarantee to replace a Subsidiary Guarantee, with respect to all pledges of Capital Stock granted by such JV Subsidiary Guarantor in its direct and indirect Subsidiaries, and in accordance with the terms of the Indenture;
- with respect to a Subsidiary Guarantor that becomes a New Non-Guarantor Subsidiary, the release of the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the shares it owns in such New Non-Guarantor Subsidiary;
- with respect to any pledge over any Capital Stock of any Subsidiary Guarantor or JV Subsidiary Guarantor, upon the release of the Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, of such Subsidiary Guarantor or JV Subsidiary Guarantor in compliance with the terms of the Indenture; or
- with respect to any pledge over any Capital Stock of any Subsidiary Guarantor or JV Subsidiary Guarantor, upon the designation by the Company of (i) such Subsidiary Guarantor or JV Subsidiary Guarantor, or (ii) the Subsidiary Guarantor Pledgor pledging the Capital Stock of such Subsidiary Guarantor or JV Subsidiary Guarantor, as an Unrestricted Subsidiary in compliance with the terms of the Indenture.

FURTHER ISSUES

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Subsidiary Guarantees and the JV Subsidiary Guarantees) in all respects (or in all respects except for issue date, issue price, and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a “Further Issue”) so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided that* the issuance of any such Additional Notes shall then be permitted under the “Limitation on Indebtedness and Preferred Stock” covenant described below.

OPTIONAL REDEMPTION

At any time prior to October 20, 2019, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor any of the Agents will be responsible for calculating or verifying the Applicable Premium.

At any time prior to October 20, 2019, the Company may redeem up to 35% of the principal amount of the Notes with the Net Cash Proceeds of one or more sales of its Common Stock in an Equity Offering at a redemption price of 106.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided that* at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption. If less than all of the Notes are to be redeemed at any time, the Notes will be selected for redemption as follows:

- (1) if the Notes are listed on any recognized securities exchange or are held through a clearing system, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed (if any) or the requirements of the clearing system; or
- (2) if the Notes are not listed on any recognized securities exchange, on a pro rata basis, by lot or by such method as the Trustee in its sole and absolute discretion deems fair and appropriate unless otherwise required by law.

A Note of US\$200,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

DELISTING PUT RIGHT

In the event the Company's shares cease to be listed or admitted to trading or have been suspended for a period equal to or exceeding 30 or more consecutive Trading Days on The Stock Exchange of Hong Kong Limited (or, if applicable, the Alternative Stock Exchange) (a "Delisting"), each Holder of the Notes shall have the right (the "Delisting Put Right"), at such Holder's option, to require the Company to redeem all or some of such Holder's Notes on the 45th business day after notice has been given to Holders of the Notes regarding the Delisting referred to under the paragraph below or, if such notice is not given, the 45th business day after the Delisting (the "Delisting Put Date") at 101% of their principal amount together with accrued interest (calculated up to but excluding the date of redemption) (the "Delisting Put Price").

Promptly after becoming aware of a Delisting, the Company shall procure that notice regarding the Delisting Put Right shall be given to Holders of the Notes (in accordance with the provisions under “—Notices”) stating:

- (i) the Delisting Put Date;
- (ii) the occurrence of a Delisting and the date of such Delisting;
- (iii) the date by which the Purchase Notice (as defined below) must be given;
- (iv) the Delisting Put Price and the method by which such amount will be paid;
- (v) the names and addresses of the Paying Agent;
- (vi) the procedures that the Holders of the Notes must follow and the requirements that Holders must satisfy in order to exercise the Delisting Put Right; and
- (vii) that a Purchase Notice, once validly given, may not be withdrawn.

To exercise its rights to require the Company to redeem or purchase (subject to applicable laws) its Notes, a Holder of the Notes must deliver a written irrevocable notice of the exercise of such right (a “Purchase Notice”), in the then current form obtainable from the specified office of any Agent, to any Paying Agent on any business day prior to the close of business at the location of the Paying Agent on such day and which day is not less than 10 business days prior to the Delisting Put Date.

A Purchase Notice, once delivered, shall be irrevocable and the Company shall redeem the Notes which form the subject of the Delisting Notices delivered as aforesaid on the Delisting Put Date.

The Trustee shall not be required to take any steps to ascertain whether a Delisting or any event which could lead to the occurrence of a Delisting has occurred.

Upon the exercise of the Delisting Put Right, payment of the applicable redemption amount (including accrued interest) shall be conditional upon (i) the Company obtaining all approvals required by law and (ii) in the case of certificated note, delivery of the Holder’s certificated note (together with any necessary endorsements) to the Paying Agent on any business day together with the delivery of any other document(s) required, and will be made promptly following the later of the date set for redemption and, in the case of certificated note, the time of delivery of such certificated note. If the Paying Agent holds on the Delisting Put Date money sufficient to pay the applicable redemption monies of Notes for which notices have been delivered in accordance with the provisions hereof upon exercise of such right, then, whether or not such certificated note is delivered to the Paying Agent, on and after such Delisting Put Date, (a) such Note will cease to be outstanding; (b) such Note will be deemed paid; and (c) all other rights of the Holder shall terminate (other than the right to receive the applicable redemption monies).

REPURCHASE OF NOTES UPON A CHANGE OF CONTROL TRIGGERING EVENT

Not later than 30 days following a Change of Control Triggering Event, the Company will make an Offer to Purchase all outstanding Notes (a “Change of Control Offer”) at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture.

Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit the repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the Company’s failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control Triggering Event under the Notes will also constitute an event of default under certain debt instruments of the Company and its Subsidiaries. Future debt of the Company may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Company's and the Subsidiary Guarantors' then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Relating to the Notes—We may not be able to repurchase the Notes upon a Change of Control Triggering Event."

The definition of Change of Control includes a phrase relating to the sale of "all or substantially all" the assets of the Company. Although there is a limited body of case law interpreting the phrase "substantially all," no precise definition of the phrase has been established. Accordingly, the ability of a Holder of Notes to require the Company to repurchase such Holder's Notes as a result of a sale of less than all the assets of the Company to another person or group is uncertain and will be dependent upon particular facts and circumstances and the relevant jurisdiction or jurisdictions in which this phrase is interpreted.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the same manner within the same time frame and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require the Company to repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

NO MANDATORY REDEMPTION OR SINKING FUND

There will be no mandatory redemption or sinking fund payments for the Notes.

ADDITIONAL AMOUNTS

All payments of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees and the JV Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, collected, withheld, assessed or levied by any jurisdiction in which the Company, a Surviving Person (as defined under the caption "—Consolidation, Merger and Sale of Assets") or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts ("Additional Amounts") as will result in receipt by the Holder of each Note, the Subsidiary Guarantees or the JV Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(a) for or on account of:

(i) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note, Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, and the Relevant Jurisdiction, other than merely holding such Note, Subsidiary Guarantee or JV

Subsidiary Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

- (B) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30 day period;
 - (C) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person, any Subsidiary Guarantor or any JV Subsidiary Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner; or
 - (D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (ii) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (iii) any withholding or deduction that is imposed or levied on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives;
 - (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA;
 - (v) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (i), (ii), (iii) and (iv); or
- (b) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor, with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, person or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Subsidiary Guarantee or JV Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

REDEMPTION FOR TAXATION REASONS

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, at any time, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and upon reasonable notice in advance of such notice to Holders to the Trustee and the Paying Agent (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of, or the application or interpretation of such laws or regulations of, a Relevant Jurisdiction affecting taxation; or
- (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment, or order by a court of competent jurisdiction),

which change, amendment, application or interpretation becomes effective (a) in the case of the Company, Surviving Person and any initial Subsidiary Guarantor on or after the Original Issue Date, or (b) in the case of a Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company, Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person, a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the giving of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Surviving Person, a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date: (a) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, such Surviving Person, Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and (b) an Opinion of Counsel or an opinion of a tax consultant of recognized standing with respect to tax matters in the Relevant Jurisdiction to the effect that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph exists. The Trustee shall be entitled to conclusively rely upon and shall accept such Officers' Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed pursuant to the provisions under the caption "—Redemption for Taxation Reasons" will be cancelled.

CERTAIN COVENANTS

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

- (a) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not permit any Restricted Subsidiary to issue Preferred Stock, *provided that* the Company may Incur Indebtedness (including Acquired Indebtedness) and any Restricted Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds

therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less than 2.5 to 1.0. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock of Restricted Subsidiaries held by the Company or a Subsidiary Guarantor, so long as it is so held).

- (b) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following (“Permitted Indebtedness”):
- (1) Indebtedness under the Notes (excluding any Additional Notes and any Permitted Pari Passu Secured Indebtedness of the Company) and each Subsidiary Guarantee and each JV Subsidiary Guarantee;
 - (2) any Pari Passu Subsidiary Guarantees by any Subsidiary Guarantor or any JV Subsidiary Guarantor;
 - (3) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (b)(4) of this “—Limitation on Indebtedness and Preferred Stock” covenant; *provided that* such Indebtedness of Restricted Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness described in clauses (1) and (2) above and clauses (4), (6), (7) and (13) below);
 - (4) Indebtedness of the Company or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided that* (x) any event which results in any such Restricted Subsidiary to whom such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (4), (y) if the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor is the obligor and none of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors is the obligee on such Indebtedness, such Indebtedness must be unsecured and be expressly subordinated in right of payment to the Notes, in the case of the Company being the obligor, or the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor being the obligor and (z) if the Indebtedness is owed to the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, such Indebtedness must be evidenced in and reflected on the unconsolidated financial statements (which may be internal financial statements) of the Company, the Subsidiary Guarantor or the JV Subsidiary Guarantor, as the case may be;
 - (5) Indebtedness (“Permitted Refinancing Indebtedness”) of the Company or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, “refinance” and “refinances” and “refinanced” shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Indebtedness). Incurred under the immediately preceding paragraph (a) or clauses (1), (2), (3), (8), (15), (16), (17), (18), (19), (21) and (22) of this paragraph (b) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided that* (i) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes, a Subsidiary Guarantee or a JV Subsidiary Guarantee shall only be permitted under this clause (5) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, a Subsidiary Guarantee or a JV Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued and remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee or a JV Subsidiary

Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded; (iii) in no event may Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause (5) by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor or a JV Subsidiary Guarantor; and (iv) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor (*provided that* this sub-clause (iv) shall not prohibit the replacement of a Subsidiary Guarantee by a JV Subsidiary Guarantee if otherwise permitted by the Indenture);

- (6) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (7) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;
- (8) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (x) all or any part of the purchase price of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, real or personal property or equipment which will, upon acquisition, become a Restricted Subsidiary, or (y) all or any part of the purchase price or the cost of development, construction or improvement of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or such Restricted Subsidiary in the Permitted Business; *provided that* in the case of clauses (x) and (y), (A) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (B) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such property or completion of such development, construction or improvement and (C) on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (8) (together with refinancings thereof and the aggregate principal amount outstanding of such Indebtedness Incurred pursuant to clauses (16), (17), (18), (19), (21) and (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (8) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (9) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (10) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;

- (11) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Restricted Subsidiary;
- (12) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business *provided, however,* that such Indebtedness is extinguished within five Business Days of Incurrence;
- (13) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, subject to the “Limitation on Issuances of Guarantees by Restricted Subsidiaries” covenant;
- (14) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided that* the aggregate principal amount of Indebtedness permitted by this clause (b)(14) at any time outstanding does not exceed US\$20.0 million (or the Dollar Equivalent thereof);
- (15) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US\$30.0 million (or the Dollar Equivalent thereof);
- (16) Bank Deposit Secured Indebtedness Incurred by the Company or any of its Restricted Subsidiaries; *provided that* on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (16) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clause (8) above and clauses (17), (18), (19), (21) and (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (16) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (17) Indebtedness Incurred or Preferred Stock issued by the Company or any Restricted Subsidiary arising from any Investment made by a Trust Company Investor in any PRC Restricted Subsidiary or by a Senior Residence Investor in any Restricted Subsidiary, and Indebtedness of the Company or a Restricted Subsidiary constituting a Guarantee by, or grant of a Lien on the assets of (x) the Company or any PRC Restricted Subsidiary in favor of a Trust Company Investor or (y) the Company or any Restricted Subsidiary in favor of a Senior Residence Investor with respect to the obligation to pay a guaranteed or preferred return to such Trust Company Investor or Senior Residence Investor on Capital Stock of such Restricted Subsidiary; *provided that* on the date of the Incurrence of such Indebtedness or Preferred Stock and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness and Preferred Stock Incurred pursuant to this clause (17) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clauses (8) and (16) above and clauses (18), (19), (21) and (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (17) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;

- (18) Indebtedness Incurred by any PRC Restricted Subsidiary which is secured by Investment Properties, and Guarantees thereof by the Company or any such Restricted Subsidiary; provided that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (18) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clauses (8), (16) and (17) above and clauses (19), (21) and (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (18) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (19) Acquired Indebtedness of any Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary became a Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of transactions pursuant to which a Person becomes a Restricted Subsidiary or (ii) otherwise in contemplation of a Person becoming a Restricted Subsidiary or any such acquisition); *provided that* on the date of the Incurrence of such Indebtedness or Preferred Stock issued and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred or Preferred Stock issued pursuant to this clause (19) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clauses (8), (16), (17) and (18) above and clauses (21) and (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (19) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (20) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Staged Acquisition Agreement;
- (21) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of Indebtedness of any Person (other than a Restricted Subsidiary) by the Company or such Restricted Subsidiary; provided that on the date of the Incurrence of such Indebtedness or Preferred Stock issued and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred or Preferred Stock issued pursuant to this clause (21) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clauses (8), (16), (17), (18) and (19) above and clause (22) below, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (21) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets; and
- (22) any Indebtedness owed by any Restricted Subsidiary to any holder of its Capital Stock resulting from a reduction of its share capital; provided that on the date of the Incurrence of such Indebtedness or Preferred Stock issued and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred or Preferred Stock issued pursuant to this clause (22) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness Incurred pursuant to clauses (8), (16), (17), (18), (19) and (21) above, but excluding any Contractor Guarantee or Guarantee Incurred under any such clauses and this clause (22) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets.
- (c) For purposes of determining compliance with this “Limitation on Indebtedness and Preferred Stock” covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of part (a), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness in one or more types of Indebtedness described above.

- (d) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies, *provided that* such Indebtedness was permitted to be Incurred at the time of such Incurrence.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as “Restricted Payments”):

- (1) declare or pay any dividend or make any distribution on or with respect to the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable or paid in shares of the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly Owned Restricted Subsidiary;
- (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly Owned Restricted Subsidiary, other than (i) the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement or (ii) the purchase of Capital Stock of a Restricted Subsidiary held by any Trust Company Investor or Senior Residence Investor;
- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of the Subsidiary Guarantees or any of the JV Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries); or
- (4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default shall have occurred and is continuing or would occur as a result of such Restricted Payment;
- (B) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption “—Limitation on Indebtedness and Preferred Stock;” or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:
 - (1) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the semi-annual period during which the 2013 Notes were first issued and ending on the last day of the Company’s most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); plus
 - (2) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including

any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; plus

- (3) the amount by which Indebtedness of the Company or any of its Restricted Subsidiaries is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); plus
- (4) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (w) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Measurement Date, (x) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (y) to the extent that an Investment made after the Measurement Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (A) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (B) the initial amount of such Investment, or (z) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person or Unrestricted Subsidiary; plus
- (5) US\$20.0 million (or the Dollar Equivalent thereof using the Original Issue Date as the date of determination).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
- (3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a substantially concurrent sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph, *provided however* that any item that has been excluded pursuant to clause (C)(2) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or

sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph, *provided however* that any item that has been excluded pursuant to clause (C)(2) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);

- (5) any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a pro rata basis or on a basis more favorable to the Company to all holders of any class of Capital Stock of such Restricted Subsidiary, at least a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company;
- (6) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary in connection with an employee benefit plan or the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary held by an employee benefit plan of the Company or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing), *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed US\$5.0 million (or the Dollar Equivalent thereof using the Original Issue Date as the date of determination);
- (7) dividends paid to, or the purchase of the Capital Stock of any Restricted Subsidiary (as the case may be) held by, any Trust Company Investor or Senior Residence Investor in respect of any Indebtedness outstanding on the Original Issue Date or permitted to be Incurred under paragraph (b)(17) of the “Limitation on Indebtedness and Preferred Stock” covenant;
- (8) the declaration and payment of dividends on the Company’s Common Stock by the Company with respect to the Company’s fiscal year ended December 31, 2013 in the aggregate amount that does not exceed US\$20.0 million (or the Dollar Equivalent thereof);
- (9) the declaration and payment of dividends by the Company and/or the Repurchase of the Company’s Common Stock with respect to any financial year, *provided that* such declaration and payment of dividends by the Company, together with such repurchase of the Company’s Common Stock, shall not in the aggregate exceed 20.0% of the consolidated profit for the year of the Company calculated in accordance with GAAP; or
- (10) any purchase, redemption, retirement or acquisition of any shares of Capital Stock of any Restricted Subsidiary in an arm’s length transaction, provided that any such purchase, redemption, retirement or acquisition shall be deemed to be an arm’s length transaction if the consideration paid by the Company or the relevant Restricted Subsidiary, as the case may be, is not more than the Fair Market Value of the shares of Capital Stock so purchased, redeemed, retired or acquired,

provided that, in the case of clause (2), (3) or (4) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment made pursuant to clause (1) of the preceding paragraph shall be included in calculating whether the conditions of clause (C) of the first paragraph of this “Limitation on Restricted Payments” covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors’ determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an Independent Financial Advisor if the Fair Market Value exceeds US\$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in an amount in excess of US\$10.0 million (or the Dollar Equivalent thereof) (other than any Restricted Payments set forth in clauses (5) through (10) above), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant under the caption "—Limitation on Restricted Payments" were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (1) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (b) pay any Indebtedness or other obligations owed to the Company or any other Restricted Subsidiary;
 - (c) make loans or advances to the Company or any other Restricted Subsidiary; or
 - (d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary.
- (2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:
 - (a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees, the Indenture, the Security Documents, or under any Permitted Pari Passu Secured Indebtedness of the Company or any Subsidiary Guarantor Pledgor or Pari Passu Subsidiary Guarantee of any Subsidiary Guarantor or JV Subsidiary Guarantor, and any extensions, refinancings, renewals, supplements, amendments or replacements of any of the foregoing agreements; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (b) existing under or by reason of applicable law, rule, regulation or order;
 - (c) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture, or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

- (e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the “Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “Limitation on Indebtedness and Preferred Stock” and “Limitation on Asset Sales” covenants;
- (f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or Preferred Stock of the type described under clause (b)(8), (b)(14), (b)(16), (b)(17), (b)(18), (b)(19), (b)(21) or (b)(22) or permitted under clause (b)(15) or (b)(20) of the “Limitation on Indebtedness and Preferred Stock” covenant if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make required payment on the Notes and, with respect to (b)(8), (b)(15), (b)(16), (b)(17), (b)(18), (b)(19) and (b)(20), any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
- (g) existing in customary provisions in shareholders’ agreements, joint venture agreements and other similar agreements permitted under the Indenture, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture and if (as determined in good faith by the Board of Directors) (i) the encumbrances or restrictions are customary for a shareholders, joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (x) the ability of the Company to make the required payments on the Notes, or (y) any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payments under its Subsidiary Guarantee or JV Subsidiary Guarantee; or
- (h) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, pro rata to its shareholders or incorporators;
- (2) to the extent such Capital Stock represents director’s qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;
- (3) the issuance or sale of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the “Limitation on Restricted Payments” covenant if made on the date of such issuance or sale and *provided that* the Company complies with the “Limitation on Asset Sales” covenant; or

- (4) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided that* the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the “Limitation on Asset Sales” covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor or a JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness (“Guaranteed Indebtedness”) of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee (in the case of a Subsidiary Guarantor) or JV Subsidiary Guarantee (in the case of a JV Subsidiary Guarantor) of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, until the Notes have been paid in full or (2) such Guarantee is permitted by clauses (b)(3), (b)(4) or (b)(16) (in the case of clause (b)(16), with respect to the Guarantee provided by the Company or any Restricted Subsidiary through Liens over one or more bank accounts or bank deposits, Investment Properties or fixed assets to secure (or the use of any Guarantee or letter of credit or similar instruments to Guarantee) any Bank Deposit Secured Indebtedness), under the caption “Limitation on Indebtedness and Preferred Stock.”

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, or (B) is subordinated in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee.

The Company will not permit any JV Subsidiary Guarantor, directly or indirectly, to guarantee any Indebtedness of the Company or any other Restricted Subsidiary unless the aggregate claims of the creditor under such guarantee will be limited to the applicable JV Entitlement Amount. If any JV Subsidiary Guarantor guarantees any Indebtedness of the Company or any other Restricted Subsidiary where the aggregate claims of the creditor under such guarantee exceeds the applicable JV Entitlement Amount, such JV Subsidiary Guarantee shall be replaced with a Subsidiary Guarantee given by a Subsidiary Guarantor.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an “Affiliate Transaction”), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

- (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an Independent Financial Advisor.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees and other compensation to directors of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;
- (2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;
- (3) any Restricted Payment of the type described in clauses (1) or (2) of the first paragraph of the covenant described above under the caption "Limitation on Restricted Payments" if permitted by that covenant;
- (4) any sale of Capital Stock (other than Disqualified Stock) of the Company;
- (5) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option scheme, so long as such scheme is in compliance with the listing rules of The Stock Exchange of Hong Kong Limited, which as of the Original Issue Date require a majority shareholder approval of any such scheme;
- (6) the acquisition by the Company or any Restricted Subsidiary from Mr. Zhang Lei or its Affiliates of any direct or indirect interest in America Pearland Crown LLC or Crown Point Regional Center, LLC in compliance with the listing rules of The Stock Exchange of Hong Kong Limited;
- (7) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in a Qualified Spin-off Group entered into in connection with a proposed restructuring in preparation for a Qualified Spin-off IPO, including but not limited to transactions entered into for purposes of any reorganization in connection with such proposed restructuring and Qualified Spin-off IPO and the entry into, and the performance thereof, of any underwriting agreement or other transaction documents in connection with such proposed restructuring and Qualified Spin-off IPO; and
- (8) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in a Qualified Spin-off Group entered into in the ordinary course of business, on fair and reasonable terms and disclosed in the offering document issued in connection with a proposed Qualified Spin-off IPO, or any amendment or modification or extension or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original transaction described in the offering document issued in connection with such proposed Qualified Spin-off IPO and in compliance with the rules of The Stock Exchange of Hong Kong Limited or any other recognized exchange on which the Company's ordinary shares are then listed for trading.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) Investments (other than Permitted Investments) not prohibited by the "Limitation on Restricted Payments" covenant and any Investment in any corporation, association or other business entity made in compliance with clause (18) of the definition of "Permitted Investment," (ii) transactions pursuant to agreements in effect on the Original Issue Date and described in this offering memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date and (iii) any transaction (A) between or among the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among Restricted Subsidiaries that are not Wholly Owned Restricted Subsidiaries, or (B) between or among the Company or a

Restricted Subsidiary on the one hand and any Unrestricted Subsidiary, Jointly Controlled Entity, Associate or Senior Residence Investor on the other hand; *provided that* in the case of clause (iii) (a) such transaction is entered into in the ordinary course of business, (b) in the case of a non-Wholly-Owned Restricted Subsidiary, none of the minority shareholders or minority partners of or in such Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary or by reasons of being a Subsidiary of the Company) and (c) in the case of a Unrestricted Subsidiary, Jointly Controlled Entity, Associate or Senior Residence Investor, none of the shareholders or partners which beneficially owns more than 10.0% of the Capital Stock of or in such Unrestricted Subsidiary, Jointly Controlled Entity, Associate or Senior Residence Investor is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such shareholder or partner being an officer or director of such entity or by reason of being a Subsidiary, Unrestricted Subsidiary, Jointly Controlled Entity or Associate of the Company or a Senior Residence Investor).

Limitation on Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Company will not, and will not permit any of its Restricted Subsidiaries to directly or indirectly incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind (other than the Collateral), whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided that* the Company may enter into a Sale and Leaseback Transaction if:

- (1) the Company could have (a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described above under "Limitation on Indebtedness and Preferred Stock" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "Limitation on Liens," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;
- (2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described below under the caption "Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;
- (3) in the case of an Asset Sale that constitutes an Asset Disposition, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption "Limitation on Indebtedness and Preferred Stock" after giving pro forma effect to such Asset Disposition; and

- (4) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided that* in case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving an aggregate consideration with a Fair Market Value in excess of US\$15.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an Independent Financial Advisor. For purposes of this provision, each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation, set-off or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
 - (b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or any Restricted Subsidiary) may apply such Net Cash Proceeds to:

- (1) permanently repay Senior Indebtedness of the Company or a Subsidiary Guarantor or JV Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or JV Subsidiary Guarantor (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or
- (2) acquire Replacement Assets; or
- (3) make an Investment in cash or Temporary Cash Investments pending application of such Net Cash Proceeds as set forth in clause (1) or (2) above.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute "Excess Proceeds." Excess Proceeds of less than US\$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When the aggregate amount of Excess Proceeds exceeds US\$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

- (1) accumulated Excess Proceeds, multiplied by
- (2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale,

rounded down to the nearest US\$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes (and such other *pari passu* Indebtedness) to be purchased on a pro rata basis will be selected in the manner set out under "—Optional Redemption". Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company's Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than a Permitted Business; provided, however, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption "Limitation on Restricted Payments."

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided that* (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) neither the Company nor any Restricted Subsidiary provides credit support (other than Guarantees otherwise in compliance with paragraph (6) below) for the Indebtedness of such Restricted Subsidiary; (3) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company; (4) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock" or such Lien would violate the covenant described under the caption "—Limitation on Liens;" (5) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (6) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under "—Limitation on Restricted Payments."

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided that* (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation, (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock," (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "—Limitation on Liens," (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary), (5) if such Restricted Subsidiary is not organized under the laws of the PRC, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor to the extent required under "—The Subsidiary Guarantees and the JV Subsidiary Guarantees", and (6) if such Restricted Subsidiary is not organized under the laws of the PRC, all Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary shall be pledged to the extent required under "—Security."

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (i) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, (ii) preserve and maintain good and valid title to its properties and assets (including land use rights) free and clear of any Liens other than Permitted Liens and (iii) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (A) the business, results of operations or prospects of the Company and its Restricted Subsidiaries taken as a whole or (B) the ability of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee, the relevant JV Subsidiary Guarantee or the Indenture.

Anti-Layering

The Company will not Incur, and will not permit any Subsidiary Guarantor or JV Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, the applicable Subsidiary Guarantee or the applicable JV Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Use of Proceeds

The Company will not, and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than (1) in the approximate amounts and for the purposes specified, including any adjustment in response to changes in acquisition or development plans as contemplated, under the caption “Use of Proceeds” in this offering memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Suspension of Certain Covenants

If, on any date following the date of the Indenture, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from either of the Rating Agencies, the provisions of the Indenture summarized under the following captions will be suspended:

- (1) “—Certain Covenants-Limitation on Indebtedness and Preferred Stock;”
- (2) “—Certain Covenants-Limitation on Restricted Payments;”
- (3) “—Certain Covenants-Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- (4) “—Certain Covenants-Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries;”
- (5) “—Certain Covenants-Limitation on Issuances of Guarantees by Restricted Subsidiaries;”
- (6) “—Certain Covenants-Limitation on the Company’s Business Activities;”
- (7) “—Certain Covenants-Limitation on Sale and Leaseback Transactions;” and
- (8) “—Certain Covenants-Limitation on Asset Sales.”

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under the caption “—Certain Covenants-Designation of Restricted and Unrestricted Subsidiaries” or the definition of “Unrestricted Subsidiary.”

Such covenants will be reinstated and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant summarized under “—Certain Covenants—Limitation on Restricted Payments” will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

PROVISION OF FINANCIAL STATEMENTS AND REPORTS

- (1) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with The Stock Exchange of Hong Kong Limited or any other recognized exchange on which the Company's common shares are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; *provided that* if at any time the Common Stock of the Company ceases to be listed for trading on a recognized stock exchange, the Company will file with the Trustee and furnish to the Holders:
 - (a) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants;
 - (b) as soon as they are available, but in any event within 45 calendar days after the end of the second financial quarter of the Company, copies of its financial statements (on a consolidated basis and in English language) in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) reviewed by a member firm of an internationally-recognized firm of independent accountants; and
 - (c) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third financial quarter of the Company, copies of its unaudited financial statements (on a consolidated basis and in English language), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period.
- (2) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee
 - (a) within 120 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the most recent fiscal year and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation, *provided that* the Company shall not be required to provide such auditor certification if its external auditors refuse to provide such certification as a result of a policy of such external auditors not to provide such certification; and
 - (b) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

EVENTS OF DEFAULT

The following events will be defined as "Events of Default" in the Indenture:

- (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

- (c) default in the performance or breach of the provisions of the covenants described under “—Consolidation, Merger and Sale of Assets,” the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions “—Repurchase of Notes upon a Change of Control Triggering Event” or “—Limitation on Asset Sales,” or the failure by the Company to create, or cause its Restricted Subsidiaries to create a first priority Lien on the Collateral (subject to any Permitted Liens) in accordance with the covenant described under the caption “—Security;”
- (d) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (e) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$7.5 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (A) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (B) the failure to make a principal payment when due;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or any of its Restricted Subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US\$7.5 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company’s insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) an involuntary case or other proceeding is commenced against the Company or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (h) the Company or any Restricted Subsidiary (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) other than in connection with a solvent liquidation or reorganization, consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (iii) effects any general assignment for the benefit of creditors;
- (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;
- (j) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Security Documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

- (k) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Collateral Agent ceases to have a first priority security interest in the Collateral (subject to any Permitted Liens).

If an Event of Default (other than an Event of Default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (g) or (h) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders of Notes waive all past defaults and rescind and annul a declaration of acceleration and its consequences if (x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default with respect to the Notes occurs and is continuing, the Trustee may but will not be obligated to pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. If an Event of Default occurs and is continuing, the Trustee may, and shall upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to being indemnified and/or secured to its satisfaction), deliver an enforcement notice to the Collateral Agent instructing the Collateral Agent to foreclose on the Collateral in accordance with the terms of the Security Documents or the Intercreditor Agreement and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Trustee deems appropriate. See “—Security.”

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that is unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. Neither the Trustee nor the Collateral Agent shall be required to expend its own funds in following such direction if it does not reasonably believe that reimbursement or satisfactory indemnification and/or security is assured to it.

A Holder of Notes may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity and/or security satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;
- (4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security; and

- (5) during such 60 day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Officers of the Company must certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee of any default or defaults in the performance of any covenants or agreements under the Indenture. See "Provision of Financial Statements and Reports."

None of the Trustee, Collateral Agent or any Agent is obligated to do anything to ascertain whether any Event of Default or Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so. Each of the Trustee, the Collateral Agent and the Agents may assume that no such event has occurred and that the Company and the Subsidiary Guarantors are performing all of their obligations under the Indenture, the Intercreditor Agreement, the Security Documents and the Notes unless the Trustee, the Collateral Agent or the Agent, as the case may be, has received written notice of the occurrence of such event or facts establishing that a Default or an Event of Default has occurred or that the Company and the Subsidiary Guarantors are not performing all of their obligations under the Indenture, the Intercreditor Agreement, the Security Documents and/or the Notes.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

- (1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of the Cayman Islands, Hong Kong, Bermuda or the British Virgin Islands and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Security Documents, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes, and the Indenture, the Notes and the Security Documents, as the case may be, shall remain in full force and effect;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
- (4) immediately after giving effect to such transaction on a pro forma basis the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant under the caption "—Limitation on Indebtedness and Preferred Stock;"
- (5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4) of this paragraph) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with;

- (6) each Subsidiary Guarantor and JV Subsidiary Guarantor, unless such Subsidiary Guarantor or JV Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under the caption “—Consolidation, Merger and Sale of Assets,” shall execute and deliver a supplemental indenture confirming that its Subsidiary Guarantee or JV Subsidiary Guarantee, as applicable, shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and
- (7) no Rating Decline shall have occurred.

No Subsidiary Guarantor or JV Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor or in the case of a JV Subsidiary Guarantor, other than to another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor), unless:

- (1) such Subsidiary Guarantor or JV Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction (or, in the case of a JV Subsidiary Guarantor, another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor); and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor or JV Subsidiary Guarantor under the Indenture, the Notes and the Security Documents, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes, and the Indenture, the Notes and the Security Documents, as the case may be, shall remain in full force and effect;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
- (4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant under the caption “—Limitation on Indebtedness and Preferred Stock;”
- (5) the Company delivers to the Trustee (x) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4) of this paragraph) and (y) Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; and
- (6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the “Limitation on Asset Sales” covenant or any Subsidiary Guarantor or JV Subsidiary Guarantor whose Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, is unconditionally released in accordance with the provisions described under “The Subsidiary Guarantees-Release of the Subsidiary Guarantees and JV Subsidiary Guarantees.”

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor or JV Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor or JV Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor survives such consolidation or merger.

The foregoing provisions would not necessarily afford holders of the Notes protection in the event of highly leveraged or other transactions involving the Company that may adversely affect holders of the Notes.

NO PAYMENTS FOR CONSENTS

The Company will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders of the Notes that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

DEFEASANCE

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

- (A) the Company has (a) deposited with the Trustee (or its agent), in trust, money and/or U.S. Government Obligations or any combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture;
- (B) the Company has delivered to the Trustee an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law, and
- (C) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

In the case of either discharge or defeasance of the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph and clauses (3), (4), (5)(x) and (6) under the second paragraph under “Consolidation, Merger and Sale of Assets” and all the covenants described herein under “Certain Covenants,” other than as described under “—Certain Covenants-Government Approvals and Licenses; Compliance with Law” and “—Certain Covenants-Anti-Layering,” clause (c) under “Events of Default” with

respect to such clauses (3), (4), (5)(x) and (7) under the first paragraph and clauses (3), (4), (5)(x) and (6) under the second paragraph under “Consolidation, Merger and Sale of Assets,” and with respect to the other events set forth in such clause, clause (d) under “Events of Default” with respect to such other covenants and clauses (e) and (f) under “Events of Default” shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, and the satisfaction of the provisions described in clause (B) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee (or its agent) will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

AMENDMENTS AND WAIVER

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any), the Intercreditor Agreement or any Security Document may be amended, without the consent of any Holder, to:

- (1) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, the Intercreditor Agreement or any Security Document;
- (2) comply with the provisions described under “Consolidation, Merger and Sale of Assets;”
- (3) evidence and provide for the acceptance of appointment by a successor Trustee or successor Collateral Agent;
- (4) add any Subsidiary Guarantor or JV Subsidiary Guarantor, or any Subsidiary Guarantee or JV Subsidiary Guarantee, or release any Subsidiary Guarantor or JV Subsidiary Guarantor from any Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, as provided or permitted by the terms of the Indenture;
- (5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;
- (6) add any Subsidiary Guarantor Pledgor or release any Subsidiary Guarantor Pledgor and Collateral as provided or permitted by the terms of the Indenture;
- (7) add additional Collateral to secure the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee;
- (8) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
- (9) effect any change to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable clearing system;
- (10) permit Permitted Pari Passu Secured Indebtedness (including, without limitation, permitting the Trustee to enter into any amendments or supplements to the Intercreditor Agreement, the Security Documents or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness, in accordance with the Indenture);

- (11) make any other change that does not materially and adversely affect the rights of any Holder; or
- (12) conform the text of the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision in the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

Amendments with Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any), the Intercreditor Agreement and any Security Document may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Company with any provision of the Indenture, the Notes, the Intercreditor Agreement or any Security Document; provided, however, that no such modification or amendment may, without the consent of each Holder affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;
- (2) reduce the principal amount of, or premium, if any, or interest on, any Note;
- (3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;
- (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note;
- (5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;
- (6) waive a default in the payment of principal of, or premium, if any, or interest on the Notes;
- (7) release any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture;
- (8) release any Collateral, except as provided in the Indenture and the Security Documents;
- (9) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;
- (10) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture;
- (11) amend, change or modify any provision of any Security Document, or any provision of the Indenture relating to the Collateral, in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture;
- (12) reduce the Delisting Put Price or the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which the Delisting Put Right, a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale must be exercised or made, as the case may be, or by which the Notes may be repurchased pursuant to the Delisting Put Right, a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale;
- (13) change the redemption date or the redemption price of the Notes from that stated under the captions “Optional Redemption” or “Redemption for Taxation Reasons;”

- (14) amend, change or modify the obligation of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor to pay Additional Amounts; or
- (15) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee in a manner which adversely affects the Holders.

UNCLAIMED MONEY

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

NO PERSONAL LIABILITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS, DIRECTORS OR EMPLOYEES

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company, any of the Subsidiary Guarantors or any of the JV Subsidiary Guarantors in the Indenture, or in any of the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company, any of the Subsidiary Guarantors or JV Subsidiary Guarantors, or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under U.S. federal securities laws.

CONCERNING THE TRUSTEE AND THE AGENTS

Citicorp International Limited is to be appointed as Trustee under the Indenture and as Collateral Agent with respect to the Collateral under the Security Documents and the Intercreditor Agreement and Citibank, N.A., London Branch is to be appointed as registrar (the "Registrar") and as the paying agent and transfer agent (the "Paying Agent", together with the Registrar, the "Agents") with regard to the Notes. Except during the continuance of a Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Company and its Affiliates; *provided, however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

The Trustee will not be under any obligation to exercise any rights or powers conferred under the Indenture for the benefit of the Holders, unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense.

If the Company maintains a paying agent with respect to the Notes in a member state of the European Union, the Company will maintain at least one paying agent in a member state of the European Union that is not obligated to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive or such other directive.

Citicorp International Limited will initially act as the Collateral Agent under the Security Documents in respect of the Security over the Collateral. The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the Security Documents as are set forth in the Indenture and the Security Documents, subject to the Intercreditor Agreement. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents or the Intercreditor Agreement that are in conflict with the interests of the Trustee and the Holders. Neither the Trustee nor the Collateral Agent will be under obligation to exercise any rights or powers conferred under the Indenture, the Intercreditor Agreement or any of the Security Documents for the benefit of the Holders unless such Holders have instructed the Trustee in writing and have offered to the Trustee and/or the Collateral Agent indemnity and/or security satisfactory to the Trustee and/or the Collateral Agent against any loss, liability or expense. Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee and the Collateral Agent, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Security Documents and has not relied on and will not at any time rely on the Trustee or the Collateral Agent in respect of such risks.

The Collateral Agent or the Trustee, as the case may be, shall not be responsible for the performance by any other person appointed by the Company in relation to the Notes and, unless notified in writing to the contrary, shall assume that the same are being duly performed. The Collateral Agent or the Trustee, as the case may be, shall not be responsible for the value of the Collateral nor any liability for the validity, sufficiency or enforceability thereof. The Collateral Agent and the Trustee, as the case may be, shall not be liable to any Holders or any other person for any action taken by the Holders, the Collateral Agent or the Trustee, as the case may be, in accordance with the instructions of the Holders. The Collateral Agent or Trustee, as the case may be, shall be entitled to rely on any written direction of the Holders which has been duly given by the Holders of the requisite principal amount of the Notes outstanding.

Neither the Trustee nor the Collateral Agent shall be deemed or implied to have any duties or obligations under any documents to which it is a party. Furthermore, neither the Trustee nor the Collateral Agent shall be deemed to have knowledge of an Event of Default or Default unless it has been notified in writing of such an Event of Default or Default thereof.

BOOK ENTRY; DELIVERY AND FORM

The Notes will be represented by a global note in registered form without interest coupons attached (the “Initial Global Note”). On the Original Issue Date, the Initial Global Note will be deposited with a common depository and registered in the name of a nominee of the common depository for the accounts of Euroclear and Clearstream. Any additional Notes will be represented by additional global notes in registered form without interest coupons attached (the “Additional Global Notes” and, together with the Initial Global Note, the “Global Notes”).

GLOBAL NOTES

Ownership of beneficial interests in the Global Notes (the “book-entry interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under “—Certificated Notes,” the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture and “holders” of book-entry interests will not be considered the owners or “Holders” of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Trustee, the Agents or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

PAYMENTS ON THE GLOBAL NOTES

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts) will be made to the Paying Agent in US dollars. The Paying Agent will, in turn, make such payments to the common depository for Euroclear and/or Clearstream, which will distribute such payments to participants in accordance with their procedures. Each of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under “—Additional Amounts.”

Under the terms of the Indenture, the Company, any Subsidiary Guarantor, any JV Subsidiary Guarantor and the Trustee will treat the registered holder of the Global Notes (i.e., the common depository or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee, the Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or
- any action or failure to take action by Euroclear, Clearstream or any participant or indirect participant. Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

REDEMPTION OF GLOBAL NOTES

In the event any Global Note, or any portion thereof, is redeemed, the common depository will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the book-entry interests in such Global Note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by the common depository, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of US\$200,000 principal amount, or less, as the case may be, will be redeemed in part.

ACTION BY OWNERS OF BOOK-ENTRY INTERESTS

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder of Notes only at the direction of one or more participants to whose account the book-entry interests in the Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for certificated notes in certificated form, and to distribute such certificated notes to their participants.

TRANSFERS

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of certificated notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Notes will be subject to the restrictions on transfer discussed under "Transfer Restrictions."

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

GLOBAL CLEARANCE AND SETTLEMENT UNDER THE BOOK-ENTRY SYSTEM

Book-entry interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream participants on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

INFORMATION CONCERNING EUROCLEAR AND CLEARSTREAM

The Company understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee, the Agents or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

CERTIFICATED NOTES

If (1) the common depositary or any successor to the common depositary is at any time unwilling or unable to continue as a depositary for the reasons described in the Indenture and a successor depositary is not appointed by the Company within 90 days (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with “—Events of Default” and the Company has received a written request from a Holder, the Company will issue certificated notes in registered form in exchange for the Global Notes. Upon receipt of such notice from the common depositary, Euroclear, Clearstream or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depositary for the exchange of interests in the Global Notes for certificated notes and cause the requested certificated notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the Trustee for delivery to Holders. Persons exchanging interests in a Global Notes for certificated notes will be required to provide the registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Registrar to complete, execute and deliver such certificated notes. In all cases, certificated notes delivered in exchange for any Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Certificated notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

NOTICES

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first class postage prepaid, in the mails of the relevant jurisdiction (if intended for the Company, any Subsidiary Guarantor, any JV Subsidiary Guarantor) addressed to the Company, such Subsidiary Guarantor or JV Subsidiary Guarantor or if intended for the Trustee, as the case may be, at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder’s last address as it appears in the Note register. Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream, as the case may be. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, as the case may be, or if by mail, when so sent or deposited.

CONSENT TO JURISDICTION; SERVICE OF PROCESS

The Company and each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will irrevocably (i) submit to the non-exclusive jurisdiction of any U.S. federal or New York State court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, any JV Subsidiary Guarantee (if any), the Indenture or any transaction contemplated thereby and (ii) designate and appoint National Corporate Research, Ltd. for receipt of service of process in any such suit, action or proceeding.

GOVERNING LAW

Each of the Notes and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York.

DEFINITIONS

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this “Description of the Notes” for which no definition is provided.

“2013 Notes” means any and all outstanding notes of the Company’s 13.875% Senior Notes due 2018 issued on November 4, 2013.

“2013 Notes Trustee” means Citicorp International Limited as the trustee with respect to the 2013 Notes.

“Acquired Indebtedness” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

“Acquisition Revaluation Gain” means any fair value gain arising from the revaluation of properties under development and completed properties held for sale in connection with a purchase, redemption, retirement or acquisition of Capital Stock of any Restricted Subsidiary.

“Acquisition Revaluation Loss” means any fair value loss arising from the revaluation of properties under development and completed properties held for sale in connection with a purchase, redemption, retirement or acquisition of Capital Stock of any Restricted Subsidiary.

“Adjusted Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price or such redemption date.

“Affiliate” means, with respect to any Person, any other Person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, (ii) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (i) of this definition or (iii) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (i) or (ii). For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Alternative Stock Exchange” means at any time, in the case of the Company’s shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Company’s shares are then listed or quoted or dealt in.

“Applicable Premium” means with respect to any Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of the principal amount of such Note, plus all required remaining scheduled interest payments due on such Note through the maturity date of the Notes (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 100 basis points, over (B) the principal amount of such Note on such redemption date.

“Asset Acquisition” means (1) an Investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“Asset Disposition” means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary or (2) all or substantially all of the assets that constitute a division or line of business of the Company and its Restricted Subsidiaries taken as a whole.

“Asset Sale” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale or issuance of Capital Stock of a Restricted Subsidiary or sale of Capital Stock of any other Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person; *provided, however*, that “Asset Sale” shall not include:

- (a) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;
- (b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the “Limitation on Restricted Payments” covenant;
- (c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (d) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;
- (e) any, transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (f) a transaction covered by the covenant under the caption “—Consolidation, Merger and Sale of Assets;”
- (g) sales or other dispositions of cash or Temporary Cash Investments; and
- (h) any sale, transfer or other disposition by the Company or any of its Restricted Subsidiaries, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Restricted Subsidiary.

“Associate” means any Person in which the Company directly or indirectly through one or more Subsidiaries, has any equity interest and which is treated as an “associate” of the Company under GAAP.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction, including any period for which such lease has been extended.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Bank Deposit Secured Indebtedness” means Indebtedness of the Company or any Restricted Subsidiary that is (i) secured by a pledge of one or more bank accounts or deposits, Investment Properties or fixed assets of the Company or a Restricted Subsidiary or (ii) guaranteed by a guarantee or a letter of credit (or similar instruments) from or arranged by the Company or a Restricted Subsidiary and is used by the Company and its Restricted Subsidiaries to in effect exchange U.S. dollars or Hong Kong dollars into Renminbi or vice versa or to in effect remit Renminbi or foreign currencies outside the PRC or vice versa.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York or in London or in Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock but excluding debt securities convertible or exchangeable into such equity.

“Change of Control” means the occurrence of one or more of the following events:

- (1) the merger, amalgamation, or consolidation of the Company with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person;
- (2) the Permitted Holders are collectively the beneficial owners of less than 51% of the total voting power of the Voting Stock of the Company;
- (3) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of the total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (4) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose nomination to the board of directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose nomination was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Decline.

“Clearstream” means Clearstream Banking S.A.

“Collateral” means all collateral securing, or purported to be securing, directly or indirectly, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, pursuant to the Security Documents, and initially consists of the Capital Stock of the initial Subsidiary Guarantors.

“Collateral Agent” means Citicorp International Limited or its successors or assigns.

“Commodity Hedging Agreement” means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

“Comparable Treasury Issue” means the U.S. Treasury security having a maturity comparable to October 20, 2019 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to October 20, 2019.

“Comparable Treasury Price” means, with respect to any redemption date:

- (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities;” or
- (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

“Consolidated Assets” means, with respect to any Restricted Subsidiary at any date of determination, the Company and its Restricted Subsidiaries’ proportionate interest in the total consolidated assets of such Restricted Subsidiary and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries (which the Company shall use its best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements).

“Consolidated EBITDA” means, for any period (including, for purposes of calculating the Fixed Charge Coverage Ratio on any Transaction Date, the then most recent four fiscal quarter periods prior to such Transaction Date for which consolidated financial statements for the Company are available), Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense (including, for the avoidance of doubt, any capitalized interest included in cost of sale in conformity with GAAP),
- (2) income taxes (other than income taxes attributable to extraordinary and non recurring gains (or losses) or sales of assets not included in the calculation of Consolidated EBITDA), and
- (3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period and other than losses on Investment Properties arising from fair value adjustments made in conformity with GAAP and Acquisition Revaluation Losses), less all non-cash items increasing Consolidated Net Income (other than gains on Investment Properties arising from fair value adjustments made in conformity with GAAP and Acquisition Revaluation Gains),

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP, *provided that* (i) if any Restricted Subsidiary is not a Wholly-Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries and (ii) in the case of any PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

“Consolidated Fixed Charges” means, for any period, the sum (without duplication) of (i) Consolidated Interest Expense for such period and (ii) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary, except for dividends payable in the Company’s Capital Stock (other than Disqualified Stock) or paid to the Company or to a Wholly-Owned Restricted Subsidiary.

“Consolidated Interest Expense” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capitalized Lease Obligations, (ii) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (v) the net costs associated with Hedging Obligations (including the amortization of fees), (vi) interest accruing on Indebtedness of any other Person (other than the Company or any Restricted Subsidiary) that is Guaranteed by, or secured by a Lien on any asset of, the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees) *provided that*, in the case of Indebtedness secured by a Lien on assets, the amount of such Indebtedness will be the lesser of (a) the fair market value of such assets at such date of determination, and (b) the amount of such Indebtedness of such other Person, *provided further that*, in each case of indebtedness so Guaranteed or secured, interest accruing shall be included only to extent that such interest has become payable by the Company or any Restricted Subsidiary, and (vii) any capitalized interest, *provided that* interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided that* the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:
 - (A) subject to the exclusion contained in clause (5) below, the Company’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and
 - (B) the Company’s equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;
- (2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;
- (3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (4) the cumulative effect of a change in accounting principles;

- (5) any net after-tax gains realized on the sale or other disposition of (A) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (B) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);
- (6) any translation gains and losses due solely to fluctuations in currency values and related tax effects;
and
- (7) any net after-tax extraordinary or non-recurring gains (other than Acquisition Revaluation Gain),

provided that (A) solely for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the current book value and the cash sale price shall be added to Consolidated Net Income; (B) for purposes of this Consolidated Net Income calculation (but not for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio) any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the original cost basis and the cash sale price shall be added to Consolidated Net Income to the extent not already included in the net income for such period as determined in conformity with GAAP and Consolidated Net Income and (C) solely for the purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains on Investment Properties arising from fair value adjustments made in conformity with GAAP shall be added to Consolidated Net Income.

“Core Businesses” means the acquisition and development of residential property in the PRC.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available fiscal quarter, semi-annual or annual consolidated balance sheet (which may be an internal consolidated balance sheet) of the Company and its Restricted Subsidiaries prepared in accordance with GAAP (which the Company shall use its reasonable best efforts to compile in a timely manner), *plus*, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

“Contractor Guarantees” means any Guarantee by the Company or any Restricted Subsidiary of Indebtedness of any contractor, builder or other similar Person engaged by the Company or such Restricted Subsidiary in connection with the development, construction or improvement of real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary in the ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

“Currency Agreement” means any foreign exchange contract, currency swap agreement, currency option agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided that* any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such

Capital Stock than the provisions contained in the “Limitation on Asset Sales” and “Repurchase of Notes upon a Change of Control Triggering Event” covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such Notes as are required to be repurchased pursuant to the “Limitation on Asset Sales” and “Repurchase of Notes upon a Change of Control Triggering Event” covenants.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“Entrusted Loans” means borrowings by a PRC Restricted Subsidiary from a bank that are secured by a pledge of deposits made by another PRC Restricted Subsidiary to the lending bank as security for such borrowings, *provided that*, such borrowings are not reflected on the consolidated balance sheet of the Company.

“Equity Offering” means (i) any bona fide underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date or (ii) any bona fide underwritten secondary public offering or secondary private placement of Common Stock of the Company beneficially owned by a Permitted Holder, after the Original Issue Date, to the extent that a Permitted Holder or a company controlled by a Permitted Holder concurrently with such public offering or private placement purchases in cash an equal amount of Common Stock from the Company at the same price as the public offering or private placing price; *provided that* any offering or placing referred to in (A) clause (i), (B) clause (ii), or (C) a combination of clauses (i) and (ii) result in the aggregate gross cash proceeds received by the Company being no less than US\$20.0 million (or the Dollar Equivalent thereof).

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

“Fair Market Value” means the price that would be paid in an arm’s length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution, except in the case of a determination of Fair Market Value of total assets for the purposes of determining a JV Entitlement Amount, in which case such price shall be determined by an accounting, appraisal or investment banking firm of recognized international standing appointed by the Company.

“Fixed Charge Coverage Ratio” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarter periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the “Four Quarter Period”) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

- (A) *pro forma* effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the “Reference Period”) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided that*, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;
- (B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

- (C) *pro forma* effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;
- (D) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
- (E) *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (D) or (E) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation shall be based upon the four full fiscal quarter periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“GAAP” means International Financial Reporting Standards, formulated by the International Accounting Standards Board or generally accepted accounting principles in Hong Kong, as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided that* the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Hedging Obligation” of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

“Holder” means the Person in whose name a Note is registered in the Note register.

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited or its successors.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided that* (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock shall not be considered an Incurrence of Indebtedness. The terms “Incurrence,” “Incurred” and “Incurring” have meanings correlative with the foregoing.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations; and
- (9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

Notwithstanding the foregoing, Indebtedness shall not include (i) any capital commitments, deferred payment obligation, pre-sale receipts in advance from customers or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business, or Entrusted Loans; *provided that* such item is not reflected on the consolidated balance sheet of the Company as borrowings or indebtedness (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings or indebtedness on the balance sheet will not be deemed to be reflected on such balance sheet), and (ii) any loans or advances from holders of Capital Stock of any Restricted Subsidiary to the extent such loans or advances are interest-free and do not provide for a fixed maturity date.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, provided

- (A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP,
- (B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest, and
- (C) that the amount of Indebtedness with respect to any Hedging Obligation shall be equal to (a) zero if Incurred pursuant to paragraph (b)(6) under the “Limitation on Indebtedness and Preferred Stock” covenant, or (b) the net amount payable by such Person if such Hedging Obligation terminated at that time, if not Incurred under such covenant.

“Independent Financial Advisor” means a licensed financial advisor, investment bank, appraisal firm or accounting firm of international standing, *provided that* such advisor or firm is not an Affiliate of the Company.

“Independent Third Party” means any Person that is not an Affiliate of the Company. “Intercreditor Agreement” has the meaning set forth under “—Security.”

“Interest Rate Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“Investment” means:

- (i) any direct or indirect advance, loan or other extension of credit to another Person,
- (ii) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others),
- (iii) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person, or
- (iv) any Guarantee of any obligation of another Person to the extent guaranteed by such Person. “Invest,” “Investing” and “Invested” shall have corresponding meanings.

For the purposes of the provisions of the “Designation of Restricted and Unrestricted Subsidiaries” and “Limitation on Restricted Payments” covenants: (i) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Company’s proportional interest in the Fair Market Value of the assets (net of the Company’s proportional interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (ii) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns or a rating of “Aaa,” or “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Moody’s or both, as the case may be.

“Investment Property” means any property that is owned and held by any Restricted Subsidiary primarily for rental yields or for capital appreciation or both, or any hotel owned by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

“January 2014 Notes” means any and all outstanding notes of the Company’s 11% Senior Notes due 2017 issued on January 22, 2014.

“January 2014 Notes Trustee” means Citicorp International Limited as the trustee with respect to the January 2014 Notes.

“Jointly Controlled Entity” means any corporation, association or other business entity of which 20% or more of the voting power of the outstanding Capital Stock is owned, directly or indirectly by the Company or a Restricted Subsidiary and such corporation, association or other business entity is treated as a “joint venture” in accordance with GAAP and is primarily engaged in a Permitted Business, and such Jointly Controlled Entity’s Subsidiaries.

“July 2014 Notes” means any and all outstanding notes of the Company’s 12.75% Senior Notes due 2019 issued on July 31, 2014.

“July 2014 Notes Trustee” means Citicorp International Limited as the trustee with respect to the July 2014 Notes.

“JV Entitlement Amount” means, with respect to any JV Subsidiary Guarantor which is not a Subsidiary of another JV Subsidiary Guarantor, together with its Subsidiaries, an amount that is equal to the product of (i)

the Fair Market Value of the total assets of such JV Subsidiary Guarantor and its Subsidiaries, on a consolidated basis (without deducting any Indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal year end of the Company; and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or its Restricted Subsidiaries in the Capital Stock of such JV Subsidiary Guarantor and its Subsidiaries.

“JV Subsidiary Guarantee” has the meaning set forth under the caption “—The Subsidiary Guarantees.” “JV Subsidiary Guarantor” means a Restricted Subsidiary that executes a JV Subsidiary Guarantee.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“Measurement Date” means November 4, 2013.

“Moody’s” means Moody’s Investors Service and its affiliates and successors.

“Net Cash Proceeds” means:

- (a) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:
 - (1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
 - (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;
 - (3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;
 - (4) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and
- (b) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorney’s fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Non-Core Businesses” means any business other than the Core Businesses.

“Non-Core Entity” means any Restricted Subsidiary which is primarily engaged, directly or indirectly, in a Non-Core Business.

“Offer to Purchase” means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent, the Registrar and each Holder at its last address appearing in the Note register stating:

- (1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Offer to Purchase Payment Date”);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or integral multiples of US\$1,000.

The Company shall (a) one Business Day prior to the Offer to Purchase Payment Date accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) one Business Day prior to the Offer to Purchase Payment Date deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) on the Offer to Purchase Payment Date, deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers’ Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or integral multiples of US\$1,000 in excess thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Company will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“Officer” means one of the executive officers of the Company or, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be.

“Officers’ Certificate” means a certificate signed by two Officers; *provided*, however, with respect to the Officers’ Certificate required to be delivered by any Subsidiary Guarantor under the Indenture, Officers’ Certificate means a certificate signed by one Officer if there is only one Officer in such Subsidiary Guarantor at the time such certificate is required to be delivered.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be a counsel to the Company.

“Original Issue Date” means the date on which the Notes are originally issued under the Indenture.

“Pari Passu Subsidiary Guarantee” means a guarantee by any Subsidiary Guarantor or any JV Subsidiary Guarantor of Indebtedness of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor (including Additional Notes); *provided that* (i) the Company was permitted to Incur such Indebtedness under the covenant under the caption “Limitation on Indebtedness and Preferred Stock” and (ii) such guarantee ranks *pari passu* with any outstanding Subsidiary Guarantee of such Subsidiary Guarantor, or with any outstanding JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be.

“Payment Default” means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, (3) the failure by the Company to make or consummate a Change of Control Offer in the manner described under the caption “—Repurchase of Notes upon a Change of Control Triggering Event,” or an Offer to Purchase in the manner described under the caption “—Limitation on Asset Sales,” or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

“Permitted Business” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Restricted Subsidiaries on the Original Issue Date.

“Permitted Holders” means any or all of the following:

- (1) Mr. Zhang Lei, any immediate family member of Mr. Zhang Lei and any trust established by Mr. Zhang Lei for his own benefit or for the benefit of any of his family members;
- (2) any Affiliate (other than an Affiliate as defined in clause (ii) or (iii) of the definition of Affiliate) of any Person specified in clause (1); and
- (3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by one or more of the Persons specified in clauses (1) and (2).

“Permitted Investment” means any of the following:

- (1) any Investment in the Company or a Restricted Subsidiary, directly or indirectly through one or more Restricted Subsidiaries, that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged, directly or indirectly through one or more Restricted Subsidiaries, in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged, directly or indirectly through one or more Restricted Subsidiaries, in a Permitted Business;
- (2) any Investment in cash or Temporary Cash Investments;
- (3) payroll, travel and similar advances made in the ordinary course of business to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;
- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) any Investment pursuant to a Hedging Obligation not for speculation and designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (8) Investments made by the Company or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale made in compliance with the covenant under the caption “—Limitation on Asset Sales;”
- (9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—Limitation on Liens;”
- (10) any Investment pursuant to Pre-Registration Mortgage Guarantees or Contractor Guarantees by the Company or any Restricted Subsidiary otherwise permitted to be Incurred under the Indenture;
- (11) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;
- (12) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company’s consolidated balance sheet;
- (13) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;
- (14) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers compensation claims, unemployment insurance or other types of social security and other purposes specified by statute or regulation from time to time in the ordinary course of business;
- (15) deposits made in order to secure the performance or obligations to provide indemnity, compensation, reimbursement or warranty of the Company or any of its Restricted Subsidiaries in connection with the acquisition, construction, development, sale and delivery of, or prepayments made in connection

with the acquisition of, real property or land use rights or personal property (including but not limited to Capital Stock) by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

- (16) advances or prepayments to, or advances, prepayments or expenses made or incurred for or on behalf of, government authorities or bodies or government-affiliated entities or land use rights owners in the PRC in connection with the financing of primary land development or land resettlement in the ordinary course of business that are recorded as assets in the Company's balance sheet;
- (17) Investments arising from advances, payments or expenses made or incurred in relation to a Management Project or Senior Residence Project that are recorded as assets on the Company's consolidated balance sheet or arising from agreements providing for indemnity, compensation, reimbursement or warranty obligations arising in the ordinary course of business in relation to a Management Project or Senior Residence Project;
- (18) any Investment (including without limitation any deemed Investment upon the sale of Capital Stock of a Restricted Subsidiary or the designation of a Restricted Subsidiary as an Unregistered Subsidiary) by the Company or any Restricted Subsidiary in any Person; *provided that*:
 - (i) the aggregate of all Investments made under this clause (18) since the Original Issue Date shall not exceed in aggregate an amount equal to 25% of Total Assets, *provided that* such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (18) since the Original Issue Date resulting from:
 - (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (18), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
 - (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Person, or
 - (C) to the extent that an Investment made after the Original Issue Date under this clause (18) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (18). For purposes of this clause (C), each of the following will be deemed to be cash, (a) any liabilities as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee) that are assumed by the transferee of any such investment pursuant to a customary assumption, assignment novation, set off or similar agreement that releases the Company or such Restricted Subsidiary from further liability and (b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of the closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;
 - (ii) the Person into which such Investment is made is primarily engaged in the Permitted Businesses;
 - (iii) none of the other shareholders or partners in such Person in which such Investment was made pursuant to this clause (18) is a Person described in clauses (x) or (y) of the first paragraph of the covenant under the caption "—Limitation on Transactions with Shareholders and Affiliates" (other than by reason of such shareholder or partner being an officer or director of the Company or a Restricted Subsidiary or by reason of being a Restricted Subsidiary, Unrestricted Subsidiary, Jointly Controlled Entity or Associate);

- (iv) except in the case of any Investment made by a US Restricted Subsidiary or in connection with a Senior Residence Project, the Company or any Restricted Subsidiary owns, directly or indirectly, no less than 20% of the voting power of the outstanding Voting Stock of the Person (other than any Senior Residence Investor) into which such Investment is made (after giving effect to such Investment);
- (v) no Default has occurred and is continuing or would occur as a result of such Investment; and
- (vi) in the case of any Investment by the Company or any Restricted Subsidiary in a Person of which less than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by the Company or its Restricted Subsidiaries, at the time of such Investment, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption “—Limitation of Indebtedness and Preferred Stock”

provided that, sub-clauses (ii), (iv) and (vi) above shall not apply if such Investment would otherwise have been permitted under this clause (18) and such Investment (together with the aggregate amount of all Investments made after the Original Issue Date in reliance on this proviso, less the aggregate amount of net reduction in Investments after the Original Issue Date in reliance on this proviso resulting from circumstances described in sub-clauses (A) to (C) above) shall not exceed 10% of Total Assets.

For the avoidance of doubt, the value of each Investment made pursuant to this clause (18) shall be valued at the time such Investment is made.

- (19) Guarantees permitted under clause (b)(21) of the covenant described under “—Certain Covenants-Limitation on Indebtedness and Preferred Stock;” and
- (20) any Investment deemed to have been made by the Company or any Restricted Subsidiary in any Non-Core Entity of a Qualified Spin-off Group upon the designation of such Non-Core Entity as an Unrestricted Subsidiary.

“Permitted Liens” means any of the following:

- (1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds, utility services, developer’s or other obligations to make on site or off-site improvements and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole, and rights of purchasers or lessees with respect to security deposits, escrow funds and other amounts held by a US Restricted Subsidiary in the ordinary course of business;
- (5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

- (6) any interest or title of a lessor in the property subject to any operating lease;
- (7) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided that* such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (8) Liens in favor of the Company or any Restricted Subsidiary;
- (9) Liens arising from the attachment or rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (10) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
- (11) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (b)(6) of the covenant under the caption "Limitation on Indebtedness and Preferred Stock;"
- (12) Liens existing on the Original Issue Date;
- (13) Liens under the Security Documents;
- (14) Liens securing any Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth under "Security-Permitted Pari Passu Secured Indebtedness;"
- (15) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (b)(5) of the covenant described under the caption entitled "Limitation on Indebtedness and Preferred Stock;" *provided that* such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
- (16) Deposits made or liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (b)(7) of the covenant under the caption "Limitation on Indebtedness and Preferred Stock;"
- (17) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;
- (18) Liens (including extensions and renewals thereof) upon assets, real or personal property; *provided that* (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under clause (b)(8) of the covenant under the caption entitled "Limitation on Indebtedness and Preferred Stock" and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction or improvement of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement and (c) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item, *provided that*, in the case of clauses (b) and (c), such Lien may cover other property or assets (instead of or in addition to such item of property or improvements) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets (as reflected in the most recent available consolidated financial statements of the Company (which may be internal

consolidated financial statements) or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (18) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;

- (19) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (20) Liens on deposits made in order to secure the performance or obligations to provide indemnity, compensation, reimbursement or warranty of the Company or any of its Restricted Subsidiaries in connection with the acquisition, construction, development, sale and delivery of real property or land use rights or personal property (including but not limited to Capital Stock) by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (21) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims, unemployment insurance or other types of social security and other purposes specified by statute or regulations in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (22) Liens on current assets securing Indebtedness which is permitted to be Incurred under clause (b)(14) of the covenant described under the caption entitled "Limitation on Indebtedness and Preferred Stock;"
- (23) Liens Incurred on deposits made to secure Bank Deposit Secured Indebtedness permitted to be Incurred under clause (b)(16) of the covenant described under "—Certain Covenants-Limitation on Indebtedness and Preferred Stock;"
- (24) Liens on the Capital Stock of a PRC Restricted Subsidiary granted by the Company or any Restricted Subsidiary in favor of any Trust Company Investor or liens on any assets of a Restricted Subsidiary granted by such Restricted Subsidiary in favor of any Senior Residence Investor in respect of, and to secure, the Indebtedness permitted to be Incurred under clause (b)(17) of the covenant described under "—Certain Covenants-Limitation on Indebtedness and Preferred Stock;"
- (25) Liens Incurred on deposits made to secure Entrusted Loans;
- (26) Liens on Investment Properties securing Indebtedness of the Company or Restricted Subsidiary incorporated under the laws of the PRC permitted to be Incurred under clause (b)(18) of the covenant described under "—Certain Covenants-Limitation on Indebtedness and Preferred Stock;"
- (27) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clause (b)(20) of the covenant described under "—Certain Covenants-Limitation on Indebtedness and Preferred Stock;"
- (28) Liens securing Indebtedness permitted to be Incurred by the Company or any Restricted Subsidiary under clause (b)(15) of the covenant described under "—Certain Covenants-Limitation on Indebtedness and Preferred Stock;"
- (29) Liens on deposits securing the obligations of the Company or a Restricted Subsidiary to return or refund, or arising from any pledge, charge of or encumbrance on the use, application, transfer or disposition of, all or part of the membership fee, entrance fee, application fee, debenture or other payments of a similar nature paid by a customer purchasing, renting or otherwise obtaining a right to use any property in a Senior Residence Project;
- (30) Liens incurred by any US Restricted Subsidiary primarily engaged in a Permitted Business in its ordinary course of business to secure cash management services or to implement cash pooling arrangements or for homeowner, property owner, condominium and similar association fees, assessments and other related payments; and

- (31) Liens securing Guarantees permitted under clause (b)(21) of the covenant described under “—Certain Covenants-Limitation on Indebtedness and Preferred Stock” or the Indebtedness guaranteed by such Guarantees.

provided that, with respect to the Collateral, “Permitted Liens” shall only refer to the Liens described in clauses (1), (7), (13) and (14).

“Permitted Pari Passu Secured Indebtedness” has the meaning set forth under “Security-Permitted Pari Passu Secured Indebtedness.”

“Permitted Subsidiary Indebtedness” means Indebtedness of, and all Preferred Stock issued by, the Restricted Subsidiaries, taken as a whole; *provided that*, on the date of the Incurrence of such Indebtedness or issuance of such Preferred Stock, as the case may be, and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness and Preferred Stock (excluding any Public Indebtedness and the amount of any Indebtedness of any Restricted Subsidiary permitted under clauses (b)(1), (b)(2), (b)(4), (b)(6), (b)(7), (b)(13) and (b)(19) of the covenant described under “—Certain Covenants—Limitation on Indebtedness and Preferred Stock”) does not exceed an amount equal to 25% of the Total Assets.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“PRC” means the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

“PRC CJV” means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures adopted on April 13, 1988 (as most recently amended on October 13, 2000) and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995, as such laws may be amended.

“PRC CJV Partner” means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.

“PRC Restricted Subsidiary” means a Restricted Subsidiary organized under the laws of the PRC.

“Pre-Registration Mortgage Guarantee” means any Indebtedness of the Company or any Restricted Subsidiary consisting of (i) a guarantee in favor of any bank or other similar financial institutions in the ordinary course of business of secured loans of purchasers of individual units of properties from the Company or any Restricted Subsidiary, or (ii) a guarantee or deposit made for housing provident fund loans provided to customers in favor of, or representing amounts placed with, Housing Provident Fund Management Center or another organization responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers; *provided that*, any such guarantee shall be released in full on or before the perfection of a security interest in such properties under applicable law in favor of the relevant lender.

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Public Indebtedness” means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the Notes) to institutional investors.

“Qualified Exchange” means either (1) The New York Stock Exchange, the Nasdaq Stock market, the London Stock Exchange, The Stock Exchange of Hong Kong Limited, Singapore Exchange Securities Trading Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Taiwan Stock Exchange or (2) a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act).

“Qualified IPO” means a listing (or a deemed new listing pursuant to the rules of the relevant stock exchange or governing body) of the Voting Stock of a company on a Qualified Exchange; provided that in the case that such listing is on a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act), such listing shall result in a public float of no less than the percentage required by the applicable listing rules.

“Qualified Spin-off Group” means, collectively, (i) any Non-Core Entity the Voting Stock of which is, or is expected to be pursuant to a definitive plan, listed on a Qualified Exchange in a Qualified Spin-off IPO, and (ii) the Subsidiaries of such Non-Core Entity.

“Qualified Spin-off IPO” means any Qualified IPO of a Non-Core Entity; provided that the Board of Directors of the Company has determined in good faith that the designation of such Non-Core Entity and its Subsidiaries as Unrestricted Subsidiaries is desirable to obtain approval from a Qualified Exchange for such Qualified IPO.

“Rating Agencies” means (i) S&P and (ii) Moody’s and (iii) if S&P or Moody’s or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody’s or both, as the case may be.

“Rating Category” means (i) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P; “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from “BB+” to “BB”, as well as from “BB-” to “B+”, will constitute a decrease of one gradation).

“Rating Date” means (i) in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control, or (ii) in connection with actions contemplated under the caption “—Consolidation, Merger and Sale of Assets,” that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

“Rating Decline” means (i) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any member or members of management of the Company to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (ii) in connection with actions contemplated under the caption “—Consolidation, Merger and Sale of Assets,” the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (a) in the event the Notes are rated by both Moody’s and S&P on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;
- (b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or
- (c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Reference Treasury Dealer” means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company in good faith, of the bid and asked prices for the

Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Renminbi,” “RMB” or “CNY” means the lawful currency of the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purposes of the Indenture.

“Replacement Assets” means, on any date, property or assets of a nature or type or that are used in a Permitted Business, including the Capital Stock of any Person holding such property or assets, which is primarily engaged in a Permitted Business and is or will become upon the acquisition by the Company or any of its Restricted Subsidiaries of such Capital Stock, a Restricted Subsidiary.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, and its affiliates and successors.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

“Security Documents” means, collectively, the pledge agreements and any other agreements or instruments that may evidence or create any security interest in favor of the Collateral Agent, the Trustee and/or any Holders in any or all of the Collateral.

“Secured Party Documents” mean, collectively, the Indenture and the documents evidencing any Permitted Pari Passu Secured Indebtedness.

“Senior Indebtedness” of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes, (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee, or (c) in respect of any Restricted Subsidiary that is a JV Subsidiary Guarantor, its JV Subsidiary Guarantee; *provided that* Senior Indebtedness does not include (i) any obligation to the Company or any Restricted Subsidiary, (ii) trade payables or (iii) Indebtedness Incurred in violation of the Indenture.

“Senior Residence Investor” means a government, government authority or body, government-affiliated entity, any fund, trust or partnership, or an Affiliate thereof, that Invests in any Capital Stock of a Restricted Subsidiary primarily for purposes of developing, financing or investing in a Senior Residence Project.

“Senior Residence Project” means a project in the PRC or the United States carried out in accordance with applicable laws and regulations which primarily involves the acquisition, development, leasing, operation or management of a residential or mixed-use real estate development designed to provide, inter alia, property and/or services targeted or tailored for the needs of middle-aged to senior people and members of their families, or younger people who are interested in purchasing or leasing property in or around such a community to provide for their future residential needs when they become older.

“Staged Acquisition Agreement” means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary agrees to acquire not less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“Stated Maturity” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“Subordinated Indebtedness” means any Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity (1) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person; or (2) of which 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and in each case which is “controlled” and consolidated by such Person in accordance with GAAP; provided, however, that with respect to clause (2) the occurrence of any event as a result of which such corporation, association or other business entity ceases to be “controlled” by such Person under GAAP and to constitute a Subsidiary of such Person shall be deemed to be an Investment by such Person in such entity, which shall be made in compliance with the covenant under the caption “—Limitation on Restricted Payments.”

“Subsidiary Guarantee” means any Guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

“Subsidiary Guarantor” means any initial Subsidiary Guarantor named herein and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided that* Subsidiary Guarantor will not include (a) any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes or (b) any JV Subsidiary Guarantor.

“Subsidiary Guarantor Pledgor” means any initial Subsidiary Guarantor Pledgor named herein and any other Subsidiary Guarantor which pledges Collateral to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee; *provided that* a Subsidiary Guarantor Pledgor will not include any person whose pledge under the Security Documents has been released in accordance with the Security Documents, the Indenture and the Notes.

“Temporary Cash Investment” means any of the following:

- (1) direct obligations of the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing, in each case maturing within one year, and any financial products consisting of such direct obligations;
- (2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, any state of the European Economic Area or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

- (4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof, or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P;
- (5) securities maturing within one year of the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s;
- (6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and
- (7) (i) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with any banks or financial institutions organized under the laws of the PRC, or (ii) any financial products for which any such bank or financial institutions guarantees or undertake for the return of at least 100% of the principal amount thereof, *provided that* in the case of (ii) such deposits do not exceed US\$5.0 million (or the Dollar Equivalent thereof) with any single bank or US\$20.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination thereafter.

“Total Assets” means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); *provided that* only with respect to clause (b)(8) of the “Certain Covenants-Limitation on Indebtedness and Preferred Stock” covenant and the definition of “Permitted Subsidiary Indebtedness,” Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder in each case as of such date, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institutional lender providing such Indebtedness, provided further that only with respect to clause (b)(18) of “—Certain Covenants-Limitation on Indebtedness and Preferred Stock” covenant, with respect to the Incurrence of any Acquired Indebtedness as a result of any Person becoming a Restricted Subsidiary, Total Assets shall be calculated after giving pro forma effect to include the consolidated assets of such Restricted Subsidiary and any other change to the consolidated assets of the Company as a result of such Person becoming a Restricted Subsidiary.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“Trading Day” means a day when the Hong Kong Stock Exchange or, as applicable, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

“Transaction Date” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“Trust Company Investor” means an Independent Third Party that is a financial institution, including but not limited to a bank, trust company, fund management company and asset management company, or an insurance company organized under the laws of the PRC, or an Affiliate thereof, that Invests in any Capital Stock of a PRC Restricted Subsidiary.

“Trustee” means Citicorp International Limited or its successors or assigns.

“Unrestricted Subsidiary” means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided herein; and (2) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Obligations” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Wholly-Owned” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person.

TAXATION

The following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

CAYMAN ISLANDS

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest and principal on the Notes will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

We have been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, have obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Law of the Cayman Islands. In accordance with the provision of section 6 of The Tax Concessions Law of the Cayman Islands, the Governor in Cabinet undertakes with us:

- That no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us or our operations;
- In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable, on or in respect of our shares, debentures or other obligations, or by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law of the Cayman Islands; and
- These concessions shall be for a period of 20 years from August 9, 2011.

BRITISH VIRGIN ISLANDS

There is no income or other tax of the British Virgin Islands imposed by withholding or otherwise on any payment to be made to or by the Subsidiary Guarantors pursuant to the Subsidiary Guarantees.

HONG KONG

Withholding Tax. No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the Notes) or interest in respect of the Notes.

Profits Tax. Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business. Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "Inland Revenue Ordinance"), as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- a corporation carrying on a trade, profession or business in Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale or disposal of the Notes where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

Stamp Duty. No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note (for so long as the register of holders of the Notes is maintained outside Hong Kong).

PRC

The following summary of certain PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, rules and regulations in effect as of the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Taxation on Interest and Capital Gains. Under the EIT Law and implementation regulations issued by the State Council, PRC income tax at the rate of 10% (or lower treaty rate, if any) must be withheld from interest payable to investors that are “non-resident enterprises” and that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant interest income is not effectively connected with the establishment or place of business, if we are deemed to be a PRC “resident enterprise” and the interest is deemed as PRC-source income. Any gain realized on the transfer of the Notes by such investors would be subject to a 10% (or lower treaty rate, if any) PRC income tax if such gain is regarded as income derived from sources within the PRC in the case that we are treated as a PRC “resident enterprise.” As advised by JunHe LLP, our PRC legal advisers, there is uncertainty as to whether we will be treated as a PRC “resident enterprise” for the purpose of the EIT Law. If we are treated as a PRC “resident enterprise,” the interest we pay in respect of the Notes, and the gain any investor may realize from the transfer of the Notes, might be treated as income derived from sources within the PRC and may be subject to PRC tax (including withholding tax in the case of interest payments), as described in “Risk Factors—We may be deemed to be a PRC tax “resident enterprise” under the EIT law and be subject to PRC taxation on our worldwide income; interest payments on the Notes and gains from their disposition may be subject to PRC tax.”

Stamp duty. No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside the PRC) of a Note.

PLAN OF DISTRIBUTION

Guotai Junan Securities (Hong Kong) Limited, Morgan Stanley & Co. International plc, The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, VTB Capital plc and Zhongtai International Securities Limited are acting as joint global coordinators, joint bookrunners and joint lead managers of the offering and as the Initial Purchasers named below. Subject to the terms and conditions stated in the purchase agreement dated October 13, 2016, each Initial Purchaser named below has agreed to purchase from us, and we have agreed to sell to each such Initial Purchaser, the principal amount of the Notes set forth opposite such Initial Purchaser's name.

Initial Purchasers	Principal Amount of Notes
Guotai Junan Securities (Hong Kong) Limited	US\$88,667,000
Morgan Stanley & Co. International plc	US\$88,667,000
The Hongkong and Shanghai Banking Corporation Limited	US\$88,666,000
UBS AG Hong Kong Branch	US\$28,000,000
VTB Capital plc	US\$28,000,000
Zhongtai International Securities Limited	US\$28,000,000
Total	US\$350,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The purchase agreement may be terminated by the Initial Purchasers in certain circumstances prior to the delivery and payment of the Notes.

The Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this offering memorandum outside the United States in offshore transactions in reliance on Regulation S. See "Transfer Restrictions." The price at which the Notes are offered may be changed at any time without notice. We and the Subsidiary Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities. In addition, we have agreed with the Initial Purchasers that private banks will receive a commission in connection with the purchase of the Notes by their private bank clients which commission may be deducted from the gross proceeds of the Notes.

We have agreed that, for a period of one day from the closing of the issuance of the Notes, we will not, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell, pledge, otherwise dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition by us or any affiliate of us or any person in privity with us or any affiliate of us, directly or indirectly, or announce the offering of, any other debt securities (other than the Notes) issued or guaranteed by us. The Initial Purchasers in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

The Notes will constitute a new class of securities with no established trading market. Approval in-principle has been received for the listing and quotation of the Notes on the Official List of SGX-ST. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Initial Purchasers has advised us that they currently intend to make a market in the Notes. However, the Initial Purchasers are not obligated to do so and they may discontinue any market-making activities with respect to the Notes at any time without notice. In addition, one or a limited number of investors may purchase a significant portion of the Notes offered. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the Notes.

In connection with the offering, the Initial Purchasers may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchasers of a greater number of Notes than it is required to purchase in the offering.

- Covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase Notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time.

The Company expects that delivery of the Notes will be made to investors on or about the closing date specified on the cover page of this offering memorandum, which will be the fifth business day following the date of this offering memorandum. Under Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally settle in three business days, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own advisors.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“Banking Services or Transactions”). The Initial Purchasers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with us for which they have received, or will receive, fees and expenses.

In connection with the offering of the Notes, the Initial Purchasers and/or their respective affiliates, or our affiliates, may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other of our securities, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with this offering. Accordingly, references herein to the Notes being ‘offered’ should be read as including any offering of the Notes to the Initial Purchasers and/or their respective affiliates, or our affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Notes. If this is the case, liquidity of trading in the Notes may be constrained (see “Risk Factors—Risk Relating to the Notes—The liquidity and price of the Notes following the offering may be volatile”). We and the Initial Purchasers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments issued by us or our affiliates, including the Notes and could adversely affect the trading prices of the Notes. The Initial Purchasers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of us or our affiliates, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

No action has been taken or will be taken in any country or jurisdiction that would permit a public offering of the Notes or the possession or distribution of the offering memorandum or any other offering material relating to the Notes in any jurisdiction where action for any such purpose may be required.

Notice to Prospective Investors in the United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Notes and the Guarantees are being offered and sold only outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantees, an offer or sale of the Notes or the Guarantees within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notice to Prospective Investors in the United Kingdom

Each Initial Purchaser has represented and agreed that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Hong Kong

Each Initial Purchaser has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, the Initial Purchasers have represented and agreed that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Notice to Prospective Investors in Singapore

The Initial Purchasers have acknowledged that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the SFA);
- (b) a relevant person (as defined in Section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA,
- (ii) (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the SFA; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offer of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in PRC

This offering memorandum does not constitute a public offer of the Notes, whether by sale or by subscription, in the PRC. The Notes will not be offered or sold within the PRC by means of this offering memorandum or any other document.

Notice to Prospective Investors in the Cayman Islands

No invitation will be made to the public in the Cayman Islands to subscribe for any of the Notes.

Notice to Prospective Investors in the British Virgin Islands

No invitation will be made directly or indirectly to any person resident in the British Virgin Islands to subscribe for any of the Notes.

TRANSFER RESTRICTIONS

By purchasing the Notes, you will be deemed to have represented, agreed and acknowledged that:

1. You are, or at the time the Notes are purchased will be, the beneficial owner of such Notes and (a) you are located outside the United States (within the meaning of Regulation S) and (b) you are not an affiliate of ours or a person acting on behalf of such an affiliate.
2. You understand that the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantee (if any) have not been and will not be registered under the Securities Act and that you will not offer, sell, pledge or otherwise transfer such securities except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or pursuant to another exemption from registration, or a transaction not requiring registration, under the Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.
3. We, the Initial Purchaser and its affiliates, the Trustee, the Transfer Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

RATINGS

The Notes are expected to be rated B+ by Fitch Ratings and B2 by Moody's Investor's Service. The ratings reflect the rating agencies' assessment of the likelihood of timely payment of the principal of and interest on the Notes. The ratings do not constitute recommendations to purchase, hold or sell the Notes in as much as such ratings do not comment as to market price or suitability for a particular investor. Each such rating should be evaluated independently of any other rating on the Notes, on other securities of ours, or on us. Additionally, we have been assigned a long-term corporate credit rating of B+ with a stable outlook by Fitch Rating and a corporate family rating of B2 with a stable outlook by Moody's Investors Service. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Sidley Austin as to matters of United States federal and New York law and Hong Kong law, JunHe LLP as to matters of PRC law, Conyers Dill & Pearman as to matters of Cayman Islands law and matters of British Virgin Islands law.

Certain legal matters will be passed upon for the Initial Purchasers by Linklaters as to matters of United States federal and New York law and by King & Wood Mallesons as to matters of PRC law.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements as of and for the two years ended December 31, 2014 and 2015 included in this offering memorandum have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, as stated in their reports appearing herein.

The condensed consolidated financial statements as of and for the six months ended June 30, 2016 have been reviewed by KPMG, Certified Public Accountants, as stated in their report appearing herein.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in the Cayman Islands, the British Virgin Islands and Hong Kong in connection with the issue and performance of the Notes and the Subsidiary Guarantees. The entering into of the Indenture and the issue of the Notes have been authorized by minutes of a meeting of our board of directors dated October 12, 2016 and the entering into the Indenture and the giving of the Subsidiary Guarantees have been authorized by resolutions of the board of directors of each Subsidiary Guarantor on or about October 12, 2016.

Litigation

Except as disclosed in this offering memorandum, there are no legal or arbitration proceedings against or affecting us, any of our subsidiaries or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes or giving of the Subsidiary Guarantees.

No Material Adverse Change

There has been no adverse change or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since June 30, 2016 that is material in the context of the issue of the Notes.

Documents Available

For so long as any of the Notes is outstanding, copies of the Indenture may be inspected free of charge during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee.

For so long as any of the Notes is outstanding, copies of the published financial statements, if any, including the public financial statement set out in the section entitled "Index to Consolidated Financial Statements" in this offering memorandum, may be obtained during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee.

Clearing Systems and Settlement

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	<u>ISIN</u>	<u>Common Code</u>
Notes	XS1494003624	149400362

Only Notes evidenced by a Global Note have been accepted for clearance through Euroclear and Clearstream.

Listing of the Notes

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle granted by the SGX-ST for the listing and quotation of the Notes is not to be taken as an indication of the merits of the Notes, the Company and/or the Subsidiary Guarantors. The Notes will be traded on the Official List of the SGX-ST in a minimum trading board lot size of S\$200,000 or its equivalent in foreign currencies, for so long as the Notes are listed on the Official List of SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note (as defined herein) is exchanged for certificated notes in registered form. In addition, in the event that the Global Note is exchanged for certificated notes in registered form, an

announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificated notes in registered form, including details of the paying agent in Singapore.

INDEX TO FINANCIAL STATEMENTS

Unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2016⁽¹⁾

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Audited financial statements as of and for the year ended December 31, 2014⁽²⁾

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Consolidated Statement of Financial Position	F-223	109
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Notes:

- (1) The attached condensed consolidated financial statement as of and for the six months ended June 30, 2016 is a reproduction of the Company's interim report for the six months ended June 30, 2016 and page references are references to pages set forth in such interim report.
- (2) The attached consolidated financial statement as of and for the years ended December 31, 2014 and 2015 is a reproduction of the Company's annual report for the years ended December 31, 2014 and 2015 and page references are references to pages set forth in such annual report.

簡明合併財務報表審閱報告

Report on Review of Condensed Consolidated Financial Statements



致當代置業(中國)有限公司董事會
審閱報告書
(於開曼群島註冊成立之有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第47頁至第100頁當代置業(中國)有限公司(「本公司」)的中期財務報告,此中期財務報告包括於二零一六年六月三十日的合併財務狀況報表及截至該日止六個月期間的相關合併損益及其他全面收入報表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》,上市公司必須符合上市規則中的相關規定和國際會計準則委員會頒布的《國際會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責按照《國際會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論,並按照雙方所協定的應聘條款,僅向全體董事局報告。除此以外,我們的報告不可用作其他用途。我們概不就本報告的內容,對任何其他人士負責或承擔法律責任。

**REVIEW REPORT TO THE BOARD OF DIRECTORS OF
MODERN LAND (CHINA) CO., LIMITED**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 47 to 100 which comprises the consolidated statement of financial position of Modern Land (China) Co., Limited ("the Company") as of 30 June 2016 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report 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.

簡明合併財務報表審閱報告

Report on Review of Condensed Consolidated Financial Statements

審閱範圍

我們已根據香港會計師公會頒布的《香港審閱工作準則》第2410號「由實體之獨立核數師審閱中期財務資料」進行審閱。中期財務報告審閱工作包括詢問主要負責財務及會計事務的人員並進行分析及其他審閱程序。由於審閱的範圍遠較按照香港審核準則進行審核的範圍為小，所以不能保證我們會注意到所有在審核中可能會被發現的重大事項。因此，我們不會發表審核意見。

結論

根據我們的審閱，我們並未注意到任何事項致使我們認為二零一六年六月三十日止的中期財務報告在各重大方面未有根據《國際會計準則》第34號「中期財務報告」編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一六年八月十五日

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 the interim financial report consists of making enquiries, 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 report as at 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 August 2016

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		截至6月30日止六個月		
		附註		
		2016年		2015年
		人民幣千元		人民幣千元
		(未經審核)		(未經審核)
		For the six months ended		
		30 June		
		Notes	2016	2015
		RMB'000		RMB'000
		(unaudited)		(unaudited)
收益	Revenue	3	4,271,329	1,954,236
銷售成本	Cost of sales		(3,469,750)	(1,142,462)
毛利	Gross profit		801,579	811,774
其他收入、收益及虧損	Other income, gains and losses	4	195,215	76,353
確認持作銷售物業及	Recognition of changes in			
發展中待售物業	fair value of properties held			
轉撥至投資物業的	for sale and properties			
公允價值變動	under development for			
	sale upon transfer to	10	77,778	56,559
投資物業公允價值	Changes in fair value of			
變動淨額	investment properties, net	10	89,934	50,624
銷售及分銷開支	Selling and distribution		(112,127)	(88,899)
	expenses		(141,518)	(125,696)
行政開支	Administrative expenses		(119,905)	(117,670)
融資成本	Finance costs	5	(41,127)	(61,307)
分佔合營企業的虧損	Share of losses of joint ventures		(10,076)	(3,514)
分佔聯營公司的虧損	Share of losses of associates			
稅前溢利	Profit before taxation		739,753	598,224
所得稅開支	Income tax expense	6	(237,935)	(295,240)
期內溢利	Profit for the period	7	501,818	302,984

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
		附註 Note	
期內溢利	Profit for the period	501,818	302,984
期內其他全面收入：	Other comprehensive income for the period:		
其後可重新分類至損益的項目：	<i>Item that may be subsequently reclassified to profit or loss:</i>		
換算境外業務所產生的匯兌差額 (扣除零稅項)	Exchange differences on translating foreign operations, net of nil tax	4,561	(122)
期內全面收入總額	Total comprehensive income for the period	506,379	302,862
下列人士應佔	Profit for the period attributable to:		
期內溢利：			
本公司擁有人	Owners of the Company	499,559	284,163
非控股權益	Non-controlling interests	2,259	18,821
		501,818	302,984
下列人士應佔全面收入總額：	Total comprehensive income attributable to:		
本公司擁有人	Owners of the Company	504,120	284,041
非控股權益	Non-controlling interests	2,259	18,821
		506,379	302,862
每股盈利(人民幣分)：	Earnings per share, in RMB cents:		
基本	Basic	9 24.0	16.2
攤薄	Diluted	9 23.9	16.1

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併財務狀況報表

Consolidated Statement of Financial Position

於2016年6月30日 At 30 June 2016

			於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
		附註 Notes		
非流動資產	NON-CURRENT ASSETS			
投資物業	Investment properties	10	1,647,000	1,368,240
物業、廠房及設備	Property, plant and equipment	11	503,747	498,816
無形資產	Intangible assets		1,833	2,355
持作日後發展的永久業權土地	Freehold land held for future development		30,173	29,547
於聯營公司的權益	Interests in associates		105,423	71,959
於合營企業的權益	Interests in joint ventures	13	956,821	1,182,955
向合營企業作出貸款可供出售投資	Loans to joint ventures Available-for-sale investments	13	1,896,763	2,169,600
遞延稅項資產	Deferred tax assets		36,350	34,850
			463,987	322,481
			5,642,097	5,680,803
			-----	-----
流動資產	CURRENT ASSETS			
存貨	Inventories		5,106	3,941
預付租賃款項	Prepaid lease payments	12	654,968	130,162
發展中待售物業	Properties under development for sale		11,209,199	3,653,643
持作銷售物業	Properties held for sale		1,452,876	1,303,189
就購入土地使用權已付的押金	Deposits paid for acquisition of land use rights		50,000	187,120
貿易及其他應收款、押金及預付款	Trade and other receivables, deposits and prepayments	14	1,176,646	622,079
應收關聯方款項	Amounts due from related parties	26(a)	467,498	535,530
向僱員作出墊款	Advances to employees		-	31,139
受限制現金	Restricted cash		1,702,815	1,054,992
銀行結餘及現金	Bank balances and cash		4,011,264	2,520,759
			20,730,372	10,042,554
			-----	-----

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併財務狀況報表

Consolidated Statement of Financial Position

於2016年6月30日 At 30 June 2016

中期報告 Interim Report 2016

			於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
		附註 Notes		
流動負債	CURRENT LIABILITIES			
貿易及其他應付款、 已收押金及 應計費用	Trade and other payables, deposits received and accrued charges	15	10,247,547	3,859,078
應付關聯方款項	Amounts due to related parties	26(a)	873,072	728,840
應付稅項	Taxation payable		1,905,264	1,839,585
銀行及其他借貸 (於一年內到期)	Bank and other borrowings — due within one year	16	2,402,725	1,756,687
優先票據 (於一年內到期)	Senior notes — due within one year	18	1,083,781	—
			<u>16,512,389</u>	<u>8,184,190</u>
流動資產淨額	NET CURRENT ASSETS		<u>4,217,983</u>	<u>1,858,364</u>
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,860,080</u>	<u>7,539,167</u>
股本及儲備	CAPITAL AND RESERVES			
股本	Share capital	19	128,200	128,094
儲備	Reserves		3,973,301	3,637,266
本公司擁有人應佔權益	Equity attributable to owners of the Company		4,101,501	3,765,360
非控股權益	Non-controlling interests		21,851	9,689
權益總額	TOTAL EQUITY		<u>4,123,352</u>	<u>3,775,049</u>

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併財務狀況報表

Consolidated Statement of Financial Position

於2016年6月30日 At 30 June 2016

			於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
非流動負債	NON-CURRENT LIABILITIES			
銀行及其他借貸 (於一年後到期)	Bank and other borrowings — due after one year	16	2,482,500	700,000
公司債券	Corporate bond	17	991,477	—
長期應付款	Long-term payable		192,323	133,134
優先票據 (於一年後到期)	Senior notes — due after one year	18	1,770,669	2,802,214
遞延稅項負債	Deferred tax liabilities		299,759	128,770
			5,736,728	3,764,118
			9,860,080	7,539,167

董事會於二零一六年八月十五日核准並許可發出。

Approved and authorised for issue by the board of directors on 15 August 2016.

張雷
Zhang Lei
董事
Director

張鵬
Zhang Peng
董事
Director

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併權益變動表

Consolidated Statement of Changes in Equity

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		本公司擁有人應佔 Attributable to owners of the Company										
		股本	股份溢價	特別儲備	重估儲備	購股權儲備	法定盈餘儲備	外匯換算儲備	累計溢利	合計	非控股權益	權益總額
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(附註a)	(附註b)			(附註c)					
		Share capital	Share premium	Special reserve	Revaluation reserve	Share option reserve	Statutory surplus reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(note a)	(note b)			(note c)					
於2016年1月1日	At 1 January 2016	128,094	435,219	345,073	34,384	12,765	383,030	6,234	2,420,561	3,765,360	9,689	3,775,049
期內溢利	Profit for the period	-	-	-	-	-	-	-	499,559	499,559	2,259	501,818
期內其他全面收入 (扣除所得稅)	Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	4,561	-	4,561	-	4,561
期內全面收入總額	Total comprehensive income for the period	-	-	-	-	-	-	4,561	499,559	504,120	2,259	506,379
來自非控股權益的供款	Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	9,800	9,800
以股份付款(附註25)	Share-based payment (Note 25)	-	-	-	-	3,439	-	-	-	3,439	-	3,439
來自一名股東所控制 公司的供款(附註d)	Contribution from a company controlled by a shareholder (note d)	-	-	204	-	-	-	-	-	204	-	204
收購一家附屬公司 (附註20)	Acquisition of a subsidiary (Note 20)	-	-	-	-	-	-	-	-	-	103	103
於行使購股權時發行股份 (附註19)	Shares issued under share option scheme (note 19)	106	1,699	-	-	(246)	-	-	-	1,559	-	1,559
已批准的上年度股息 (附註8)	Dividend approved in respect of the previous year (note 8)	-	-	-	-	-	-	-	(173,181)	(173,181)	-	(173,181)
於2016年6月30日	At 30 June 2016	128,200	436,918	345,277	34,384	15,958	383,030	10,795	2,746,939	4,101,501	21,851	4,123,352

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併權益變動表

Consolidated Statement of Changes in Equity

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		本公司擁有人應佔 Attributable to owners of the Company										
		股本	股份溢價	特別儲備	重估儲備	購股權儲備	法定盈餘 儲備	外匯換算 儲備	累計溢利	合計	非控股權益	權益總額
		人民幣千元	人民幣千元 (附註a)	人民幣千元 (附註b)	人民幣千元	人民幣千元	人民幣千元 (附註c)	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Share capital	Share premium	Special reserve	Revaluation reserve	Share option reserve	Statutory reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000 (note a)	RMB'000 (note b)	RMB'000	RMB'000	RMB'000 (note c)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2015年1月1日	At 1 January 2015	98,610	202,833	300,848	34,384	1,275	354,022	(2,926)	1,871,607	2,860,653	373,086	3,233,739
期內溢利	Profit for the period	-	-	-	-	-	-	-	284,163	284,163	18,821	302,984
期內其他全面收入 (扣除所得稅)	Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	(122)	-	(122)	-	(122)
期內全面收入總額	Total comprehensive income for the period	-	-	-	-	-	-	(122)	284,163	284,041	18,821	302,862
以股份付款	Share-based payment	-	-	-	-	762	-	-	-	762	-	762
來自一名股東所控制 公司的供款(附註d)	Contribution from a company controlled by a shareholder (note d)	-	-	204	-	-	-	-	-	204	-	204
於附屬公司收購額外權益	Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	10,724	10,724
撥作儲備	Appropriations to reserves	-	-	-	-	-	572	-	(572)	-	-	-
向非控股權益派發的股息	Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(20,549)	(20,549)
於2015年6月30日	At 30 June 2015	98,610	202,833	301,052	34,384	2,037	354,594	(3,048)	2,155,198	3,145,660	382,082	3,527,742

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

合併權益變動表

Consolidated Statement of Changes in Equity

截至2016年6月30日止六個月 For the six months ended 30 June 2016

附註：

(a) 根據本公司章程細則第134條，本公司獲准自股份溢價賬撥付股息。

(b) 特別儲備涉及收購附屬公司的額外權益、視為收購一家附屬公司、出售於附屬公司的部分權益、向非控股股東出售附屬公司部份權益及來自一名股東所控制公司的供款。

(c) 根據在中華人民共和國(「中國」)成立的若干集團實體的組織章程細則，該等實體須向法定盈餘儲備轉撥其(根據中國公認會計原則編製的)稅後溢利的10%，直至該儲備達到有關實體註冊資本的50%為止。轉撥須於向權益持有人分派股息之前作出。法定盈餘儲備可用以彌補過往年度的虧損、擴充現有的經營業務或轉換為實體的額外資本。

(d) 根據2010年11月29日當代節能置業股份有限公司(前稱為北京當代鴻運房地產經營開發有限公司)(「當代節能置業」)與其一名僱員訂立的協議，該僱員可使用由北京當代城市房地產開發有限公司(「北京當代城市房地產」)(其由本公司股東所控制)所發展的物業。該僱員自2010年10月30日開始為當代節能置業服務達10年後，該項物業的產權將轉讓予該僱員。於2010年11月29日，該物業的市場價值為人民幣4,071,000元。截至2016年6月30日止六個月，本集團將該交易確認為員工成本及來自股東所控制公司的供款，金額為人民幣204,000元(截至2015年6月30日止六個月：人民幣204,000元)。

Notes:

(a) Pursuant to article 134 of the Company's Articles of Association, the Company is permitted to pay out dividends from share premium account.

(b) Special reserve relates to acquisition of additional interests in subsidiaries, deemed acquisition of a subsidiary, disposals of partial interests in subsidiaries, disposal of partial interests in subsidiaries to a non-controlling shareholder and contribution from a company controlled by a shareholder.

(c) In accordance with the Articles of Association of certain group entities established in the People's Republic of China ("the PRC"), these entities are required to transfer 10% of the profit after taxation, prepared in accordance with PRC generally accepted accounting principles, to the statutory surplus reserve until the reserve reaches 50% of the registered capital of respective entities. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the entities.

(d) Pursuant to the agreement dated 29 November 2010 entered into between Modern Green Development Co., Ltd. 當代節能置業股份有限公司 (formerly known as Beijing Modern Hongyun Real Estate Development Co., Ltd. 北京當代鴻運房地產經營開發有限公司) ("Modern Green Development") and an employee of Modern Green Development, the employee can use the property developed by Beijing Modern City Real Estate Development Co., Ltd. 北京當代城市房地產開發有限公司 ("Beijing Modern City Real Estate"), a company controlled by a shareholder of the Company. The title of the property will be transferred to the employee upon his completion of service with Modern Green Development for 10 years commencing from 30 October 2010. As at 29 November 2010, the market value of the property is RMB4,071,000. The Group recognised this transaction as staff cost and contribution from a company controlled by the shareholder amounted to RMB204,000 for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RMB204,000).

簡明合併現金流量表

Condensed Consolidated Statement of Cash Flows

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		截至6月30日止六個月	
		附註 2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
		For the six months ended 30 June	
		Note 2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
經營活動所用現金淨額	Net cash used in operating activities	(1,402,373)	(804,042)
投資活動所用現金淨額	Net cash used in investing activities		
已收利息	Interest received	53,278	51,408
自可供出售投資所收取股息	Dividend received from available-for-sale investments	3,755	2,890
購入可供出售投資	Purchase of available-for-sale investments	(1,500)	-
購入物業、廠房及設備	Purchase of property, plant and equipment	(14,801)	(21,149)
購入無形資產	Purchase of intangible assets	(101)	-
出售物業、廠房及設備所得款項	Proceeds on disposal of property, plant and equipment	396	6,523
出售投資物業所得款項	Proceeds on disposal of investment properties	7,910	22,696
向一家聯營公司出資	Capital injection in an associate	(43,540)	-
向合營企業出資	Capital injection in joint ventures	(240,818)	-
收購附屬公司現金流入淨額	Net cash inflow from acquisition of subsidiaries	481,046	20,274
出售附屬公司現金流出淨額	Net cash outflow from disposal of subsidiaries	(54,060)	(410,006)
向合營企業作出貸款	Loans to joint ventures	(948,463)	(2,304,852)
合營企業還款	Repayment from joint ventures	43,614	2,159,854
向關聯方作出墊款	Advances to related parties	(367,963)	(417,156)
關聯方還款	Repayment from related parties	239,512	510,550

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

簡明合併現金流量表

Condensed Consolidated Statement of Cash Flows

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		截至6月30日止六個月	
		2016年	2015年
		人民幣千元	人民幣千元
		(未經審核)	(未經審核)
		For the six months ended	
		30 June	
		2016	2015
		RMB'000	RMB'000
		(unaudited)	(unaudited)
僱員還款	Repayment from employees	31,139	–
受限制現金(增加)/	(Increase)/decrease in		
減少	restricted cash	(625,748)	228,101
出售可供出售投資	Proceeds on disposal of		
所得款項	available-for-sale	–	1
	investments		
出售無形資產所得款項	Proceeds on disposal of	–	101
	intangible assets		
		(1,436,344)	(150,765)
融資活動所得	Net cash generated from		
現金淨額	financing activities		
已付利息	Interest paid	(348,130)	(359,996)
已付股息	Dividends paid	(173,725)	(20,549)
償還關聯方款項	Repayments to related parties	(80,990)	(237,372)
關聯方墊款	Advances from related parties	943,134	386,650
償還銀行借貸	Repayments of bank		
	borrowings	(2,172,265)	(35,674)
新增銀行借貸	New bank borrowings raised	1,705,804	807,950
償還其他借貸	Repayments of other		
	borrowings	(465,000)	(390,000)
新增其他借貸	New other borrowings raised	3,927,000	30,000
發行公司債券所得	Proceeds from the issue of		
款項	corporate bond	978,100	–
於行使購股權時發行	Proceeds from shares issued		
股份的所得款項	under share option scheme	1,559	–
非控股權益注資	Capital contribution from		
	non-controlling interests	9,800	–
		4,325,287	181,009

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

簡明合併現金流量表

Condensed Consolidated Statement of Cash Flows

截至2016年6月30日止六個月 For the six months ended 30 June 2016

		截至6月30日止六個月	
		2016年	2015年
		人民幣千元	人民幣千元
		(未經審核)	(未經審核)
		For the six months ended	
		30 June	
		2016	2015
		RMB'000	RMB'000
		(unaudited)	(unaudited)
現金及現金等價物 增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	1,486,570	(773,798)
期初現金及現金等價物 (以銀行結餘 及現金呈列)	Cash and cash equivalents at the beginning of the period, represented by bank balances and cash	2,520,759	2,797,941
匯率變動對以外匯持有的 現金結餘的影響	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>3,935</u>	<u>(233)</u>
期終現金及現金等 價物(以銀行 結餘及現金呈列)	Cash and cash equivalents at the end of the period, represented by bank balances and cash	<u>4,011,264</u>	<u>2,023,910</u>

第58至100頁的附註構成本中期財務報告的一部分。

The notes on pages 58 to 100 form part of this interim financial report.

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

1. 編製基準

當代置業(中國)有限公司(「本公司」)及其附屬公司(下文統稱「本集團」)的中期財務報告乃按照國際會計準則理事會頒佈的《國際會計準則》第34號「中期財務報告」及《香港聯合交易所有限公司證券上市規則》的適用披露規定編製。

未經審核簡明合併財務報表以人民幣呈列。人民幣為本集團實體營運主要經濟環境的貨幣(集團實體的功能貨幣)。

2. 主要會計政策

除投資物業按公允價值計量外，中期財務報告乃根據歷史成本法編製。

除下文所述者外，截至2016年6月30日止六個月的中期財務報告所採用會計政策及計算方法與本集團截至2015年12月31日止年度的合併財務報表所採用者一致。

1. BASIS OF PREPARATION

This interim financial report of Modern Land (China) Co., Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the group entities operate (the functional currency of group entities).

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial report has been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the Interim Financial Report for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2015.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

2. 主要會計政策(續)

國際會計準則理事會已頒佈下列國際財務報告準則的多項修訂，該等修訂於本集團本會計期間首次生效。當中以下修訂與本集團相關。

- 國際財務報告準則 2012年至2014年週期之年度改進
- 國際會計準則第1號(修訂本)「財務報表的呈列：披露計劃」

本集團於本會計期間並無採用任何尚未生效的新準則或詮釋。

國際財務報告準則2012年至2014年週期之年度改進

本年度改進週期包含對四項準則的修訂。其中，國際會計準則第34號「中期財務報告」經過修訂後，說明倘一實體以參照引用中期財務報告中另一報表資料的方式，於中期財務報表以外披露該準則規定資料，則中期財務報表的使用者應有途徑可按相同條款及於同一時間查閱參照引用所收錄的資料。由於本集團並無於中期財務報表外呈報相關的披露規定，因此，有關修訂對本集團的中期財務報告並無影響。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group.

- Annual Improvements to *IFRSs 2012–2014 cycle*
- Amendments to IAS1, *Presentation of financial statements: Disclosure initiative*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Annual Improvements to IFRSs 2012–2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, IAS 34, *Interim Financial Reporting*, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the Interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim financial report as the Group does not present the relevant required disclosures outside the interim financial statements.

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

2. 主要會計政策(續)

國際會計準則第1號(修訂本)「財務報表的呈列：披露計劃」

國際會計準則第1號(修訂本)針對多項呈報規定作出窄幅修訂。有關修訂對本集團中期財務報告的呈報和披露方式並無重大影響。

3. 收益及分部資料

本集團的經營活動可歸為專注於(a)物業發展、(b)物業投資、(c)酒店經營、(d)項目管理、(e)房地產代理服務；及(f)移民服務的單一可報告及經營分部。該等經營分部乃依據本集團主要經營決策人，本集團總裁張鵬先生所審閱的內部管理報告確立。主要經營決策人主要審閱來自物業發展的物業銷售、來自物業投資的租賃物業、酒店經營、項目管理、房地產代理服務的收益；及移民服務的收益。然而，除收益資料外，並無經營業績及其他分立財務資料可用以評估有關收益類別的表現。主要經營決策人全面審閱本集團的整體業績及組織架構，以作出有關資源分配的決策。因此，並無呈列對此單一可報告及經營分部的分析。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to IAS 1, Presentation of financial statements: Disclosure initiative

The amendments to IAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial report.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) property development, (b) property investment, (c) hotel operation, (d) project management, (e) real estate agency services and (f) immigration services. The operating segment has been identified on the basis of internal management reports reviewed by chief operating decision maker of the Group ("CODM"), Mr. Zhang Peng, who is the President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing properties from property investment, hotel operation, project management, real estate agency services, and immigration services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective types of revenue. The CODM reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

3. 收益及分部資料(續)

收益乃指已收或應收代價的公允價值，分析如下：

3. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue represents the fair value of the consideration received or receivable and is analysed as follows:

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
物業銷售	Sale of properties	4,195,496	1,895,502
物業租賃	Leasing of properties	26,812	16,458
酒店經營	Hotel operation	20,760	21,526
項目管理	Project management	13,720	20,750
房地產代理服務	Real estate agency services	8,984	—
移民服務	Immigration services	5,557	—
		4,271,329	1,954,236

下表載列按地理位置劃分的有關本集團來自外部客戶的收益資料。客戶的地理位置乃以提供服務或交付貨物及物業的地點為準。

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

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

3. 收益及分部資料(續)

地區資料

中國北部	Northern, PRC
中國中南部	Middle south, PRC
美國	United States

截至2016年及2015年6月30日止六個月，概無與單一外部客戶交易之收益佔本集團收益10%或以上。

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographic information

截至6月30日止六個月
For the six months ended
30 June

2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
285,447	937,517
3,980,325	1,016,719
5,557	—
4,271,329	1,954,236

No revenue from transaction with single external customer amounted to 10% or more of the Group's revenue during the six months ended 30 June 2016 and 2015.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

4. 其他收入、收益及虧損

4. OTHER INCOME, GAINS AND LOSSES

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核) 2016 RMB'000 (unaudited)	2015年 人民幣千元 (未經審核) 2015 RMB'000 (unaudited)
利息收入	Interest income	40,264	51,408
可供出售投資股息收入	Dividend income from available-for-sale investments	3,755	2,890
罰款收入	Penalty income	28	208
政府補助(附註a)	Government grants (note a)	5,637	11,195
重新計量原持有對被收購方的權益的公允價值(附註b)	Remeasurement to fair value of pre-existing interest in acquirees (note b)	201,593	8,198
匯兌淨(虧損)/收益(附註c)	Net exchange (loss)/gain (note c)	(56,968)	1,990
出售物業、廠房及設備的收益	Gain on disposal of property, plant and equipment	—	5
出售附屬公司的收益	Gain on disposal of subsidiaries	—	91
出售可供出售投資的虧損	Loss on disposal of available-for-sale investments	—	(985)
其他	Others	906	1,353
		195,215	76,353

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

4. 其他收入、收益及虧損(續)

附註：

- (a) 政府補助指來自中國各政府部門的獎勵性補助。有關中國政府部門概無對該等補助附加任何條件或限制。
- (b) 截至2016年6月30日止六個月，本集團收購原屬本集團合營企業的四家附屬公司。重新計量本集團原持有對被收購方的權益的公允價值錄得總收益為人民幣201,593,000元(附註20)。
- (c) 截至2016年6月30日止六個月的匯兌淨虧損主要由於人民幣兌美元貶值而重新換算本公司持有的美元計值優先票據而產生。

4. OTHER INCOME, GAINS AND LOSSES (Continued)

Notes:

- (a) Government grants represent incentive subsidies from various PRC governmental authorities. There are no conditions or limitations attached to these subsidies by the respective PRC governmental authorities.
- (b) During the six months ended 30 June 2016, the Group acquired four subsidiaries which were joint ventures of the Group before the acquisition. The remeasurement to fair value of the Group's pre-existing interest in these acquirees resulted in a total gain of RMB201,593,000 (note 20).
- (c) The net exchange loss for the six months ended 30 June 2016 mainly arose from retranslation of senior notes held by the Company denominated in US\$ due to depreciation of RMB against US\$.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

5. 融資成本

5. FINANCE COSTS

		截至6月30日止六個月	
		For the six months ended	
		30 June	
		2016年	2015年
		人民幣千元	人民幣千元
		(未經審核)	(未經審核)
		2016	2015
		RMB'000	RMB'000
		(unaudited)	(unaudited)
銀行及其他借貸利息	Interest on bank and other borrowings	(165,406)	(114,885)
優先票據及公司債券的利息開支	Interest expense on senior notes and corporate bond	(209,327)	(206,342)
		(374,733)	(321,227)
減：發展中待售物業的資本化金額	Less: Amount capitalised in properties under development for sale	254,828	203,557
		(119,905)	(117,670)

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

6. 所得稅開支

6. INCOME TAX EXPENSE

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
即期稅項	Current tax		
中國企業所得稅	PRC Enterprise Income Tax	(166,162)	(162,431)
美國企業稅	US Corporate Tax	-	(8)
土地增值稅	Land Appreciation Tax ("LAT")	(30,725)	(119,952)
		(196,887)	(282,391)
		-----	-----
遞延稅項	Deferred tax		
中國企業所得稅	PRC Enterprise Income Tax	(41,048)	(16,791)
土地增值稅	LAT	-	3,942
		(41,048)	(12,849)
		-----	-----
所得稅開支	Income tax expense	(237,935)	(295,240)

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

6. 所得稅開支(續)

根據中國企業所得稅法，本公司的中國附屬公司的所得稅率為25%。

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定來估計。土地增值稅已按增值價值的累進稅率範圍作出撥備(附帶若干可准許豁免及減免)。

根據英屬處女群島及開曼群島的規則及規例，本集團於英屬處女群島及開曼群島均無須繳付任何所得稅。

由於截至2016年及2015年6月30日止六個月本集團並未於香港產生或取得收入，故並未撥備香港利得稅。

根據美國聯邦稅法，美國企業稅應按15%至35%的累進稅率徵收。截至2015年6月30日止六個月，美國企業稅就估計可徵稅溢利按聯邦法定稅率15%撥備。

6. INCOME TAX EXPENSE (Continued)

In accordance with the Enterprise Income Tax Law of the PRC, the income tax rate applicable to the Company's subsidiaries in the PRC is 25%.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulation of BVI and the Cayman Islands, the Group is not subject to any income tax in BVI and the Cayman Islands.

No provision for Hong Kong Profits Tax has been made as the income generated from the Group neither arose in, nor was derived from, Hong Kong for the six months ended 30 June 2016 and 2015.

Pursuant to the United States ("US") federal tax law, the US corporate tax shall be taxed at progressive rates ranging from 15% to 35%. US corporate tax is provided at federal statutory rate of 15% on estimated assessable profits for the six months ended 30 June 2015.

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

7. 期內溢利

7. PROFIT FOR THE PERIOD

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核) 2016 RMB'000 (unaudited)	2015年 人民幣千元 (未經審核) 2015 RMB'000 (unaudited)
期內溢利乃經扣除 下列項目後釐定：	Profit for the period has been arrived at after charging:		
於損益內確認的物業、 廠房及設備折舊	Depreciation of property, plant and equipment recognised in profit or loss	11,506	13,519
於發展中待售物業項下 資本化的物業、 廠房及設備折舊	Depreciation of property, plant and equipment capitalised in properties under development for sale	—	86
期內折舊開支總額	Total depreciation charged for the period	11,506	13,605
經營租賃租金	Operating lease rentals	3,951	3,996

8. 股息

8. DIVIDENDS

本公司董事不建議派發截至2016年6月30日止六個月之中期股息(截至2015年6月30日止六個月：無)。

截至2015年12月31日止年度的末期股息每股9.9港仙，合共206,136,000港元(相當於人民幣173,181,000元)已於截至2016年6月30日止六個月期間獲批准及派付。截至2015年6月30日止六個月，並無末期股息獲批准或派付。

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

A final dividend in respect of the year ended 31 December 2015 of HK9.9 cents per share amounting to HK\$206,136,000 (equivalent to RMB173,181,000) in aggregate has been approved and paid during the six months ended 30 June 2016. No such final dividend was approved nor paid during the six months ended 30 June 2015.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

9. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利的計算乃基於以下數據：

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核) 2016 RMB'000 (unaudited)	2015年 人民幣千元 (未經審核) 2015 RMB'000 (unaudited)
盈利 據以計算每股基本及攤薄盈利之盈利 (本公司擁有人應佔期內溢利)	Earnings Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>499,559</u>	<u>284,163</u>
		截至6月30日止六個月 For the six months ended 30 June	
		2016年 2016	2015年 2015
股份數目 據以計算每股基本盈利之普通股數目	Number of shares Number of ordinary shares for the purpose of calculating basic earnings per share	<u>2,081,568</u>	1,760,000
潛在攤薄普通股的影響： — 購股權(附註a)	Effect of dilutive potential ordinary shares: — Share options (note a)	<u>12,728</u>	<u>649</u>
用以計算每股攤薄盈利的普通股數目	Number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,094,296</u>	<u>1,760,649</u>

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

9. 每股盈利(續)

附註：

- (a) 計算截至2016年及2015年6月30日止六個月的每股攤薄盈利時已分別考量到在所有未獲行使購股權獲行使的情況下視為按零代價發行的加權平均股數12,728,000及649,000股股份。

9. EARNINGS PER SHARE (Continued)

Note:

- (a) The computation of the diluted earnings per share for the six months ended 30 June 2016 and 2015 has taken into consideration the weighted average number of 12,728,000 and 649,000 shares deemed to be issued at nil consideration, respectively, if all outstanding share options had been exercised.

10. 投資物業

10. INVESTMENT PROPERTIES

	合計 人民幣千元 (未經審核) Total RMB'000 (unaudited)	
公允價值	Fair value	
於2016年1月1日	At 1 January 2016	1,368,240
轉撥自發展中待售物業及 持作銷售物業	Transfer from properties under development for sale and properties held for sale	196,736
於損益確認的公允價值 變動淨額	Net change in fair value recognised in profit or loss	89,934
出售	Disposals	(7,910)
		<hr/>
於2016年6月30日	At 30 June 2016	1,647,000

本集團所有按經營租賃持有以賺取租金的物業權益乃使用公允價值模式計量，並分類為及入賬列作投資物業。

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

10. 投資物業(續)

所有投資物業均位於中國。投資物業所在土地的租期為40年。本集團投資物業於各轉撥日期以及於2016年6月30日及2015年12月31日的公允價值，已根據戴德梁行有限公司於同日作出的估值而達致。戴德梁行為一家與本集團並無關連的獨立合資格專業估值師，擁有合適的資歷，而且在近期亦有評估相關地點類似物業的經驗。就已竣工投資物業而言，估值乃採用投資法將現有租賃協議所產生的租金收入撥作資本，並就該等物業的可復歸收入潛力作適當撥備。過往年度已竣工投資物業的估值方法並無變更。就發展中待售投資物業而言，估值乃使用剩餘價值法。本集團估計物業公允價值時，現時用途取其最高及最佳用途。

截至2016年6月30日止六個月，發展中待售物業及持作銷售物業於使用改變後轉撥的金額包括持作銷售物業及發展中待售物業的成本，金額為人民幣118,958,000元，基於轉撥日期後進行的估值產生的公允價值收益，金額約為人民幣77,778,000元(截至2015年6月30日止六個月：人民幣56,559,000元)。

10. INVESTMENT PROPERTIES

(Continued)

The investment properties are all situated in the PRC. The lease term of land on which the investment properties are situated on is 40 years. The fair values of the Group's investment properties at the respective dates of transfer and at 30 June 2016 and 31 December 2015 have been arrived at on the basis of valuations carried out on those dates by DTZ Debenham Tie Leung Limited, a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. For the completed investment properties, the valuations were arrived at with adoption of investment approach by capitalisation of the rental income derived from the existing tenancies with due allowance for reversionary income potential of the properties. There has been no change from the valuation technique used in the prior year for the completed investment properties. For the investment properties under development, the valuations were arrived at using the residual method. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

During the six months ended 30 June 2016, the amount transferred from properties under development for sale and properties held for sale upon change in use included the cost of the properties held for sale and properties under development for sale amounted to RMB118,958,000 with fair value gain of approximately RMB77,778,000 (six months ended 30 June 2015: RMB56,559,000) based on valuation performed at dates of transfer.

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截至2016年6月30日止六個月 For the six months ended 30 June 2016

11. 物業、廠房及設備

截至2016年6月30日止六個月，添置物業、廠房及設備達人民幣14,801,000元（截至2015年6月30日止六個月：人民幣：21,149,000元），包括樓宇、汽車、電子設備及家具。

本集團已就本集團所發展的物業與合資格僱員訂立協議（「計劃」）。根據計劃，合資格僱員可使用該等物業，惟於本集團的服務年期須維持在介乎1.5年至15年。該等物業的產權將於完成計劃項下所述的服務年期時授予合資格僱員。於2016年6月30日，合資格僱員已根據計劃佔用的租賃土地及樓宇的賬面值為人民幣22,265,000元（2015年12月31日：人民幣24,402,000元）。

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, additions to property, plant and equipment amounted to RMB14,801,000 (for the six months ended 30 June 2015: RMB21,149,000), consisting of buildings, motor vehicles, electronic equipment and furniture.

The Group had entered into agreements with the eligible employees in connection with the properties developed by the Group (the "Scheme"). Under the Scheme, the eligible employees can use the properties while remain with the Group for a service period ranging from 1.5 to 15 years, the title of the properties will be transferred to the eligible employees upon the completion of the service period as stated under the Scheme. As at 30 June 2016, the carrying amount of leasehold land and buildings which have been occupied by the eligible employees under the Scheme amounted to RMB22,265,000 (31 December 2015: RMB24,402,000).

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

12. 預付租賃款項

與中國境內持有的土地使用權有關的預付租賃款項的賬面值分析如下：

12. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments represents land use rights held in the PRC and is analysed as follows:

	於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
流動資產	Current assets	654,968 130,162

於2016年6月30日及2015年12月31日，與用作物業開發的土地使用權有關的預付租賃款項被分類為流動資產。

As at 30 June 2016 and 31 December 2015, prepaid lease payment were made for land use rights acquired for development for sale and therefore classified under current assets.

本集團的預付租賃款項指為在中國取得介乎40年至70年租期的土地使用權所支付的款項。

The Group's prepaid lease payments represent payments for obtaining the land use rights in the PRC with lease terms ranging from 40 to 70 years.

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13. 於合營企業的權益以及向合營企業作出貸款

13. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
於合營企業的 投資成本	Cost of investment in joint ventures	953,628	1,241,329
分佔收購後 溢利/(虧損)及 其他全面收入	Share of post-acquisition profits/(losses) and other comprehensive income	3,193	(58,374)
於合營企業的權益	Interests in joint ventures	956,821	1,182,955
向合營企業作出貸款， 原值	Loans to joint ventures, gross	1,941,083	2,261,682
減：分佔超出投資 成本的收購後 虧損	Less: share of post-acquisition losses that are in excess of cost of the investments	(44,320)	(92,082)
向合營企業作出貸款， 淨值	Loans to joint ventures, net	1,896,763	2,169,600

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

13. 於合營企業的權益以及向合營企業作出貸款(續)

截至2016年6月30日止六個月，本集團進一步收購安徽摩碼置業有限公司(「安徽摩碼」)、南昌摩碼置業有限公司(「南昌摩碼」)、當代置業(香港5)有限公司(「當代置業(香港5)」)及武漢當代節能置業有限公司(「武漢當代節能」)分別49%、35%、49%及5%股權，從而四家合營企業成為本集團的附屬公司。詳情披露於附註20。

向合營企業作出貸款並無抵押，預期於一年後償還。惟人民幣1,492,197,000元(2015年：人民幣1,230,022,000元)之金額乃免息，其餘貸款按固定年利率6%至13%計息(2015年：3%至13%)。

13. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES
(Continued)

During the six months ended 30 June 2016, the Group acquired further 49%, 35%, 49% and 5% equity interest in Anhui MOMA Development Co., Ltd. 安徽摩碼置業有限公司 (“Anhui MOMA”), Nanchang Moma Development Co., Ltd. 南昌摩碼置業有限公司 (“Nanchang Moma”), Modern Land (HKNO.5) Limited 當代置業(香港5)有限公司 (“HKNO.5”) and Wuhan Modern Green Development Co., Ltd. 武漢當代節能置業有限公司 (“Wuhan Modern Green”), respectively, whereupon these four joint ventures became subsidiaries of the Group. Details are disclosed in note 20.

Loans to joint ventures are unsecured, expected to be recovered after one year and bear interest at fixed rate ranged from 6% to 13% (2015: 3% to 13%) per annum, except for the amounts of RMB1,492,197,000 (2015: RMB1,230,022,000) which are interest free.

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14. 貿易及其他應收款、 押金及預付款

貿易應收款主要指應收租金及物業銷售應收款。有關已售物業的代價乃根據相關買賣協議條款支付，通常於自協議之日起計45日內支付。

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly represent rental receivables and receivable from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

	於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
貿易應收款(扣除撥備)	179,350	59,800
客戶獲提供住房公積金 貸款的擔保存款 (附註)	57,521	17,880
其他應收款項 (扣除撥備)	392,666	340,221
向建築材料供應商 作出預付款	78,768	43,770
預付土地增值稅及 營業稅	468,341	160,408
	1,176,646	622,079

附註：客戶獲提供住房公積金貸款的擔保存款指存放於住房公積金管理中心(負責經營及管理住房公積金的國有機構)的金額，以擔保客戶所獲提供住房公積金貸款，且當客戶獲得物業個人所有權證後將退還予本集團。

Note: Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

14. 貿易及其他應收款、
押金及預付款(續)

以下為於報告期末按應收租金的到期日及已售物業應收款項的協議日期(與其各自的收益確認日期相若)所作貿易應收款的賬齡分析：

1年以下	Less than 1 year
1至2年	1–2 years

於報告期末，上述所有貿易應收款均為逾期應收租金及已售物業應收款項，惟並無減值。本集團並無就該等結餘持有任何抵押品。

14. TRADE AND OTHER
RECEIVABLES, DEPOSITS AND
PREPAYMENTS (Continued)

The following is an ageing analysis of trade receivables based on due date for rental receivables and agreement date for receivables from properties sold, which approximated the respective revenue recognition dates, at the end of the reporting period:

於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
174,517	56,836
4,833	2,964
<u>179,350</u>	<u>59,800</u>

All of the above trade receivables are overdue rental receivables and receivable from properties sold but not impaired at the end of the reporting period. The Group does not hold any collateral over these balances.

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15. 貿易及其他應付款、已收押金及應計費用

15. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
貿易應付款(附註a)	Trade payables (note a)	901,873	323,052
應計建設支出(附註a)	Accrued expenditure on construction (note a)	1,668,164	562,717
已收押金及物業銷售預收款	Deposits received and receipt in advance from property sales	5,974,110	2,152,162
其他應付稅項	Other tax payables	107,182	106,716
優先票據及公司債券應計利息	Accrued interest on senior notes and corporate bond	119,823	117,784
應付工資	Accrued payroll	15,677	19,920
其他應計費用	Other accrued charges	–	2,444
應付股息	Dividend payable	1,133	589
應付非控股權益款項(附註b)	Amounts due to non-controlling interests (note b)	1,077,000	–
其他應付款項	Other payables	382,585	573,694
		10,247,547	3,859,078

附註：

Notes:

(a) 貿易應付款及應計建設支出包括建設成本及其他項目相關開支，乃根據本集團計量的項目進度支付。本集團已制定財務風險管理政策，以確保所有應付款項於信貸期限內償還(如適用)。

(a) Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe, where applicable.

(b) 於2016年6月30日之應付非控股權益款項並無抵押、免息且須按要求償還。

(b) Amounts due to non-controlling interests at 30 June 2016 are unsecured, interest free and repayable on demand.

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15. 貿易及其他應付款、已收押金及應計費用 (續)

以下為於報告期末，貿易應付款按發票日期的賬齡分析：

15. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Continued)

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

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
1年以下	Less than 1 year	790,141	264,373
1至2年	1-2 years	107,222	54,355
2至3年	2-3 years	386	832
3年以上	Over 3 years	4,124	3,492
		901,873	323,052

16 銀行及其他借貸

16 BANK AND OTHER BORROWINGS

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
銀行貸款，有抵押	Bank borrowings, secured	2,385,225	2,341,687
其他貸款，有抵押	Other borrowings, secured	2,500,000	115,000
		4,885,225	2,456,687

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

16 銀行及其他借貸(續)

16 BANK AND OTHER BORROWINGS (Continued)

借貸須於以下期限內償還：

The borrowings are repayable:

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
1年內或按要求	Within one year or on demand	2,402,725	1,756,687
多於1年，但不超過2年	More than one year, but not exceeding two years	1,960,000	632,000
多於2年，但不超過5年	More than two years, but not exceeding five years	522,500	68,000
		4,885,225	2,456,687
減：流動負債下1年 內到期款項	Less: Amount due within one year shown under current liabilities	(2,402,725)	(1,756,687)
1年後到期款項	Amount due after one year	2,482,500	700,000

於2016年6月30日，賬面值為人民幣1,199,349,000元（2015年12月31日：人民幣631,687,000元）的借貸根據中國人民銀行所報利率按可變利率計息，由於實際年利率介乎1.75%至6.18%（2015年12月31日：1.99%至7.2%），因此本集團面臨現金流量利率風險。餘下借貸按於2016年6月30日的每年固定利率安排，由於實際年利率介乎2.22%至10.5%（2015年12月31日：2.22%至10.5%），因此本集團面臨公允價值利率風險。

As at 30 June 2016, the borrowings with carrying amount of RMB1,199,349,000 (31 December 2015: RMB631,687,000) carry interest at variable rates based on the interest rates quoted by the People's Bank of China, the effective interest rate ranges from 1.75% to 6.18% (31 December 2015: 1.99% to 7.2%) per annum and exposed the Group to cash flow interest rate risk. The remaining borrowings are arranged at fixed rate, the effective interest rate ranged from 2.22% to 10.5% (31 December 2015: from 2.22% to 10.5%) per annum at 30 June 2016, and exposed the Group to fair value interest rate risk.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

17 公司債券

於2016年4月24日，本公司按本金額100%向公眾發行總面值人民幣1,000,000,000元的公司債券，固定年利率為6.4%，須每年支付利息，並將於2021年4月20日到期。

17 CORPORATE BOND

On 24 April 2016, the Company issued corporate bond to the public with aggregate nominal value of RMB1,000,000,000, at 100.00% of its principal amount, which carry fixed interest at a rate of 6.4% per annum (interest payable annually in arrears) and will due on 20 April 2021.

18 優先票據

18 SENIOR NOTES

於2016年
6月30日
人民幣千元
(未經審核)
At 30 June
2016
RMB'000
(unaudited)

期初賬面值	Carrying amount at the beginning of the period	2,802,214
匯兌虧損	Exchange loss	39,010
利息開支	Interest expenses	186,875
已付利息	Interest paid	(180,429)
有關修改條款的交易成本	Transactions cost on modification of terms	6,780
期終賬面值	Carrying amount at the end of the period	2,854,450
減：優先票據的即期部分	Less: current portion of senior notes	(1,083,781)
一年後到期款項	Amount due after one year	1,770,669

(a) 2013年美元票據

於2013年11月4日，本公司按本金額99.561%向公眾發行總面值150,000,000美元（約人民幣921,705,000元）有擔保優先定息票據（「2013美元票據」），固定年利率為13.875%，須每半年支付利息，至2018年11月4日須按面值悉數償還。

(a) 2013 USD Notes

On 4 November 2013, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$150,000,000 (approximately RMB921,705,000) (the "2013 USD Notes"), at 99.561% of the principal amount of the 2013 USD Notes, which carry fixed interest at a rate of 13.875% per annum (interest payable semi-annually in arrears) and will be fully repayable at par on 4 November 2018.

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

18 優先票據(續)

(b) 2014年人民幣票據

於2014年1月22日，本公司按本金額100%向公眾發行總面值人民幣1,100,000,000元有擔保優先定息票據(「2014年人民幣票據」)，固定年利率為11%，須每半年支付利息，至2017年1月22日須按面值悉數償還。

(c) 2014年美國票據

於2014年7月31日，本公司按本金額99.101%向公眾發行總面值125,000,000美元(約人民幣770,588,000元)有擔保優先定息票據(「2014年美國票據」)，固定年利率為12.75%，須每半年支付利息，至2019年7月31日須按面值悉數償還。

18 SENIOR NOTES (Continued)

(b) 2014 CNY Notes

On 22 January 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of RMB1,100,000,000 (the “2014 CNY Notes”), at 100% of the principal amount of the 2014 CNY Notes, which carry fixed interest at a rate of 11% per annum (interest payable semi-annually in arrears) and will be fully repayable at par on 22 January 2017.

(c) 2014 USD Notes

On 31 July 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$125,000,000 (approximately RMB770,588,000) (the “2014 USD Notes”), at 99.101% of the principal amount of the 2014 USD Notes, which carry fixed interest at a rate of 12.75% per annum (interest payable semi-annually in arrears) and will be fully repayable at par on 31 July 2019.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

19 股本

19 SHARE CAPITAL

	股份數目 千股	金額 千美元 (未經審核)	相當於 人民幣千元 (未經審核)
	Number of shares '000	Amount USD'000 (unaudited)	Equivalent to RMB'000 (unaudited)
每股面值0.01美元的 普通股 法定： 於2015年12月 31日及2016年 6月30日	Ordinary shares of US\$0.01 each Authorised: At 31 December 2015 and 30 June 2016	3,000,000	184,404
已發行及繳足： 於2015年 12月31日 於行使購股權時 發行股份 (附註)	Issued and fully paid: At 31 December 2015 Shares issued under share option scheme (note)	2,080,760 1,625	128,094 106
於2016年 6月30日	At 30 June 2016	2,082,385	128,200

附註：截至2016年6月30日止六個月，購股權按每股股份1.145港元獲得使以認購1,625,000股普通股，總金額為1,861,000港元(相等於約人民幣1,559,000元)。

Note: During the six months ended 30 June 2016, share options were exercised to subscribe for 1,625,000 ordinary shares of the Company at HK\$1.145 per share, with the aggregate amount of HK\$1,861,000 (equivalent to approximately RMB1,559,000).

20 收購附屬公司

20 ACQUISITION OF SUBSIDIARIES

(a) 安徽摩碼為本集團與一家第三方合營夥伴於2014年成立的公司，而本集團與第三方合營夥伴分別持有安徽摩碼的51%及49%股權。根據安徽摩碼的組織章程細則，安徽摩碼相關業務須獲得本集團與合營夥伴一致同意，故安徽摩碼乃作為本集團的合營企業入賬。

(a) Anhui MOMA was a company established in 2014 by the Group and a third party joint venturer, in which the Group and the joint venturer held 51% and 49% equity interests, respectively. Pursuant to the Articles of Association of Anhui MOMA, relevant activities of Anhui MOMA required unanimous consent of the Group and the joint venturer, and, therefore, Anhui MOMA was accounted for as a joint venture of the Group.

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

20 收購附屬公司(續)

(a) (續)

於2015年12月31日，安徽摩碼為本集團持有51%股權的合營企業。截至2016年6月30日止六個月期間，本集團訂立股權轉讓協議以收購安徽摩碼餘下49%股權，代價為人民幣65,000,000元。自此，安徽摩碼成為本公司全資附屬公司。

- (b) 南昌摩碼為本集團與第三方合營夥伴於中國成立的有限公司，而本集團及第三方合營夥伴分別持有南昌摩碼65%及35%股權。根據南昌摩碼的組織章程細則，南昌摩碼的相關業務須獲得本集團與第三方合營夥伴的一致同意，故南昌摩碼乃作為本集團的合營企業入賬。

於2015年12月31日，南昌摩碼為本集團持有65%股權的合營企業。截至2016年6月30日止六個月，本集團訂立股權轉讓協議以收購南昌摩碼餘下35%股權，代價為人民幣161,083,555元。自此，南昌摩碼成為本公司的全資附屬公司。

20 ACQUISITION OF SUBSIDIARIES

(Continued)

(a) (Continued)

As at 31 December 2015, Anhui MOMA was a joint venture of the Group in which the Group held 51% equity interest. During the six months ended 30 June 2016, the Group entered into an equity transfer agreement to acquire the remaining 49% equity interest in Anhui MOMA for a consideration of RMB65,000,000. Since then, Anhui MOMA has become a wholly-owned subsidiary of the Company.

- (b) Nanchang MOMA was a company established in the PRC with limited liability by the Group and a third party joint venturer in which the Group and the joint venturer held 65% and 35% equity interests, respectively. Pursuant to the Articles of Association of Nanchang MOMA, relevant activities of Nanchang MOMA require unanimous consent from the Group and the joint venturer and, therefore, Nanchang MOMA was accounted for as a joint venture of the Group.

As at 31 December 2015, Nanchang MOMA was a joint venture of the Group in which the Group held 65% equity interest. During the six months ended 30 June 2016, the Group entered into an equity transfer agreement to acquire the remaining 35% equity interest in Nanchang MOMA for a consideration of RMB161,083,555. Since then, Nanchang MOMA has become a wholly-owned subsidiary of the Company.

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20 收購附屬公司(續)

- (c) 於2014年9月，本集團與獨立第三方(「香港5合營夥伴」)訂立合營協議及相關補充協議(統稱「合營協議」)。根據合營協議，(i)香港5以代價49港元向香港5合營夥伴發行49股普通股，而本集團於香港5的股權(連同其與當代置業(香港1)有限公司(「香港1」(香港5的附屬公司))、湖南當代摩碼置業有限公司(「湖南當代摩碼」)及湖南當代綠建置業有限公司(「湖南當代綠建」)(「項目公司」，均為香港1的附屬公司)的間接股權)，據此由100%攤薄至51%。根據合營協議及香港5的組織章程細則，香港5的相關業務須獲得本集團與香港5合營夥伴的一致同意，故香港5乃作為本集團的合營企業入賬。

於2015年12月31日，香港5為本集團持有51%股權的合營企業。截至2016年6月30日止六個月，本集團訂立終止協議以終止合營協議及收購於香港5的餘下49%股權。自此，香港5成為本公司的全資附屬公司。

20 ACQUISITION OF SUBSIDIARIES

(Continued)

- (c) In September 2014, the Group entered into a joint venture agreement and related supplementary agreements (collectively, the "JVA") with an independent third party ("HKNo.5 Venturer"). Pursuant to the JVA, (i) HKNo.5 issued 49 ordinary shares to the HKNo.5 Venturer at a consideration of HK\$49, where the Group's equity interests in HKNo.5, along with its indirect equity interests in Modern Land (HKNo.1) Co., Limited 當代置業(香港1)有限公司 ("HKNo.1", a subsidiary of HKNo.5), Hunan Modern MOMA Development Co., Ltd. 湖南當代摩碼置業有限公司 ("Hunan Modern Moma") and Hunan Modern Green Development Co., Ltd. 湖南當代綠建置業有限公司 ("Hunan Modern Green") (the "Project Companies", both subsidiaries of HKNo.1) were diluted from 100% to 51% accordingly. Pursuant to the JVA and the Articles of Association of HKNo.5, relevant activities of HKNo.5 require unanimous consent from the Group and the HKNo.5 Venturer, and therefore, HKNo.5 was accounted for as a joint venture of the Group.

As at 31 December 2015, HKNo.5 was a joint venture of the Group in which the Group held 51% equity interest. During the six months ended 30 June 2016, the Group entered into a termination agreement to terminate the JVA and to acquire the remaining 49% equity interest in HKNo.5. Since then, HKNo.5 has become a wholly-owned subsidiary of the Company.

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20 收購附屬公司(續)

- (d) 武漢當代節能為於2013年12月23日在中國成立的有限公司。於2014年8月29日，本集團與平安大華訂立股權轉讓協議及補充協議，據此，平安大華有權於兩年內向本集團出售其於武漢當代節能的5%股權，代價為人民幣10,000,000元。根據武漢當代節能的組織章程細則，武漢當代節能的相關業務須獲得本集團與合營夥伴的一致同意，故武漢當代節能乃作為本集團的合營企業入賬。

於2015年12月31日，武漢當代節能為本集團持有94.95%股權的合營企業。截至2016年6月30日止六個月，本集團訂立股權轉讓協議，而當代節能置業同意向平安大華收購武漢當代節能的5%股權，代價為人民幣10,000,000元。同時，武漢當代節能剩餘0.05%股權由第三方非控股股東所持有。自此，武漢當代節能成為本公司的附屬公司。

20 ACQUISITION OF SUBSIDIARIES

(Continued)

- (d) Wuhan Modern Green was a company established in the PRC with limited liability on 23 December 2013. On 29 August 2014, the Group and Pingan Dahua entered into an equity transfer agreement and a supplemental agreement thereto pursuant to which, amongst other things, Pingan Dahua shall be entitled to dispose of its 5% equity interest in Wuhan Modern Green to the Group at the consideration of RMB10,000,000 within two years. Pursuant to the Articles of Association of Wuhan Modern Green, relevant activities of Wuhan Modern Green required unanimous consent from the Group and the joint venturer and, therefore, Wuhan Modern Green was accounted for as a joint venture of the Group.

As at 31 December 2015, Wuhan Modern Green was a joint venture of the Group in which the Group held 94.95% equity interest. During the six months ended 30 June 2016, the Group entered into an equity transfer agreement whereby Modern Green Development agreed to acquire from Pingan Dahua 5% equity interest in Wuhan Modern Green for a Consideration of RMB10,000,000, with the remaining 0.05% equity interest still held by the non-controlling third party shareholder. Since then, Wuhan Modern Green has become a subsidiary of the Company.

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20 收購附屬公司(續)

於上述收購事項各日所收購可識別資產及所承擔負債列示如下：

	安徽摩碼 人民幣千元 (未經審核)	南昌摩碼 人民幣千元 (未經審核)	當代置業5 人民幣千元 (未經審核)	武漢當代節能 人民幣千元 (未經審核)	合計 人民幣千元 (未經審核)	
	Anhui MOMA RMB'000 (unaudited)	Nanchang MOMA RMB'000 (unaudited)	Modern Land 5 RMB'000 (unaudited)	Wuhan Modern Green RMB'000 (unaudited)	Total RMB'000 (unaudited)	
物業、廠房及設備	Property, plant and equipment	611	279	228	914	2,032
發展中待售物業	Properties under development for sale	1,295,505	1,198,957	2,523,447	1,283,590	6,301,499
遞延稅項資產	Deferred tax assets	35,901	14,193	67,026	14,375	131,495
貿易及其他應收款、 押金及預付款	Trade and other receivables, deposits and prepayments	119,923	240,752	817,218	90,297	1,268,190
銀行結餘及現金	Bank balances and cash	285,009	44,705	128,024	259,392	717,130
受限制現金	Restricted cash	-	22,075	-	-	22,075
貿易及其他應付款、 押金及應計費用	Trade and other payables, deposits received and accrued charges	(1,049,294)	(811,624)	(3,184,513)	(1,233,553)	(6,278,984)
銀行及其他借貸	Bank and other borrowings	(500,000)	(180,000)	(290,000)	(190,000)	(1,160,000)
應付稅項	Taxation payable	(37,204)	(31,435)	-	(14,144)	(82,783)
遞延稅項負債	Deferred tax liabilities	(17,798)	(37,662)	(61,430)	(3,049)	(119,939)
所收購可識別資產總淨值	Identifiable net assets acquired	132,653	460,240	-	207,822	800,715
原持有合營企業的權益 的公允價值(附註)	Fair value of pre-existing interests in joint venture (note)	(67,653)	(299,156)	-	(197,329)	(564,138)
非控股權益	Non-controlling interests	-	-	-	(103)	(103)
收購收益	Gain on acquisition	-	-	-	(390)	(390)
以現金支付的總代價	Total consideration satisfied by cash	(65,000)	(161,084)	-	(10,000)	(236,084)
收購產生的淨現金 流入/(流出)：	Net cash inflow / (outflow) arising on acquisitions:					
已付現金	Cash paid	(65,000)	(161,084)	-	(10,000)	(236,084)
已獲銀行結餘及現金	Bank balances and cash acquired	285,009	44,705	128,024	259,392	717,130
		220,009	(116,379)	128,024	249,392	481,046

附註： 確認重新計量本集團原持有被收購方的權益的公允價值所得收益人民幣201,593,000元計入「其他收入、收益及虧損」(詳情載於附註4)。

20 ACQUISITION OF SUBSIDIARIES (Continued)

The identifiable assets acquired and liabilities assumed at the respective dates of the above acquisitions are as follows:

	安徽摩碼 人民幣千元 (未經審核)	南昌摩碼 人民幣千元 (未經審核)	當代置業5 人民幣千元 (未經審核)	武漢當代節能 人民幣千元 (未經審核)	合計 人民幣千元 (未經審核)	
	Anhui MOMA RMB'000 (unaudited)	Nanchang MOMA RMB'000 (unaudited)	Modern Land 5 RMB'000 (unaudited)	Wuhan Modern Green RMB'000 (unaudited)	Total RMB'000 (unaudited)	
物業、廠房及設備	Property, plant and equipment	611	279	228	914	2,032
發展中待售物業	Properties under development for sale	1,295,505	1,198,957	2,523,447	1,283,590	6,301,499
遞延稅項資產	Deferred tax assets	35,901	14,193	67,026	14,375	131,495
貿易及其他應收款、 押金及預付款	Trade and other receivables, deposits and prepayments	119,923	240,752	817,218	90,297	1,268,190
銀行結餘及現金	Bank balances and cash	285,009	44,705	128,024	259,392	717,130
受限制現金	Restricted cash	-	22,075	-	-	22,075
貿易及其他應付款、 押金及應計費用	Trade and other payables, deposits received and accrued charges	(1,049,294)	(811,624)	(3,184,513)	(1,233,553)	(6,278,984)
銀行及其他借貸	Bank and other borrowings	(500,000)	(180,000)	(290,000)	(190,000)	(1,160,000)
應付稅項	Taxation payable	(37,204)	(31,435)	-	(14,144)	(82,783)
遞延稅項負債	Deferred tax liabilities	(17,798)	(37,662)	(61,430)	(3,049)	(119,939)
所收購可識別資產總淨值	Identifiable net assets acquired	132,653	460,240	-	207,822	800,715
原持有合營企業的權益 的公允價值(附註)	Fair value of pre-existing interests in joint venture (note)	(67,653)	(299,156)	-	(197,329)	(564,138)
非控股權益	Non-controlling interests	-	-	-	(103)	(103)
收購收益	Gain on acquisition	-	-	-	(390)	(390)
以現金支付的總代價	Total consideration satisfied by cash	(65,000)	(161,084)	-	(10,000)	(236,084)
收購產生的淨現金 流入/(流出)：	Net cash inflow / (outflow) arising on acquisitions:					
已付現金	Cash paid	(65,000)	(161,084)	-	(10,000)	(236,084)
已獲銀行結餘及現金	Bank balances and cash acquired	285,009	44,705	128,024	259,392	717,130
		220,009	(116,379)	128,024	249,392	481,046

Note: The remeasurement to fair value of the Group's pre-existing interest in these acquirees resulted in a gain of RMB201,593,000, which has been included in "Other income, gain and loss" (see note 4).

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

21 抵押資產

於報告期末，已抵押以下資產，作為本集團獲授的若干銀行及其他融資以及為已售物業買家獲授的按揭貸款提供的擔保：

21 PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group and mortgage loans granted to buyers of sold properties at the end of the reporting period:

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
投資物業	Investment properties	345,897	291,141
發展中待售物業	Properties under development for sale	3,765,023	1,931,266
持作銷售物業	Properties held for sale	98,662	212,174
物業、廠房及設備	Property, plant and equipment	15,695	287,590
於附屬公司的股權	Equity interests in a subsidiary	95,750	96,751
銀行存款	Bank deposits	1,702,815	1,054,992
客戶獲提供住房公積金 貸款的擔保存款	Guarantee deposits for housing provident fund loans provided to customers	57,521	17,880
		6,081,363	3,891,794

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

22 資本及其他承擔

於報告期末，本集團有以下承擔：

22 CAPITAL AND OTHER COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
已訂約但未於合併 財務報表中作出撥備	Contracted but not provided for in the consolidated financial statements:	
— 發展物業	— Development of properties	2,305,647 863,806
— 收購土地使用權	— Acquisition of land use rights	974,794 1,481,650
— 向合營企業注資	— Capital contribution to a joint venture	5,100 5,100
— 向聯營公司注資	— Capital contribution to an associate	— 41,559
— 購置物業、 廠房及設備	— Purchase of property, plant and equipments	— 24,010
— 向合營企業提供 股東貸款	— Provision of shareholder's loan to a joint venture	— 100,000
	3,285,541	2,516,125

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

23 或然負債

- (a) 本集團就若干銀行授出的按揭融資提供擔保，該等按揭融資涉及由本集團物業買家所訂立的按揭貸款。根據擔保的條款，倘該等買家拖欠按揭款項，本集團須負責向銀行償還買家結欠的按揭貸款連同其應計利息及任何罰款。屆時，本集團有權接管有關物業的法定所有權。擔保期限由相關按揭貸款授出日期起計，並於買家取得個別房產證後結束。董事認為，按初始確認，擔保合約的公允價值屬微不足道。此外，於2016年6月30日及2015年12月31日，概未為擔保合約確認撥備，原因是違約風險低。

於報告期間末的未償還擔保金額如下：

23 CONTINGENT LIABILITIES

- (a) The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate. In the opinion of the Directors, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts as at 30 June 2016 and 31 December 2015 respectively is recognised as the default risk is low.

The amounts of the outstanding guarantees at the end of the reporting period are as follows:

	於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
按揭擔保		
Mortgage guarantees	8,196,228	3,460,036

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截至2016年6月30日止六個月 For the six months ended 30 June 2016

23 或然負債(續)

(b) 於2016年6月30日，本集團就達人民幣1,350,000,000元(2015年12月31日：人民幣2,620,000,000元)的一家合營企業的銀行借貸及其他貸款提供擔保。於報告期末，董事並不認為將可能根據該等擔保向本集團作出申索。本集團並無就該等擔保確認任何遞延收入。

24 經營租賃承擔

本集團作為出租人

於報告期末，本集團已與租戶就以下未來最低租賃款項訂約：

一年內
第二年至第五年
(包括首尾兩年)
五年後

Within one year
In the second to fifth year
inclusive
After five years

23 CONTINGENT LIABILITIES (Continued)

(b) The Group provided guarantees to bank loans and other borrowings of a joint venture amounted to RMB1,350,000,000 as at 30 June 2016 (31 December 2015: RMB2,620,000,000). At the end of the reporting period, the Directors do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognized any deferred income in respect of these guarantees.

24 OPERATING LEASE COMMITMENTS

The Group as a lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments as follows:

	於2016年 6月30日 人民幣千元 (未經審核)	於2015年 12月31日 人民幣千元 (經審核)
	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
一年內	52,477	54,826
第二年至第五年 (包括首尾兩年)	145,430	140,600
五年後	88,710	94,873
	286,617	290,299

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截至2016年6月30日止六個月 For the six months ended 30 June 2016

25 以股份付款的交易

於2014年9月4日，本公司向兩名董事及六名僱員授出合共25,700,000份購股權以認購合共25,700,000股本公司股份，相當於本公司於授出日期已發行股份約1.61%。

於2015年7月10日，本公司向兩名董事及十五名僱員授出合共60,100,000份購股權以認購合共60,100,000股本公司股份，相當於本公司於授出日期已發行股份約3.41%。

於2015年7月10日，本公司向十二名僱員授出合共45,500,000份購股權以認購合共45,500,000股本公司股份，相當於本公司於授出日期已發行股份約2.59%。

25 SHARE-BASED PAYMENT TRANSACTIONS

On 4 September 2014, the Company granted an aggregate of 25,700,000 options to two directors and six employees to subscribe for an aggregate of 25,700,000 shares in the Company, representing approximately 1.61% of the shares issued by the Company as at the date of grant.

On 10 July 2015, the Company granted an aggregate of 60,100,000 options to two directors and fifteen employees to subscribe for an aggregate of 60,100,000 shares in the Company, representing approximately 3.41% of the shares issued by the Company as at the date of grant.

On 10 July 2015, the Company granted an aggregate of 45,500,000 options to twelve employees to subscribe for an aggregate of 45,500,000 shares in the Company, representing approximately 2.59% of the shares issued by the Company as at the date of grant.

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

25 以股份付款的交易(續) 25 SHARE-BASED PAYMENT TRANSACTIONS (Continued)

已授購股權的詳情如下：

The details of the options granted are as follows:

	購股權數目 Number of options	歸屬期 Vesting period	購股權合約期 Contractual life of options
已授予董事的購股權 Shares options granted to directors			
於2014年9月4日 On 4 September 2014	13,900,000	授出日期至2015年9月3日期間25% 25% from the date of grant to 3 September 2015	2年 2 years
		授出日期至2016年9月3日期間25% 25% from the date of grant to 3 September 2016	3年 3 years
		授出日期至2017年9月3日期間25% 25% from the date of grant to 3 September 2017	4年 4 years
		授出日期至2018年9月3日期間25% 25% from the date of grant to 3 September 2018	5年 5 years
2015年7月10日A計劃 On 10 July 2015 Plan A	4,400,000	授出日期33% 33% the date of grant	1年 1 year
		授出日期至2016年7月10日33% 33% from the date of grant to 10 July 2016	2年 2 years
		授出日期至2017年7月10日34% 34% from the date of grant to 10 July 2017	3年 3 years
已授予僱員的購股權 Shares options granted to employees			
於2014年9月4日 On 4 September 2014	11,800,000	授出日期至2015年9月3日期間25% 25% from the date of grant to 3 September 2015	2年 2 years
		授出日期至2016年9月3日期間25% 25% from the date of grant to 3 September 2016	3年 3 years
		授出日期至2017年9月3日期間25% 25% from the date of grant to 3 September 2017	4年 4 years
		授出日期至2018年9月3日期間25% 25% from the date of grant to 3 September 2018	5年 5 years

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Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

25 以股份付款的交易(續) 25 SHARE-BASED PAYMENT TRANSACTIONS (Continued)

	購股權數目 Number of options	歸屬期 Vesting period	購股權合約期 Contractual life of options
2015年7月10日A計劃 On 10 July 2015 Plan A	55,700,000	授出日期33%	1年
		33% the date of grant	1 year
		授出日期至2016年7月10日33%	2年
		33% from the date of grant to 10 July 2016	2 years
2015年7月10日B計劃 On 10 July 2015 Plan B	45,500,000	授出日期至2017年7月10日34%	3年
		34% from the date of grant to 10 July 2017	3 years
		授出日期25%	0.5年
		25% the date of grant	0.5 year
		授出日期至2015年12月31日25%	1年
		25% from the date of grant to 31 December 2015	1 year
		授出日期至2016年6月30日25%	2年
		25% from the date of grant to 30 June 2016	2 years
購股權總數 Total share options	131,300,000	授出日期至2017年6月30日10%	3年
		10% from the date of grant to 30 June 2017	3 years
		授出日期至2018年6月30日15%	4年
		15% from the date of grant to 30 June 2018	4 years
可於2016年6月30日行使 Exercisable at 30 June 2016	49,008,000		
可於2015年12月31日行使 Exercisable at 31 December 2015	37,633,000		

截至2016年6月30日止六個月，本集團就本公司根據購股權計劃授出購股權確認總開支人民幣3,439,000元(2015年6月30日止六個月：人民幣762,000元)。

The Group recognised total expense of RMB3,439,000 during the six months ended 30 June 2016 (six months ended 30 June 2015: RMB762,000) in relation to share options granted by the Company.

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截至2016年6月30日止六個月 For the six months ended 30 June 2016

26 關聯方結餘及交易

26 RELATED PARTY BALANCES AND TRANSACTIONS

(a) 與關聯方的結餘

(a) Balances with related parties

(i) 應收關聯方款項

(i) Amounts due from related parties

於報告期末，應收關聯方款項如下：

The amounts due from related parties at the end of the reporting period are as follows:

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
應收張雷先生 (本公司執行董事) 控制的公司	Amount due from a company controlled by Mr. Zhang Lei, executive director of the Company	2,425	1,540
應收聯營公司款項	Amount due from associates	283,455	285,874
應收合營企業及 其附屬公司款項	Amount due from joint ventures and their subsidiaries	140,303	110,726
非貿易結餘總額(附註i)	Total non-trade balance (note i)	426,183	398,140
應收張雷先生控制的 公司款項	Amount due from companies controlled by Mr. Zhang Lei	14,905	13,471
應收一家聯營公司款項	Amount due from an associate	22,404	16,941
應收合營企業款項	Amount due from joint ventures	4,006	106,978
貿易結餘總額(附註ii)	Total trade balance (note ii)	41,315	137,390
應收關聯方款項	Amounts due from related parties	467,498	535,530
向合營企業作出貸款	Loans to joint ventures	1,941,083	2,169,600

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

26 關聯方結餘及交易(續)

(a) 與關聯方的結餘(續)

(i) 應收關聯方款項
(續)

附註：

(i) 於2016年6月30日及2015年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。

(ii) 於2016年6月30日及2015年12月31日關聯方貿易應收款屬無抵押、免息及須於要求時償還。以下為於各報告期末，按發票日期呈列的貿易性質的應收關聯方款項的賬齡分析：

少於1年	Less than 1 year
1至2年	1-2 years

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) Balances with related parties (Continued)

(i) Amounts due from related parties
(Continued)

Notes:

(i) Balances at 30 June 2016 and 31 December 2015 are of non-trade nature, unsecured, interest free and repayable on demand.

(ii) Trade receivables from related parties at 30 June 2016 and 31 December 2015 are unsecured, interest free and repayable on demand. The following is an ageing analysis of amounts due from related parties of trade nature based on invoice date which approximated the revenue recognition date, at the end of each reporting period:

於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
41,315	126,784
—	10,606
41,315	137,390

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Notes to the Condensed Consolidated Financial Statements

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26 關聯方結餘及交易(續)

(a) 與關聯方的結餘(續)

(ii) 應付關聯方款項

		於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
應付合營企業款項	Amount due to joint ventures	<u>856,261</u>	<u>724,905</u>
非貿易結餘總額 (附註i)	Total non-trade balance (note i)	<u>856,261</u>	<u>724,905</u>
應付張雷先生控制的 公司款項	Amount due to companies controlled by Mr. Zhang Lei	<u>16,811</u>	<u>3,935</u>
貿易結餘總額 (附註ii)	Total trade balance (note ii)	<u>16,811</u>	<u>3,935</u>
應付關聯方款項	Amounts due to related parties	<u>873,072</u>	<u>728,840</u>

附註：

(i) 於2016年6月30日及2015年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。

Notes:

(i) Balances at 30 June 2016 and 31 December 2015 are of non-trade nature, unsecured, interest free and repayable on demand.

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

26 關聯方結餘及交易(續)

(a) 與關聯方的結餘(續)

(ii) 應付關聯方款項 (續)

附註：(續)

- (ii) 應付關聯方的貿易應付款屬無抵押、免息及須於要求時償還。以下為於各報告期末，按發票日期呈列的貿易性質的應付關聯方款項的賬齡分析：

少於1年
1至2年

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) Balances with related parties (Continued)

(ii) Amounts due to related parties (Continued)

Notes: (Continued)

- (ii) Trade payables to related parties are unsecured, interest free and repayable on demand. The following is an ageing analysis of amounts due to related parties of trade nature based on invoice date at the end of each reporting period:

於2016年 6月30日 人民幣千元 (未經審核) At 30 June 2016 RMB'000 (unaudited)	於2015年 12月31日 人民幣千元 (經審核) At 31 December 2015 RMB'000 (audited)
14,958	3,482
1,853	453
16,811	3,935

Less than 1 year
1–2 years

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

26 關聯方結餘及交易(續)

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) 與關聯方的交易

(b) Transactions with related parties

關聯方性質	交易性質	截至6月30日止六個月	
		2016年	2015年
Nature of related party	Nature of transaction	人民幣千元	人民幣千元
		(未經審核)	(未經審核)
		2016	2015
		RMB'000	RMB'000
		(unaudited)	(unaudited)
張雷先生控制的公司	租金收入	527	527
Companies controlled by Mr. Zhang Lei	Rental income		
張雷先生控制的公司	物業管理服務費	35,560	28,777
Companies controlled by Mr. Zhang Lei	Property management services expenses		
聯營公司	房地產代理服務收入	1,017	—
Associate	Income from provision of real estate agency services		
聯營公司	利息收入	10,118	15,333
Associate	Interest income		
合營企業	利息收入	29,402	41,965
Joint Venture	Interest income		
合營企業	管理服務費用	13,718	20,750
Joint Venture	Management service income		
合營企業	房地產代理服務收入	5,063	—
Joint Venture	Income from provision of real estate agency service		

簡明合併財務報表附註

Notes to the Condensed Consolidated Financial Statements

截至2016年6月30日止六個月 For the six months ended 30 June 2016

26 關聯方結餘及交易(續)

(c) 與關鍵管理人員進行的交易

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) Transactions with key management

		截至6月30日止六個月 For the six months ended 30 June	
		2016年 人民幣千元 (未經審核)	2015年 人民幣千元 (未經審核)
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
關鍵管理人員薪酬	Key management compensation		
底薪及津貼	Basic salaries and allowance	2,208	1,753
退休福利供款	Retirement benefit contributions	63	114
以股份付款	Share-based payments	1,178	588
		<u>3,449</u>	<u>2,455</u>

獨立核數師報告 Independent Auditor's Report

Deloitte. 德勤

致當代置業(中國)有限公司股東

(於開曼群島註冊成立的有限公司)

吾等已審閱列載於第109至267頁的當代置業(中國)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，當中包括於2015年12月31日的合併財務狀況報表以及截至該日止年度的合併損益及其他全面收入報表、合併權益變動表及合併現金流量表，以及主要會計政策概要及其他解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及按照香港公司條例的披露規定編製及真實而公平地列報合併財務報表，及落實其認為屬必需的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

根據吾等協定的聘用條款，吾等的責任是根據吾等的審核對該等合併財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。吾等已根據國際核數準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定該等合併財務報表是否不存有任何重大錯誤陳述。

TO THE SHAREHOLDERS OF MODERN LAND (CHINA) CO., LIMITED
當代置業(中國)有限公司

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Modern Land (China) Co., Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 109 to 267, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

獨立核數師報告 Independent Auditor's Report

審核涉及執程序以獲取該等合併財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致該等合併財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報合併財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價合併財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映 貴集團於2015年12月31日的財務狀況及其於截至該日止年度的財務表現及現金流量，並已按照香港公司條例的披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師

香港
2016年3月21日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
21 March 2016

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2015年12月31日止年度 For the year ended 31 December 2015

		附註	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
		Notes		
收益	Revenue	5	6,349,767	4,079,464
銷售成本	Cost of sales		(4,385,674)	(2,424,163)
毛利	Gross profit		1,964,093	1,655,301
其他收入、收益及虧損	Other income, gain and loss	6	(26,848)	75,334
已竣工待售物業 轉撥至投資物業 的公允價值收益	Fair value gain of completed properties held for sale upon transfer to investment properties	13	90,381	90,886
投資物業公允價值變動	Changes in fair value of investment properties	13	77,494	111,074
銷售及分銷開支	Selling and distribution expenses		(209,705)	(206,835)
行政開支	Administrative expenses		(245,837)	(242,083)
融資成本	Finance costs	7	(197,276)	(265,510)
分佔合營企業的虧損	Share of loss of joint ventures		(108,048)	(51,133)
分佔聯營公司的虧損	Share of loss of associates		(4,696)	(90)
稅前溢利	Profit before taxation		1,339,558	1,166,944
所得稅開支	Income tax expense	8	(738,858)	(625,552)
年度溢利	Profit for the year	9	600,700	541,392

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2015年12月31日止年度 For the year ended 31 December 2015

		附註	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
		Notes		
其他全面收入	Other comprehensive income			
不會重新分類至 損益的項目：	<i>Items that will not be reclassified to profit or loss:</i>			
業主自用物業轉撥至 投資物業的重估收益	Gain on revaluation of owner-occupied properties upon transfer to investment properties		-	1,351
與業主自用物業重估 收益有關的遞延稅項	Deferred tax relating to gain on revaluation of owner-occupied properties		-	(338)
其後可重新分類至 損益的項目：	<i>Items that may be reclassified subsequently to profit or loss:</i>			
換算境外業務所產生 的匯兌差額	Exchange differences on translating foreign operations		9,160	562
年度其他全面收入 (扣除稅項)	Other comprehensive income for the year, net of income tax		9,160	1,575
年度全面收入總額	Total comprehensive income for the year		609,860	542,967
下列人士應佔年度溢利：	Profit for the year attributable to:			
本公司擁有人	Owners of the Company		577,867	521,128
非控股權益	Non-controlling interests		22,833	20,264
			600,700	541,392
下列人士應佔全面 收入總額：	Total comprehensive income attributable to:			
本公司擁有人	Owners of the Company		587,027	522,703
非控股權益	Non-controlling interests		22,833	20,264
			609,860	542,967
每股盈利(人民幣分)：	Earnings per share, in Renminbi cents:			
基本	Basic	12	30.5	29.6
攤薄	Diluted	12	30.3	29.6

合併財務狀況報表

Consolidated Statement of Financial Position

於2015年12月31日 At 31 December 2015

		附註	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
		Notes		
非流動資產	Non-current assets			
投資物業	Investment properties	13	1,368,240	1,146,600
物業、廠房及設備	Property, plant and equipment	14	498,816	503,655
無形資產	Intangible assets	15	2,355	1,259
持作日後發展的 永久業務土地	Freehold land held for future development	17	29,547	27,842
於聯營公司的權益	Interests in associates	18	71,959	20,977
於合營企業的權益	Interests in joint ventures	19	1,182,955	595,116
向合營企業作出貸款	Loans to joint ventures	19	2,169,600	1,521,583
向僱員作出墊款	Advances to employees	20	–	39,769
可供出售投資	Available-for-sale investments	21	34,850	114,236
遞延稅項資產	Deferred tax assets	23	322,481	317,112
			5,680,803	4,288,149
流動資產	Current assets			
存貨	Inventories	24	3,941	3,675
預付租賃款項	Prepaid lease payments	16	130,162	410,642
發展中待售物業	Properties under development for sale	25	3,653,643	4,213,683
持作銷售物業	Properties held for sale	26	1,303,189	1,036,375
就購入土地使用權 已付的押金	Deposits paid for acquisition of land use rights	22	187,120	–
貿易及其他應收款、 押金及預付款	Trade and other receivables, deposits and prepayments	27	622,079	708,459
應收關聯方款項	Amounts due from related parties	43(a)	535,530	573,353
向僱員作出墊款	Advances to employees	20	31,139	–
受限制現金	Restricted cash	28	1,054,992	1,145,997
銀行結餘及現金	Bank balances and cash	28	2,520,759	2,797,941
			10,042,554	10,890,125
流動負債	Current liabilities			
貿易及其他應付款、 已收押金及應計費用	Trade and other payables, deposits received and accrued charges	29	3,859,078	5,486,747
應付關聯方款項	Amounts due to related parties	43(b)	728,840	186,183
應付稅項	Taxation payable	30	1,839,585	1,717,318
銀行及其他借貸 (於一年內到期)	Bank and other borrowings – due within one year	31	1,756,687	1,314,317
			8,184,190	8,704,565
流動資產淨額	Net current assets		1,858,364	2,185,560
總資產減流動負債	Total assets less current liabilities		7,539,167	6,473,709

合併財務狀況報表

Consolidated Statement of Financial Position

於2015年12月31日 At 31 December 2015

年報 ANNUAL REPORT 2015

		附註	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
		Notes		
股本及儲備	Capital and reserves			
股本	Share capital	34	128,094	98,610
儲備	Reserves		3,637,266	2,762,043
本公司擁有人應佔權益	Equity attributable to owners of the Company		3,765,360	2,860,653
非控股權益	Non-controlling interests		9,689	373,086
權益總額	Total equity		3,775,049	3,233,739
非流動負債	Non-current liabilities			
銀行及其他借貸 (於一年後到期)	Bank and other borrowings – due after one year	31	700,000	480,900
長期應付款	Long term payable	32	133,134	–
優先票據	Senior notes	33	2,802,214	2,712,020
遞延稅項負債	Deferred tax liabilities	23	128,770	47,050
			3,764,118	3,239,970
			7,539,167	6,473,709

第109至第267頁的合併財務報表於2016年3月21日經董事會批准及授權刊發。

The consolidated financial statements on pages 109 to 267 were approved and authorised for issue by the Board of directors on 21 March 2016.

董事
DIRECTOR

董事
DIRECTOR

合併權益變動表

Consolidated Statement of Changes in Equity

截至2015年12月31日止年度 For the year ended 31 December 2015

		本公司擁有人應佔										非控股	
		Attributable to equity owners of the Company										權益	
		股本	股份溢價	特別儲備	重估儲備	購股權儲備	其他儲備	法定盈餘儲備	外匯換算儲備	累計溢利	合計	權益	權益總額
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(附註a)	(附註a)	(附註b)	(附註c)	(附註d)	(附註d)	(附註c)					
		Share capital	Share premium	Special reserve	Revaluation reserve	Share option reserve	Other reserve	Statutory surplus reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2014年1月1日	At 1 January 2014	98,610	339,993	300,057	33,371	-	(732)	293,741	(3,488)	1,410,760	2,472,312	(1,319)	2,470,993
業主自用物業的重估收益	Gain on revaluation of owner occupied properties	-	-	-	1,013	-	-	-	-	-	1,013	-	1,013
換算境外業務所產生的匯兌差額	Exchange differences on translating foreign operations	-	-	-	-	-	-	-	562	-	562	-	562
其他全面收入	Other comprehensive income	-	-	-	1,013	-	-	-	562	-	1,575	-	1,575
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	521,128	521,128	20,264	541,392
年度全面收入總額	Total comprehensive income for the year	-	-	-	1,013	-	-	-	562	521,128	522,703	20,264	542,967
以股份付款	Share-based payment	-	-	-	-	1,275	732	-	-	-	2,007	-	2,007
來自一名股東所控制公司的供款(附註e)	Contribution from a company controlled by a shareholder (note e)	-	-	407	-	-	-	-	-	-	407	-	407
向非控股股東出售附屬公司股份權益	Disposal of partial interests in subsidiaries to a non-controlling shareholder	-	-	384	-	-	-	-	-	-	384	374,516	374,900
撥作儲備	Appropriations to reserves	-	-	-	-	-	-	60,281	-	(60,281)	-	-	-
股息(附註11)	Dividend (Note 11)	-	(137,160)	-	-	-	-	-	-	-	(137,160)	-	(137,160)
向附屬公司非控股權益分派股息	Dividend distribution to the non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(20,375)	(20,375)
於2014年12月31日	At 31 December 2014	98,610	202,833	300,848	34,384	1,275	-	354,022	(2,926)	1,871,607	2,860,653	373,086	3,233,739

合併權益變動表

Consolidated Statement of Changes in Equity

截至2015年12月31日止年度 For the year ended 31 December 2015

		本公司擁有人應佔										非控股權益	
		Attributable to equity owners of the Company										Non-controlling interests	
		股本	股份溢價	特別儲備	重估儲備	購股權儲備	其他儲備	法定盈餘儲備	外匯換算儲備	累計溢利	合計	非控股權益	權益總額
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Share capital	Share premium	Special reserve	Revaluation reserve	Share option reserve	Other reserve	Statutory surplus reserve	Foreign currency translation reserve	Accumulated profits	Total	controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2015年1月1日	At 1 January 2015	98,610	202,833	300,848	34,384	1,275	-	354,022	(2,926)	1,871,607	2,860,653	373,086	3,233,739
換算境外業務所產生的匯兌差額	Exchange differences on translating foreign operations	-	-	-	-	-	-	-	9,160	-	9,160	-	9,160
其他全面收入	Other comprehensive income	-	-	-	-	-	-	-	9,160	-	9,160	-	9,160
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	577,867	577,867	22,833	600,700
年度全面收入總額	Total comprehensive income for the year	-	-	-	-	-	-	-	9,160	577,867	587,027	22,833	609,860
發行紅股(附註34(b))	Bonus issue (Note 34(b))	9,861	(9,861)	-	-	-	-	-	-	-	-	-	-
就股份配售發行股份(附註34(c))	Issue of shares on share placement (Note 34(c))	19,575	241,461	-	-	-	-	-	-	-	261,036	-	261,036
以股份付款	Share-based payment	-	-	-	-	11,700	-	-	-	-	11,700	-	11,700
於行使購股權時發行股份(附註34(d))	Issue of shares on exercise of share options (Note 34(d))	48	786	-	-	(115)	-	-	-	-	719	-	719
於沒收購股權後轉撥購股權儲備	Transfer of share option reserve upon forfeiture of share options	-	-	-	-	(95)	-	-	-	95	-	-	-
來自一名股東所控制公司的供款(附註e)	Contribution from a company controlled by a shareholder (note e)	-	-	407	-	-	-	-	-	-	407	-	407
收購一家附屬公司(附註36)	Acquisition of a subsidiary (Note 36)	-	-	-	-	-	-	-	-	-	-	10,724	10,724
自一名非控股股東收購一家附屬公司的額外權益	Acquisition of additional interest in a subsidiary from a non-controlling shareholder	-	-	(1,203)	-	-	-	-	-	-	(1,203)	1,202	(1)
向非控股權益出售一間附屬公司的部份權益	Disposal of partial interests in a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,000	3,000
分配至儲備	Appropriations to reserves	-	-	-	-	-	-	29,008	-	(29,008)	-	-	-
被視作本公司股東出資(附註f)	Deemed contribution from a shareholder of the Company (note f)	-	-	45,405	-	-	-	-	-	-	45,405	-	45,405
向非控股權益退回資本	Return of capital to non-controlling interests	-	-	(384)	-	-	-	-	-	-	(384)	(369,616)	(370,000)
分派股息予非控股權益	Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(31,540)	(31,540)
於2015年12月31日	At 31 December 2015	128,094	435,219	345,073	34,384	12,765	-	383,030	6,234	2,420,561	3,765,360	9,689	3,775,049

合併權益變動表

Consolidated Statement of Changes in Equity

截至2015年12月31日止年度 For the year ended 31 December 2015

附註：

- (a) 根據本公司組織章程細則第134條，本公司獲准自股份溢價賬撥付末期股息。
- (b) 特別儲備涉及收購附屬公司的額外權益、視為收購一家附屬公司、出售於附屬公司的部分權益、來自一名股東所控制公司的供款及被視作本公司股東出資。
- (c) 根據在中華人民共和國（「中國」）成立的本集團現時旗下若干實體的組織章程細則，該等實體須向法定盈餘儲備轉撥其（根據中國公認會計原則編製的）稅後溢利的10%，直至該儲備達到有關實體註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息之前作出。法定盈餘儲備可用以彌補過往年度的虧損、擴充現有的經營業務或轉換為實體的額外資本。
- (d) 於截至2008年12月31日止年度，當代綠色實業有限公司（前稱當代綠色置業有限公司）（「當代綠色」）已出售當代節能置業股份有限公司（前稱北京當代鴻運房地產經營開發有限公司）（「當代節能置業」）5.8%的權益。向幾位高級管理人員（「僱員」）轉讓於當代綠色的1.924%權益超出公允價值的部份，乃被視為以股份付款。2008年度初步於儲備內確認的以股份付款總額為人民幣57,704,000元，在僱員提供服務的六年間自損益扣除。因此，本集團於截至2014年12月31日止年度確認與本集團以股份付款相關的開支人民幣732,000元。上述金額已自其他儲備解除。

Notes:

- (a) Pursuant to article 134 of the Company's Articles of Association, the Company is permitted to pay out final dividend from share premium account.
- (b) Special reserve relates to acquisition of additional interests in subsidiaries, deemed acquisition of a subsidiary, disposals of partial interests in subsidiaries, contribution from a company controlled by a shareholder and deemed contribution from the shareholder of the Company.
- (c) In accordance with the Articles of Association of certain entities established in the People's Republic of China ("PRC") now comprising the Group, these entities are required to transfer 10% of the profit after taxation, prepared in accordance with PRC generally accepted accounting principles, to the statutory surplus reserve until the reserve reaches 50% of the registered capital of respective entities. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous year's losses, expand the existing operations or convert into additional capital of the entities.
- (d) During the year ended 31 December 2008, Modern Green Industrial Co., Ltd. 當代綠色實業有限公司 (formerly known as Modern Green Property Co., Ltd. 當代綠色置業有限公司) ("Modern Green Industrial") disposed of 5.8% interests in Modern Green Development Co., Ltd. 當代節能置業股份有限公司 (formerly known as Beijing Modern Hongyun Real Estate Development Co., Ltd. 北京當代鴻運房地產經營開發有限公司) ("Modern Green Development"). The excess of the fair value of 1.924% interest in Modern Green Industrial transferred to certain senior level management individuals (the "Employees") is considered as a share-based payment. The total share based payment initially recognised in the reserve in 2008 amounted to RMB57,704,000 and was charged to profit or loss over 6 years of service to be provided by the Employees. Accordingly, the Group recognised an expense of RMB732,000 for year ended 31 December 2014 in relation to share-based payment of the Group. The amount was released from other reserve.

合併權益變動表

Consolidated Statement of Changes in Equity

截至2015年12月31日止年度 For the year ended 31 December 2015

附註：(續)

(e) 根據2010年11月29日當代節能置業與其一名僱員訂立的協議，該僱員可使用由北京當代城市房地產開發有限公司（「北京當代城市房地產」，一家由本公司股東控制的公司）所發展的物業。該僱員自2010年10月30日開始為當代節能置業服務達10年後，該項物業的產權將轉讓予該僱員。於2010年11月29日，該物業的市場價值為人民幣4,071,000元。截至2015年12月31日止年度，本集團將該交易確認為員工成本及來自股東所控制公司的供款，金額為人民幣407,000元（2014年：人民幣407,000元）。

(f) 於2015年12月27日，本集團與香港酒店管理集團（「酒店管理集團」）就雙芳之間有關本集團已規劃的服務式公寓管理服務的仲裁事宜達成最終和解。根據雙方訂立的和解結算確認書，本集團已向酒店管理集團支付達7,000,000美元（「美元」）的和解金額（「和解金額」，相等於人民幣45,405,000元）。本集團其後獲本公司控股股東兼執行董事張雷先生悉數償還和解金額（「償還」）。償還被視作本公司股東向本集團出資。

Notes: (Continued)

(e) Pursuant to the agreement dated 29 November 2010 entered into between Modern Green Development and an employee of Modern Green Development, the employee can use the property developed by Beijing Modern City Real Estate Development Co., Ltd. 北京當代城市房地產開發有限公司（“Beijing Modern City Real Estate”), a company controlled by a shareholder of the Company. The title of the property will be transferred to the employee upon his completion of service with Modern Green Development for 10 years commencing from 30 October 2010. As at 29 November 2010, the market value of the property is RMB4,071,000. The Group recognised this transaction as staff cost and contribution from a company controlled by the shareholder amounted to RMB407,000 (2014: RMB407,000) for the year ended 31 December 2015.

(f) On 27 December 2015, the Group reached a final settlement with a Hong Kong based hotel management group (the “Hotel Management Group”) in respect of the arbitration proceedings between the two parties in relation to management services of the Group’s planned serviced apartments. Pursuant to the confirmation letter for reconciliation and settlement entered into between the two parties, the Group paid an amount for settlement of United States dollars (“US\$”) 7,000,000 (the “Settlement Amount”, equivalent to RMB45,405,000) to the Hotel Management Group. The Settlement Amount was subsequently fully repaid to the Group by Mr. Zhang Lei, a controlling shareholder and executive Director of the Company (the “Repayment”). The Repayment was deemed as a capital contribution to the Group from the shareholder of the Company.

合併現金流量表

Consolidated Statement of Cash Flows

截至2015年12月31日止年度 For the year ended 31 December 2015

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
經營活動	Operating activities		
稅前溢利	Profit before taxation	1,339,558	1,166,944
就以下各項作出調整：	Adjustments for:		
融資成本	Finance costs	197,276	265,510
利息收入	Interest income	(77,807)	(42,398)
可供出售投資 股息收入	Dividend income from available-for-sale investments	(2,822)	(2,554)
物業、廠房及 設備折舊	Depreciation of property, plant and equipment	22,029	24,585
無形資產攤銷	Amortisation of intangible assets	442	193
以股份付款	Share-based payment	11,700	2,007
出售附屬公司的收益	Gain on disposal of subsidiaries	(91)	(31,514)
出售合營企業 權益的收益	Gain on disposal of interests in joint ventures	(11,416)	-
出售可供出售投資 的虧損	Loss on disposal of available-for-sale investments	985	-
持作銷售物業轉撥 至投資物業的 公允價值收益	Fair value gain upon transfer from properties held for sale to investment properties	(90,381)	(90,886)
投資物業公允價值 變動	Changes in fair value of investment properties	(77,494)	(111,074)
呆賬撥備	Allowance for doubtful debts	4,020	697
供應商墊款撥備	Allowance for advance to a supplier	-	5,580
出售物業、廠房及 設備的收益	Gain on disposal of property, plant and equipment	(6,386)	(658)
來自一名股東所控制 公司的供款已確認 為員工成本	Contribution from a company controlled by a shareholder, recognised as staff cost	407	407
分佔聯營公司的虧損	Share of loss of associates	4,696	90
分佔合營企業的虧損	Share of loss of joint ventures	108,048	51,133
出售投資物業的虧損	Loss on disposal of investment properties	-	4,727
持作銷售物業 (撥回)／撇減	(Reversal of allowance)/write-down of properties held for sale	(6,316)	4,928
未變現匯兌 虧損／(收益)	Unrealised exchange loss/(gain)	104,511	(4,469)
營運資金變動前的 經營現金流量	Operating cash flows before movements in working capital	1,520,959	1,243,248

合併現金流量表

Consolidated Statement of Cash Flows

截至2015年12月31日止年度 For the year ended 31 December 2015

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
營運資金變動：	Movements in working capital:		
存貨增加	Increase in inventories	(266)	(325)
發展中待售物業 持作銷售物業 減少／(增加)	Decrease/(increase) in properties under development for sale and properties held for sale	2,234,539	(1,216,369)
貿易及其他應收款、 押金及預付款增加	Increase in trade and other receivables, deposits and prepayments	(27,585)	(3,465,785)
應收關聯方款項增加	Increase in amounts due from related parties	(10,488)	(68,959)
就購入土地使用權已付 的押金(增加)／減少	(Increase)/decrease in deposits paid for acquisition of land use rights	(187,120)	20,000
預付租賃款項增加	Increase in prepaid lease payments	(347,000)	(1,293,230)
貿易及其他應付款、 已收押金及應計費用 (減少)／增加	(Decrease)/increase in trade and other payables, deposits received and accrued charges	(2,794,760)	3,448,859
應付關聯方款項 增加／(減少)	Increase/(decrease) in amounts due to related parties	704	(10,759)
經營活動所得 (所用)現金	Cash generated from (used in) operating activities	388,983	(1,343,320)
已付所得稅	Income tax paid	(379,380)	(342,810)
經營活動所得(所用) 現金淨額	Net cash generated from (used in) operating activities	9,603	(1,686,130)

合併現金流量表

Consolidated Statement of Cash Flows

截至2015年12月31日止年度 For the year ended 31 December 2015

		附註	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
		Notes	RMB'000	RMB'000
投資活動	Investing activities			
已收利息	Interest received		59,202	76,339
自可供出售投資 所收取股息	Dividend received from available-for-sale investments		2,822	2,554
購入可供出售投資	Purchase of available-for-sale investments		(1,500)	(79,900)
購入物業、廠房及設備	Purchase of property, plant and equipment		(15,375)	(17,897)
購入無形資產	Purchase of intangible assets		(1,538)	(223)
出售可供出售投資 投資所得款項	Proceeds on disposal of available-for-sale investments		1	-
出售物業、廠房及 設備所得款項	Proceeds on disposal of property, plant and equipment		21,633	8,815
收購附屬公司的 現金流出淨額	Net cash outflow from acquisition of subsidiaries	36	(15,121)	(170,985)
被視作收購附屬公司的 現金流入淨額	Net cash inflow from deemed acquisition of subsidiaries	36	20,274	-
出售附屬公司的現金 (流出)／流入淨額	Net cash (outflow)/inflow from disposals of subsidiaries	37	(3)	262,757
被視作出售附屬公司的 現金流出淨額	Net cash outflow from deemed disposals of subsidiaries	37	(410,033)	-
出售附屬公司的部份 權益予非控股權益的 現金流入淨額	Net cash inflow from disposal of partial interests in a subsidiary to non-controlling interests		3,000	-
於聯營公司的投資	Investment in associates		(61,950)	(25,000)
於合營企業的投資	Investment in joint ventures		(185,888)	(78,500)
出售合營企業的部份權益	Disposal of partial interests in a joint venture		200,900	-
向合營企業作出貸款	Loan to joint ventures		(4,241,608)	(1,866,306)
合營企業還款	Repayment from joint ventures		3,530,027	2,307,742
向關聯方作出墊款	Advances to related parties		(414,905)	(616,914)
關聯方還款	Repayment from related parties		558,149	244,915
關聯方還款	Advances to a third party		-	(290,000)
第三方還款	Repayment from a third party		-	290,000
出售投資物業所得款項	Proceeds on disposal of investment properties		28,764	40,607
受限制現金減少(增加)	Decrease (increase) in restricted cash		91,005	(1,020,067)
向僱員作出墊款	Advances to employees		-	(39,769)
僱員還款	Repayment from employees		8,630	-
投資活動所用現金淨額	Net cash used in investing activities		(823,514)	(971,832)

合併現金流量表

Consolidated Statement of Cash Flows

截至2015年12月31日止年度 For the year ended 31 December 2015

		附註	2015年 人民幣千元	2014年 人民幣千元
		Notes	2015 RMB'000	2014 RMB'000
融資活動	Financing activities			
已付利息	Interest paid		(565,818)	(315,070)
已付本公司 擁有人的股息	Dividend paid to owners of the Company		(112)	(136,729)
已付非控股股東的股息	Dividend paid to a non-controlling shareholder		(31,540)	(20,375)
償還銀行借貸	Repayments of bank borrowings		(1,618,217)	(428,436)
償還其他借貸	Repayments of other borrowings		(230,000)	(682,000)
新增銀行貸款	New bank loans raised		2,479,687	1,044,543
新增其他貸款	New other loans raised		30,000	607,000
償還關聯方款項	Repayment to related parties		(610,750)	(1,848,525)
關聯方墊款	Advances from related parties		1,138,917	2,297,421
非控股權益注資	Capital injection from non-controlling interests		-	374,900
向非控股權益退回資本 被視作本公司股東出資	Return of capital to non-controlling interests Deemed contribution from the shareholder of the Company		(370,000)	-
於股份配售時發行 股份的所得款項	Proceeds from issue of shares on share placement		265,131	-
於股份配售時發行股份 應佔的交易成本	Transaction costs attributable to issue of shares on share placement		(4,095)	-
於行使購股權時發行 股份的所得款項	Proceeds from issue of shares upon exercise of share options		719	-
發行優先票據 所得款項淨額	Net proceeds from issue of senior notes		-	1,819,134
融資活動所得現金淨額	Net cash generated from financing activities		529,327	2,711,863
現金及現金等價物 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents		(284,584)	53,901
年初現金及現金等價物	Cash and cash equivalents at the beginning of the year		2,797,941	2,743,579
匯率變動對以外幣持有的 現金結餘的影響	Effects of exchange rate changes on the balance of cash held in foreign currencies		7,402	461
年終現金及現金等價物	Cash balance and cash equivalents at the end of the year		2,520,759	2,797,941

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

1. 一般資料

本公司於2006年6月28日根據開曼群島公司法在開曼群島註冊成立為一家獲豁免有限公司。其母公司為於英屬處女群島（「英屬處女群島」）註冊成立的極地控股有限公司及最終控股公司為根據巴哈馬群島聯邦法律註冊成立的Fantastic Energy Ltd.。兩家公司均由張雷先生及Salum Zheng Lee先生控制。本公司的註冊辦事處位於Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands，其主要營業地點則位於中國北京東城區香河園路1號。

本公司為預備將股份於香港聯合交易所有限公司（「聯交所」）主板上市（「上市」），於2011年進行了集團重組。進一步詳情載於本公司於2013年6月28日刊發的招股章程。本公司股份其後於2013年7月12日於聯交所上市。

本公司及其附屬公司（統稱「本集團」）主要在中國及美國（「美國」）從事房地產發展、物業投資、酒店營運、項目管理、房地產代理服務及移民服務。

合併財務報表以人民幣（「人民幣」）呈列，人民幣乃各集團實體經營所在主要經濟環境的流通貨幣（即各集團實體的功能貨幣）。

1. GENERAL

The Company was incorporated in the Cayman Islands on 28 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its parent is Super Land Holdings Limited, a company incorporated in the British Virgin Islands (“BVI”) and its ultimate holding company is Fantastic Energy Ltd., a company incorporated under the laws of Commonwealth of the Bahamas. Both of them are controlled by Mr. Zhang Lei and Mr. Salum Zheng Lee. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands, and its principal place of business is located at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, PRC.

In preparation for the listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”), the Company underwent a group reorganisation in 2011. Further details of which are set out in the Company’s prospectus dated 28 June 2013. The Company’s shares were then listed on the Stock Exchange on 12 July 2013.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in real estate development, property investment, hotel operation, project management, real estate agency services and immigration services in the PRC and the United States (the “US”).

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

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

2. 應用新訂及經修訂國際財務報告準則

於本年度，本集團首次應用下列國際財務報告準則（「國際財務報告準則」）的修訂：

國際財務報告準則第19號（修訂本）	界定福利計劃：員工供款
多項國際會計準則（修訂本）	2010-2012週期之年度改善
多項國際會計準則（修訂本）	2011-2013週期之年度改善

於本年度所應用國際財務報告準則修改並無對該等合併財務報表載列本集團於本年度及過往年度的財務表現及狀況及／或披露構成重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has applied the following amendments to International Financial Reporting Standards (“IFRSs”) for the first time in the current year:

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

The application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團未有提前應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第15號	來自客戶合約的收益 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告準則第11號(修訂本)	收購於合營業務的權益的會計處理 ³
國際會計準則第1號(修訂本)	披露計劃 ³
國際會計準則第16號及國際會計準則第38號(修訂本)	澄清可接受的折舊及攤銷方法 ³
國際財務報告準則(修訂本)	對國際財務報告準則2012年至2014年週期的年度改進 ³
國際會計準則第16號及國際會計準則第41號(修訂本)	農業：生產性植物 ³
國際會計準則第27號(修訂本)	於獨立財務報表的權益法 ³
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本)	投資實體：應用合併的例外情況 ³
國際會計準則第7號(修訂本)	披露計劃 ⁵
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 ⁵

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and revised IFRSs in issue but not yet effective

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

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to IAS 1	Disclosure Initiative ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 27	Equity Method in Separate Financial Statements ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ³
Amendments to IAS 7	Disclosure Initiative ⁵
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁵

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2. 應用新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則 (續)

- 1 於2018年1月1日或之後開始的年度期間生效
- 2 於2019年1月1日或之後開始的年度期間生效
- 3 於2016年1月1日或之後開始的年度期間生效
- 4 於將予釐定之日期或之後開始的年度期間生效
- 5 於2017年1月1日或之後開始的年度期間生效

國際財務報告準則第9號金融工具

2009年頒佈的國際財務報告準則第9號引入金融資產分類及計量的新規定。國際財務報告準則第9號隨後於2010年修訂以包括金融負債分類及計量以及終止確認的規定，並於2013年包括一般對沖會計的新規定。於2014年頒佈的國際財務報告準則第9號另一份經修訂的版本主要包括(a)金融資產的減值規定及(b)透過對若干簡單債務工具引入「透過其他全面收入按公允價值列賬」計量類別，對分類及計量規定作出有限修訂。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after 1 January 2016
- 4 Effective for annual periods beginning on or after a date to be determined
- 5 Effective for annual periods beginning on or after 1 January 2017

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

國際財務報告準則第9號的主要規定：

- 屬國際會計準則第39號「金融工具：確認及計量」範圍內的所有已確認金融資產，其後均須按攤銷成本或公允價值計量。尤其目的是為收取合約現金流量的業務模式內所持有及合約現金流量僅為本金及尚未償還本金的利息付款的債務投資，一般於其後會計期末按攤銷成本計量。於透過同時收取合約現金流量及出售金融資產而達致目的之業務模式中持有的債務工具，以及其合約條款令於特定日期產生的現金流量僅為本金及尚未償還本金利息付款的債務工具，乃以透過其他全面收入按公允價值列賬的方式計量。所有其他債務投資及股本投資均於其後報告期末按公允價值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇，於其他全面收入呈列股本投資（並非持作買賣）的其後公允價值變動，僅股息收入一般於損益中確認。
- 就指定為透過損益按公允價值列賬的金融負債計量而言，國際財務報告準則第9號規定，因金融負債信貸風險有變而導致其公允價值變動的款額乃於其他全面收入呈列，除非於其他全面收入確認該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。因金融負債的信貸風險而導致公允價值變動其後不會重新分類至損益。根據國際會計準則第39號，指定為透過損益按公允價值列賬的金融負債的全部公允價值變動款額於損益呈列。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

- 就金融資產的減值而言，國際財務報告準則第9號按預期信貸虧損模式計算，與國際會計準則第39號按已產生信貸虧損模式計算相反。預期信貸虧損模式需要實體於各報告日將預期信貸虧損及該等預期信貸虧損變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。
- 新訂一般對沖會計規定保留國際會計準則第39號現有的三種對沖會計機制。根據國際財務報告準則第9號，符合對沖會計資格交易的類型已引入更大彈性，尤其是擴闊符合對沖工具資格的工具類型及符合對沖會計資格的非金融項目的風險成份類型。此外，可追溯量化效力測試已經移除。實體風險管理活動亦已引入增強披露規定。

除目前按成本減減值計量的可供出售股本投資及就本集團按攤銷成本計量的金融資產有可能根據預期虧損模式提前確認信貸虧損的潛在影響外，根據對於2015年12月31日本集團所持投資的分析，本公司董事預期國際財務報告準則第9號並不會對本集團的業績及財務狀況產生重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9 Financial Instruments (Continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Except for the potential impact of available-for-sale equity investment currently measured at cost less impairment and the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, the directors of the Company do not expect IFRS 9 will have material impact on the results and financial position of the Group based on an analysis of the Group's investment as at 31 December 2015.

2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第15號「來自客戶合約的收益」

國際財務報告準則第15號的頒佈為實體確立了單一全面的模型，用於客戶合約所產生的收益的會計處理。國際財務報告準則第15號生效後將會取代現行的收益確認指引，包括國際會計準則第18號「收益」、國際會計準則第11號「建築合約」及相關詮釋。

國際財務報告準則第15號的核心原則為實體應確認收益以說明向客戶承諾的商品或服務的轉移，其金額反映該實體預期該等商品或服務應可換取的代價。特別是，該準則引入確認收益的五步法：

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約內的履約責任
- 第3步：釐定交易價
- 第4步：將交易價分配至合約內的履約責任
- 第5步：當實體達成履約責任時（或按此）確認收益

根據國際財務報告準則第15號，當實體達成履約責任時（或按此）確認收益，即該特定履約責任的相關商品或服務的「控制權」轉移予客戶時。國際財務報告準則第15號已增加更為規範性的指引以處理特定情況。此外，國際財務報告準則第15號規定廣泛的披露事項。本公司董事預期日後採納國際財務報告準則第15號可能對本集團合併財務報表的呈報金額及作出的披露事項產生重大影響。然而，在本集團完成詳細審閱前對於國際財務報告準則第15號的影響提供合理估計屬不切實際。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 15 Revenue from Contracts with Customer

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

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2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號的修訂本「投資者與其聯營公司或合營企業之間的資產出售或注資」

國際財務報告準則第10號「合併財務報表」及國際會計準則第28號「於聯營公司及合營企業的投資」的修訂本針對投資者與其聯營公司或合營企業之間的資產出售或注資交易。具體而言，有關修訂本註明，倘與以權益會計法入賬的聯營公司或合營企業進行交易以致損失一家並無經營業務的附屬公司控制權，由此產生的損益於母公司的損益中確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。同樣地，倘按公允價值重新計量於任何前附屬公司（轉為以權益會計法入賬的聯營公司或合營企業）保留的投資，由此產生的損益於前母公司的損益中確認，惟僅以不相關投資者於新聯營公司或合營企業的權益為限。

有關修訂本應提早應用於某一特定日期或之後開始的年度期間發生的交易。本公司董事預計，倘有關交易發生，應用國際財務報告準則第10號及國際會計準則第28號的修訂本可能會對本集團的未來合併財務報表構成影響。

除上述者外，本公司董事預期採納其他新訂及經修訂的國際財務報告準則將不會對本集團合併財務報表產生重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

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

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after a date to be determined. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Except for the above, the directors of the Company do not anticipate that the application of other new and revised IFRSs will have significant impact on the Group's consolidated financial statements.

3. 主要會計政策

合併財務報表乃根據國際財務報告準則而編製。此外，合併財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定的適用披露事項。

新香港公司條例（第622章）有關編製賬目及董事會報告的條文於截至2015年12月31日止財政年度對本公司生效。另外，上市規則所載有關年度賬目的披露規定已經參照新公司條例修訂並按香港財務報告準則精簡。因此，截至2015年12月31日止年度的合併財務報表內的資料的呈列及披露已經改變，以遵守該等新規定。合併財務報表所呈列或披露有關截至2014年12月31日止財政年度的可資比較資料乃按新規定得出。過往根據前身公司條例或上市規則須予披露但根據新公司條例或經修訂上市規則毋須披露的資料均並無披露於該等合併財務報表。

合併財務報表已根據歷史成本編製，惟如下文所載的會計政策闡釋按公允價值計量的投資物業除外。

歷史成本一般以交換貨品及服務時給予代價的公允價值為基準。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties which are measured at fair value, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

合併財務報表附註

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3. 主要會計政策 (續)

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。此外，非金融資產公允價值的計量則參考市場參與者可從使用該資產得到的最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用的市場參與者所產生的經濟效益。此等合併財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於國際財務報告準則第2號以股份付款範圍的以股份付款的交易、屬於國際會計準則第17號租賃範圍內的租賃交易，以及與公允價值有部份相若地方但並非公允價值的計量，譬如國際會計準則第2號存貨內的可變現淨額或國際會計準則第36號資產減值的使用價值除外。

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 主要會計政策 (續)

合併基準

合併財務報表包括本公司及本公司所控制實體及其附屬公司的財務報表。倘本公司符合以下情況，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上列三項控制權條件的其中一項或多項有變，本集團會重新評估其是否控制被投資方。

倘本集團持有的被投資方投票權不足以構成多數投票權，其僅在投票權足以讓其單方面實際掌控該被投資方的相關活動時擁有該被投資方的控制權。本集團在評估其持有的被投資方投票權是否足以讓其擁有控制權時考慮一切相關事實及情況，包括：

- 本集團所持投票權的比例與其他投票權持有人的投票權比例及分散程度；
- 本集團、其他投票權持有人或其他人士持有的潛在投票權；
- 其他合約安排產生的權利；及
- 足以反映本集團於作出決策時能否掌控相關活動的任何其他事實及情況，包括過往股東大會的投票意向。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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3. 主要會計政策 (續)

合併基準 (續)

當本集團取得附屬公司的控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司的控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售的附屬公司的收入及支出會於本集團取得控制權當日起計入合併損益及其他全面收入報表，直至本集團對該附屬公司的控制權終止當日為止。

損益及各其他全面收入項目歸屬本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉將導致非控股權益產生虧絀結餘。

如有需要，會對附屬公司的財務報表作出調整，致令其會計政策與本集團所採用者一致。

本集團內公司間與交易有關的所有資產及負債、股權、收入、開支及現金流乃於合併賬目時悉數抵銷。

本集團於現有附屬公司的擁有權權益變動

本集團於附屬公司的擁有權權益發生變動（並不導致對附屬公司喪失控制權）列賬為股本交易（即擁有人以擁有人身份進行的交易）。控股權益與非控股權益的賬面值須作調整以反映彼等於附屬公司的相關權益的變動。非控股權益調整金額與已付或已收代價公允價值之間的任何差額直接於權益內確認，並歸屬本公司擁有人。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in losing control over the subsidiaries are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3. 主要會計政策 (續)

本集團於現有附屬公司的擁有權權益變動 (續)

倘本集團失去對一間附屬公司的控制權，則於損益賬中確認盈虧，以下列兩項的差額計算：(i)所收取代價的公允價值及任何保留權益公允價值的總和，及(ii)附屬公司先前的資產(包括商譽)及負債及任何非控股權益的賬面值。早前於其他全面收入確認與該附屬公司有關的所有金額將會以猶如本集團已直接出售附屬公司的相關資產或負債的方式入賬(即重新分類至損益或按國際財務報告準則規定／容許而轉撥至另一股權類別)。於失去控制權當日仍保留於前附屬公司的任何投資公允價值，則根據國際會計準則第39號，將被視為就其後入賬而言初步確認的公允價值，或(如適用)於聯營公司或合營公司的投資的初步確認成本。

業務合併

收購業務採用收購法入賬。業務合併的轉撥代價以公允價值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團為交換被收購方的控制權而發行的股權於收購日期的公允價值的總和。收購相關成本一般於產生時在損益確認。

於收購日期，所收購的可識別資產及所承擔的負債按公允價值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，分別根據國際會計準則第12號所得稅及國際會計準則第19號僱員福利確認並計量；

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

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3. 主要會計政策 (續)

業務合併 (續)

- 與被收購方以股份為基礎的支付安排或以本集團訂立以股份為基礎的支付安排取代被收購方以股份為基礎的支付安排相關的負債或股本工具，乃於收購日期根據國際財務報告準則第2號以股份為基礎的支付計量；及
- 根據國際財務報告準則第5號持作出售的非流動資產及已終止業務分類為持作出售的資產（或出售組別）按該準則計量。

商譽按轉讓代價、被收購方的任何非控股權益金額，以及收購方先前持有的被收購方股本權益的公允價值（如有）的總額，超出所收購可識別資產扣除所承擔負債後於收購日期的金額的差額計量。倘經重新評估後，所收購可識別淨資產扣除所承擔負債後於收購日期的金額超出轉讓代價、被收購方的任何非控股權益金額及收購方先前持有的被收購方股本權益的公允價值（如有）的總額，則該差額即時於損益確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體淨資產的非控股權益，可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每宗交易而作出選擇。其他種類的非控股權益乃按其公允價值或（如適用）另一項國際財務報告準則所訂明的基準計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3. 主要會計政策 (續)

於聯營公司及合營企業的投資

聯營公司是指本集團有重大影響力的實體。重大影響力指有權參與被投資方的財務及經營政策決定但非控制或共同控制該等政策。

合營企業指一項合營安排，據此，對安排擁有共同控制權的訂約方對合營安排的資產淨值擁有權利。共同控制是指按照合約協定對某項安排所共有的控制權，共同控制僅在相關活動要求共享控制權的各方作出一致同意的決定時存在。

聯營公司或合營企業的業績與資產及負債，乃採用權益會計法列入合併財務報表，惟倘該項投資(或其中部份)被分類為持作出售，則會根據國際財務報告準則第5號入賬。擬作權益會計用途的聯營公司及合營企業財務報表按與本集團於類似情況下就同類交易及事件採用的相同會計政策編製。根據權益會計法，於聯營公司或合營企業的投資初步於合併財務狀況報表按成本確認，並於其後就確認本集團應佔該聯營公司或合營企業的溢利或虧損及其他全面收入而作出調整。當本集團應佔一間聯營公司或合營企業的虧損超出本集團於該聯營公司或合營企業的權益時(包括實質上構成本集團於聯營公司或合營企業的投資淨值一部份的任何長期權益)，本集團會終止確認其應佔的進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司或合營企業付款時方予確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

於聯營公司或合營企業的投資自被投資方成為聯營公司或合營企業當日起以權益法入賬。收購於聯營公司或合營企業的投資時，任何投資成本超出本集團應佔被投資方的可識別資產及負債公允淨值的差額，均確認為商譽，並計入該項投資的賬面值內。本集團應佔可識別資產及負債的公允淨值超出投資成本的任何數額經重新評估後，即時於收購該項投資的期間於損益內確認。

國際會計準則第39號的規定適用於釐定是否需要就本集團於一間聯營公司或合營企業的投資確認任何減值虧損。如需要，該項投資的全部賬面值（包括商譽）將根據國際會計準則第36號以單一資產方式進行減值測試，方法是比較其可收回金額（即使用價值與公允價值減出售成本的較高者）與其賬面值。任何已確認減值虧損均構成該項投資賬面值的一部份。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加時根據國際會計準則第36號確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

本集團於投資不再為聯營公司或合營企業當日起，或投資被分類為持作出售時，終止使用權益法。倘本集團保留於前聯營公司或合營企業的權益，且該保留權益為金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為根據國際會計準則第39號首次確認時的公允價值。聯營公司或合營企業於終止採用權益法當日的賬面值與任何保留權益及出售聯營公司或合營企業部份權益的任何所得款項的公允價值之間的差額，乃於釐定出售該聯營公司或合營企業的收益或虧損時計入。此外，本集團將先於其他全面收入就該聯營公司或合營企業確認的所有金額入賬，基準與倘該聯營公司或合營企業直接出售相關資產或負債時所規定的基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收入確認的收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團會在終止使用權益法時，將該項收益或虧損由權益重新分類至損益（作為重新分類調整）。

倘於聯營公司的投資成為於合營企業的投資，或於合營企業的投資成為於聯營公司的投資，本集團會繼續使用權益法。於該等擁有權權益變動後，不會重新計量公允價值。

倘本集團削減其於聯營公司或合營企業的擁有權權益但本集團繼續採用權益法，而有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前就削減擁有權權益而於其他全面收入確認的收益或虧損部份重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

倘一集團實體與本集團一間聯營公司或合營企業進行交易，與該聯營公司或合營企業進行交易所產生的損益僅於該聯營公司或合營企業的權益與本集團無關的情況下，才會在本集團的合併財務報表確認。

收益確認

收益乃按已收或應收代價的公允價值計算，乃一般業務過程中出售貨物及提供服務的應收款項扣除折讓及銷售相關稅項後的金額。

在日常業務過程中銷售物業所得的收益於有關物業竣工，且物業所有權的絕大部份風險及回報已轉移至客戶（即客戶已根據買賣協議的條款完成所需程序確認收到交付物業）時予以確認。

於收益確認日期前從買方所收取的押金及分期付款，則列於合併財務狀況報表流動負債項下。

來自經營租賃的租金收入，於有關租賃期內按直線法確認。

酒店住宿、飲食銷售及其他配套服務之收入於提供服務時確認。

其他服務收入於提供服務時確認。

金融資產的利息收入乃參考尚未償還本金額採用適用實際利率，按時間基準累計，而實際利率乃將估計未來現金收入透過金融資產預計可用年期準確地貼現為該資產於初步確認時的賬面淨值的利率。

投資所得股息收入於股東收取款項的權利獲確立時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of properties in the ordinary course of business is recognised when the construction of respective properties have been completed and the significant risks and rewards of ownership of the properties are transferred to the customers, that is when the customers completed the necessary procedures to acknowledge receipts of delivery of properties in accordance with the terms under respective sales and purchases agreements.

Deposits and instalments received from purchasers prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Revenue from hotel accommodation, food and beverage sales and other ancillary services is recognised when the services are rendered.

Other service income is recognised when the services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3. 主要會計政策 (續)

投資物業

投資物業乃持作賺取租金及／或資本增值之用的物業。投資物業初步以成本(包括任何直接應佔支出)計量。於初步確認後，投資物業採用公允價值模式按公允價值計量。投資物業公允價值變動所產生盈虧於產生期間計入損益中。

投資物業於出售或於其被永久終止使用或預期出售時再無日後經濟利益產生之時終止確認。終止確認資產所產生的任何盈虧(按該資產的出售所得款項淨額與資產賬面值之間的差額計算)於該物業終止確認期間計入損益。

當物業、廠房及設備項目因已證實終止自用而變為投資物業時，其於轉撥當日的賬面值與公允價值間的任何差額在其他全面收入內確認並於重估儲備中累計。待資產隨後出售或報廢時，有關重估儲備將直接轉至保留溢利。

倘持有物業的意圖變更為賺取租金及／或資本增值，持作銷售物業轉入投資物業(以對另一方之經營租賃開始為證)，則該項目於轉撥當日的賬面值與其公允價值間的任何差額於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

Where properties held for sale transferred to investment properties when there is a change of intention to hold the property to earn rentals or/and capital appreciation, which is evidenced by the commencement of an operating lease to another party, any difference between the carrying amount and fair value of that item at the date of transfer is recognised in profit or loss.

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3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何已確認減值虧損列賬。

正在建造以供生產、供應或管理之用的物業按成本值減任何已確認減值虧損列賬。成本包括專業費用，及按照本集團會計政策資本化的借貸成本(就合資格資產而言)。當該類物業竣工及可投入擬定用途時，將撥入物業、廠房及設備之適當分類。當該等資產可投入擬定用途時，開始就該等資產計提折舊，其基準與其他物業資產相同。

折舊乃經計及物業、廠房及設備項目(在建工程除外)的估計剩餘價值，於其估計可使用年期以直線法確認以撇銷成本。物業、廠房及設備項目乃於出售或預期持續使用該資產不會產生未來經濟利益時終止確認。該資產出售或報廢所產生的任何收益或虧損(以出售所得款項淨額與該項目賬面值之間的差額計算)於該項目終止確認期間計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any recognised impairment losses.

Properties in the course of construction for production, supply or administrative purpose are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual values, using the straight-line method. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

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3. 主要會計政策 (續)

無形資產

單獨收購且具限定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。

具限定可使用年期的無形資產攤銷乃於預計可用年內按直線法確認。

預付租賃款項

預付租賃款項指以發展待售物業為目的之土地使用權的預付款項，初步按成本確認及於租期內以直線法轉撥至損益。於物業發展項目中的相關建設工程動工時，其將被轉撥至發展中待售物業。

持作日後發展的永久業務土地

持作日後發展的永久業權土地指本集團擁有的用作發展待售物業的地塊。永久業權土地初步按成本確認，且不計及減值。於物業發展項目中的相關建設工程動工時，其將被轉撥至發展中待售物業。

存貨

存貨乃以成本與可變現淨值兩者中之較低者列賬。成本乃利用加權平均法計算。可變現淨值指存貨估計售價減去估計完成成本總額及銷售所需成本的金額。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

Prepaid lease payments

The prepaid lease payments represent upfront payments for land use rights for the purpose of development of properties for sale and are initially recognised at cost and released to profit or loss over the lease term on a straight-line basis. They would be transferred to properties under development for sale upon commencement of the related construction work in property development project.

Freehold land held for future development

The freehold land held for future development represents parcels of land owned by the Group for the purpose of development of properties for sale. The freehold land is initially recognised at cost and not depreciated. It would be transferred to properties under development for sale upon commencement of the related construction work in property development project.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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3. 主要會計政策 (續)

發展中待售物業

擬於發展完成後於一般業務過程中出售的發展中物業列為流動資產，以成本與可變現淨值兩者中之較低者列賬。成本包括相關土地成本、所產生的發展支出及已資本化的借貸成本（如適用）。

發展中待售物業於竣工後轉撥至持作銷售物業。

倘發展中物業的擬定持有用途變更為自用，則發展中待售物業將轉入物業、廠房及設備。

持作銷售物業

持作銷售物業按成本與可變現淨值兩者中之較低者列賬。成本包括土地成本、所產生的發展支出及已資本化的借貸成本（如適用）。可變現淨值按當時市況釐定。

倘持作銷售物業的擬定持有用途變更為自用，則持作銷售物業將轉入物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties under development for sale

Properties under development which are intended to be sold in the ordinary course of business upon completion of development are classified as current assets, and carried at the lower of cost and net realisable value. Costs include the related land cost, development expenditure incurred and, where appropriate, borrowing costs capitalised.

Properties under development for sale are transferred to properties held for sale upon completion.

Properties under development for sale are transferred to property, plant and equipment when there is a change of intention to hold the properties under development for own use.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. Net realised value is determined based on prevailing market conditions.

Properties held for sale are transferred to property, plant and equipment when there is a change of intention to hold the properties held for sale for own use.

3. 主要會計政策 (續)

商譽以外有形資產及無形資產減值

於各報告期末，本集團均會審閱其有限定可使用年期的有形及無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，將估計資產的可收回金額，以釐定減值虧損(如有)的程度。倘不能估計個別資產的可收回金額，本集團將估計該資產所屬現金產生單位的可收回金額。當可確定合理及一致的分配基準時，企業資產亦分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小現金產生單位組別。

可收回金額為公允價值減出售成本與使用價值的較高者。於評估使用價值時，估計未來現金流將使用稅前貼現率貼現至其現值，而稅前貼現率為反映目前市場對金錢時間值的評估及未來現金流估計並無就此調整的資產的特定風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值時，則該資產(或現金產生單位)的賬面值將會減至其可收回金額。減值虧損即時於損益確認。

當減值虧損其後撥回，則該資產(或現金產生單位)的賬面值會增至經修定的估計可收回金額，惟增加後的賬面值不得超過如並無於以往年度就該資產(或現金產生單位)確認減值虧損而原應釐定的賬面值。撥回的減值虧損即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the small group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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3. 主要會計政策 (續)

金融工具

倘集團實體成為工具合約條文的訂約方，則於合併財務狀況報表中確認金融資產及金融負債。金融資產及金融負債初步按公允價值計量。因收購或發行金融資產及金融負債（透過損益按公允價值列賬的金融資產及金融負債除外）而直接產生的交易成本於初步確認時計入或扣除自金融資產或金融負債（視適用情況而定）的公允價值。因收購透過損益按公允價值列賬的金融資產或金融負債而直接產生的交易成本即時於損益確認。

金融資產

本集團的金融資產分為貸款及應收款項以及可供出售金融資產。所有日常金融資產買賣於交易日確認及終止確認。日常買賣指須在市場規則或慣例訂定的時間內交收資產的金融資產買賣。

實際利率法

實際利率法乃計算金融資產的攤銷成本以及於相關期間分配利息收入的方法。實際利率乃按金融資產的預計可用年期或（如適用）較短期間準確貼現估計未來現金收入（包括構成實際利率不可或缺部份的一切已付或已收費用、交易成本及其他溢價或折讓）至於初步確認時的賬面淨值的利率。

債務工具（其利息收入列為其他收入）的利息收入乃按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments, of which interest income is included in other income.

3. 主要會計政策 (續)

金融工具 (續)

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款的非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易應收款、其他應收款項、應收關聯方款項、向合營企業作出貸款、受限制現金、銀行結餘及現金）採用實際利率法，以攤銷成本減任何已識別減值虧損列賬（請參閱下文有關金融資產減值虧損的會計政策）。

可供出售金融資產

可供出售金融資產為指定或未分類為透過損益按公允價值列賬的金融資產、貸款及應收款項或持至到期投資的非衍生工具。

本集團於有權收取可供出售股本工具的股息時於損益中確認有關股息。

對於在活躍市場並無市場報價及其公允價值無法可靠計量的可供出售股本投資，於各報告期末按成本減任何已識別減值虧損計量（請參閱下文有關金融資產減值虧損的會計政策）。

金融資產減值

金融資產於各報告期末時評估是否有減值跡象。倘有客觀證據證明初步確認金融資產後發生的一項或多項事件令金融資產的估計未來現金流量受到影響，則金融資產屬已減值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, amounts due from related parties, loans to joint ventures, restricted cash, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就金融資產而言，減值的客觀證據可包括：

- 發行人或對手方遇到嚴重財政困難；或
- 違反合約（如逾期或拖欠利息或本金付款）；或
- 借貸人有可能破產或進行財務重組。

貿易應收款及其他應收款項等被評估為非個別減值的若干金融資產類別，其後按整體基準進行減值評估。應收款項組合的客觀減值證據可包括本集團的過往收款經驗以及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

對於按攤銷成本計量的金融資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益內確認，並按該資產的賬面值與按原先實際利率貼現的估計未來現金流量的現值間的差額計量。

就所有金融資產而言，金融資產的賬面值直接按減值虧損減少，惟貿易應收款及其他應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目的賬面值變動於損益確認。倘貿易應收款及其他應收款項被視為無法收回，則於撥備賬目撇銷。其後收回過往撇銷的款項計入損益內。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment for financial assets could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable and other receivable are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該資產於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

就以成本列賬的金融資產而言，減值虧損的金額乃按資產賬面值與以類似金融資產的當前市場回報率貼現的估計未來現金流的現值之間的差額計算。該等減值虧損將不會於往後期間撥回。

金融負債及股本工具

集團實體發行的債務及股本工具乃根據所訂立合約安排的性質與金融負債及股本工具的定義分類。

股本工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。

金融負債

金融負債包括銀行及其他借貸、優先票據、貿易應付款、其他應付款項及應付關聯方款項，其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債的攤銷成本以及於相關期間分配利息支出的方法。實際利率是按金融負債的預計可用年期或(如適用)較短期間準確貼現估計未來現金付款至於初步確認時的賬面淨值的利率。

利息開支按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities

Financial liabilities including bank and other borrowings, senior notes, trade payables, other payables and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

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3. 主要會計政策 (續)

金融工具 (續)

股本工具

集團實體所發行的股本工具以已收所得款項扣除直接發行成本而入賬。

財務擔保合約

財務擔保合約是指當某特定債務人未能根據債務工具的條款支付到期債務，則發行人須向持有人就所產生的損失償付特定款項的合約。本集團發行的財務擔保合約初步乃以其公允價值計量，且倘未指定透過損益按公允價值列賬，則隨後將按以下兩項的較高者計量：(i)根據國際會計準則第37號撥備、或然負債及或然資產釐定的合約項下的責任金額；及(ii)最初確認的金額減去（如適合）根據國際會計準則第18號收益所確認累計攤銷的金額。

終止確認

倘收取資產現金流量的合約權利屆滿，或金融資產已轉讓且本集團已將該等金融資產擁有的絕大部份風險及回報轉讓予另一實體，則終止確認金融資產。

於全面終止確認金融資產時，該資產賬面值與已收及應收代價總和間的差額於損益內確認。

倘有關合約所訂明的本集團責任獲解除、取消或屆滿，則終止確認金融負債。被終止確認的金融負債的賬面值與已付及應付代價間的差額於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Equity instruments

Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IAS 18 Revenue.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire, or when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the Group's obligation specified in the relevant contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

租賃

當租賃條款將所有權的絕大部份風險及回報轉移至承租人，則有關租賃被分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃的租金收入於相關租賃年期按直線法於損益確認。

本集團作為承租人

經營租賃款項乃於有關租賃年期按直線法確認為開支。訂立經營租賃時已收及應收作為獎勵的利益按直線法於租賃年期確認為租金開支減少。

租賃土地及樓宇

當一項租賃包括土地及樓宇部份，本集團會根據各部份所有權附帶的絕大部份風險及回報是否轉移至本集團之評估，獨立評估各部份以分類為融資或經營租賃，惟兩部份均為經營租賃，則整份租賃視作經營租賃處理。特別是，最低租賃款項(包括任何一次性預付款)於租賃開始時，按租賃土地與樓宇部份的租賃權益的相關公允價值的比例在土地與樓宇部份間進行分配。

租賃款項能夠可靠分配時，租賃土地權益作為經營租賃在合併財務狀況報表中列作「預付租賃款項」，並於租期內按直線基準攤銷，惟按公允價值模式分類及入賬列作投資物業者除外。當租賃款項無法於土地與樓宇部份間可靠分配，整份租賃一般視作融資租賃處理，並入賬列作物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expenses on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

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3. 主要會計政策 (續)

借貸成本

與收購、興建或生產合資格資產(該等資產須用一段較長時間達致其擬定用途或銷售)直接有關的借貸成本會加入該等資產的成本，直至資產大致上達致其擬定用途或銷售時為止。用於合資格資產支出前暫作投資之用的特定借貸所賺取的投資收入將自可資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間於損益確認。

外幣

編製各個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)進行的交易，按交易日的現行匯率確認。於各報告期末，以外幣計值的貨幣項目按該日的現行匯率重新換算。按公允價值計量以外幣計值的非貨幣項目乃按公允價值釐定當日的現行匯率進行換算。按外幣的過往成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額乃於產生期間內於損益確認。

就合併財務報表的呈報而言，本集團海外業務的資產及負債按各報告期末的現行匯率換算為人民幣。至於收入及開支項目則按期內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易當日的匯率換算。所產生匯兌差額(如有)於其他全面收入中確認及於權益項目中累積(如適用，歸屬為非控股權益)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Renminbi using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項按年內應課稅溢利計算。應課稅溢利有別於合併損益及其他全面收入報表所報稅前溢利，乃因其不包括其他年度的應課稅收入或可扣減開支項目，亦不包括毋須課稅或不可扣減項目。本集團的即期稅項負債按報告期末前已頒佈或實質上已頒佈的稅率計算。

遞延稅項按合併財務報表內資產及負債的賬面值與計算應課稅溢利所用相應稅基間的暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產則一般於可能出現可利用可扣減暫時差額扣稅之應課稅溢利時就所有該等可扣減暫時差額確認。倘因初步確認(業務合併情況下除外)一項交易的其他資產及負債而引致的暫時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就來自於附屬公司及聯營公司的投資以及於合營企業的權益的應課稅暫時差額確認，惟倘本集團可控制撥回暫時差額及該暫時差額可能不會於可見將來撥回則除外。與該等投資及權益相關的可扣減暫時差額產生的遞延稅項資產，僅於可能有足夠應課稅溢利可抵銷暫時差額利益，且預期暫時差額於可見將來會撥回時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產的賬面值於各報告期末進行檢討，並會扣減至不再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項資產及負債基於各報告期末前已頒佈或實質上已頒佈的稅率（及稅法），按預期將於清償負債或變現資產期間適用的稅率計算。遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務影響。即期及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認的項目有關時，則即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

就按照國際會計準則第40號投資物業使用公允價值模式計量的投資物業而言，在計量其遞延稅項負債及遞延稅項資產時，除非假設被駁回，否則假設該等物業是透過出售收回其賬面值。當投資物業可予折舊及以本集團的商業模式（其業務目標乃隨著時間推移而消耗投資物業所包含的絕大部份經濟利益，而非透過出售消耗）所持有，則有關假設將被駁回。如假設被駁回，此等投資物業的遞延稅項負債及遞延稅項資產則根據上述載於國際會計準則第12號的一般原則（即基於物業可被收回的預計方式）計量。

退休福利成本

中國國營退休福利計劃下的定額供款退休福利計劃供款，於僱員提供可令其享有供款的服務時列為開支。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principle set out in IAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Retirement benefit costs

Payments to defined contribution retirement benefits scheme under the state-managed retirement benefit scheme in PRC are charged as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

以股份付款交易

與僱員發生的權益結算以股份付款交易

授予僱員及提供類似服務的其他人士的權益結算以股份付款乃按股本工具於授出日期的公允價值計量。有關釐定權益結算以股份付款交易公允價值的詳情載於本集團合併財務報表附註42。

權益結算以股份付款於授出日期的公允價值於歸屬期內按直線基準支銷，當中以本集團就將予歸屬的股本工具作出的估計為依據，而權益（購股權儲備）亦會相應增加。於各報告期末，本集團會修訂預期將予歸屬的股本工具估計數目。修訂原先估計的影響（如有）於損益中確認，以使累計開支反映有關估計修訂，並會相應調整權益結算僱員福利儲備。

倘購股權獲行使，先前於購股權儲備確認的金額將予轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日尚未獲行使，先前於購股權儲備確認的金額將予轉撥至累計溢利。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions with employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 42 to the Group's consolidation financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

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3. 主要會計政策 (續)

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助於本集團將政府補助擬作補償的相關成本確認為開支的各期間有系統地於損益確認。應收政府補助倘用作補償已產生之開支或虧損或旨在為本集團提供即時財務支持且於未來不會產生相關費用，則於應收期間於損益確認。

4. 重大會計判斷及估計不明朗因素的主要來源

於採用附註3所述的本集團會計政策時，管理層須就不能透過其他來源明顯確定的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及視為相關的其他因素作出。實際結果可能有別於該等估計。

估計及相關假設會歷經持續檢討。對會計估計進行修訂時，若修訂會計估計僅影響修訂估計期間，則會在該期間確認有關修訂；若修訂影響到現行修訂期間及未來期間，則在現行以及未來期間確認有關修訂。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. 重大會計判斷及估計不明朗因素的主要來源 (續)

投資物業

投資物業根據獨立專業估值師進行的估值按公允價值列賬。釐定公允價值時，估值師以涉及對若干市況進行估計的估值法計算。在依賴估值報告時，本公司董事已作出判斷，並信納估值所用的假設能反映現時市況。該等假設的任何變動會導致本集團投資物業的公允價值發生變動，並須對損益表所報盈虧金額作出相應調整。

所得稅開支

如附註23所載，於2015年12月31日，主要與稅項虧損、土地增值稅撥備、呆壞賬撥備、撇銷持作銷售物業、廣告費用、物業銷售額與銷售成本之間的暫時差額以及其他項目相關的遞延稅項資產約人民幣322,481,000元（2014年：人民幣317,112,000元），經抵銷若干遞延稅項負債已予確認。遞延稅項資產能否變現主要視乎未來有無足夠可供動用的未來溢利或應課稅暫時差額。本公司董事釐定遞延稅項資產乃基於已頒佈或實質已頒佈的稅率，以及對本集團預期動用遞延稅項資產的未來數年所作的最佳溢利預測。本公司董事已於報告期末前審閱假設及溢利預測。倘所產生的實際未來溢利高於或低於預期，則可能須額外確認或撥回遞延稅項資產，並於有關確認或撥回所發生期間於損益內確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Investment properties

Investment properties are stated at fair values based on the valuation performed by independent professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in profit or loss.

Income tax expense

Deferred tax assets of approximately RMB322,481,000 (2014: RMB317,112,000) mainly in relation to tax losses, land appreciation tax provisions, allowance for bad and doubtful debts, write-down of properties held for sale, advertising expenses, temporary differences on property sales and cost of sales and others have been recognised at 31 December 2015, after offsetting certain deferred tax liabilities as set out in Note 23. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred tax assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. The directors of the Company have reviewed the assumptions and profit projections by the end of the reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a recognition or reversal takes place.

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4. 重大會計判斷及估計不明朗因素的主要來源 (續)

土地增值稅

本集團在中國須繳付土地增值稅。然而，有關稅項的執行及繳納因中國不同城市的不同稅務司法權區而各異，且本集團若干物業發展項目尚未與中國地方稅務機關確認土地增值稅的計算及付款方法。因此，本集團於釐定土地增值及其相關所得稅撥備的金額時須作出重大判斷。本集團根據管理層的最佳估計確認土地增值稅。最終稅務結果可能有別於最初記錄的金額，而相關差額會於本集團與地方稅務機關落實有關稅項期間對所得稅開支及相關所得稅撥備造成影響。

投資物業的遞延稅項

就使用國際會計準則第40號的公允價值模式計量的投資物業而言，在計量其遞延稅項負債或遞延稅項資產時，本公司董事已審閱本集團的投資物業組合及若干資產的特性。就於2015年12月31日金額為人民幣37,640,000元（2014年：人民幣66,300,000元）的投資物業而言，本公司董事的結論為其並非以目標為隨時間消耗投資物業所包含的絕大部分經濟利益的商業模式持有。因此，在計算本集團於投資物業的遞延稅項時，本公司董事決定透過出售全部收回以公允價值模式入帳的投資物業的帳面值並未被駁回。本集團乃計及於出售此等投資物業時的土地增值稅及企業所得稅估計遞延稅項。

就於2015年12月31日金額為人民幣1,330,600,000元（2014年：人民幣1,080,300,000元）的其他投資物業而言，本公司董事已重新評估並得出結論為其乃以目標為隨時間消耗投資物業所包含的絕大部份經濟利益（而非透過出售實現）的商業模式持有。對於此等投資物業，駁回按公允價值模式計量的投資物業透過出售予以收回的假設，且本集團已計及企業所得稅估計遞延稅項。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain property development projects of the Group have not finalised their land appreciation tax calculations and payments with local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model in IAS 40, the directors of the Company have reviewed the Group's investment property portfolios together with certain properties characteristics. For investment properties amounting to RMB37,640,000 (2014: RMB66,300,000) as at 31 December 2015, the directors of the Company concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has estimated the deferred tax taking into account both the land appreciation tax and enterprise income tax on disposal of these investment properties.

For other investment properties amounting to RMB1,330,600,000 (2014: RMB1,080,300,000) as at 31 December 2015, the directors of the Company have reassessed and concluded that they are held with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. For these investment properties, the presumption that investment properties measured using the fair value model are recovered through sale is rebutted and the Group has estimated the deferred tax taking into account of enterprise income tax.

4. 重大會計判斷及估計不明朗因素的主要來源 (續)

股息政策

本集團已就中國附屬公司未分派溢利確認預扣稅，擬就2008年1月1日後年度派發約20%的稅後溢利。倘業務或財務狀況變化導致可分派溢利出現任何重大波動，本公司董事將會考慮調整股息分派比率。然而，概不能保證各年或任何特定年度會宣派或分派任何金額的股息。本公司董事將不時重新評估股息政策。

已竣工待售物業撇減

管理層會對已竣工待售物業的賬面值進行定期檢討。根據管理層檢討的結果，於估計可變現淨值低於賬面值時，會撇減已竣工待售物業。

在釐定已竣工待售物業的可變現淨值時，管理層已參考當前市場數據（如近期出售交易）作為評估基準。

物業、廠房及設備折舊

於2015年12月31日，物業、廠房及設備的賬面值為人民幣498,816,000元（2014年：人民幣503,655,000元）。物業、廠房及設備以直線基準按照其估計可使用年期並計入估計剩餘價值後折舊。本集團每年審核物業、廠房及設備的剩餘價值及可使用年期，倘預期有別於原先估計，與原先估計相比的差額將影響估計變更的年度的折舊開支。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Dividend policy

The Group recognised the withholding tax for undistributed profits of PRC subsidiaries with intention to distribute around 20% of profit after tax for the years since 1 January 2008. If there is any material fluctuation to the distributable profits, as a result of the changes in business or financial conditions, the directors of the Company will consider adjusting the dividend distribution ratio. Nevertheless, there is no assurance that dividends of any amount will be declared or distributed each year or in any given year. The directors of the Company will re-evaluate the dividend policy from time to time.

Write-down of completed properties held for sale

Management performs a regular review on the carrying amount of completed properties held for sale. Based on management's review, write-down of completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions as base for evaluation.

Depreciation of property, plant and equipment

The carrying value of property, plant and equipment at 31 December 2015 amounted to RMB498,816,000 (2014: RMB503,655,000). Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change.

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5. 收益及分部資料

本集團的經營活動可歸為主要專注於(a)物業發展、(b)物業投資、(c)酒店經營、(d)項目管理、(e)房地產代理服務、及(f)移民服務的單一可報告及經營分部。該經營分部乃依據本集團主要經營決策人(「主要經營決策人」, 本集團執行總裁張鵬先生)先所審閱的內部管理報告確立。主要經營決策人主要審閱有關來自物業發展的物業銷售、來自物業投資的租賃物業、來自酒店經營、來自項目管理、來自房地產代理服務以及來自移民服務的收益資料。然而, 除收益資料外, 並無經營業績及其他分立財務資料可用以評估有關收益類別的表現。主要經營決策人全面審閱本集團的整體業績及組織架構, 以作出有關資源分配的決策。因此, 並無呈列對此單一可報告及經營分部的分析。

收益乃指已收或應收代價的公允價值。

整體資料

按類別劃分的本集團收益分析如下:

物業銷售	Sale of properties
物業租賃	Leasing of properties
酒店經營	Hotel operation
項目管理	Project management
房地產代理服務	Real estate agency services
移民服務	Immigration services

5. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) property development, (b) property investment, (c) hotel operation, (d) project management, (e) real estate agency services and (f) immigration services. The operating segment has been identified on the basis of internal management reports reviewed by chief operating decision maker of the Group ("CODM"), Mr. Zhang Peng, who is the Executive President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing properties from property investment, hotel operation, project management, real estate agency services, and immigration services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. The CODM reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Revenue represents the fair value of the consideration received or receivable.

Entity-wide information

An analysis of the Group's revenue by type is as follows:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
物業銷售	6,201,939	4,018,247
物業租賃	45,068	36,488
酒店經營	33,680	24,729
項目管理	42,513	—
房地產代理服務	12,856	—
移民服務	13,711	—
	6,349,767	4,079,464

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5. 收益及分部資料 (續)

整體資料 (續)

於2015年12月31日，賬面值為人民幣3,070,982,000元（2014年：人民幣3,828,083,000元）的非流動資產（不包括金融工具及遞延稅項資產）乃位於中國，而於2015年12月31日，賬面值為人民幣82,890,000元（2014年：人民幣28,718,000元）的其餘非流動資產乃位於美國。

地區資料

下表載列按地理位置劃分的有關本集團來自外部客戶的收益的資料。客戶的地理位置乃以提供服務或交付貨物及物業的地點為準。

中國北部	Northern, PRC
中國中南部	Middle south, PRC
美國	US

概無與單一外部客戶進行交易的收益達本集團於本年度的收益10%或以上。

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Entity-wide information (Continued)

Non-current assets (excluding financial instruments and deferred tax assets) with carrying amount of RMB3,070,982,000 (2014: RMB3,828,083,000) as at 31 December 2015 are situated in the PRC, the remaining non-current assets with carrying amount of RMB82,890,000 (2014: RMB28,718,000) as at 31 December 2015 are situated in the US.

Geographic information

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

來自外部客戶的收益	
Revenues from external customers	
2015年	2014年
人民幣千元	人民幣千元
2015	2014
RMB'000	RMB'000
3,697,286	1,961,593
2,638,770	2,117,871
13,711	-
6,349,767	4,079,464

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue during the year.

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6. 其他收入、收益及虧損

6. OTHER INCOME, GAIN AND LOSS

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
利息收入	Interest income	77,807	42,398
可供出售投資股息收入	Dividend income from available-for-sale investments	2,822	2,554
罰款收入	Penalty income	700	1,193
政府補助 (附註a)	Government grant (note a)	19,465	8,009
出售物業、廠房及設備的收益	Gain on disposal of property, plant and equipment	6,386	658
出售附屬公司的收益 (附註37)	Gain on disposal of subsidiaries (Note 37)	91	31,514
出售於合營企業的權益的收益	Gain on disposal of interests in joint ventures	11,416	-
出售可供出售投資的虧損	Loss on disposal of available-for-sale investments	(985)	-
匯兌損失淨額 (附註b)	Net exchange loss (note b)	(100,490)	(10,836)
解決仲裁的損失 (附註c)	Loss on settlement of arbitration (note c)	(45,405)	-
轉讓物業的虧損	Loss on transfer of properties	-	(6,354)
供應商墊款撥備	Allowance for advance to a supplier	-	(5,580)
管理服務收入	Management service income	-	10,606
項目管理服務收入	Project management service income	-	946
其他	Others	1,345	226
		(26,848)	75,334

附註：

Notes:

- (a) 政府補助指來自中國各政府部門的激勵性補貼。有關中國政府部門概無對該等補貼附加任何條件或限制。
- (b) 該金額主要由於人民幣兌美元貶值而重新換算本公司持有的美元計值優先票據而產生。
- (c) 解決仲裁的損失的詳情載於合併權益變動表附註(f)。

- (a) Government grants represent incentive subsidies from various PRC governmental authorities. There are no conditions or limitations attached to these subsidies by the respective PRC governmental authorities.
- (b) The amount mainly arose from retranslation of senior notes held by the Company denominated in US\$ due to depreciation of RMB against US\$.
- (c) Details of the loss on settlement of arbitration are set out in note (f) to the Consolidated Statement of Changes in Equity.

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Notes to the Consolidated Financial Statements

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7. 融資成本

7. FINANCE COSTS

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
銀行及其他借貸利息	Interest on bank and other borrowings	(163,010)	(142,234)
優先票據利息開支	Interest expense on senior notes	(372,568)	(293,712)
		(535,578)	(435,946)
減：發展中物業的資本化金額	Less: Amount capitalised in properties under development	338,302	170,436
		(197,276)	(265,510)

截至2015年12月31日止年度，本集團優先票據所產生的資本化借貸成本乃按合格資產的開支的資本化比率每年6.92%（2014年：2.59%）計算。

Borrowing costs capitalised arose on the senior notes of the Group were calculated by applying a capitalisation rate of 6.92% (2014: 2.59%) per annum for the year ended 31 December 2015, to expenditure on the qualifying assets.

8. 所得稅開支

8. INCOME TAX EXPENSE

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
即期稅項	Current Tax		
中國企業所得稅	PRC enterprise income tax	(338,069)	(281,985)
美國企業稅	US corporate tax	(7)	(23)
土地增值稅（「土地增值稅」）	Land appreciation tax ("LAT")	(326,074)	(306,259)
遞延稅項（附註23）	Deferred tax (Note 23)		
中國企業所得稅	PRC enterprise income tax	(78,922)	(35,000)
土地增值稅	LAT	4,214	(2,285)
所得稅開支	Income tax expense	(738,858)	(625,552)

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8. 所得稅開支 (續)

根據於2007年3月16日頒佈的中國企業所得稅法，自2008年1月1日起，境內及境外投資企業統一按25%的企業所得稅率繳納中國企業所得稅。

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定來估計。土地增值稅已按增值價值的累進稅率範圍作出撥備（附帶若干可准許豁免及減免）。

根據英屬處女群島及開曼群島的規則及規例，本集團於英屬處女群島及開曼群島毋須繳付任何所得稅。

由於截至2015年及2014年12月31日止年度本集團並無於香港產生或取得收入，故並無就香港利得稅作出撥備。

根據美國聯邦稅法，美國企業稅應按15%至35%的累進稅率徵收。截至2015年12月31日止年度，美國企業稅乃按估計應課稅溢利15%的聯邦法定稅率予以撥備。

8. INCOME TAX EXPENSE (Continued)

Pursuant to the PRC Enterprise Income Tax Law promulgated on 16 March 2007, the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the enterprise income tax rate of 25% effective from 1 January 2008 onwards.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulation of BVI and the Cayman Islands, the Group is not subject to any income tax in BVI and the Cayman Islands.

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arises in, nor is derived from, Hong Kong for the year ended 31 December 2015 and 2014.

Pursuant to the US Federal tax law, the US corporate tax shall be taxed at progressive rates ranging from 15% to 35%. US corporate tax is provided at federal statutory rate of 15% based on the estimated assessable profits during the year ended 31 December 2015.

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8. 所得稅開支 (續)

年度稅項開支可與合併損益及其他全面收入報表內的稅前溢利的對賬如下：

8. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per consolidated statements of profit or loss and other comprehensive income as follows:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
稅前溢利	Profit before tax	<u>1,339,558</u>	<u>1,166,944</u>
按25%稅率計算的中國企業 所得稅	PRC enterprise income tax at 25%	(334,889)	(291,736)
土地增值稅	LAT	(321,860)	(308,544)
土地增值稅的稅務影響	Tax effect of LAT	80,465	77,136
對以下各項的稅務影響：	Tax effect on:		
分佔合營企業的虧損的稅務影響	Tax effect of share of loss of joint ventures	(27,012)	(12,783)
分佔聯營公司的虧損的稅務影響	Tax effect of share of loss of associates	(1,174)	(22)
就稅項而言不可抵扣開支	Expenses not deductible for tax purposes	(97,281)	(72,440)
就稅項而言毋須徵稅收入的 稅務影響	Tax effect of income not taxable for tax purpose	2,893	4,604
並非確認為遞延稅項資產的 稅項虧損的影響	Effect of tax losses not recognised as deferred tax assets	(19,631)	(4,107)
動用過往未確認的稅項虧損	Utilisation of tax loss previously not recognised	-	12
在其他司法權區經營的附屬公司 稅率差異的影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(4)	23
待分派保留溢利的預扣稅 (附註)	Withholding tax on retained profits to be distributed (note)	(20,365)	(17,695)
稅項開支	Tax charge	<u>(738,858)</u>	<u>(625,552)</u>

附註：

根據於2008年1月1日生效的中國稅務通函(國稅函[2008]112號)，稅率為10%的中國預扣所得稅適用於支付「非居民」投資者(其在中國並無設立機構或營業場所)的股息。該金額指就中國附屬公司自2008年1月1日以來所賺取的可用作分派的未分派溢利而撥備的預扣所得稅。

Note:

In accordance with PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends to "non-resident" investors who do not have an establishment or place of business in the PRC. The amount represents the withholding income tax provided on the undistributed profits of PRC subsidiaries earned since 1 January 2008, which are available for distribution.

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9. 年度溢利

9. PROFIT FOR THE YEAR

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
年度溢利乃經扣除(計入) 下列項目後釐定:	Profit for the year has been arrived at after charging (crediting):		
於損益內確認的物業、廠房及 設備折舊	Depreciation of property, plant and equipment recognised in profit and loss	22,029	24,585
於待售發展中物業項下資本化的 物業、廠房及設備折舊	Depreciation of property, plant and equipment capitalised in properties under development for sale	261	298
年度折舊開支總額	Total depreciation charged for the year	22,290	24,883
無形資產攤銷	Amortisation of intangible assets	442	193
經營租賃租金	Operating lease rentals	9,326	7,487
核數師酬金	Auditors' remuneration	4,643	2,600
呆賬撥備	Allowance for doubtful debts	4,020	697
持作銷售物業(撥回)撇減， 計入銷售成本	(Reversal of) write-down of properties held for sale included in cost of sales	(6,316)	4,928
確認為開支的存貨成本	Cost of inventories recognised as expense	4,353,508	2,393,087
確認為開支的存貨成本:	Staff costs (including retirement benefit cost):		
董事薪酬(包括權益結算以 股份付款)(附註10)	Directors' emoluments (including equity- settled share-based payments) (Note 10)	5,773	14,587
薪金及其他津貼	Salaries and other allowances	199,480	158,402
以股份付款	Share-based payment	10,323	586
退休福利成本	Retirement benefit costs	10,258	10,405
其他實物福利:	Other benefit-in-kind:		
提供予若干僱員使用的物業	Properties provided for the use by certain employees	4,273	6,099
總員工成本	Total staff costs	230,107	190,079
減: 發展中待售物業項下的 資本化金額	Less: Amount capitalised to properties under development for sale	(51,416)	(45,719)
		178,691	144,360

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10. 董事及僱員薪酬

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

董事

Directors

		基本薪金		退休福利		合計
		董事袍金	及津貼	花紅	供款	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Directors' fee	Basic salaries and allowance	Bonus	Retirement benefit contribution	Share-based payment
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
截至2015年12月31日止年度	Year ended 31 December 2015					
董事姓名	Name of director					
執行董事	Executive Directors					
張雷	Zhang Lei	-	912	380	38	661
張鵬	Zhang Peng	-	929	432	38	664
陳音	Chen Yin	-	690	104	38	-
非執行董事	Non-executive Directors					
范慶國	Fan Qingguo	171	-	-	-	-
鍾天降	Zhong Tianxiang	160	-	-	-	-
獨立董事	Independent Directors					
崔健	Cui Jian	168	-	-	-	-
許俊浩	Hui Chun Ho, Eric	168	-	-	-	52
秦佑國	Qin Youguo	168	-	-	-	-
		835	2,531	916	114	1,377
截至2014年12月31日止年度	Year ended 31 December 2014					
董事姓名	Name of director					
執行董事	Executive Directors					
張雷	Zhang Lei	-	768	4,292	38	193
張鵬	Zhang Peng	-	768	4,292	38	862
陳音	Chen Yin	-	710	220	38	-
非執行董事	Non-executive Directors					
范慶國	Fan Qingguo	-	467	305	38	366
鍾天降	Zhong Tianxiang	-	451	229	38	-
獨立董事	Independent Directors					
崔健	Cui Jian	158	-	-	-	-
許俊浩	Hui Chun Ho, Eric	158	-	-	-	-
秦佑國	Qin Youguo	158	-	-	-	-
		474	3,164	9,338	190	1,421

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10. 董事及僱員薪酬 (續)

董事 (續)

附註：

張雷先生為本公司主席，以及上文披露有關其酬金乃包括就其擔任主席提供服務支付之酬金。

張鵬為本公司執行總裁，以及上文披露有關其酬金乃包括就其擔任執行總裁提供服務支付之酬金。

陳音先生為本公司首席技術官，以及上文披露有關其酬金乃包括就其擔任首席技術官提供服務支付之酬金。

花紅乃由管理層經參考本集團經營業績、個人表現及現行市況後釐定。

於截至2015年12月31日止年度，概無董事放棄任何酬金。

五名最高薪酬人士

截至2015年12月31日止年度，五名最高薪酬人士包括2名董事（2014年：3名董事）。截至2015年12月31日止年度的其餘3名最高薪酬人士（2014年：其餘2名最高薪酬人士）的薪酬如下：

僱員

- 基本薪金及津貼
- 花紅
- 以股份付款
- 退休福利供款
- 其他實物福利
所提供物業

Employees

- Basic salaries and allowances
- Bonus
- Share-based payment
- Retirement benefit contributions
- Other benefit-in-kind
properties provided

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
1,947	1,427
312	1,371
2,683	298
114	76
<u>407</u>	<u>759</u>
<u>5,463</u>	<u>3,931</u>

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

Notes:

Mr. Zhang Lei is the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

Mr. Zhang Peng is the Executive President of the Company and his emoluments disclosed above include those for services rendered by him as the Executive President.

Mr. Chen Yin is the Chief Technology Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Technology Officer.

The bonus is determined by the management with reference to the Group's operating results, individual performance and prevailing market conditions.

No directors waived any emoluments during the year ended 31 December 2015.

Five highest paid individuals

The five highest paid individuals included 2 directors for the year ended 31 December 2015 (2014: 3 directors). The emoluments of the remaining 3 highest paid individuals for the year ended 31 December 2015 (2014: remaining 2 highest paid individuals) are as follows:

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10. 董事及僱員薪酬 (續)

五名最高薪酬人士 (續)

本年度，本集團並無支付五名最高薪酬人士任何薪酬作為鼓勵加入或加入本集團後的獎勵或作為離職補償。

其餘最高薪酬人士薪酬組別如下：

1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000
2,500,001港元至3,000,000港元	HK\$2,500,001 to HK\$3,000,000

11. 股息

本公司董事建議截至2015年12月31日止年度的末期股息每股股份9.9港仙須待本公司股東於應屆股東週年大會批准。

根據於2015年7月10日完成的紅股發行，合共160,000,000股紅股已按於2015年6月25日每持有十股現有股份可獲發一股紅股的基準發行。

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Five highest paid individuals (Continued)

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

The emoluments of the remaining highest paid individuals are within the following bands:

	2015年 2015	2014年 2014
	–	–
	1	–
	1	1
	1	1

11. DIVIDEND

The final dividend proposed by the directors of the Company for the year ended 31 December 2015 of HK9.9 cents per share is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Pursuant to the bonus issue being completed on 10 July 2015, a total of 160,000,000 bonus shares were issued on the basis of one bonus share for every ten existing share as at 25 June 2015.

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12. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利
乃按下列數據計算：

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share
attributable to owners of the Company is based on the following
data:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
盈利	Earnings		
計算每股基本盈利所用的盈利 (本公司擁有人應佔年度溢利)	Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>577,867</u>	<u>521,128</u>
		2015年 千股 2015 '000	2014年 千股 2014 '000
股份數目	Number of shares		
計算每股基本盈利所用的 普通股數目 (附註a)	Number of ordinary shares for the purpose of calculating basic earnings per share (note a)	<u>1,895,063</u>	1,760,000
具攤薄性潛在普通股的影響： - 購股權 (附註b)	Effect of dilutive potential ordinary shares: - Share options (note b)	<u>15,057</u>	-
計算每股攤薄盈利所用的 普通股數目	Number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,910,120</u>	<u>1,760,000</u>

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12. 每股盈利 (續)

附註：

- (a) 加權平均普通股數目1,895,063,000股乃經計入於2015年7月10日完成的紅股發行(見附註34(b))、於2015年7月31日完成的股份配售(見附註34(c))及於截至2015年12月31日止年度內行使購股權(見附註34(d))的影響後得出。

截至2014年12月31日止年度，就每股基本盈利所用的普通股加權平均數已於在2015年7月10日完成紅股發行後追溯調整至1,760,000,000股股份(見附註34(b))。

- (b) 截至2015年12月31日止年度的每股攤薄盈利計算已考慮在所有未獲行使購股權獲行使的情況下視為按零代價發行的15,057,000股股份(加權平均股數)。截至2014年12月31日止年度，由於經調整行使價高於本公司股份於2014年尚未行使期間內的平均市價，故每股攤薄盈利計算並無計入購股權。

12. EARNINGS PER SHARE (Continued)

Notes:

- (a) Weighted average number of 1,895,063,000 ordinary shares are calculated after taken into account the effects of bonus issue completed on 10 July 2015 (see Note 34(b)), the placing of shares completed on 31 July 2015 (see Note 34(c)) and exercise of share options during the year ended 31 December 2015 (see Note 34(d)).

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2014 has been retrospectively adjusted to 1,760,000,000 shares after completion of the bonus issue on 10 July 2015 (see Note 34(b)).

- (b) The computation of the diluted earnings per share for the year ended 31 December 2015 has taken into consideration the weighted average number of 15,057,000 shares deemed to be issued at nil consideration if all outstanding share options had been exercised. For the year ended 31 December 2014, the share options were not included in the calculation of diluted earnings per share as the adjusted exercise price was greater than the average market price of the Company's shares during the outstanding period in 2014.

13. 投資物業

13. INVESTMENT PROPERTIES

公允價值	FAIR VALUE	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
於1月1日	At 1 January	1,146,600	825,660
轉撥自持作銷售物業	Transfer from properties held for sale	172,910	246,900
轉撥自物業、廠房及設備	Transfer from property, plant and equipment	-	8,300
於損益確認的公允價值變動淨額	Net change in fair value recognised in profit or loss	77,494	111,074
出售	Disposals	(28,764)	(40,607)
轉讓予地方政府	Transfer to local government	-	(4,727)
於12月31日	At 31 December	1,368,240	1,146,600
計入損益之物業重估未變現收益 (計入投資物業公允價值變動)	Unrealised gain on property revaluation included in profit or loss (included in changes in fair value of investment properties)	71,027	100,756

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截至2015年12月31日止年度 For the year ended 31 December 2015

13. 投資物業 (續)

本集團所有按經營租賃持有以賺取租金的物業權益乃使用公允價值模式計量，並分類為及入賬列作投資物業。所有投資物業均位於中國。投資物業所在土地的租期為40年。

本集團於2015年12月31日已抵押人民幣291,141,000元(2014年：人民幣388,556,000元)的投資物業，以擔保本集團獲授的若干銀行融資(載於附註38)。

根據轉撥日進行的估值，截至2015年12月31日止年度，在用途變更(由與外部人士簽訂的經營租賃開始所證明)後，轉撥自持作銷售物業的金額中已包括持作銷售物業的成本人民幣82,529,000元(2014年：人民幣156,014,000元)，及其公允價值收益約人民幣90,381,000元(2014年：人民幣90,886,000元)。

於2015年，概無自物業、廠房及設備轉撥任何投資物業。截至2014年12月31日止年度，在與外部人士簽訂的經營租賃協議開始後轉撥自物業、廠房及設備的金額中已包括物業、廠房及設備的賬面值人民幣6,949,000元，及於其他全面收入中確認的公允價值變動約人民幣1,351,000元。

本集團已竣工投資物業於各轉撥日期以及於2015年及2014年12月31日的公允價值，已根據戴德梁行有限公司(「戴德梁行」)於同日作出的估值而達致。戴德梁行為一家與本集團並無關連的獨立合資格專業估值師，擁有合適的資歷，而且在近期亦有評估相關地點類似物業的經驗。

13. INVESTMENT PROPERTIES (Continued)

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties. The investment properties are all situated in the PRC. The lease term of land on which the investment properties are situated on is 40 years.

The Group had pledged investment properties of RMB291,141,000 (2014: RMB388,556,000) at 31 December 2015 to secure certain banking facilities granted to the Group as set out in Note 38.

The amount transferred from properties held for sale upon change in use as evidenced by commencement of operating lease with outsiders included the cost of the properties held for sale amounted to RMB82,529,000 (2014: RMB156,014,000) with fair value gain of approximately RMB90,381,000 (2014: RMB90,886,000) for the year ended 31 December 2015, based on valuation performed at dates of transfer.

No investment property was transferred from property, plant and equipment in 2015. The amount transferred from property, plant and equipment upon commencing of operating lease agreements with outsiders included the carrying value of the property, plant and equipment amounted to RMB6,949,000 with fair value change recognised to other comprehensive income of approximately RMB1,351,000 during the year ended 31 December 2014.

The fair value of the Group's completed investment properties at the respective dates of transfer and as at 31 December 2015 and 2014 has been arrived at on the basis of a valuation on those dates carried out by DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuers not connected to the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

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Notes to the Consolidated Financial Statements

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13. 投資物業 (續)

估值乃採用投資法將現有租賃協議所產生的租金收入淨額撥作資本，並就該等物業的可復歸收入潛力作適當撥備。過往年度估值方法並無變更。本集團估計物業公允價值時，現時用途取其最高及最佳用途。

在估計資產或負債的公允價值時，本集團盡可能使用市場可觀察數據。在沒有第一級輸入數據的情況下，本集團委聘第三方合資格估值師進行估值。

本集團投資物業於2015年及2014年12月31日的詳情及公允價值層級資料如下：

13. INVESTMENT PROPERTIES (Continued)

The valuations were arrived at with adoption of investment approach by capitalisation of the net rental income derived from the existing tenancies with due allowance for reversionary income potential of the properties. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2015 and 2014 are as follow:

		第三級 人民幣千元	於2015年 12月31日的 公允價值 人民幣千元	Fair value as at 31 December 2015 RMB'000
		Level 3 RMB'000	2014 12月31日的 公允價值 人民幣千元	Fair value as at 31 December 2014 RMB'000
位於中國的投資物業	Investment properties located in PRC	1,368,240	1,368,240	
位於中國的投資物業	Investment properties located in PRC	1,146,600	1,146,600	

年內第三級與其他層級間並無轉撥。

There were no transfers into or out of Level 3 during the year.

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13. 投資物業 (續)

下表載有釐定該等投資物業公允價值的資料 (特別是估值方法及所用參數)，以及按照參數的可觀察程度分類的公允價值層級 (第1層至第3層)。

13. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

合併財務狀況報表中 本集團所持投資物業 Investment properties held by the Group in the consolidated statements of financial position	公允價 值層級 Fair value hierarchy	估值方法及主要參數 Valuation technique(s) and key input(s)	重要的不可觀察參數 Significant unobservable input(s)	不可觀察參數與 公允價值的關係 Relationship of unobservable inputs to fair value
位於中國北京、長沙、南昌、 九江、太原及仙桃的投資物業 (主要為零售) Investment properties located at Beijing, Changsha, Nanchang, Jiujiang, Taiyuan, and Xiantao, PRC (mainly retails)	第3級 Level 3	投資方法 Investment approach	資本化比率，介乎4.25%至 6.5% (2014：介乎4.25% 至6.5%) Capitalisation rate, from 4.25% to 6.5% (2014: 4.25% to 6.5%)	資本化比率越高， 市場價值越低。 The higher the capitalisation rate, the lower the market value.
		主要參數： 1. 資本化比率； 2. 個別單位的單位租金 The key inputs are: 1. Capitalisation rate; 2. Unit rent of individual unit	單位租金，介乎每月 每平方米人民幣33元至 每月每平方米人民幣342元 (2014年：介乎人民幣31元至 人民幣320元) Unit rent, from RMB33 to RMB342 (2014: from RMB31 to RMB320) per sq.m. per month	單位租金越高， 市場價值越高。 The higher the unit rent, the higher the market value.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

		租賃土地 及樓宇 人民幣千元	汽車 人民幣千元	電器設備 及家具 人民幣千元	在建物業 人民幣千元	合計 人民幣千元
		Leasehold land and buildings RMB'000 (附註a) (note a)	Motor vehicles RMB'000	Electronic equipment and furniture RMB'000	Properties under construction RMB'000	Total RMB'000
成本	COST					
於2014年1月1日	At 1 January 2014	450,173	29,049	13,109	98,283	590,614
添置	Additions	35	4,744	4,582	8,536	17,897
轉撥	Transfer	8,448	-	-	(8,448)	-
轉撥自發展中待售物業 (附註b)	Transfer from properties held for sale (note b)	8,381	-	-	-	8,381
轉撥至投資物業	Transfer to investment properties	(9,403)	-	-	-	(9,403)
收購附屬公司	Acquisition of subsidiaries	-	133	68	-	201
出售附屬公司	Disposals of subsidiaries	-	(511)	(1,256)	-	(1,767)
出售	Disposals	(7,801)	(2,488)	(1,277)	-	(11,566)
匯兌差額	Exchange differences	-	1	-	-	1
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
於2014年12月31日	At 31 December 2014	449,833	30,928	15,226	98,371	594,358
添置	Additions	-	1,942	3,201	10,232	15,375
轉撥自待售物業(附註b)	Transfer from properties held for sale (note b)	17,180	-	-	-	17,180
收購附屬公司	Acquisition of subsidiaries	-	-	90	-	90
出售	Disposals	(16,162)	(2,432)	(229)	-	(18,823)
匯兌差額	Exchange differences	-	19	46	-	65
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
於2015年12月31日	At 31 December 2015	450,851	30,457	18,334	108,603	608,245

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

14. 物業、廠房及設備 (續)

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

		租賃土地 及樓宇 人民幣千元	汽車 人民幣千元	電器設備 及家具 人民幣千元	在建物業 人民幣千元	合計 人民幣千元
		Leasehold land and buildings RMB'000 (附註a) (note a)	Motor vehicles RMB'000	Electronic equipment and furniture RMB'000	Properties under construction RMB'000	Total RMB'000
累計折舊	ACCUMULATED DEPRECIATION					
於2014年1月1日	At 1 January 2014	48,209	15,483	8,119	–	71,811
本年度扣除	Charged for the year	18,339	4,200	2,344	–	24,883
轉撥至投資物業	Transfer to investment properties	(2,454)	–	–	–	(2,454)
出售附屬公司	Disposals of subsidiaries	–	(69)	(59)	–	(128)
出售時抵銷	Eliminated on disposals	(853)	(1,342)	(1,214)	–	(3,409)
於2014年12月31日	At 31 December 2014	63,241	18,272	9,190	–	90,703
本年度扣除	Charged for the year	15,702	4,129	2,459	–	22,290
出售時抵銷	Eliminated on disposals	(1,536)	(1,835)	(205)	–	(3,576)
匯兌差額	Exchange differences	–	9	3	–	12
於2015年12月31日	At 31 December 2015	77,407	20,575	11,447	–	109,429
賬面值	CARRYING AMOUNT					
於2015年12月31日	At 31 December 2015	373,444	9,882	6,887	108,603	498,816
於2014年12月31日	At 31 December 2014	386,592	12,656	6,036	98,371	503,655

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

14. 物業、廠房及設備 (續)

附註：

- (a) 本集團已就本集團所發展的物業與合資格僱員訂立協議(「計劃」)。根據計劃，合資格僱員可使用該等物業，惟於本集團的服務年期須維持在介乎1.5年至15年。該等物業的產權將於完成計劃項下所述的服務年期時授予合資格僱員。於2015年12月31日，合資格僱員已根據計劃佔用的租賃土地及樓宇的賬面值為人民幣24,402,000元(2014年：人民幣33,307,000元)。
- (b) 當本公司管理層議決動用該等物業中的部份作自用時，有關樓宇將自持作銷售物業中轉出。
- (c) 本集團於2015年12月31日已抵押人民幣287,590,000元(2014年：人民幣369,384,000元)的樓宇(包括在建物業)，以擔保本集團獲授的若干銀行及其他融資(載於附註38)。

上述物業、廠房及設備項目(不包括在建物業)在計及彼等的估計剩餘價值後以直線法按以下年率計算折舊：

租賃土地及樓宇	按土地未屆滿租期與30年中的較短者
計劃項下的租賃土地及樓宇	1.5至15年
汽車	19%
電器設備及家具	19%至31.67%

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The Group had entered agreement with the eligible employees in connection with the properties developed by the Group (the "Scheme"). Under the Scheme, the eligible employees can use the properties while remain with the Group for a service period ranging from 1.5 to 15 years, the title of the properties will be transferred to the eligible employees upon the completion of the service period as stated under the Scheme. As at 31 December 2015, the carrying amount of leasehold land and buildings which have been occupied by the eligible employees under the Scheme is RMB24,402,000 (2014: RMB33,307,000).
- (b) Buildings were transferred from properties held for sale when the management of the Company decided to use some of those properties for own use.
- (c) The Group had pledged buildings, including properties under construction, of RMB287,590,000 (2014: RMB369,384,000) at 31 December 2015 to secure certain banking and other facilities granted to the Group as set out in Note 38.

The above items of property, plant and equipment, other than properties under construction, are depreciated using the straight-line method after taking into account of their estimated residual values at the following rates per annum:

Leasehold land and buildings	Over the shorter of unexpired lease term of land and 30 years
Leasehold land and buildings under the Scheme	1.5 to 15 years
Motor vehicles	19%
Electronic equipment and furniture	19%-31.67%

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15. 無形資產

15. INTANGIBLE ASSETS

		電腦軟件 人民幣千元 Computer Software RMB'000
成本	COST	
於2014年1月1日	At 1 January 2014	1,895
添置	Additions	<u>223</u>
於2014年12月31日	At 31 December 2014	2,118
添置	Additions	<u>1,538</u>
於2015年12月31日	At 31 December 2015	<u>3,656</u>
累計折舊	ACCUMULATED DEPRECIATION	
於2014年1月1日	At 1 January 2014	666
本年度扣除	Charge for the year	<u>193</u>
於2014年12月31日	At 31 December 2014	859
本年度扣除	Charge for the year	<u>442</u>
於2015年12月31日	At 31 December 2015	<u>1,301</u>
賬面值	CARRYING AMOUNT	
於2015年12月31日	At 31 December 2015	<u><u>2,355</u></u>
於2014年12月31日	At 31 December 2014	<u><u>1,259</u></u>

電腦軟件有限定可使用年期，於5年內以直線法攤銷。

The computer software has definite useful life and is amortised on a straight-line basis over 5 years.

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16. 預付租賃款項

與中國境內土地的土地使用權有關的預付租賃款項的賬面值分析如下：

流動資產

Current assets

於2015年12月31日，就銷售物業持有的預付租賃款項人民幣130,162,000元（2014年：人民幣410,642,000元）分類為流動資產。

本集團的預付租賃款項指為在中國取得介乎40年至70年租期的土地使用權所支付的款項。

17. 持作日後發展的永久業務土地

永久業權土地指本集團為發展持作銷售物業在美國德克薩斯州（「德克薩斯州」）購入的一幅永久業權土地。於2015年12月31日，土地處於計劃及設計階段。

16. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments in respect of land use rights for the lands situated in the PRC is analysed as follows:

2015年 人民幣千元	2014年 人民幣千元
2015 RMB'000	2014 RMB'000
130,162	410,642

As at 31 December 2015, prepaid lease payment of RMB130,162,000 (2014: RMB410,642,000) which held for purpose of properties for sale, are classified under current assets.

The Group's prepaid lease payments represent payments for obtaining the land use rights in the PRC with lease terms ranging from 40 to 70 years.

17. FREEHOLD LAND HELD FOR FUTURE DEVELOPMENT

The Group's freehold land represents a parcel of freehold land in the State of Texas, the US ("Texas"), US for the purpose of development of properties for sale. As at 31 December 2015, the land is under planning and design stage.

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18. 於聯營公司的權益

本集團於聯營公司的權益詳情如下：

18. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
分佔資產淨值	Share of net assets	71,959	20,977

本集團於報告期末的聯營公司詳情如下：

Details of the Group's associates at the end of the reporting period are as follow:

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2015年 2015	2014年 2014	2015年 2015	2014年 2014	
北京當代北辰置業有限公司 (「北京當代北辰」)	中國	50%	50%	附註a	附註a	物業發展
Beijing Modern North Star Development Co., Ltd.* (“Beijing MNS”)	PRC	50%	50%	note a	note a	Property development
火箭智業投資(北京)有限公司(「火箭智業」)	中國	20%	不適用	20%	不適用	投資控股及物業發展
Huojianzhiye Investment (Beijing) Co., Ltd.* (“HJZY”)	PRC	20%	N/A	20%	N/A	Investment holding and property development
Sueba Development 142 LP (「Sueba 142」)	美國	61.4%	不適用	附註b	不適用	物業發展
Sueba Development 142 LP (“Sueba 142”)	US	61.4%	N/A	note b	N/A	Property development

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

18. 於聯營公司的權益 (續)

附註：

- (a) 根據當代節能置業(本集團附屬公司)與北京北辰實業股份有限公司(「北辰」)之間日期為2014年10月10日的合作發展框架協議及相關補充協議(統稱「北京當代北辰協議」)，北京當代北辰成立，並由當代節能置業與北辰各自出資人民幣25,000,000元及持有50%股權。

根據北京當代北辰協議及北京當代北辰的組織章程細則，北辰控制北京當代北辰的董事會並擁有北京當代北辰的控制權。董事認為，本集團對北京當代北辰確實有重大影響力，因此分類為本集團的聯營公司。

- (b) 於2015年11月24日，本公司全資附屬公司AMG Houston Venture Fund, LLC(「AMGHV」)與第三方訂立有限合夥協議。根據有限合夥協議，AMGHV投資金額達8,000,000美元(相等於約人民幣51,950,000元)，並成為Sueba 142的有限合夥人，而Sueba 142為在德州成立的有限合夥公司，並從事發展一幅位於德州的土地。

於2015年12月31日，AMGHV持有Sueba 142的61.4%股權。然而，由於Sueba 142(作為有限合夥人)指示相關活動的能力有限，AMGHV並無控制或共同控制Sueba 142。本公司董事認為，本集團對Sueba 142具有重大影響力，原因是其有權參與若干類別營運事宜的決策過程，故Sueba 142乃分類為本集團的聯營公司。於2015年12月31日，本集團已承諾向Sueba 142的資本額外出資6,400,000美元(相等於約人民幣41,559,000元)。

18. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) Pursuant to the cooperative development framework agreement and related supplementary agreements (collectively, the "Beijing MNS Agreements") dated 10 October 2014 entered into between Modern Green Development, a subsidiary of the Company, and Beijing North Star Company Limited 北京北辰實業股份有限公司 ("North Star"), Beijing MNS was established, in which Modern Green Development and North Star each contributed RMB25,000,000 and held 50% equity interests.

Pursuant to the Beijing MNS Agreements and Articles of Association of Beijing MNS, North Star controls the board of directors of Beijing MNS and has control over Beijing MNS. The directors of the Company consider that the Group does have significant influence over Beijing MNS and it is therefore classified as an associate of the Group.

- (b) On 24 November 2015, AMG Houston Venture Fund, LLC ("AMGHV"), a wholly-owned subsidiary of the Company, entered into a limited partnership agreement with third parties. Pursuant to the limited partnership agreement, AMGHV invested an amount of US\$8,000,000 (equivalent to approximately RMB51,950,000) and became a limited partner of Sueba 142, a limited partnership established in Texas and is engaged in development of a parcel of land located in Texas.

As at 31 December 2015, AMGHV holds 61.4% of equity interests in Sueba 142. However, due to the limited ability to direct the relevant activities of Sueba 142 as a limited partner, AMGHV does not have control or joint control over Sueba 142. The directors of the Company consider that the Group does have significant influence over Sueba 142 because it has rights to participate in the decision making processes of certain types of operational matters and therefore Sueba 142 is classified as an associate of the Group. As at 31 December 2015, the Group has the commitment to contribute further US\$6,400,000 (equivalent to approximately RMB41,559,000) in the capital of Sueba 142.

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18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要

有關本集團重大聯營公司的財務資料概要載於下文。下述財務資料概要為該聯營公司根據國際財務報告準則編製的未經審核財務報表所顯示的金額。

該聯營公司以權益法於此等合併財務報表入賬。

北京當代北辰

流動資產
非流動資產
流動負債
非流動負債

Current assets
Non-current assets
Current liabilities
Non-current liabilities

收益
年度虧損及其他全面開支

Revenue
Loss and total comprehensive expense
for the year

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's unaudited financial statements prepared in accordance with IFRSs.

The associates are accounted for using the equity method in these consolidated financial statements.

Beijing MNS

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
2,171,713	1,422,716
4,069	49
1,487,607	722,945
650,000	650,000
截至2015年 12月31日 止年度 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000
-	-
(11,645)	(180)

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

北京當代北辰 (續)

上述財務資料概要與在合併財務報表中
確認於北京當代北辰的權益賬面值對
賬：

北京當代北辰的資產淨值
本集團於北京當代北辰的
擁有權權益的比例
下游交易產生的
對銷

本集團於北京當代北辰的
擁有權權益的賬面值

未確認分佔
北京當代北辰年度虧損

累計分佔北京當代北辰的虧損

18. INTERESTS IN ASSOCIATES (Continued)

*Summarised financial information of material associates
(Continued)*

Beijing MNS (Continued)

Reconciliation of the above summarised financial information to
the carrying amount of the interest in Beijing MNS recognised in
the consolidated financial statements:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Net assets of Beijing MNS		38,175	49,820
Proportion of the Group's ownership interest in Beijing MNS		50%	50%
Elimination resulting from downstream transactions		<u>(20,205)</u>	<u>(3,933)</u>
Carrying amount of the Group's interest in Beijing MNS		<u> —</u>	<u>20,977</u>
		截至2015年 12月31日 止年度 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000
The unrecognised share of loss of Beijing MNS for the year		<u>(1,117)</u>	<u> —</u>
		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Cumulative share of loss of Beijing MNS		<u>(5,912)</u>	<u>(90)</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

火箭智業

流動資產
非流動資產
流動負債
非流動負債

收益
年度溢利及
其他全面收入總額

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates
(Continued)

HJZY

	於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
	51,861	—
	227,140	—
	179,001	—
	—	—
	截至2015年 12月31日 止年度 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000
	—	—
	—	—

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

火箭智業 (續)

上述財務資料概要與在合併財務報表中
確認於的權益賬面值對賬：

火箭智業的資產淨值
本集團於火箭智業的
擁有權權益的比例

本集團於火箭智業的
擁有權權益的賬面值

SUEBA 142

流動資產
非流動資產
流動負債
非流動負債

18. INTERESTS IN ASSOCIATES (Continued)

*Summarised financial information of material associates
(Continued)*

HJZY (Continued)

Reconciliation of the above summarised financial information to
the carrying amount of the interest in HJZY recognised in the
consolidated financial statements:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Net assets of HJZY		100,000	-
Proportion of the Group's ownership interest in HJZY		20%	-
Carrying amount of the Group's interest in HJZY		20,000	-

SUEBA 142

		於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
Current assets		92,693	-
Non-current assets		-	-
Current liabilities		8,070	-
Non-current liabilities		-	-

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

SUEBA 142 (續)

收益	Revenue	-	-
年度溢利及其他全面收入總額	Profits and total comprehensive income for the year	12	-

上述財務資料概要與在合併財務報表中
確認於Sueba 142的權益賬面值對賬：

Sueba 142的資產淨值	Net assets of Sueba 142	84,623	-
本集團於Sueba 142的擁有權 權益的比例	Proportion of the Group's ownership interest in Sueba 142	61.4%	-
本集團於Sueba 142的擁有權 權益的賬面值	Carrying amount of the Group's interest in Sueba 142	51,959	-

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates
(Continued)

SUEBA 142 (Continued)

截至2015年 12月31日 止年度 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000
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Reconciliation of the above summarised financial information to
the carrying amount of the interest in Sueba 142 recognised in
the consolidated financial statements:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
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合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款

本集團於合營企業的權益詳情如下：

於合營企業的投資成本
分佔收購後虧損及
其他全面開支

向合營企業作出貸款
減：分佔超出投資成本的
收購後虧損

向合營企業作出貸款乃無抵押、預期於一年後收回，並按介乎3%至13%（2014年：3%至13%）的固定年利率計息，惟為數人民幣1,230,022,000元（2014年：人民幣139,435,000元）的款項則為免息。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
1,241,329	622,778
(58,374)	(27,662)
1,182,955	595,116
2,261,682	1,545,054
(92,082)	(23,471)
2,169,600	1,521,583

Loans to joint ventures are unsecured, expected to be recovered after one year and bear interest at fixed rate ranged from 3% to 13% (2014: 3% to 13%) per annum, except for the amounts of RMB1,230,022,000 (2014: RMB139,435,000) which are interest free.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

本集團於報告期末的各家合營企業詳情如下：

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的 投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2015年 2015	2014年 2014	2015年 2015	2014年 2014	
北京旭輝當代置業有限公司 (「北京旭輝當代」) Beijing CIFI Modern Development Co., Ltd.* (“Beijing CIFI Modern”)	中國 PRC	附註b note b	50%	附註b note b	附註b note b	物業發展 Property development
南昌摩碼置業有限公司 (「南昌摩碼」) Nanchang Moma Development Co., Ltd.* (“Nanchang Moma”)	中國 PRC	65%	65%	附註c note c	附註c note c	物業發展 Property development
南昌新建當代房地產開發有限公司 (「南昌新建」) Nanchang Xinjian Modern Real Estate Development Co., Ltd.* (“Nanchang Xinjian”)	中國 PRC	附註c note c	65%	附註c note c	附註c note c	物業發展 Property development
當代置業(香港5)有限公司 (「香港5」) Modern Land (HKNo.5) Co., Limited (“HKNo.5”)	香港 Hong Kong	51%	51%	附註d note d	附註d note d	投資控股及物業發展 Investment holding and property development
上海盛銘房地產開發有限公司 (「上海盛銘」) Shanghai Shengming Real Estate Development Co., Ltd.* (“Shanghai Shengming”)	中國 PRC	35%	35%	附註a note a	附註a note a	物業發展 Property development

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

本集團於報告期末的各家合營企業詳情如下：(續)

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Details of each of the Group's joint ventures at the end of the reporting period are as follows: (Continued)

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的 投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2015年 2015	2014年 2014	2015年 2015	2014年 2014	
武漢當代節能置業有限公司 (「武漢當代節能置業」)	中國	94.95%	60%	附註e	附註e	物業發展
Wuhan Modern Green Development Co., Ltd.* (“Wuhan MGD”)	PRC	94.95%	60%	note e	note e	Property development
武漢當代北辰置業有限公司 (「武漢當代北辰置業」)	中國	45%	45%	附註a	附註a	物業發展
Wuhan Modern North Star Development Co., Ltd.* (“Wuhan MNS”)	PRC	45%	45%	note a	note a	Property development
安徽摩碼置業有限公司 (「安徽摩碼」)	中國	51%	51%	附註a	附註a	物業發展
Anhui Moma Development Co., Ltd.* (“Anhui Moma”)	PRC	51%	51%	note a	note a	Property development
武漢摩碼置業有限公司 (「武漢摩碼」)	中國	65.63%	不適用	附註f	不適用	投資控股及物業發展
Wuhan Moma Development Co., Ltd.* (“Wuhan Moma”)	PRC	65.63%	N/A	note f	N/A	Investment holding and property development
陝西卓立實業有限公司 (「陝西卓立」)	中國	51%	不適用	附註g	不適用	物業發展
Shaanxi Zhuoli industrial Co., Ltd.* (“Shaanxi Zhuoli”)	PRC	51%	N/A	note g	N/A	Property development

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Notes to the Consolidated Financial Statements

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19. 於合營企業的權益及向合營企業作出貸款 (續)

本集團於報告期末的各家合營企業詳情如下：(續)

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Details of each of the Group's joint ventures at the end of the reporting period are as follows: (Continued)

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的 投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2015年 2015	2014年 2014	2015年 2015	2014年 2014	
嘉興綠民投股權投資基金管理有限公司 (「嘉興綠民投」)	中國	80%	不適用	附註h	不適用	投資管理
Jiaying Lvminyou Equity Investment Fund Management Co., Ltd.* (「Jiaying LMT」)	PRC	80%	N/A	note h	N/A	Investment Management
嘉興深綠縱橫股權投資基金管理有限公司 (「嘉興深綠縱橫」)	中國	50%	不適用	附註h	不適用	投資管理
Jiaying Shenlvzongheng Equity Investment Fund Management Co., Ltd.* (「Jiaying SLZH」)	PRC	50%	N/A	note h	N/A	Investment Management
能動鴻業投資(北京)有限公司 (「能動鴻業」)	中國	51%	不適用	附註i	不適用	投資控股及物業發展
Nengdonghongye Investment (Beijing) Co., Ltd.* (「NDHY」)	PRC	51%	N/A	note i	N/A	Investment holding and property development
精神智業投資(北京)有限公司 (「精神智業」)	中國	51%	不適用	附註j	不適用	投資控股及物業發展
Jingshenzhiye Investment (Beijing) Co., Ltd.* (「JSZY」)	PRC	51%	N/A	note j	N/A	Investment holding and property development

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：

- (a) 於該等合營企業的投資為本集團提供在中國探索物業發展業務的機會。根據相關合約協議及組章章程細則，本集團對該等實體的策略性財務及營運決策行使共同控制權。因此，該等實體被本公司董事視為本集團的合營企業。
- (b) 根據當代節能置業與旭輝集團股份有限公司(「旭輝集團」)於2014年2月21日訂立的協議，當代節能置業與旭輝集團各自出資人民幣5,000,000元成立北京旭輝當代，各持其50%股權。根據北京旭輝當代組織章程細則，其相關業務須獲雙方一致同意。北京旭輝當代因而以本集團合營企業入賬。

於2015年1月，根據本集團與旭輝集團訂立的補充協議以及北京旭輝當代經修訂組織章程細則的條文，北京旭輝當代不再為合營企業並成為本公司附屬公司。出售合營企業權益的收益人民幣8,198,000元已於本期間的損益中確認。詳情載於附註36。

- (c) 於2014年3月，本集團向一名獨立第三方(「南昌投資者」)出售其所持有南昌摩碼及南昌新建(「南昌公司」)的35%股權，而根據相關協議(「南昌協議」)及南昌公司的經修訂組織章程細則，南昌公司的相關活動須經本集團及南昌投資者一致同意，故本集團失去其對南昌公司的控制權。根據南昌協議，南昌投資者有權自2014年4月17日起滿二十四個月及十八個月後，或已售物業總面積達有關項目總可售面積85%後(以較早者為準)，向本集團或任何第三方出售其所持有南昌摩碼及南昌新建的35%股權，行使價定為南昌摩碼及南昌新建各自35%股權的公允價值。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes:

- (a) Investments in these joint ventures provide opportunities for the Group to explore business in property development in the PRC. Pursuant to relevant contractual agreements and Articles of Association, the Group exercises joint control over strategic financial and operating policy decisions of these entities. Accordingly, these entities are considered as joint ventures of the Group by the directors of the Company.
- (b) Pursuant to the agreement dated 21 February 2014 entered into between Modern Green Development and CIFI Group Co., Ltd. 旭輝集團股份有限公司(“CIFI Group”), Beijing CIFI Modern was established, in which Modern Green Development and CIFI Group each contributed RMB5,000,000 and held 50% equity interests. Pursuant to the Articles of Association of Beijing CIFI Modern, relevant activities of Beijing CIFI Modern require unanimous consent of both parties. Beijing CIFI Modern is therefore accounted for as a joint venture of the Group.

In January 2015, pursuant to the supplementary agreement entered between the Group and CIFI Group, and the provisions in the revised Articles of Association of Beijing CIFI Modern, Beijing CIFI Modern ceased to be a joint venture and became a subsidiary of the Company. A gain on disposal of interest in joint ventures of RMB8,198,000 was recognised in the profit or loss in current period. Details are set out in Note 36.

- (c) In March 2014, the Group disposed of its 35% equity interests in Nanchang Moma and Nanchang Xinjian (“Nanchang Companies”) to an independent third party (“Nanchang Venturer”) and lost control over the Nanchang Companies as relevant activates of the Nanchang Companies require unanimous consent from the Group and the Nanchang Venturer according to relevant agreements (“Nanchang Agreements”) and revised Articles of Association of the Nanchang Companies. Pursuant to the Nanchang Agreements, the Nanchang Venturer is entitled to dispose of its 35% equity interests in Nanchang Moma and Nanchang Xinjian to the Group, or to any third parties, after the expiry of 24 months and 18 months respectively from 17 April 2014, or the time when the aggregate area of the properties sold reaches 85% of the total saleable area in the projects (whichever is earlier), at the exercise prices determined as the fair value of 35% equity interests in Nanchang Moma and Nanchang Xinjian, respectively.

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19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

於2015年10月，本集團自南昌投資者收購南昌新建的35%權益。因此，南昌新建成為本公司的全資附屬公司。出售於合營企業權益的收益人民幣3,218,000元已於本期間的損益中確認。

- (d) 於2014年9月，本集團與一名獨立第三方（「香港5投資者」）訂立合營協議及相關補充協議（統稱「合營協議」）。根據合營協議，(i)香港5以代價49港元（相當於約人民幣38.7元）發行49股普通股予香港5投資者，而本集團於香港5的股權，連同其於當代置業（香港1）有限公司（「香港1」，為香港5的附屬公司）、湖南當代摩碼置業有限公司（「湖南當代摩碼」）及湖南當代綠建置業有限公司（「湖南當代綠建」）（「項目公司」，兩者均為香港1的附屬公司）的間接股權，由100%相應攤薄至51%；(ii)本公司及香港5投資者各自向香港5出資人民幣500,000,000元作為股東貸款（分別為「公司股東貸款」及「香港5投資者股東貸款」），用作開發項目公司於湖南省長沙持有的兩幅地塊；(iii)香港5將其於香港1的全部股權及香港1將其於項目公司的全部股權質押予香港5投資者，作為香港5投資者股東貸款的抵押；(iv)本公司就香港5投資者股東貸款向香港5投資者提供擔保；及(v)本公司及香港5投資者有權隨時以行使價（按香港5的股權公允價值釐定）購買香港5的全部股權。

根據合營協議及香港5的經修訂組織章程細則，香港5的有關活動須經其董事會一致同意，而董事會由本公司與香港5投資者雙方委任的董事組成。因此，本集團失去對香港5、香港1及項目公司的控制權，而香港5成為本集團合營企業。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

In October 2015, the Group acquired 35% of equity interests in Nanchang Xinjian from the Nanchang Venturer. Accordingly, Nanchang Xinjian became a wholly-owned subsidiary of the Company. A gain on disposal of interest in joint ventures of RMB3,218,000 was recognised in the profit or loss in current period.

- (d) In September 2014, the Group entered into a joint venture agreement and related supplementary agreements (collectively, the "JVA") with an independent third party ("HKNo.5 Venturer"). Pursuant to the JVA, (i) HKNo.5 issued 49 ordinary shares to the HKNo.5 Venturer at a consideration of HK\$49 (equivalent to approximately RMB38.7), where the Group's equity interests in HKNo.5, along with its indirect equity interests in Modern Land (HKNo.1) Co., Limited ("HKNo.1", a subsidiary of HKNo.5), Hunan Modern MOMA Development Co., Ltd. 湖南當代摩碼置業有限公司 ("Hunan Modern Moma") and Hunan Modern Green Development Co., Ltd. 湖南當代綠建置業有限公司 ("Hunan Modern Green") (the "Project Companies", both subsidiaries of HKNo.1) were diluted from 100% to 51% accordingly, (ii) each of the Company and the HKNo.5 Venturer provided RMB500,000,000 as shareholder loans (the "Company Shareholder Loan" and the "HKNo.5 Venturer Shareholder Loan", respectively) to HKNo.5 for the purposes of developing two parcels of land in Changsha, Hunan province held by the Project Companies, (iii) HKNo.5 pledged its entire equity interests in HKNo.1 and HKNo.1 pledged its entire equity interests in the Project Companies to the HKNo.5 Venturer, as securities to the HKNo.5 Venturer Shareholder Loan, (iv) the Company provided a guarantee to the HKNo.5 Venturer for the HKNo.5 Venturer Shareholder Loan, and (v) the Company and the HKNo.5 Venturer are entitled to purchase the entire equity interests in HKNo.5 at any time at the exercise prices determined as the fair value of equity interests in HKNo.5.

Pursuant to the JVA and revised Articles of Association of HKNo.5, relevant activities of HKNo.5 require unanimous consent of its board of directors appointed by both the Company and the HKNo.5 Venturer. The Group therefore lost control over HKNo.5, HKNo.1 and Project Companies, and HKNo.5 became a joint venture of the Group.

19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (e) 於2014年8月，本集團與獨立第三方寧波益方展達投資合夥企業(有限合夥)(「寧波益方展達」)及深圳平安大華匯通財富管理有限公司(「深圳平安」)訂立合作框架協議及相關補充協議(統稱「武漢當代節能置業協議」)。根據武漢當代節能置業協議，(i)本集團將其於武漢當代節能置業的40%及5%股權分別出售予寧波益方展達及深圳平安，代價分別為人民幣80,000,000元及人民幣10,000,000元，而餘下55%股權則由當代節能置業持有；(ii)深圳平安向武漢當代節能置業提供貸款人民幣790,000,000元(「武漢當代節能置業貸款」)，用作開發武漢當代節能置業於湖北省武漢持有的一幅地塊；(iii)武漢當代節能置業及本集團一家附屬公司將其項目土地使用權質押予深圳平安，作為武漢當代節能置業貸款的抵押；(iv)當代節能置業將其於武漢當代節能置業的55%股權及寧波益方展達將其於武漢當代節能置業的40%股權質押予深圳平安，作為武漢當代節能置業貸款的抵押；(v)當代節能置業就武漢當代節能置業的責任向深圳平安提供擔保；及(vi)深圳平安有權於兩年內以代價人民幣10,000,000元向當代節能置業出售其於武漢當代節能置業的股權。

根據武漢當代節能置業協議及武漢當代節能置業的經修訂組織章程細則，武漢當代節能置業的有關活動須經董事會一致同意，而董事會由當代節能置業、寧波益方展達與深圳平安委任的董事組成。因此，武漢當代節能置業成為本集團合營企業。

由於本集團是無錫中節控綠炭產業投資中心(有限合夥)的有限合夥人，而其於寧波益方展達擁有投資，故本集團就其於武漢當代節能置業的實際權益入賬，當中計及本集團透過寧波益方展達投資持有的相關權益以及其於武漢當代節能置業的直接權益。因此，先前計入可供出售投資的相關投資於2015年被重新分類至合營企業權益。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (e) In August 2014, the Group entered into a cooperative framework agreement and related supplementary agreements (collectively, the "Wuhan MGD Agreements") with Ningbo Yifangzhanda Investment LLP 寧波益方展達投資合夥企業(有限合夥)("Ningbo YFZD") and Shenzhen Pingan Dahua Huitong Wealth Management 深圳平安大華匯通財富管理有限公司("Shenzhen Pingan"), independent third parties. Pursuant to the Wuhan MGD Agreements, (i) the Group disposed of its 40% and 5% equity interest in Wuhan MGD to Ningbo YFZD and Shenzhen Pingan for considerations of RMB80,000,000 and RMB10,000,000, respectively, with the remaining 55% equity interests held by Modern Green Development, (ii) Shenzhen Pingan provided a loan amounted to RMB790,000,000 (the "Wuhan MGD Loan") to Wuhan MGD for the purpose of developing a parcel of land held by Wuhan MGD located at Wuhan, Hubei province, (iii) Wuhan MGD and a subsidiary of the Group pledged their project land use rights to Shenzhen Pingan as securities of the Wuhan MGD Loan, (iv) Modern Green Development pledged its 55% equity interests in Wuhan MGD and Ningbo YFZD pledged its 40% equity interests in Wuhan MGD to Shenzhen Pingan as securities of the Wuhan MGD Loan, (v) Modern Green Development provided a guarantee to Shenzhen Pingan for the obligation of Wuhan MGD, and (vi) Shenzhen Pingan is entitled to dispose of its equity interest in Wuhan MGD to Modern Green Development at a consideration of RMB10,000,000 in two years.

Pursuant to the Wuhan MGD Agreements and revised Articles of Association of Wuhan MGD, relevant activities of Wuhan MGD require unanimous consent of the board of directors, which comprise directors appointed by Modern Green Development, Ningbo YFZD and Shenzhen Pingan. Thus, Wuhan MGD is accounted as a joint venture of the Group.

As the Group is a limited partner in Wuxi Zhongjielong Green Carbon Investment Center LLP 無錫中節控綠炭產業投資中心(有限合夥) in which invested in Ningbo YFZD, the Group accounted for its effective interest in Wuhan MGD, by taking into account its respective interest through the investment in Ningbo YFZD and its direct interest held in Wuhan MGD together. Thus, the respective investment previously included in available-for-sale investments was reclassified to interests in joint ventures in 2015.

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19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (f) 於2015年3月，本集團與獨立第三方上海國際信託有限公司(「上海信託」)、上海中城聯盟投資管理股份有限公司(「中城聯盟投資」)及上海三盛宏業投資(集團)有限責任公司(「三盛宏業」)訂立合作框架協議及相關補充協議(統稱「武漢摩碼協議」)。根據武漢摩碼協議，(i)上海信託為武漢摩碼的附屬公司上海滿庭春置業有限公司(「上海滿庭春」)所發展的上行項目內的物業發展設立信託計劃。根據該信託計劃，當代節能置業及中城聯盟投資分別出資人民幣320,000,000元及人民幣80,000,000元作為該信託計劃的股本投資，其乃投入武漢摩碼。上海信託向上海滿庭春提供不超過人民幣1,200,000,000元作為信託貸款(「信託貸款」)，(ii)當代節能置業及中城聯盟投資分別出資人民幣319,100,000元及人民幣900,000元，武漢摩碼的資本由人民幣100,000,000元(原本由當代節能置業注資)增加至人民幣820,000,000元。本集團於武漢摩碼的股權(計及透過信託計劃及其持有武漢摩碼的直接權益)相應由100%攤薄至90.13%，(iii)武漢摩碼質押其於上海滿庭春的股權及上海滿庭春質押其於項目土地的土地使用權予上海信託，以作為信託貸款的抵押，(iv)當代節能置業及三盛宏業就信託貸款提供擔保。

根據武漢摩碼協議及武漢摩碼的經修訂組織章程細則，武漢摩碼的相關業務活動須經董事會(由當代節能置業、上海信託及中城聯盟投資所委任的董事所組成)一致同意。本集團因而失去對武漢摩碼的控制權，而武漢摩碼成為本集團的合營企業。

於2015年9月，本集團出售於武漢摩碼的24.5%股權予一名獨立第三方，代價為人民幣200,900,000元。因此，本集團於武漢摩碼持有的股權由90.13%減少至65.63%。於出售後，武漢摩碼仍為本集團的合營企業。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (f) In March 2015, the Group entered into a cooperative framework agreement and related supplementary agreements (collectively, the "Wuhan Moma Agreements") with Shanghai International Trust Co., Ltd. (Shanghai Trust), Cura Investment Management (Shanghai) Co., Ltd. (Cura Investment) and Shanghai San Sheng Hong Ye Investment (Group) Co., Ltd. (SSHY), independent third parties. Pursuant to the Wuhan Moma Agreements, (i) Shanghai Trust set up a trust scheme for property development of Shanghai Minhang Project, which was developed by Shanghai Mantingchun Development Co., Ltd. (Shanghai MTC), a subsidiary of Wuhan Moma. Under the trust scheme, Modern Green Development and Cura Investment contributed RMB320,000,000 and RMB80,000,000 respectively as equity investments to the trust scheme, being contributed to Wuhan Moma. Shanghai Trust provided no more than RMB1,200,000,000 as trust loan ("Trust Loan") to Shanghai MTC, (ii) Modern Green Development and Cura Investment contributed RMB319,100,000 and RMB900,000 respectively, then the capital of Wuhan Moma increased from RMB100,000,000, which was originally contributed by Modern Green Development, to RMB820,000,000. The Group's effective interest in Wuhan Moma, by taking into account its respective interest through the investment in trust scheme and its direct interest held in Wuhan Moma together, were diluted from 100% to 90.13% accordingly, (iii) Wuhan Moma pledged its entire equity interests in Shanghai MTC and Shanghai MTC pledged its land use right of the project land to Shanghai Trust as securities to the Trust Loan, (iv) Modern Green Development and SSHY provided guarantee to Shanghai Trust for the Trust Loan.

Pursuant to the Wuhan Moma Agreements and revised Articles of Association of Wuhan Moma, relevant business activities of Wuhan Moma require unanimous consent of the board of directors, which comprise directors appointed by Modern Green Development, Shanghai Trust, and Cura Investment. The Group therefore lost control over Wuhan Moma, and Wuhan Moma became a joint venture of the Group.

In September 2015, the Group disposed 24.5% of equity interests in Wuhan Moma to an independent third party in consideration of RMB200,900,000. Accordingly, the equity interests in Wuhan Moma held by the Group further decreased from 90.13% to 65.63%. After the disposal, Wuhan Moma remains as a joint venture of the Group.

19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (g) 於2015年8月，深耕智業投資(北京)有限公司(「深耕智業」，本公司全資附屬公司)與獨立第三方訂立框架協議及相關補充協議(統稱「卓立協議」)。根據卓立協議，深耕智業同意(i)收購陝西卓立(從事開發一幅位於陝西省西安的土地的公司)的51%股權，代價為人民幣10,200,000元，(ii)向陝西卓立提供股東貸款人民幣200,000,000元，其中深耕智業已於2015年12月31日提供合共人民幣100,000,000元，及(iii)深耕智業享有陝西卓立純利的60%。股東貸款為無抵押、免息及並無固定還款期。於2015年12月31日，本集團就向陝西卓立提供股東貸款具有總承擔人民幣100,000,000元。

於完成收購後，陝西卓立的董事會由本集團及獨立第三方所委任的董事組成。根據卓立協議及陝西卓立的組修訂組織章程細則，相關業務活動均須經全體董事一致同意。因此，陝西卓立乃作為本集團的合營企業入賬。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (g) In August 2015, Shengengzhiye Investment (Beijing) Co., Ltd. 深耕智業投資(北京)有限公司 (“SGZY”, a wholly-owned subsidiary of the Company) entered into a cooperative framework agreement and related supplementary agreements (collectively, the “Zhuoli Agreements”) with independent third parties. Pursuant to the Zhuoli Agreements, SGZY agrees (i) to acquire 51% equity interests in Shaanxi Zhuoli, a company engaged in developing a parcel of land located in Xi’an, Shaanxi Province, with a consideration of RMB10,200,000; (ii) to provide a shareholder loan of RMB200,000,000 to Shaanxi Zhuoli, among which an aggregate of RMB100,000,000 has been provided by SGZY as at 31 December 2015 and the shareholder loan is unsecured, interest-free and has no fixed terms of repayment; and (iii) SGZY is entitled to 60% of net profits of Shaanxi Zhuoli. As at 31 December 2015, the Group had a total commitment of RMB100,000,000 to provide shareholder loan to Shaanxi Zhuoli.

Upon completion of the acquisition, the board of directors of Shaanxi Zhuoli consists of directors appointed by the Group and the independent third party. According to the Zhuoli Agreements and revised Articles of Association of Shaanxi Zhuoli, relevant business activities require unanimous consent of all directors. Therefore, Shaanxi Zhuoli is accounted for as a joint venture of the Group.

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19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (h) 於2015年7月，本公司全資附屬公司北京當代綠色投資基金管理有限公司（「當代綠色基金管理」）與獨立第三方北京喜神資產管理有限公司（「北京喜神」）訂立合作框架協議（「基金協議」），據此成立一系列有限公司及有限合夥公司（統稱「基金」）。當代綠色基金管理及北京喜神共同控制的嘉興綠民投及嘉興深綠縱橫擔任一般合夥人，並完全負責基金的運作。根據基金協議，基金的目標資本為人民幣1,001,000,000元

年內，本公司、北京喜神及其他身為基金有限合夥人的獨立第三方向基金注入資本人民幣227,083,000元。已繳資本當時獲注入兩間實體：(i)金額人民幣63,000,000元獲注入本公司附屬公司毅力精神投資(北京)有限公司（「毅力精神」），分別作為出資及股東貸款達人民幣3,000,000元及人民幣60,000,000元，佔毅力精神的30%非控股股權；(ii)金額達人民幣160,000,000元（包括出資人民幣80,000,000元及股東貸款人民幣80,000,000元）透過其全資附屬公司嘉興綠信股權投資基金合夥企業（有限合夥）（「嘉興綠信」）獲注入火箭智業，以認購火箭智業的80%股權。因此，本集團於火箭智業的股權由100%減少至20%，而火箭智業成為本集團的聯營公司。根據該項目的投資協議，嘉興綠信有權於2015年11月30日起計三年期間屆滿，或已出售物業總面積達該項目可銷售總面積的80%時，向本集團或其他第三方出售其於火箭智業的權益。

毅力精神及火箭智業其後各自投資於兩間項目公司，該公司持有位於蘇州及安徽省物業開發之用的地塊。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (h) In July 2015, Beijing Modern Green Investment Fund Management Co., Ltd. 北京當代綠色投資基金管理有限公司 (“MG Fund Management”), a wholly-owned subsidiary of the Company, entered into a cooperative framework agreement (the “Fund Agreement”) with Beijing Shine Asset Management Co., Ltd. 北京喜神資產管理有限公司 (“Beijing Shine”), an independent third party, based on which, a series of limited companies and limited partnerships (collectively, the “Fund”) were established. Jiaying LMT and Jiaying SLZH, both jointly controlled by MG Fund Management and Beijing Shine, act as general partners and are fully in charge of operations of the Fund. Pursuant to the Fund Agreement, targeted capital of the Fund is amounted to RMB1,001,000,000.

During the year, capital of RMB227,083,000 was injected into the Fund by the Group, Beijing Shine and other independent third parties whom are limited partners of the Fund. The paid-in capital was then invested into two entities: (i) an amount of RMB63,000,000 was injected into Yilijingshen Investment (Beijing) Co., Ltd. 毅力精神投資(北京)有限公司 (“YLJS”), a subsidiary of the Company, as a capital contribution of RMB3,000,000 and shareholder loan of RMB60,000,000 respectively, representing 30% non-controlling equity interest in YLJS; (ii) an amount of RMB160,000,000, comprising capital contribution of RMB80,000,000 and shareholder loan of RMB80,000,000, was injected into HJZY, through its wholly owned subsidiary, Jiaying Lvxin Investment Fund LLP 嘉興綠信股權投資基金合夥企業(有限合夥) (“Jiaying Lvxin”), to subscribe for 80% equity interest in HJZY. As a result, the Group’s equity interests in HJZY decreased from 100% to 20% and HJZY became the Group’s associate. Pursuant to the investment agreement of the project, Jiaying Lvxin is entitled to dispose of its interest in HJZY to the Group or other third parties, after the expiry of a three-year period from 30 November 2015, or the time when the aggregate area of the properties sold reaches 80% of the total saleable area in the project.

YLJS and HJZY have subsequently invested into two project companies separately, which hold parcels of land located in Suzhou and Hefei for property development.

19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (i) 於2015年10月，本公司全資附屬公司當代節能置業與獨立第三方東方邦信盛世投資基金管理(北京)有限公司(「東方邦信」)訂立合作發展協議及相關補充協議(統稱「能動鴻業協議」)。根據能動鴻業協議，當代節能置業轉讓能動鴻業的49%股權予東方邦信。根據能動鴻業於完成轉讓後的組織章程細則，能動鴻業的相關業務活動須經董事會(由本集團及東方邦信所委任的董事組成)一致同意。本集團因而失去對能動鴻業的控制權，而能動鴻業乃作為本集團的合營企業入賬。

於出售後，能動鴻業與獨立第三方訂立協議，以收到長沙市鵬躍房地產開發有限公司(「長沙鵬躍」，從事開發一幅位於湖南省長沙的土地的項目公司)的全部股權，現金代價為固定金額約人民幣1,461,410,000元及將於日後釐定的浮動金額。於2015年12月31日，本集團及東方邦信出資的總代價人民幣511,493,000元已以現金繳付作為墊款，且概無長沙鵬躍的股權獲轉讓。根據能動鴻業協議，尚未清償代價將於2016年通過能動鴻業將自第三方金融機構取得的貸款(「第三方貸款」)結清。於2015年12月31日，第三方貸款乃正在磋商中，如第三方貸款不足以支付未清償代價，當代節能置業對不足部分提供擔保。因此，於2015年12月31日，本集團有或然責任就能動鴻業收購長沙鵬躍支付餘額人民幣949,917,000元。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (i) In October 2015, Modern Green Development, a wholly-owned subsidiary of the Company, entered into a cooperative development agreement and related supplementary agreements (collectively, the "NDHY Agreements") with Oriental Bangxinhengshi Investment Fund Management (Beijing) Co., Ltd. 東方邦信盛世投資基金管理(北京)有限公司 ("Oriental BX", an independent third party). Pursuant to the NDHY Agreements, Modern Green Development transferred 49% of equity interests in NDHY to Oriental BX. According to Articles of Association of NDHY upon completion of the transfer, relevant business activities of NDHY require unanimous consent of the board of directors, which comprise directors appointed by both the Group and Oriental BX. The Group therefore lost control over NDHY, and NDHY is accounted for as a joint venture of the Group.

Following the disposal, NDHY entered into an agreement with independent third parties to acquire entire equity interests in Changsha Pengyue Real Estate Development Co., Ltd. 長沙市鵬躍房地產開發有限公司 ("Changsha Pengyue"), a project company engaged in development of a parcel of land located in Changsha, Hunan Province, at cash consideration of a fixed amount of approximately RMB1,461,410,000 and a floating amount to be determined in the future. As at 31 December 2015, an aggregate consideration of RMB511,493,000 contributed by both the Group and Oriental BX has been paid in cash as an advance, and no equity interests of Changsha Pengyue has been transferred. Pursuant to the NDHY Agreements, the outstanding consideration will be settled in 2016 through a loan to be obtained by NDHY from a third party financial institution (the "Third-party Loan"). As at 31 December 2015, the Third-party Loan was under negotiation and Modern Green Development provided a guarantee to pay the balance in case of the Third-party Loan proved insufficient. Therefore, the Group had a contingent obligation to pay the remaining amount of RMB949,917,000 in relation to NDHY's acquisition of Changsha Pengyue as at 31 December 2015.

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19. 於合營企業的權益及向合營企業作出貸款 (續)

附註：(續)

- (j) 於2015年9月，本集團轉讓於精神智業的49%股權予獨立第三方浙江信達資產管理有限公司(「浙江信達」)。根據精神智業於完成轉讓後的組織章程細則，精神智業的相關業務活動須經董事會(由本集團及浙江信達所委任的董事組成)一致同意。本集團因而失去對精神智業的控制權，而精神智業乃作為本集團的合營企業入賬。

根據精神智業與獨立第三方訂立的股權轉讓協議(「潤錦協議」)，精神智業同意收購北京潤錦房地產開發有限公司(「北京潤錦」，持有一幅位於北京的土地的項目公司)的全部股權，估計代價為人民幣2,400,000,000元，並將依據最終容積率作出調整(「潤錦代價」)。此外，浙江信達向精神智業提供委託貸款達人民幣480,000,000元(「信達貸款」)。作為信達貸款的抵押，當代節能置業質押若干辦公室物業、於精神智業的51%股權並擔任擔保人。

於2015年12月31日，本集團及浙江信達出資的總代價人民幣880,000,000元(包括信達貸款)已以現金支付作為墊款，且尚未轉讓北京潤錦的股權。根據潤錦協議，當代節能置業就精神智業支付尚未清償潤錦代價的責任提供擔保。於2015年12月31日，本集團有或然責任就潤錦代價支付餘額人民幣1,520,000,000元。此外，當代節能置業於2015年12月31日對精神智業的出資具有承擔達人民幣5,100,000元。

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Notes: (Continued)

- (j) In September 2015, the Group, transferred 49% of equity interests in JSZY to Zhejiang Cinda Asset Management Co., Ltd. 浙江信達資產管理有限公司(“Zhejiang Cinda”, an independent third party. According to Articles of Association of JSZY, upon completion of the transfer, relevant activities of JSZY require unanimous consent of the board of directors, which comprise directors appointed by both the Group and Zhejiang Cinda. The Group therefore lost control over JSZY, and JSZY is accounted for as a joint venture of the Group.

Pursuant to an equity transfer agreement (“Runjin Agreement”) entered into between JSZY and an independent third party, JSZY agrees to acquire entire equity interests in Beijing Runjin Real Estate Development Co., Ltd. 北京潤錦房地產開發有限公司 (“Beijing Runjin”), a project company holding a parcel of land located in Beijing, at an estimated consideration of RMB2,400,000,000, subject to adjustment on the finalised plot ratio of the land (“Runjin Consideration”). In addition, Zhejiang Cinda provided an entrusted loan amounted to RMB480,000,000 to JSZY (the “Cinda Loan”). As securities to the Cinda Loan, Modern Green Development pledged certain office properties, 51% equity interests in JSZY and acted as a guarantor.

As at 31 December 2015, an aggregate consideration of RMB880,000,000 (including the Cinda Loan) contributed by the Group and Zhejiang Cinda has been paid in cash as an advance and equity interests of Beijing Runjin has not yet been transferred. Pursuant to the Runjin Agreement, Modern Green Development provided a guarantee for JSZY’s obligation of paying the outstanding Runjin Consideration. As at 31 December 2015, the Group therefore had a total contingent obligation to pay the remaining amount of RMB1,520,000,000 in relation to the Runjin Consideration. In addition, Modern Green Development had a commitment amounted to RMB5,100,000 to contribute into the capital of JSZY as at 31 December 2015.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要

有關本集團重大合營企業的財務資料概要載於下文。下述財務資料概要為該等合營企業根據國際財務報告準則編製的未經審核財務報表所顯示的金額。

該等合營企業以權益法於此等合併財務報表入賬。

南昌摩碼

流動資產
非流動資產
流動負債
非流動負債

以上資產及負債金額
包括下列各項：

現金及現金等價物
流動金融負債（不包括貿易及
其他應付款以及撥備）
非流動金融負債（不包括貿易及
其他應付款以及撥備）

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' unaudited financial statements prepared in accordance with IFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Nanchang Moma

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
1,804,943	1,028,836
25,528	104,655
1,265,996	563,472
180,000	180,000
The above amounts of assets and liabilities include the following:	
408,050	53,302
400,000	250,000
180,000	180,000

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

南昌摩碼 (續)

收益	Revenue
年度虧損及其他全面開支	Loss and total comprehensive expense for the year

以上年度虧損包括下列各項： The above loss for the year include the following:

折舊及攤銷	Depreciation and amortisation
利息收入	Interest income
所得稅收入	Income tax income

上述財務資料概要與在合併財務報表中
確認於南昌摩碼的權益賬面值對賬：

南昌摩碼的資產淨值
本集團於南昌摩碼的
擁有權益的比例
下游交易產生的對銷

本集團於南昌摩碼的
權益的賬面值

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Nanchang Moma (Continued)

截至2015年 12月31日 止年度 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000
118,051	–
(5,545)	(13,144)
164	33
1,003	572
1,663	4,179

Reconciliation of the above summarised financial information to the carrying amount of the interest in Nanchang Moma recognised in the consolidated financial statements:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
384,475	390,019
65%	65%
(142)	–
249,767	253,512

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

香港5

流動資產
非流動資產
流動負債
非流動負債

以上資產及負債金額
包括下列各項：

現金及現金等價物
非流動金融負債 (不包括
貿易及其他應付款以及撥備)

收益
年度虧損及其他全面開支

以上年度虧損包括下列各項：

折舊及攤銷
利息開支
所得稅收入

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

HKNo.5

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
3,058,151	1,480,846
106,536	20,946
2,030,401	546,829
<u>1,290,000</u>	<u>1,000,000</u>

The above amounts of assets and liabilities include the following:

Cash and cash equivalents
Non-current financial liabilities (excluding trade and other payables and provisions)

158,620	63,602
<u>1,290,000</u>	<u>1,000,000</u>

截至2015年 12月31日止年度 2015年 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日止年度 2014年 人民幣千元 Year ended 31 December 2014 RMB'000
-	-
<u>(110,677)</u>	<u>(54,296)</u>

The above loss for the year include the following:

Depreciation and amortisation
Interest expense
Income tax income

95	11
-	9,952
<u>10,378</u>	<u>5,486</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

香港5 (續)

上述財務資料概要與在合併財務報表中
確認於香港5的權益賬面值對賬：

香港5的負債淨額	Net liabilities of HKNo.5		
本集團於香港5的擁有權益的比例	Proportion of the Group's ownership interest in HKNo.5		
下游交易產生的對銷	Elimination resulting from downstream transactions		
本集團於香港5的權益的賬面值	Carrying amount of the Group's interest in HKNo.5		

武漢當代節能置業

Wuhan MGD

流動資產	Current assets		
非流動資產	Non-current assets		
流動負債	Current liabilities		
非流動負債	Non-current liabilities		
以上資產及負債金額 包括下列各項：	The above amounts of assets and liabilities include the following:		
現金及現金等價物	Cash and cash equivalents		
流動金融負債 (不包括貿易及其他應付款以及撥備)	Current financial liabilities (excluding trade and other payables and provisions)		
非流動金融負債 (不包括貿易及其他應付款以及撥備)	Non-current financial liabilities (excluding trade and other payables and provisions)		

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

HKNo.5 (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in HKNo.5 recognised in the consolidated financial statements:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
(155,714)	(45,037)
51%	51%
(733)	—
(80,147)	(22,969)

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
1,524,397	1,200,415
18,582	9,264
1,339,832	225,249
—	790,000

17,564	12,067
490,000	—
—	790,000

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

武漢當代節能置業 (續)

收益
年度溢利 (虧損) 及
全面收入 (開支) 總額

以上年度溢利 (虧損)
包括下列各項：

折舊及攤銷
利息收入
所得稅開支 (收入)

上述財務資料概要與在合併財務報表中
確認於武漢當代節能置業的權益賬面值
對賬：

武漢當代節能置業的資產淨值
本集團於武漢當代節能置業的
擁有權權益的比例

本集團於武漢當代節能置業的
權益的賬面值

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Wuhan MGD (Continued)

截至2015年 12月31日止年度 2015年 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日止年度 2014年 人民幣千元 Year ended 31 December 2014 RMB'000
--	--

Revenue
Profit (loss) and total comprehensive income
(expense) for the year

The above profit (loss) for the year include the following:

Depreciation and amortisation
Interest income
Income tax expense (income)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Wuhan MGD recognised in the consolidated financial statements:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
-----------------------------------	-----------------------------------

Net assets of Wuhan MGD
Proportion of the Group's ownership interest
in Wuhan MGD

Carrying amount of the Group's interest in
Wuhan MGD

260,921	–
8,717	(15,440)
878	248
638	357
2,538	(4,861)
203,147	194,430
94.95%	60%
192,888	116,658

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

武漢摩碼

流動資產
非流動資產
流動負債
非流動負債

以上資產及負債金額
包括下列各項：

現金及現金等價物
流動金融負債 (不包括貿易及
其他應付款以及撥備)
非流動金融負債 (不包括貿易及
其他應付款以及撥備)

收益
年度虧損及其他全面開支

以上年度虧損包括下列各項：

折舊及攤銷
利息收入
所得稅收入

Current assets
Non-current assets
Current liabilities
Non-current liabilities

The above amounts of assets and liabilities
include the following:

Cash and cash equivalents
Current financial liabilities (excluding trade
and other payables and provisions)
Non-current financial liabilities (excluding
trade and other payables and provisions)

Revenue
Loss and total comprehensive expense
for the year

The above loss for the year include the
following:

Depreciation and amortisation
Interest income
Income tax income

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Wuhan Moma

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
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2,011,243	—
2,685	—
800,887	—
400,000	—

5,853	—
700,000	—
400,000	—

截至2015年 12月31日止年度 2015年 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日止年度 2014年 人民幣千元 Year ended 31 December 2014 RMB'000
--	--

—	—
(6,988)	—

68	—
720	—
2,088	—

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

武漢摩碼 (續)

上述財務資料概要與在合併財務報表中確認於武漢摩碼的權益賬面值對賬：

武漢摩碼的資產淨值
本集團於武漢摩碼的
擁有權權益的比例

本集團於武漢摩碼的
權益的賬面值

精神智業

流動資產
非流動資產
流動負債
非流動負債

以上資產及負債金額
包括下列各項：

現金及現金等價物
流動金融負債 (不包括貿易及
其他應付款以及撥備)

19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Wuhan Moma (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Wuhan Moma recognised in the consolidated financial statements:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Net assets of Wuhan Moma		813,041	-
Proportion of the Group's ownership interest in Wuhan Moma		<u>65.63%</u>	<u>-</u>
Carrying amount of the Group's interest in Wuhan Moma		<u><u>533,599</u></u>	<u><u>-</u></u>

JSZY

		於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
Current assets		880,140	-
Non-current assets		-	-
Current liabilities		899,286	-
Non-current liabilities		<u>-</u>	<u>-</u>

The above amounts of assets and liabilities include the following:

Cash and cash equivalents		140	-
Current financial liabilities (excluding trade and other payables and provisions)		<u>480,000</u>	<u>-</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

19. 於合營企業的權益及向合營企業作出貸款 (續)

重大合營企業的財務資料概要 (續)

精神智業 (續)

收益	Revenue	-	-
年度虧損及其他全面開支	Loss and total comprehensive expense for the year	(19,146)	-

上述財務資料概要與在合併財務報表中
確認於精神智業的權益賬面值對賬：

精神智業的負債淨額	Net liabilities of JSZY	(19,146)	-
本集團於精神智業的擁有權益的比例	Proportion of the Group's ownership interest in JSZY	51%	-
本集團於精神智業的權益的賬面值	Carrying amount of the Group's interest in JSZY	(9,764)	-

並非個別屬重大的合營企業的匯總資產

本集團分佔虧損及全面開支總額	The Group's share of loss and total comprehensive expense	(41,924)	(54,257)
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19. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

JSZY (Continued)

截至2015年 12月31日止年度 2015年 人民幣千元 Year ended 31 December 2015 RMB'000	截至2014年 12月31日止年度 2014年 人民幣千元 Year ended 31 December 2014 RMB'000
-	-
(19,146)	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in JSZY recognised in the consolidated financial statements:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
(19,146)	-
51%	-
(9,764)	-

Aggregate information of joint ventures that are not individually material

於2015年 12月31日 人民幣千元 At 31 December 2015 RMB'000	於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000
(41,924)	(54,257)

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

20. 向僱員作出墊款

向僱員作出的墊款為無抵押，附固定年利率12%並須於2016年6月償還。款項包括向主要管理人員作出的墊款約人民幣23,172,000（2014年：人民幣10,239,000元）。

21. 可供出售投資

非上市投資，按成本

附註：

本集團持有的可供出售投資指位於中國的若干非上市實體的股權。由於本集團並無權力規管或參與該等實體的財務營運政策以自其活動取得利益，且不擬為短期溢利進行買賣，故本公司董事指定該等非上市實體為可供出售投資。

由於可供出售投資的合理公允價值估計範圍甚大，本公司董事認為不能可靠計量其公允價值，故其於兩報告期末均以成本扣減減值計量。

22. 就購入土地使用權已付的押金

於2015年12月31日的結餘指本集團就有關購入中國地塊的土地使用權的拍賣活動向中國政府支付的押金。於2015年12月31日，本集團已成功投得土地使用權。

20. ADVANCES TO EMPLOYEES

Balances represent advances to employees, which are unsecured, carry fixed interest rate at 12% per annum and repayable in June 2016. The balance includes an advance of approximately RMB23,172,000 (2014: RMB10,239,000) to key management personnel.

21. AVAILABLE-FOR-SALE INVESTMENTS

Unlisted investment at cost

Notes:

The available-for-sale investments held by the Group represent equity interests in certain unlisted entities located in the PRC. As the Group has no power to govern or participate the financial operating policies of the entities so as to obtain benefits from its activities and does not intend to trade for short-term profit, the directors of the Company designated these unlisted interests as available-for-sale investments.

The available-for-sale investments are measured at cost less impairment at the end of both reporting periods because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be reliably measured.

22. DEPOSITS PAID FOR ACQUISITION OF LAND USE RIGHTS

The balance as at 31 December 2015 represented deposits paid by the Group to PRC government for auction in relation to acquisition of land use rights for a parcel of land situated in the PRC. As at 31 December 2015, the land use rights have been successfully bidden by the Group.

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
34,850	114,236

合併財務報表附註

Notes to the Consolidated Financial Statements

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23. 遞延稅項

以下為本年度確認的主要遞延稅項資產（負債）及其變動：

23. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the years:

	投資物業 公允價值 變動	稅項虧損	土地增值稅 撥備	物業銷售與 銷售成本的 暫時差額	業主自用 物業重估	其他	合計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	Withholding tax on retained profits	Fair value change on investment properties	Tax loss	Land appreciation tax provision	Temporary differences on property sales and occupied properties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2014年1月1日	(29,355)	(124,093)	4,408	249,428	201,156	(12,683)	309,133
於損益（扣除）計入（附註8）	(17,695)	(49,850)	7,750	53,026	(48,872)	-	(37,285)
於年度其他全面收入扣除	-	-	-	-	-	(338)	(338)
出售附屬公司（附註37）	-	-	(1,448)	-	-	-	(1,448)
於2014年12月31日	(47,050)	(173,943)	10,710	302,454	152,284	(13,021)	270,062
於損益（扣除）計入（附註8）	(20,365)	(39,964)	12,696	32,112	(54,065)	-	(74,708)
收購附屬公司（附註36）	-	-	1,577	(382)	5,460	-	(1,643)
於2015年12月31日	(67,415)	(213,907)	24,983	334,184	103,679	25,208	193,711

為於合併財務狀況報表內呈報，若干遞延稅項資產及負債已予抵銷。以下為就財務報告而言的遞延稅項結餘分析：

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
遞延稅項資產	322,481	317,112
遞延稅項負債	(128,770)	(47,050)
	193,711	270,062

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23. 遞延稅項 (續)

由於不可預測未來溢利來源，故並無就下列未動用稅項虧損確認遞延稅項資產。未確認稅項虧損將於以下年度到期：

將於以下日期到期：	To be expired on:
2016年12月31日	31 December 2016
2017年12月31日	31 December 2017
2018年12月31日	31 December 2018
2019年12月31日	31 December 2019
2020年12月31日	31 December 2020

並未確認為遞延稅項資產的
未動用稅項虧損總額

Total unused tax losses not recognised as
deferred tax assets

根據中國企業所得稅法，由2008年1月1日起，就中國附屬公司賺取溢利所宣派的股息須繳付預扣稅。於2015年12月31日，並未於合併財務報表中就中國附屬公司累計溢利應佔臨時差額人民幣2,696,578,000元（2014年：人民幣1,881,990,000元）作出遞延稅項撥備，因為本集團能控制撥回臨時差額的時間，臨時差額有可能將無法於可見將來撥回

24. 存貨

存貨為原材料、耗材及其他。

23. DEFERRED TAXATION (Continued)

No deferred tax asset has been recognised in respect of the following unutilised tax losses due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
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13,205	13,205
12,973	12,973
6,086	6,086
16,426	16,426
78,525	—
127,215	48,690

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB2,696,578,000 (2014: RMB1,881,990,000) as at 31 December 2015, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

24. INVENTORIES

The inventories are raw materials, consumables and others.

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25. 發展中待售物業

25. PROPERTIES UNDER DEVELOPMENT FOR SALE

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
成本	COST		
年初	At the beginning of the year	4,213,683	2,936,051
添置	Additions	2,457,532	3,780,618
於建設工程動工後轉撥 自預付租賃款項	Transfer from prepaid lease payment upon commencement of construction work	280,480	2,380,367
竣工後轉撥至持作銷售物業	Transfer to properties held for sale upon completion	(4,713,715)	(1,949,847)
收購附屬公司 (附註36)	Acquisition of subsidiaries (Note 36)	1,415,663	143,059
出售附屬公司 (附註37)	Disposal of subsidiaries (Note 37)	-	(3,076,565)
年終	At the end of the year	<u>3,653,643</u>	<u>4,213,683</u>

發展中物業均位於中國，租期介乎40年至70年之間。

The properties under development are located in the PRC with lease terms ranging from 40 to 70 years.

於2015年12月31日，本集團已抵押人民幣1,931,266,000元（2014年：人民幣1,223,378,000元）的發展中待售物業，以擔保本集團及合營企業獲授的若干銀行及其他融資（載於附註38）。

The Group had pledged properties under development for sale of RMB1,931,266,000 (2014: RMB1,223,378,000) at 31 December 2015 to secure certain banking and other facilities granted to the Group and a joint venture as set out in Note 38.

於2015年12月31日，賬面值為人民幣1,461,092,000元（2014年：人民幣953,688,000元）的發展中待售物業預期將於報告期末起十二個月後竣工。

As at 31 December 2015, properties under development for sale with carrying value of RMB1,461,092,000 (2014: RMB953,688,000) are expected to be completed after twelve months from the end of the reporting period.

26. 持作銷售物業

26. PROPERTIES HELD FOR SALE

本集團的持作銷售物業均以成本列賬且均位於中國。

The Group's properties held for sale are stated at cost and situated in the PRC.

於2015年12月31日，本集團已抵押人民幣212,174,000元（2014年：人民幣137,352,000元）的持作銷售物業，以擔保本集團及合營企業獲授的若干銀行融資（載於附註38）。

As at 31 December 2015, properties held for sale of RMB212,174,000 (2014: RMB137,352,000) are pledged to secure certain banking facilities granted to the Group and a joint venture as set out in Note 38.

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27. 貿易及其他應收款、押金及預付款

貿易應收款主要包括應收租金及物業銷售應收款。有關已售物業的代價乃根據相關買賣協議條款支付，通常於自協議之日起計45日內支付。

27. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly are rental receivable and receivable from sales of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
貿易應收款，扣除撥備	Trade receivables, net of allowance	59,800	74,560
向建築材料供應商作出墊款	Advances to suppliers of construction materials	43,770	53,182
其他應收款項，扣除撥備	Other receivables, net of allowance	340,221	248,588
預付土地增值稅及營業稅	Prepaid LAT and business tax	160,408	322,911
客戶獲提供住房公積金貸款的擔保存款(附註)	Guarantee deposits for housing provident fund loans provided to customers (note)	17,880	9,218
		622,079	708,459

附註：

客戶獲提供住房公積金貸款的擔保存款指存放於住房公積金管理中心(負責經營及管理住房公積金的國有機構)的金額，以擔保客戶所獲提供住房公積金貸款，且當客戶獲得物業個人所有權證後將退還予本集團。

Note:

Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

合併財務報表附註

Notes to the Consolidated Financial Statements

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27. 貿易及其他應收款、押金及預付款 (續)

以下為於各報告期末按應收租金及物業銷售應收款的到期日(與其各自的收益確認日期相若)所作貿易應收款的賬齡分析:

1年以下	Less than 1 year
1至2年	1 – 2 years

於報告期末,全部上述貿易應收款均為逾期應收租金及已售物業應收款,惟並無減值。本集團並無就該等結餘而持有任何抵押品。

27. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The following is an aged analysis of trade receivables based on due date for rental receivables and receivable from sales of properties, which approximated the respective revenue recognition dates, at the end of each of the reporting period:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
56,836	74,560
2,964	—
59,800	74,560

All of the above trade receivables are overdue rental receivables and receivable from properties sold but not impaired at the end of the reporting period. The Group does not hold any collateral over these balances.

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27. 貿易及其他應收款、押金及預付款 (續) 27. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

貿易應收款項的呆賬撥備變動如下：

Movements in the allowance for doubtful debts on trade receivables are set out as follows:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
年初	At the beginning of the year	8,742	8,045
於年內撥備	Provided during the year	4,044	697
於年內撇銷	Written off during the year	<u>(8,731)</u>	<u>–</u>
年終	At the end of the year	<u>4,055</u>	<u>8,742</u>

其他應收款項的呆賬撥備變動如下：

Movements in the allowance for doubtful debts on other receivables are set out as follows:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
年初	At the beginning of the year	14,800	14,800
於年內撥回	Reversed during the year	(24)	–
於年內撇銷	Written off during the year	<u>(11,502)</u>	<u>–</u>
年終	At the end of the year	<u>3,274</u>	<u>14,800</u>

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28. 受限制現金／銀行結餘及現金

28. RESTRICTED CASH/BANK BALANCES AND CASH

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
向客戶提供按揭貸款的擔保存款 (附註a)	Guarantee deposits for mortgage loans provided to customers (note a)	57,287	47,843
建設預售物業的擔保存款 (附註b)	Guarantee deposits for construction of pre-sold properties (note b)	180,775	155,759
銀行借款的擔保存款 (附註c)	Guarantee deposits for bank borrowings (note c)	816,930	942,395
受限制現金結餘	Balance of restricted cash	1,054,992	1,145,997

附註：

Notes:

(a) 向客戶提供按揭貸款的擔保存款指存放於銀行的受限制現金，以擔保提供予客戶的按揭擔保且當客戶獲得物業個人所有權證後將被解除。

(a) Guarantee deposits for mortgage loans provided to customers represent restricted cash placed with the banks to secure the mortgage guarantees provided to customers and will be released upon customers obtaining the property individual ownership certificate.

(b) 根據中國地方國有土地資源管理局頒佈的有關文件，本集團的若干物業發展公司須存放若干數額的預售物業所得款項，作為建設物業的擔保存款。該存款僅可於獲得中國地方國有土地資源管理局批准後用於支付有關項目的建設費用及購買建築材料的費用。該擔保存款會根據有關預售物業的完成階段予以解除。

(b) In accordance with relevant documents issued by the PRC local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place the proceeds received from pre-sale of properties as guarantee deposits for construction of properties. The deposits can only be used to pay for construction fees and purchase of construction materials of the relevant projects when approvals are obtained from the PRC local State-Owned Land and Resource Bureau. Such guarantee deposits will be released according to the completion stage of the related pre-sold properties.

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28. 受限制現金／銀行結餘及現金 (續)

附註：(續)

- (c) 年內，本集團取得若干銀行借款並以已抵押存款作擔保。

銀行存款及手頭現金
減：受限制現金

28. RESTRICTED CASH/BANK BALANCES AND CASH (Continued)

Notes: (Continued)

- (c) During the year, the Group obtained certain bank borrowings secured by pledged deposits.

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Cash at bank and in hand		3,575,751	3,943,938
Less: Restricted cash		<u>(1,054,992)</u>	<u>(1,145,997)</u>
		<u>2,520,759</u>	<u>2,797,941</u>

銀行結餘及現金包括本集團持有的現金及原到期期限為三個月或以下的短期存款。

於2015年12月31日，浮息存款的年利率為0.35% (2014年：0.35%)。

於2015年12月31日的銀行結餘及現金主要以人民幣計值，人民幣於國際市場為不可自由兌換貨幣。人民幣的匯率由中國政府釐定，將資金匯出中國須受中國政府實施之外匯管制措施所限。

Bank balances and cash comprise cash and short-term deposits held by the Group with an original maturity of three months or less.

The deposits carry variable rates of 0.35% (2014: 0.35%) per annum as at 31 December 2015.

Bank balances and cash at 31 December 2015 were mainly denominated in RMB which is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

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29. 貿易及其他應付款、已收押金及應計費用 29. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
貿易應付款	Trade payables	323,052	462,216
應計建設支出	Accrued expenditure on construction	562,717	519,658
已收押金及 物業銷售預收款	Deposits received and receipt in advance from property sales	2,152,162	3,835,135
其他應付款項	Other payables	573,694	224,748
其他應付稅項	Other tax payables	106,716	139,199
優先票據應計利息	Accrued interest on senior notes	117,784	112,188
應付工資	Accrued payroll	19,920	36,987
其他應計費用	Other accrued charges	2,444	23,963
應付股息	Dividend payable	589	701
因收購一家附屬公司而應付 當時股東的款項(附註)	Amount due to then shareholder arising from acquisition of a subsidiary (note)	-	131,952
		3,859,078	5,486,747

附註：

該款項乃無抵押、免息及須按要求償還。

貿易應付款及應計建設支出包括建設成本及其他項目相關開支，乃根據本集團計量的項目進度支付。本集團已制定財務風險管理政策，以確保所有應付款項於信貸期限內償還(如有)。

Note:

The amount was unsecured, non-interest bearing and repayable on demand.

Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe, if any.

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29. 貿易及其他應付款、已收押金及應計費用 (續)

以下為於報告期末，貿易應付款按發票日期的賬齡分析：

29. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Continued)

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

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
1年內	Less than 1 year	264,373	381,178
1至2年	1-2 years	54,355	55,760
2至3年	2-3 years	832	723
3年以上	Over 3 years	3,492	24,555
		<u>323,052</u>	<u>462,216</u>

30. 應付稅項

30. TAXATION PAYABLE

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
應付土地增值稅	LAT payable	1,289,361	1,330,118
應付所得稅	Income tax payable	550,224	387,200
		<u>1,839,585</u>	<u>1,717,318</u>

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31. 銀行及其他借貸

31. BANK AND OTHER BORROWINGS

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
銀行貸款，有抵押	Bank loans, secured	2,341,687	1,480,217
其他貸款，有抵押	Other loans, secured	115,000	315,000
		2,456,687	1,795,217
借貸須於以下期限內償還：		The borrowings are repayable:	
		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
1年內或按要求	Within one year or on demand	1,756,687	1,314,317
多於1年，但不超過2年	More than one year, but not exceeding two years	632,000	365,900
多於2年，但不超過5年	More than two years, but not exceeding five years	68,000	115,000
		2,456,687	1,795,217
減：流動負債下1年內到期款項	Less: Amount due within one year shown under current liabilities	(1,756,687)	(1,314,317)
1年後到期款項	Amount due after one year	700,000	480,900
		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
借貸分析（按貨幣劃分）	Analysis of borrowings by currency		
－以人民幣計值	－ Denominated in RMB	2,393,050	1,658,900
－以美元計值	－ Denominated in US\$	63,637	－
－以港元計值	－ Denominated in HK\$	－	136,317
		2,456,687	1,795,217

31. 銀行及其他借貸 (續)

於報告期末的若干銀行及其他貸款乃以附註38所載的抵押資產作擔保。

於2015年12月31日的借貸包括浮息借貸人民幣631,687,000元(2014年: 人民幣980,217,000元), 年利率介乎1.99%至7.2% (2014年: 1.54%至8%), 本集團因而承受現金流量利率風險。其餘借貸為定息借貸, 於2015年12月31日的實際年利率介乎2.22%至10.5% (2014年: 2.59%至10%), 本集團因而承受公允價值利率風險。

32. 長期應付款

於截至2015年12月31日止年度內, 個人投資者(「移民投資者」, 作為有限合夥人)向本集團於美國(「美國」)成立的三間有限合夥公司(「有限合夥公司」)作出合共20,502,000美元(相等於約人民幣133,134,000元)(2014年: 零)的出資, 藉以對根據EB-5移民投資者計劃(「EB-5計劃」)在美國新成立的物業發展項目作出投資。EB-5計劃乃由美國國會於1990年設立, 藉以透過由海外投資者創造就業及作出資本投資而刺激美國經濟。根據移民投資者與有限合夥公司的普通合夥人(負責有限合夥公司的運作且為本集團的全資附屬公司)訂立的有限合夥協議(「有限合夥協議」), 移民投資者所作出的出資須投資於本公司全資附屬公司所持, 位於德州的三個物業發展項目。

31. BANK AND OTHER BORROWINGS (Continued)

Certain bank and other loans as at the end of the reporting period were secured by the pledge of assets as set out in Note 38.

Borrowings include RMB631,687,000 (2014: RMB980,217,000) variable rate borrowings which carry interest ranging from 1.99% to 7.2% (2014: 1.54% to 8%) per annum at 31 December 2015, and exposed the Group to cash flow interest rate risk. The remaining borrowings are arranged at fixed rate, the effective interest rate ranged from 2.22% to 10.5% (2014: 2.59% to 10%) per annum at 31 December 2015, and exposed the Group to fair value interest rate risk.

32. LONG TERM PAYABLE

During the year ended 31 December 2015, an aggregate of capital contribution ("Contribution") amounted to US\$20,502,000 (equivalent to approximately RMB133,134,000) (2014: nil) was made by individual investors ("Immigrant Investors"), as limited partners, into three limited partnerships ("LPs") established in the US by the Group, for the purpose of making investment in newly established property development projects located in the US under the EB-5 Immigrant Investor Program ("EB-5 Program"). The EB-5 Program was created by the US Congress in 1990 to stimulate the US economy through job creation and capital investment by foreign investors. Pursuant to limited partnership agreements ("LPA") entered into between the Immigrant Investors and the LPs' general partner, who is in charge of operations of LPs and is also a wholly-owned subsidiary of the Group, the capital contribution made by the Immigrant Investors were to be invested into three property development projects located in Texas, held by wholly-owned subsidiaries of the Group.

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32. 長期應付款 (續)

有限合夥協議載有條款規定，倘美國公民及移民服務局（「美國移民局」）不接納移民投資者首次提交的呈請（「呈請」），則本集團須將注資額退還予移民投資者，而美國移民局是否接納呈請非本集團及移民投資者可控制。倘美國移民局批准呈請，本集團將不會有責任退還注資額。預期處理呈請需一年以上。因此，注資額在呈請獲批或不獲接納前以本集團的金融負債入賬，並將於呈請獲批後轉撥至非控股權益。於2015年12月31日，全數注資額已分類為本集團的金融負債，呈請仍有待美國移民局審批。

32. LONG TERM PAYABLE (Continued)

The LPA contains terms that require the Group to return the Contribution to the Immigrant Investors in the event that the United States Citizenship and Immigration Services (“USCIS”) denies an initial petition submitted by the Immigrant Investors (“Petition”), which is beyond the control of both the Group and the Immigrant Investors. In the event of approval of the Petition by USCIS (Event of Approval), the Group will have no obligation to return the Contribution thereafter. The estimated processing time for the Petition is more than a year. Accordingly, the Contribution is accounted for as a financial liability of the Group before the approval or denial of the Petition and will be transferred to non-controlling interests upon the Event of Approval. As at 31 December 2015, the entire amount of the Contribution is classified as financial liability of the Group as all Petitions were pending for approval by USCIS.

33. 優先票據

33. SENIOR NOTES

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
於期初的賬面值	Carrying amount at the beginning of the period	2,712,020	904,753
發行日所得款項淨額	Net proceeds on the date of issue	-	1,819,134
匯兌虧損（收益）	Exchange loss (gain)	104,511	(4,469)
利息開支	Interest expenses	254,785	180,586
已付利息	Interest paid	(236,660)	(187,984)
有關修改條款的交易成本	Transactions cost on modification of terms	(32,442)	-
於12月31日的賬面值	Carrying amount at December 31	<u>2,802,214</u>	<u>2,712,020</u>

(a) 2013年美元票據

於2013年11月4日，本公司按金額99.561%向公眾發行總面值150,000,000美元（約人民幣921,705,000元）有擔保優先定息票據（「2013年美元票據」），固定年利率為13.875%，須每半年支付，至2018年11月4日須按面值悉數償還。

(a) 2013 USD Notes

On 4 November 2013, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$150,000,000 (approximately RMB921,705,000) (the “2013 USD Notes”), at 99.561% of the principal amount of the 2013 USD Notes, which carry fixed interest of 13.875% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 4 November 2018.

33. 優先票據 (續)

(a) 2013年美元票據 (續)

2013年美元票據於新加坡證券交易所有限公司(「新交所」)上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2016年11月4日前，本公司可隨時選擇贖回全部(而非部份)2013年美元票據，贖回價相等於2013年美元票據本金額100%另加適用溢價(界定為，(1)該等優先票據本金額的1%及(2)相等於本金額及累計至2016年11月4日的相關利息(按相等於經調整公債利率加100個基點折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

於2016年11月4日前，本公司可隨時贖回最多本金額35%的2013年美元票據，贖回價為2013年美元票據本金額113.875%加累計至贖回日期(但不含當日)的應計及未付利息(如有)；惟於原先發行日期原先發行的2013年美元票據本金總額的最少65%須於各有關贖回後仍然尚未清償，且任何有關贖回乃於相關股權要約截止後60日內發生。

33. SENIOR NOTES (Continued)

(a) 2013 USD Notes (Continued)

The 2013 USD Notes are listed on the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange"), are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 4 November 2016, the Company may at its option redeem the 2013 USD Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2013 USD Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to 4 November 2016 discounted at a rate equal to an adjusted treasury rate plus 100 basis points over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 4 November 2016, the Company may redeem up to 35% of the principal amount of the 2013 USD Notes at a redemption price of 113.875% of the principal amount of the 2013 USD Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2013 USD Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

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33. 優先票據 (續)

(a) 2013年美元票據 (續)

於2016年11月4日或之後，本公司可隨時及不時贖回全部或部分2013年美元票據，贖回價為等同下列本金額百分比，另加累計至贖回日期（但不含當日）的應計及未付利息（如有）（倘於下文所示各年的11月4日開始的12個月內贖回）。

期間	Period	贖回價 Redemption Price
2016年	2016	106.93750%
2017年	2017	103.46875%

本公司董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

經作出交易成本調整的2013年美元票據實際年利率約為15.18%。

經參照新交所報價，2013年美元票據於2015年12月31日的公允價值約為158,480,000美元（相等於約人民幣1,029,106,000元）（2014年：145,047,000美元，相等於約人民幣887,543,000元），乃按第二層級公允價值計量。

(b) 2014年人民幣票據

於2014年1月22日，本公司按本金額100%向公眾發行總面值人民幣1,100,000,000元有擔保優先定息票據（「2014年人民幣票據」），固定年利率為11%，須每半年支付，至2017年1月22日須按面值悉數償還。

33. SENIOR NOTES (Continued)

(a) 2013 USD Notes (Continued)

At any time and from time to time on or after 4 November 2016, the Company may redeem the 2013 USD Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 4 November of each of the years indicated below.

In the opinion of the directors of the Company, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

The effective interest rate of the 2013 USD Notes is approximately 15.18% per annum after the adjustment for transaction costs.

The fair value of the 2013 USD Notes at 31 December 2015 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately US\$158,480,000 (equivalent to approximately RMB1,029,106,000) (2014: US\$145,047,000, equivalent to approximately RMB887,543,000), which is measured at fair value hierarchy of Level 2.

(b) 2014 CNY Notes

On 22 January 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of RMB1,100,000,000 (the "2014 CNY Notes"), at 100% of the principal amount of the 2014 CNY Notes, which carry fixed interest of 11% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 22 January 2017.

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33. 優先票據 (續)

(b) 2014年人民幣票據 (續)

2014年人民幣票據於新交所上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2017年1月22日前，本公司可隨時選擇贖回全部(而非部份)2014年人民幣票據，贖回價相等於2014年人民幣票據本金額100%另加適用溢價(界定為：(1)該等優先票據本金額的1%及(2)相等於本金額及累計至該等優先票據到期日的相關利息(按相等於年率2%折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

此外，於2017年1月22日前，本公司可隨時贖回最多本金額35%的2014年人民幣票據，贖回價為2014年人民幣票據本金額111%加至贖回日期(但不含當日)的應計及未付利息(如有)；惟於原先發行日期原先發行的2014年人民幣票據本金總額的最少65%須於各有關贖回後仍然尚未清償，且任何有關贖回乃於相關股權要約截止後60日內發生。

本公司董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

經作出交易成本調整的2014年人民幣票據實際年利率約為12.72%。

33. SENIOR NOTES (Continued)

(b) 2014 CNY Notes (Continued)

The 2014 CNY Notes are listed on the Singapore Stock Exchange, are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 22 January 2017, the Company may at its option redeem the 2014 CNY Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2014 CNY Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to maturity date of such senior notes discounted at a rate equal to 2% per annum over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, at any time prior to 22 January 2017, the Company may redeem up to 35% of the principal amount of the 2014 CNY Notes at a redemption price of 111% of the principal amount of the 2014 CNY Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2014 CNY Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

In the opinion of the directors of the Company, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

The effective interest rate of the 2014 CNY Notes is approximately 12.72% per annum after the adjustment for transaction costs.

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33. 優先票據 (續)

(b) 2014年人民幣票據 (續)

經參照新交所報價，2014年人民幣票據於2015年12月31日的公允價值約為人民幣1,084,347,000元(2014年：人民幣1,031,239,000)，乃按第二層級公允價值計量。

(c) 2014年美元票據

於2014年7月31日，本公司按本金額99.101%向公眾發行總面值125,000,000美元(約人民幣770,588,000元)有擔保優先定息票據(「2014年美元票據」)，固定年利率為12.75%，須每半年支付，至2019年7月31日須按面值悉數償還。

2014年美元票據於新交所上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2017年7月31日前，本公司可隨時選擇贖回全部(而非部份)2014年美元票據，贖回價相等於2014年美元票據本金額100%另加適用溢價(界定為：(1)該等優先票據本金額的1%及(2)相等於本金額及累計至2017年7月31日的相關利息(按相等於經調整公債利率加100個基點折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

33. SENIOR NOTES (Continued)

(b) 2014 CNY Notes (Continued)

The fair value of the 2014 CNY Notes at 31 December 2015 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately RMB1,084,347,000 (2014: RMB1,031,239,000), which is measured at fair value hierarchy of Level 2.

(c) 2014 USD Notes

On 31 July 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$125,000,000 (approximately RMB770,588,000) (the "2014 USD Notes"), at 99.101% of the principal amount of the 2014 USD Notes, which carry fixed interest of 12.75% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 31 July 2019.

The 2014 USD Notes are listed on the Singapore Stock Exchange, are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 31 July 2017, the Company may at its option redeem the 2014 USD Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2014 USD Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to 31 July 2017 discounted at a rate equal to an adjusted treasury rate plus 100 basis points over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

33. 優先票據 (續)

(c) 2014年美元票據 (續)

於2017年7月31日前，本公司可隨時贖回最多本金額35%的2014年美元票據，贖回價為2014年美元票據本金額112.75%加累計至贖回日期(但不含當日)的應計及未付利息(如有)；惟於原先發行日期原先發行的2014年美元票據本金總額的最少65%須於各有關贖回後仍然尚未清償，且任何有關贖回乃於相關股權要約截止後60日內發生。

於2017年7月31日或之後，本公司可隨時及不時贖回全部或部份2014年美元票據，贖回價為等同下列本金額百分比，另加累計至贖回日期(但不含當日)的應計及未付利息(如有)(倘於下文所示各年的7月31日開始的12個月內贖回)。

期間	Period	贖回價 Redemption Price
2017年	2017	106.3750%
2018年	2018	103.1875%

本公司董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

經作出交易成本調整的2014年美元票據實際年利率約為13.95%。

經參照新交所報價，2014年美元票據於2015年12月31日的公允價值約為128,146,000美元(相等於約人民幣832,129,000元)(2014年：114,806,000美元，相等於約人民幣702,498,000元)，乃按第二層級公允價值計量。

33. SENIOR NOTES (Continued)

(c) 2014 USD Notes (Continued)

At any time prior to 31 July 2017, the Company may redeem up to 35% of the principal amount of the 2014 USD Notes at a redemption price of 112.75% of the principal amount of the 2014 USD Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2014 USD Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

At any time and from time to time on or after 31 July 2017, the Company may redeem the 2014 USD Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 31 July of each of the years indicated below.

In the opinion of the directors of the Company, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

The effective interest rate of the 2014 USD Notes is approximately 13.95% per annum after the adjustment for transaction costs.

The fair value of the 2014 USD Notes at 31 December 2015 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately US\$128,146,000 (equivalent to approximately RMB832,129,000) (2014: US\$114,806,000, equivalent to approximately RMB702,498,000), which is measured at fair value hierarchy of Level 2.

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34. 股本

34. SHARE CAPITAL

		股份數目 千股 Number of shares '000	金額 千美元 Amount US\$'000	相當於 人民幣千元 Equivalent to RMB'000
每股面值0.01美元的普通股	Ordinary shares of US\$0.01 each			
法定：	Authorised:			
於2014年1月1日及 2014年12月31日	At 1 January 2014 and 31 December 2014	2,000,000	20,000	123,254
於2015年6月17日增加(附註a)	Increase on 17 June 2015 (note a)	1,000,000	10,000	61,150
		3,000,000	30,000	184,404
於2015年12月31日	At 31 December 2015			
已發行及繳足：	Issued and fully paid:			
於2014年1月1日及 2014年12月31日	At 1 January 2014 and 31 December 2014	1,600,000	16,000	98,610
發行紅股(附註b)	Bonus issue of shares (note b)	160,000	1,600	9,861
於配售股份時發行股份(附註c)	Issue of shares on share placement (note c)	320,000	3,200	19,575
行使購股權(附註d)	Exercise of share options (note d)	760	8	48
		2,080,760	20,808	128,094
於2015年12月31日	At 31 December 2015			

34. SHARE CAPITAL (續)

附註：

- (a) 根據於2015年6月17日舉行的本公司股東週年大會通過的決議案，本公司的法定股本藉增設1,000,000,000股新股份，由20,000,000美元(分為2,000,000,000股股份)增加至30,000,000美元(分為3,000,000,000股股份)。
- (b) 根據於2015年7月10日完成的紅股發行，合共160,000,000股紅股按於2015年6月25日每持有十股現有股份獲發一股紅股的基準發行。
- (c) 根據於2015年7月31日完成的股份配售，合共320,000,000股配售股份按每股配售股份1.05港元(相等於人民幣0.83元)發行予不少於六名投資者(全部均為獨立第三方)。配售籌措所得款項淨額約330,810,000港元(相等於約人民幣261,036,000元)。
- (d) 於截至2015年12月31日止年度內，購股權按每股股份1.145港元(相等於約人民幣0.95元)獲行使以認購760,000股普通股，總金額為870,000港元(相等於約人民幣719,000元)。年內已發行購股權的詳情概述於附註42。

35. 退休福利計劃

根據相關中國法律及法規，本公司的中國附屬公司須參加一項由地方市政府管理的定額供款退休計劃。本集團的中國實體向該計劃供款以為僱員的退休福利提供資金，而該等供款金額乃按經當地市政府同意的僱員平均薪金的一定百分比計算。就退休福利計劃而言，本集團的主要責任是根據計劃作出規定供款。

34. SHARE CAPITAL (Continued)

Notes:

- (a) Pursuant to the resolutions passed in the Company's annual general meeting held on 17 June 2015, the authorised share capital of the Company was increased from US\$20,000,000 divided into 2,000,000,000 shares to US\$30,000,000 divided into 3,000,000,000 shares by the creation of 1,000,000,000 new shares.
- (b) Pursuant to the bonus issue being completed on 10 July 2015, a total of 160,000,000 bonus shares were issued on the basis of one bonus share for every ten existing share as at 25 June 2015.
- (c) Pursuant to the placing of shares being completed on 31 July 2015, a total of 320,000,000 placing shares were issued to not less than six investors, all independent third parties, at HK\$1.05 (equivalent to approximately RMB0.83) per placing share. The net proceeds of approximately HK\$330,810,000 (equivalent to approximately RMB261,036,000) were raised from the placement.
- (d) During the year ended 31 December 2015, share options were exercised to subscribe for 760,000 ordinary shares of the Company at HK\$1.145 (equivalent to approximately RMB0.95) per share, with the aggregate amount of HK\$870,000 (equivalent to approximately RMB719,000). Details of the share options issued during the year are summarised in Note 42.

35. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated by the local municipal government. The Group entities in the PRC contribute funds which are calculated on a certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. The principal obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

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36. 收購附屬公司

北京旭輝當代為由本集團與旭輝集團於二零一四年成立的公司，而雙方各自均出資人民幣5,000,000元並持有北京旭輝當代的50%股權。根據北京旭輝當代的組織章程細則，雖然本集團委任董事會五名董事中的其中三名，北京旭輝當代相關活動的決策均須組雙方一致同意，故乃作為本集團的合營企業入賬。於2015年，該兩名訂約方就董事會程序的變動訂立補助款協議，致令須藉董事會大多數票作出決定。北京旭輝當代組織章程細則的相關條文已作出相應修改。北京旭輝當代的所有高級管理層委任均由本集團提名。由於本集團持有董事會的大多數且能夠對北京旭輝當代行使控制權，其成為本公司的附屬公司，而旭輝集團則因被視作收購附屬公司而成為由北京旭輝當代擁有50%非控股權益。

根據本公司與中航信託訂立的協議，本公司收購南昌新建（從事發展一幅位於江蘇省南昌的土地的公司）的35%股權，代價為人民幣80,500,000元。於完成收購後，本公司於南昌新建的股權由65%增加至100%，而南昌新建則成為本公司的全資附屬公司。出售於合營企業的權益的收益達人民幣3,218,000元乃於截至2015年12月31日止年度內於損益中確認。

36. ACQUISITION OF SUBSIDIARIES

Beijing CIFI Modern was a company established by the Group and CIFI Group in 2014, in which both parties contributed RMB5,000,000 each and held 50% equity interests in Beijing CIFI Modern. Pursuant to the Articles of Association of Beijing CIFI Modern, although the Group appointed three out of five directors in the board, decisions of relevant activities in Beijing CIFI Modern required unanimous consent of both parties and therefore was accounted for as a joint venture of the Group. During 2015, the two parties entered into a supplementary agreement in relation to the changes in the proceedings in the board of directors meetings that decisions shall be voted by majority in the board meetings. The relevant provisions in the Articles of Association of Beijing CIFI Modern were revised accordingly. The appointment of all the senior management of Beijing CIFI Modern are nominated by the Group. As the Group holds majority of the Board and is able to exercise control over Beijing CIFI Modern, it becomes a subsidiary of the Company and CIFI Group became a 50% non-controlling interests of Beijing CIFI Modern as a result of the deemed acquisition of subsidiary.

Pursuant to the agreement entered into between the Company and AVIC Trust, the Company acquired 35% equity interests in Nanchang Xinjian, a company engaged in development of a parcel of land located at Nanchang, Jiangxi Province, at consideration of RMB80,500,000. Upon completion of the acquisition, the Company's equity interests in Nanchang Xinjian increased from 65% to 100% and Nanchang Xinjian became a wholly-owned subsidiary of the Company. A gain on disposal of interests in joint ventures of RMB3,218,000 was recognised in the profit or loss during the year ended 31 December 2015.

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36. 收購附屬公司 (續)

北京旭輝當代及南昌新建於收購日期的資產淨值如下：

36. ACQUISITION OF SUBSIDIARIES (Continued)

The net assets of Beijing CIFI Modern and Nanchang Xinjian at the date of acquisition are as follows:

	北京 旭輝當代 人民幣千元 Beijing CIFI Modern RMB'000	南昌新建 人民幣千元 Nanchang Xinjian RMB'000	合計 人民幣千元 Total RMB'000
於收購日期收購的 資產及確認的負債：	Assets acquired and liabilities recognised at the date of acquisition:		
物業、廠房及設備	71	19	90
發展中待售物業	914,891	500,772	1,415,663
遞延稅項資產	-	7,552	7,552
預付所得稅	-	17,211	17,211
其他應付款及預付款	-	54,315	54,315
銀行結餘及現金	20,274	65,379	85,653
遞延稅項負債	(5,465)	(3,730)	(9,195)
應付稅項	(13)	(15,522)	(15,535)
貿易及其他應付款、 押金及應計費用	(908,310)	(396,226)	(1,304,536)
收購的資產淨值	21,448	229,770	251,218
轉讓的合營企業權益	(10,724)	(149,270)	(159,994)
非控股權益 (北京旭輝當代的50%權益)	(10,724)	-	(10,724)
以現金支付的總代價	-	(80,500)	(80,500)
收購產生的淨現金流出：	Net cash outflow arising on acquisition:		
已付現金	-	(80,500)	(80,500)
已收購銀行結餘及現金	20,274	65,379	85,653
	20,274	(15,121)	5,153

截至2015年12月31日止年度，已收購的附屬公司並無為本集團作出任何重大業績貢獻。

The subsidiaries acquired did not contribute any significant results to the Group for the year ended 31 December 2015.

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37. 出售附屬公司

於2015年3月，因當代節能及中城聯盟投資注資而視作出售，本集團失去對武漢摩碼的控制權。詳情載於附註19(f)。

於2015年3月9日及2015年4月16日，本集團分別以代價1港元及人民幣1,000,000元出售中國當家移動互聯網綠色置業(香港)有限公司、當代移動互聯網綠色置業有限公司及其附屬公司的全部權益。

於2015年10月，本集團全資附屬公司當代節能置業轉讓能動鴻業的49%股權予東方邦信，而本集團失去對能動鴻業的控制權。詳情載於附註19(i)。

於2015年9月，本集團全資附屬公司當代節能置業轉讓精神智業的49%股權予浙江信達，而本集團失去對精神智業的控制權。詳情載於附註19(j)。

於2015年11月，因當代節能置業及嘉興綠信增加注入註冊資本而被視作出售，本集團失去對火箭智業的控制權。詳情載於附註19(h)。

37. DISPOSALS OF SUBSIDIARIES

In March 2015, the Group lost control over Wuhan Moma as a result of deemed disposal arose from capital injection contributed by Modern Green Development and Cura Investment. Details are set out in Note 19(f).

On 9 March 2015 and 16 April 2015, the Group disposed 100% interest of China Host Mobile Internet Green Real Estate (Hong Kong) Co., Limited, Modern Mobile Internet Green Real Estate Co., Limited and its subsidiaries to a company controlled by Mr. Zhang Lei, at HK\$1 and RMB1,000,000 as consideration respectively.

In October 2015, Modern Green Development, a wholly-owned subsidiary of the Group, transferred 49% of equity interests in NDHY to Oriental BX and the Group lost control over NDHY. Details are set out in Note 19(i).

In September 2015, Modern Green Development, a wholly-owned subsidiary of the Group, transferred 49% of equity interests in JSZY to Zhejiang Cinda and the Group lost control over JSZY. Details are set out in Note 19(j).

In November 2015, the Group lost control over HJZY, as a result of deemed disposal arose from increased registered capital contributed by Modern Green Development and Jiaying Lvxin. Details are set out in Note 19(h).

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37. 出售附屬公司 (續)

37. DISPOSALS OF SUBSIDIARIES (Continued)

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:		
物業、廠房及設備	Property, plant and equipment	-	1,639
遞延稅項資產	Deferred tax assets	-	1,448
預付租賃款項	Prepaid lease payment	347,000	-
發展中待售物業	Property under development for sale	-	3,076,565
其他應收款及預付款	Other receivables and prepayments	219,211	1,072,296
應收本集團款項	Amounts due from the Group	10,296	35,857
銀行結餘及現金	Bank balances and cash	411,036	37,743
貿易及其他應付款	Trade and other payables	-	(1,060,991)
應付本集團款項	Amounts due to the Group	(237,233)	(2,363,841)
應付稅項	Taxation payable	(16)	-
出售的資產淨值	Net assets disposed of	750,294	800,716
已收代價：	Consideration received:		
已收現金	Cash received	1,000	300,500
已收代價總額	Total consideration received	1,000	300,500
出售附屬公司的收益：	Gain on disposal of subsidiaries:		
現金代價	Cash consideration	1,000	300,500
其他應付款項減少	Other payables decreased	306	-
出售的資產淨值	Net assets disposed of	(750,294)	(800,716)
本集團剩餘權益 (分類為於合營企業權益)	The Group's remaining interests and classified as interests in joint ventures	739,079	531,730
本集團剩餘權益及 分類為於聯營公司權益	The Group's remaining interests and classified as interests in an associate	10,000	-
出售附屬公司及重新計量 剩餘權益(分類為於 合營企業權益)收益	Gain on disposal of subsidiaries and re-measurement of remaining interests classified as interests in joint ventures	91	31,514
出售產生的現金流入淨額：	Net cash inflow arising on disposal:		
現金代價	Cash consideration	1,000	300,500
減：出售的銀行結餘及現金	Less: bank balances and cash disposed of	(411,036)	(37,743)
		(410,036)	262,757

所售附屬公司對本集團截至2015年12月31日止年度收益、溢利及現金流量的貢獻並不重大。

The subsidiaries disposed of did not have significant contribution to the Group's revenue, profits and cash flow during the year ended 31 December 2015.

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38. 抵押資產

於報告期末已抵押以下資產，作為本集團獲授的若干銀行及其他融資以及所售物業買家獲授按揭貸款的擔保：

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
投資物業	Investment properties	291,141	388,556
發展中物業	Properties under development	1,931,266	1,223,378
持作銷售物業	Properties held for sale	212,174	137,352
物業、廠房及設備	Property, plant and equipment	287,590	369,384
於附屬公司的股權	Equity interests in a subsidiary	96,751	-
銀行存款	Bank deposits	1,054,992	1,145,997
客戶獲提供住房公積金 貸款的擔保存款	Guarantee deposits for housing provident fund loans provided to customers	17,880	9,218
		3,891,794	3,273,885

於報告期末，以下資產已被質押，以抵押授予一間聯營公司及多間合營企業的若干銀行及其他融資：

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
於聯營公司的股權	Equity interests in an associate	-	20,977
於合營企業的權益	Equity interests in joint ventures	197,324	552,513
		197,324	573,490

38. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group and mortgage loans granted to buyers of sold properties at the end of reporting period:

The following assets were pledged to secure certain banking and other facilities granted to an associate and joint ventures at the end of reporting period:

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39. 資本及其他承擔

於報告期末，本集團有以下承擔：

39. CAPITAL AND OTHER COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
已訂約但未於合併財務報表中作出撥備：		
– 有關發展中物業的支出	863,806	1,210,143
– 有關物業、廠房及設備的支出	24,010	591
– 有關收購土地使用權的支出	1,481,650	–
– 有關向聯營公司出資的支出 (附註18(b))	41,559	–
– 有關向合營企業出資的支出 (附註19(j))	5,100	–
– 有關向合營企業提供股東貸款的支出 (附註19(g))	100,000	–
	<u>2,516,125</u>	<u>1,210,734</u>

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40. 或然負債

- (a) 本集團就若干銀行授出的按揭融資提供擔保，該等按揭融資涉及由本集團物業買家所訂立的按揭貸款。根據擔保的條款，倘該等買家拖欠按揭款項，本集團須負責向銀行償還買家結欠的按揭貸款連同其應計利息及任何罰款。屆時，本集團有權接管有關物業的法定所有權。擔保期限由相關按揭貸款授出日期起計，並於買家取得個別房產證後結束。本公司董事認為，按初始確認，擔保合約的公允價值屬微不足道。此外，於本報告期間末，概未為擔保合約確認撥備，原因是違約風險低。

於報告期間末的未償還擔保金額如下：

按揭擔保

Mortgage guarantees

- (b) 於2015年12月31日，本集團就達人民幣2,620,000,000元（2014年：人民幣2,949,500,000元）的一間聯營公司及多間合營企業的銀行貸款及其他貸款提供擔保。於報告期年結日，本公司董事並不認為將可能根據該等擔保向本集團作出申索。本集團並無就該等擔保確認任何遞延收入。
- (c) 於截至2015年12月31日止年度內，本集團就本集團的合營企業能動鴻業及精神智業收購附屬公司向第三方給予擔保。有關詳情載於附註19(i)及附註19(j)。

40. CONTINGENT LIABILITIES

- (a) The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate. In the opinion of the directors of the Company, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

The amounts of the outstanding guarantees given to banks for mortgage facilities at the end of the reporting period are as follows:

2015年 人民幣千元	2014年 人民幣千元
2015	2014
RMB'000	RMB'000
3,460,036	2,680,397

- (b) The Group provided guarantees to bank loans and other loans of an associate and joint ventures amounting to RMB2,620,000,000 at 31 December 2015 (2014: RMB2,949,500,000). At the end of the reporting period date, the directors of the Company do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees.
- (c) During the year ended 31 December 2015, the Group provided guarantees to third parties in relation to considerations in respect of acquisition of subsidiaries by NDHY and JSZY, both joint ventures of the Group. Details are set out in Note 19(i) and Note 19(j).

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41. 經營租賃承擔

本集團作為出租人

於截至2015年12月31日止年度確認的物業租金收入約為人民幣45,068,000元(2014年: 人民幣36,488,000元)。本集團持作出租用途的物業於一年至二十年內均已以固定租金承諾租賃的租戶。

於報告期末, 本集團已與租戶就以下未來最低租賃款項訂約:

一年內	Within one year
第二年至第五年(包括首尾兩年)	In the second to fifth year inclusive
五年後	After five years

41. OPERATING LEASE COMMITMENT

The Group as a lessor

Property rental income recognised during the year ended 31 December 2015 amounted to approximately RMB45,068,000 (2014: RMB36,488,000). The properties held by the Group for rental purpose have committed tenants from one year to twenty years with fixed rental.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments as follows:

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
54,826	27,019
140,600	53,555
94,873	37,673
290,299	118,247

42. 以股份付款的交易

根據本公司於2013年6月14日採納的購股權計劃(「購股權計劃」), 本公司董事會(「董事會」)可向合資格僱員授出購股權以認購本公司股份, 作為彼等對本集團的貢獻或潛在貢獻的激勵或獎勵。

42. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the share option scheme (the "Share Option Scheme") adopted by the Company on 14 June 2013, the board of directors of the Company (the "Board") may grant options to eligible employees to subscribe for shares in the Company, as incentives or rewards for their contribution or potential contribution to the Group.

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42. 以股份付款的交易 (續)

於2015年12月31日，根據計劃可供發行的證券總數連同其佔已發行股本的比例為本公司已發行股份的10%，相當於208,076,000股股份（2014年12月31日：160,000,000股股份）。於截至授出日期止任何12個月期間，於計劃下每名參與者的最高權益不得超過於授出日期已發行股份的1%，相當於17,600,000股股份（2014年：16,000,000股股份）。購股權的行使價至少須為下列的較高者：(a)於授出日期聯交所每日報價表所報本公司股份官方收市價；(b)於緊接授出日期前5個營業日聯交所每日報價表所報本公司股份官方平均收市價；及(c)股份面值。

於2014年9月4日，本公司向兩名董事及六名僱員授出合共25,700,000份購股權以認購合共25,700,000股本公司股份，相當於本公司於授出日期已發行股份約1.61%。

於2015年7月10日，本公司向兩名董事及十五名僱員授出合共60,100,000份購股權以認購合共60,100,000股本公司股份，相當於本公司於授出日期已發行股份約3.41%。

於2015年7月10日，本公司向十二名僱員授出合共45,500,000份購股權以認購合共45,500,000股本公司股份，相當於本公司於授出日期已發行股份約2.59%。

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

The total number of securities available for issue under the scheme together with the percentage of the issued share capital that it represents is 10% of outstanding shares of the Company in issue, representing 208,076,000 shares as of 31 December 2015 (31 December 2014: 160,000,000). The maximum entitlement of each participant under the scheme in any 12 month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant, representing 17,600,000 shares (2014: 16,000,000). The exercise price of the options shall be at least the higher of: (a) the official closing price of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange on the date of grant; (b) the average of the official closing price of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share.

On 4 September 2014, the Company granted an aggregate of 25,700,000 options to two directors and six employees to subscribe for an aggregate of 25,700,000 shares in the Company, representing approximately 1.61% of the shares issued by the Company as at the date of grant.

On 10 July 2015, the Company granted an aggregate of 60,100,000 options to two directors and fifteen Employees to subscribe for an aggregate of 60,100,000 shares in the Company, representing approximately 3.41% of the shares issued by the Company as at the date of grant.

On 10 July 2015, the Company granted an aggregate of 45,500,000 options to twelve employees to subscribe for an aggregate of 45,500,000 shares in the Company, representing approximately 2.59% of the shares issued by the Company as at the date of grant.

42. 以股份付款的交易 (續)

於2015年12月31日，根據計劃已授出並仍然尚未行使的購股權所涉及的股份數目為130,110,000股（2014年12月31日：25,700,000股），佔本公司於該日已發行股份的6.25%（2014年12月31日：1.61%）。在並無本公司股東事先書面批准下，根據計劃可予購股權所涉及的股份總數不得超過本公司於任何時點已發行股份的10%。在並無本公司股東事先書面批准下，於任何一年已授予及可能授予任何個人的購股權所涉及的已發行及將予發行股份數目不得超過本公司於任何時點已發行股份的1%。

已授購股權的詳情如下：

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

At 31 December 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 130,110,000 (31 December 2014: 25,700,000), representing 6.25% (31 December 2014: 1.61%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The details of the options granted are as follows:

	購股權數目 Number of options	歸屬期 Vesting period	購股權合約期 Contractual life of options
已授予董事的購股權 Share options granted to directors			
於2014年9月3日 On 3 September 2014	13,900,000	授出日期至2015年9月3日期間25% 25% from the date of grant to 3 September 2015	2年 2 years
		授出日期至2016年9月3日期間25% 25% from the date of grant to 3 September 2016	3年 3 years
		授出日期至2017年9月3日期間25% 25% from the date of grant to 3 September 2017	4年 4 years
		授出日期至2018年9月3日期間25% 25% from the date of grant to 3 September 2018	5年 5 years
2015年7月10日A計劃 On 10 July 2015 Plan A	4,400,000	授出日期33% 33% the date of grant	1年 1 year
		授出日期至2016年7月10日33% 33% from the date of grant to 10 July 2016	2年 2 years
		授出日期至2017年7月10日34% 34% from the date of grant to 10 July 2017	3年 3 years

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截至2015年12月31日止年度 For the year ended 31 December 2015

42. 以股份付款的交易 (續)

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

	購股權數目 Number of options	歸屬期 Vesting period	購股權合約期 Contractual life of options
已授予僱員的購股權 Share options granted to employees			
於2014年9月3日 On 3 September 2014	11,800,000	授出日期至2015年9月3日期間25% 25% from the date of grant to 3 September 2015	2年 2 years
		授出日期至2016年9月3日期間25% 25% from the date of grant to 3 September 2016	3年 3 years
		授出日期至2017年9月3日期間25% 25% from the date of grant to 3 September 2017	4年 4 years
		授出日期至2018年9月3日期間25% 25% from the date of grant to 3 September 2018	5年 5 years
2015年7月10日A計劃 On 10 July 2015 Plan A	55,700,000	授出日期33% 33% the date of grant	1年 1 year
		授出日期至2016年7月10日33% 33% from the date of grant to 10 July 2016	2年 2 years
		授出日期至2017年7月10日34% 34% from the date of grant to 10 July 2017	3年 3 years
2015年7月10日B計劃 On 10 July 2015 Plan B	45,500,000	授出日期25% 25% the date of grant	0.5年 0.5 year
		授出日期至2015年12月31日25% 25% from the date of grant to 31 December 2015	1年 1 years
		授出日期至2016年6月30日25% 25% from the date of grant to 30 June 2016	2年 2 years
		授出日期至2017年6月30日10% 10% from the date of grant to 30 June 2017	3年 3 years
		授出日期至2018年6月30日15% 15% from the date of grant to 30 June 2018	4年 4 years
購股權總數 Total share options	<u>131,300,000</u>		
於2015年12月31日可予行使 Exercisable at 31 December 2015	37,633,000		
於2016年12月31日可予行使 Exercisable at 31 December 2016	37,633,000		

合資格僱員須符合本公司設定的若干財務指標條件才可行使購股權。

The exercise of the Share Options by the eligible employees is conditional upon the fulfilment of certain financial indicators as set out by the Company.

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42. 以股份付款的交易 (續)

本公司根據購股權計劃向董事及其他僱員授出認購股份的購股權，詳情如下：

於2014年9月3日已授出的購股權

授出日期	可行使股份的最高數目					已授出 購股權總數
	於2015年 9月3日	於2016年 9月3日	於2017年 9月3日	於2018年 9月3日	於2019年 9月3日	
Date of grant	At 3 September 2015	At 3 September 2016	At 3 September 2017	At 3 September 2018	At 3 September 2019	Total shares granted
董事	2014年9月4日	無				
Directors	4 September 2014	Nil	3,475,000	3,475,000	3,475,000	3,475,000
僱員	2014年9月4日	無				
Employees	4 September 2014	Nil	2,950,000	2,950,000	2,950,000	2,950,000
			<u>6,425,000</u>	<u>6,425,000</u>	<u>6,425,000</u>	<u>25,700,000</u>

於2015年7月10日已授出的購股權A計劃

授出日期	可行使股份的最高數目			已授出 購股權總數
	於2016年 7月10日	於2017年 7月10日	於2018年 7月10日	
Date of grant	At 10 July 2016	At 10 July 2017	At 10 July 2018	Total shares granted
董事	2015年7月10日			
Directors	10 July 2015	1,452,000	1,452,000	1,496,000
僱員	2015年7月10日			
Employees	10 July 2015	18,381,000	18,381,000	18,938,000
		<u>19,833,000</u>	<u>19,833,000</u>	<u>20,434,000</u>
				<u>60,100,000</u>

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

The Company granted options to subscribe shares to directors and other employees under the Share Option Scheme with the following details:

Share options granted on 3 September 2014

Share options granted on 10 July 2015 Plan A

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42. 以股份付款的交易 (續)

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

於2015年7月10日已授出的購股權B計劃

Share options granted on 10 July 2015 Plan B

	授出日期 Date of grant	可行使股份的最高數目 Maximum Exercisable Shares				於2019年 6月30日 At 30 June 2019	已授出 購股權總數 Total shares granted
		於2015年 12月31日 At 31 December 2015	於2016年 6月30日 At 30 June 2016	於2017年 6月30日 At 30 June 2017	於2018年 6月30日 At 30 June 2018		
僱員 Employees	2015年7月10日 10 July 2015	11,375,000	11,375,000	11,375,000	4,550,000	6,825,000	45,500,000
		<u>11,375,000</u>	<u>11,375,000</u>	<u>11,375,000</u>	<u>4,550,000</u>	<u>6,825,000</u>	<u>45,500,000</u>

下表披露董事及僱員所持有的本公司購股權於截至2015年12月31日止年度內的變動：

The following table discloses movements of the Company's share options held by directors and employees during the year ended 31 December 2015:

購股權類別 Option type	授出日期 Date of grant	於2015年 1月1日 尚未行使 Outstanding at 1/1/2015					於2015年 12月31日 尚未行使 Outstanding at 31/12/2015	
		年內已授出 Granted during the year	紅股調整 Adjustment for bonus issue (附註a) (note a)	年內已行使 Exercised during the year	年內已沒收 Forfeited during the year	尚未行使 Outstanding at 1/1/2015	尚未行使 Outstanding at 31/12/2015	
2014年 2014	2014年9月4日 4 September 2014	25,700,000	-	2,570,000	(760,000)	-	27,510,000	
2015年A計劃 2015 Plan A	2015年7月10日 10 July 2015	-	60,100,000	-	-	-	60,100,000	
2015年B計劃 (附註b) 2015 Plan B (note b)	2015年7月10日 10 July 2015	-	45,500,000	-	-	(3,000,000)	42,500,000	
		<u>25,700,000</u>	<u>105,600,000</u>	<u>2,570,000</u>	<u>(760,000)</u>	<u>(3,000,000)</u>	<u>130,110,000</u>	

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截至2015年12月31日止年度 For the year ended 31 December 2015

42. 以股份付款的交易 (續)

附註：

- (a) 就日期為2015年5月29日的紅股宣派及分派公佈而言，本集團對本集團於2014年9月3日採納的購股權計劃項下尚未行使的購股權的行使價及購股權數目作出調整。
- (b) 2015年B計劃的第一批購股權自行使期起直至購股權於2015年12月31日屆滿時可予行使。董事會已修改行使期。

下表披露董事及僱員所持有的本公司購股權於前一年度內的變動：

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Notes:

- (a) Regarding to the announcement of the declaration and distribution of bonus issue dated 29 May 2015, the Group make adjustment to the exercise prices and the number of share options upon the outstanding options under share option scheme adopted by the Group on 4 September 2014.
- (b) The first tranche of share options of 2015 Plan B is exercisable from the commencement of the exercise periods until the expiry of the Options which is on 31 December 2015. The exercisable period has been modified by the board of directors.

The following table discloses movements of the Company's share options held by directors and employees during the previous year:

購股權類別	授出日期	於2014年			於2014年		
		1月1日	年內已授出	紅股調整	年內已行使	年內已沒收	12月31日
Option type	Date of grant	尚未行使 Outstanding at 1/1/2014	Granted during the year	Adjustment for bonus issue	Exercised during the year	Forfeited during the year	尚未行使 Outstanding at 31/12/2014
2014年	2014年9月4日	-	25,700,000	-	-	-	25,700,000
2014	4 September 2014	-	25,700,000	-	-	-	25,700,000

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42. 以股份付款的交易 (續)

購股權的公允價值按二項式模型計算。模型的輸入數據如下：

2015年A計劃：

	購股權歸屬日期		
	Share option vesting date		
	2015年7月11日	2016年7月11日	2017年7月11日
	11 July 2015	11 July 2016	11 July 2017
授出日期	2015年7月10日	2015年7月10日	2015年7月10日
Date of grant	10 July 2015	10 July 2015	10 July 2015
股份於授出日期的價格	1.18港元	1.18港元	1.18港元
Share price at the date of grant	HK\$1.18	HK\$1.18	HK\$1.18
行使價	1.252港元	1.252港元	1.252港元
Exercise price	HK\$1.252	HK\$1.252	HK\$1.252
波幅			
Volatility	65%	54%	55%
購股權年期(年)			
Life of the option (year)	1	2	3
無風險利率			
Risk-free rate of interest	0.15%	0.44%	0.73%
股息率			
Dividend yield	6.5%	6.5%	6.5%
認購期權價值(千港元)			
Call option value (HK\$'000)	4,698	5,210	6,215

2015年B計劃：

	購股權歸屬日期				
	Share option vesting date				
	2015年7月11日	2016年1月1日	2016年7月1日	2017年7月1日	2018年7月1日
	11 July 2015	1 January 2016	1 July 2016	1 July 2017	1 July 2018
授出日期	2015年7月10日	2015年7月10日	2015年7月10日	2015年7月10日	2015年7月10日
Date of grant	10 July 2015	10 July 2015	10 July 2015	10 July 2015	10 July 2015
股份於授出日期的價格	1.18港元	1.18港元	1.18港元	1.18港元	1.18港元
Share price at the date of grant	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.18
行使價	1.252港元	1.252港元	1.252港元	1.252港元	1.252港元
Exercise price	HK\$1.252	HK\$1.252	HK\$1.252	HK\$1.252	HK\$1.252
波幅					
Volatility	75%	65%	54%	55%	55%
購股權年期(年)					
Life of the option (year)	0.50	1	2	3	4
無風險利率					
Risk-free rate of interest	0.10%	0.15%	0.44%	0.73%	0.99%
股息率					
Dividend yield	6.5%	6.5%	6.5%	6.5%	6.5%
認購期權價值(千港元)					
Call option value (HK\$'000)	2,303	2,731	2,987	1,384	2,254

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

The fair values of the share options were calculated using the binominal model. The inputs into the model were as follows:

2015 Plan A:

	購股權歸屬日期		
	Share option vesting date		
	2015年7月11日	2016年7月11日	2017年7月11日
	11 July 2015	11 July 2016	11 July 2017
授出日期	2015年7月10日	2015年7月10日	2015年7月10日
Date of grant	10 July 2015	10 July 2015	10 July 2015
股份於授出日期的價格	1.18港元	1.18港元	1.18港元
Share price at the date of grant	HK\$1.18	HK\$1.18	HK\$1.18
行使價	1.252港元	1.252港元	1.252港元
Exercise price	HK\$1.252	HK\$1.252	HK\$1.252
波幅			
Volatility	65%	54%	55%
購股權年期(年)			
Life of the option (year)	1	2	3
無風險利率			
Risk-free rate of interest	0.15%	0.44%	0.73%
股息率			
Dividend yield	6.5%	6.5%	6.5%
認購期權價值(千港元)			
Call option value (HK\$'000)	4,698	5,210	6,215

2015 Plan B:

	購股權歸屬日期				
	Share option vesting date				
	2015年7月11日	2016年1月1日	2016年7月1日	2017年7月1日	2018年7月1日
	11 July 2015	1 January 2016	1 July 2016	1 July 2017	1 July 2018
授出日期	2015年7月10日	2015年7月10日	2015年7月10日	2015年7月10日	2015年7月10日
Date of grant	10 July 2015	10 July 2015	10 July 2015	10 July 2015	10 July 2015
股份於授出日期的價格	1.18港元	1.18港元	1.18港元	1.18港元	1.18港元
Share price at the date of grant	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.18
行使價	1.252港元	1.252港元	1.252港元	1.252港元	1.252港元
Exercise price	HK\$1.252	HK\$1.252	HK\$1.252	HK\$1.252	HK\$1.252
波幅					
Volatility	75%	65%	54%	55%	55%
購股權年期(年)					
Life of the option (year)	0.50	1	2	3	4
無風險利率					
Risk-free rate of interest	0.10%	0.15%	0.44%	0.73%	0.99%
股息率					
Dividend yield	6.5%	6.5%	6.5%	6.5%	6.5%
認購期權價值(千港元)					
Call option value (HK\$'000)	2,303	2,731	2,987	1,384	2,254

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42. 以股份付款的交易 (續)

由於本公司的交易記錄尚短，歷史波幅根據於有關期間與購股權預計年期匹配的可資比較公司的歷史股價變動計算。

截至2015年12月31日止年度，本集團就本公司根據購股權計劃授出購股權而確認總開支人民幣11,700,000元（2014年：人民幣1,275,000元）。

42. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Due to short trading history of the Company, the historical volatility is based on historical share price movement of comparable companies in the relevant periods matching expected life of the share option.

The Group recognised total expense of RMB11,700,000 (2014: RMB1,275,000) for the year ended 31 December 2015 in relation to share options under the Share Option Scheme granted by the Company.

43. 關聯方結餘及交易

(a) 於報告期末，本集團應收下列關聯方的款項及詳情載列如下：

43. RELATED PARTY BALANCES AND TRANSACTIONS

(a) At the end of the reporting period, the Group has amounts receivable from the following related parties and the details are set out below:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
應收張雷先生控制的公司的款項	Amounts due from companies controlled by Mr. Zhang Lei	1,540	463
應收聯營公司款項	Amount due from an associate	285,874	355,000
應收合營企業及其附屬公司款項	Amounts due from joint ventures and their subsidiaries	<u>110,726</u>	<u>148,931</u>
非貿易結餘總額 (附註i)	Total non-trade balance (note i)	<u>398,140</u>	<u>504,394</u>
應收張雷先生控制的公司的款項	Amounts due from companies controlled by Mr. Zhang Lei	13,471	3,068
應收聯營公司款項	Amount due from an associate	16,941	7,867
應收合營企業及其附屬公司款項	Amounts due from joint ventures and their subsidiaries	<u>106,978</u>	<u>58,024</u>
貿易結餘總額 (附註ii)	Total trade balance (note ii)	<u>137,390</u>	<u>68,959</u>
		<u>535,530</u>	<u>573,353</u>
向合營企業作出貸款 (附註iii)	Loans to joint ventures (note iii)	<u>2,169,600</u>	<u>1,521,583</u>

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43. 關聯方結餘及交易 (續)

(a) (續)

附註：

- (i) 於2015年及2014年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。
- (ii) 於2015年及2014年12月31日關聯方貿易應收款屬無抵押、免息及須於要求時償還。以下為於各報告期末，按發票日期呈列的貿易性質的應收關聯方款項的賬齡分析：

少於1年	Less than 1 year
1至2年	1-2 years

- (iii) 向合營企業作出貸款的條款披露於附註19。

43. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) (Continued)

Notes:

- (i) Balances at 31 December 2015 and 2014 are of non-trade nature, unsecured, interest free and repayable on demand.
- (ii) Trade receivables from related parties at 31 December 2015 and 2014 are unsecured, interest free and repayable on demand. The following is an aged analysis of amounts due from related parties of trade nature based on invoice date which approximated the revenue recognition date, at the end of each reporting period:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
少於1年	126,784	68,959
1至2年	10,606	-
	137,390	68,959

- (iii) The terms of loans to joint ventures are disclosed in Note 19.

合併財務報表附註

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截至2015年12月31日止年度 For the year ended 31 December 2015

43. 關聯方結餘及交易 (續)

- (b) 於報告期末，本集團應付下列關聯方的款項及詳情載列如下：

43. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) At the end of the reporting period, the Group has amounts payable to the following related parties and the details are set out below:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
應付合營企業及其附屬公司款項	Amounts due to joint ventures and their subsidiaries	<u>724,905</u>	<u>182,952</u>
非貿易結餘總額 (附註i)	Total non-trade balances (note i)	<u>724,905</u>	<u>182,952</u>
應付張雷先生控制的公司的款項	Amounts due to companies controlled by Mr. Zhang Lei	<u>3,935</u>	<u>3,231</u>
貿易結餘總額 (附註ii)	Total trade balance (note ii)	<u>3,935</u>	<u>3,231</u>
		<u>728,840</u>	<u>186,183</u>

附註：

- (i) 於2015年及2014年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。
- (ii) 應付關聯方的貿易應付款屬無抵押、免息及須於要求時償還。以下為於各報告期末，按發票日期呈列的貿易性質的應付關聯方款項的賬齡分析：

Notes:

- (i) Balances at 31 December 2015 and 2014 are of non-trade nature, unsecured, interest free and repayable on demand.
- (ii) Trade payables to related parties are unsecured, interest free and repayable on demand. The following is an aged analysis of amounts due to related parties of trade nature based on invoice date at the end of each reporting period:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
少於1年	Less than 1 year	3,482	1,791
1至2年	1-2 years	453	-
2至3年	2-3 years	-	1,324
3年以上	More than 3 years	-	116
		<u>3,935</u>	<u>3,231</u>

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截至2015年12月31日止年度 For the year ended 31 December 2015

43. 關聯方結餘及交易 (續)

- (c) 本年度，本集團與其關聯方進行以下交易：

關聯方性質

Nature of related party

張雷先生控制的公司
Companies controlled by Mr. Zhang Lei
張雷先生控制的公司
Companies controlled by Mr. Zhang Lei
張雷先生控制的公司
Companies controlled by Mr. Zhang Lei
聯營公司
Associate
聯營公司
Associate
合營企業
Joint venture
合營企業
Joint venture
合營企業
Joint venture
合營企業
Joint venture
合營企業
Joint venture

有關向一名關聯方出售附屬公司的詳情披露於附註37。

於2015年12月31日，本集團質押若干資產，以抵押授予一間聯營公司及多間合營企業的若干銀行及其他融資。詳情載於附註38。

於2015年12月31日，本集團向一間聯營公司及多間合營企業的銀行貸款及其他貸款提供擔保。詳情載於附註40(b)。

43. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) During the year, the Group entered into the following transactions with its related parties:

交易性質	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
Nature of transaction		
租金收入		
Rental income	1,055	1,055
物業管理服務費		
Property management services expenses	62,806	55,835
利息開支		
Interest expense	-	1,181
利息收入		
Interest income	32,543	7,867
房地產代理服務收入		
Income from real estate agency services	2,349	-
提供技術訣竅收入		
Income from provision of technical know-how	6,365	2,313
房地產代理服務收入		
Income from real estate agency services	10,879	-
利息收入		
Interest income	77,014	60,662
物業管理服務費		
Property management services expenses	41,500	10,606

Details of disposal and deemed disposal of subsidiaries to related parties are disclosed in Note 37.

The Group pledged certain assets to secure certain banking and other facilities granted to an associate and joint ventures as at 31 December 2015. Details are set out in Note 38.

As at 31 December 2015, the Group provided guarantees to bank loans and other loans of an associate and joint ventures. Details are set out in Note 40(b).

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43. 關聯方結餘及交易 (續)

(c) (續)

於2015年12月31日，本集團就能動鴻業及精神智業（均為本集團的合營企業）收購附屬公司的代價而向第三方提供擔保。詳情載於附註40(c)。

截至2010年12月31日止年度，本集團當代節能置業的一名僱員根據當代節能置業與該僱員於2010年11月29日訂立的協議使用北京當代城市房地產開發的一項市場價值為人民幣4,071,000元的物業，該項物業的業權將於該僱員完成其10年服務年期後轉讓予該僱員。截至2015年12月31日止年度，本集團已將該交易確認為員工成本及來自股東所控制公司的供款，金額為人民幣407,000元（2014年：人民幣407,000元）。

- (d) 以下為於報告期末，載於附註41以本集團為出租人的來自關聯方未來最低租賃款項：

43. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) (Continued)

As at 31 December 2015, the Group provided guarantees to third parties in relation to considerations of acquisitions of subsidiaries by NDHY and JSZY, both joint ventures of the Group. Details are set out in Note 40(c).

During the year ended 31 December 2010, an employee of Modern Green Development of the Group used the property developed by Beijing Modern City Real Estate pursuant to the agreement dated 29 November 2010 entered into between Modern Green Development and the employee, with market value amounted to RMB4,071,000, the title of the property will be transferred to the employee upon his completion of the service period of 10 years. The Group recognised this transaction as staff cost and contribution from a company controlled by the shareholder amounted to RMB407,000 for the year ended 31 December 2015 (2014: RMB407,000).

- (d) At the end of the reporting period, the future minimum lease payment from related parties whereby the Group acts as a lessor and included in Note 41 is as follows:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
張雷先生控制的公司 第一物業服務(北京)有限公司	Company controlled by Mr. Zhang Lei First Estate Service (Beijing) Co., Ltd.*	
一年內	200	801
第二年至第五年 (包括首尾兩年)	—	200
	200	1,001

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43. 關聯方結餘及交易 (續)

(d) (續)

張雷先生控制的公司
北京摩碼幼教科技運營
有限公司

一年內
第二年至第五年
(包括首尾兩年)

43. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) (Continued)

Company controlled by Mr. Zhang Lei
Beijing Moma Preschool Education
Technology Operations Co., Ltd.*

北京摩碼幼教科技運營有限公司
Within one year
In the second to fifth year inclusive

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
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60	241
-	60
60	301

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

(e) 與關鍵管理人員進行的交易

(e) Transaction with key management personnel

2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
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向關鍵管理人員銷售物業

Sale of a property to key management personnel

-	13,208
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關鍵管理人員報酬

Key management compensation

短期福利
退休後福利
以股份付款

Short-term benefits
Post-employment benefits
Share-based payment

11,004	16,533
404	263
5,974	1,717
17,382	18,513

於2015年12月31日，向僱員作出墊款達人民幣31,139,000元（2014年12月31日：人民幣39,769,000元）包括向關鍵管理人員墊款約人民幣23,172,000元。該等結餘為無抵銷、按固定年利率12%計息及須於2016年6月償還。

As at 31 December 2015, advances to employees amounted to RMB31,139,000 (31 December 2014: RMB39,769,000) includes an advance to key management personnel of approximately RMB23,172,000. The balances are unsecured, carry fixed interest rate at 12% per annum and repayable in June 2016.

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44. 資本風險管理

本集團管理其資本以確保本集團的實體能持續經營，同時透過優化債務及股本結餘為股東帶來最大回報。本集團的整體策略保持與過往年度不變。

本集團的資本架構包括淨債務，由附註31及33所披露的借貸及優先票據扣除銀行結餘及現金以及本公司擁有人應佔權益（包括已發行股本、儲備及保留溢利）後所得。本公司的資本架構由銀行結餘及現金及本公司擁有人應佔權益（包括已發行股本及儲備）構成。

本公司董事定期審閱資本架構。作為該審閱的一部份，公司董事考慮資本成本及與各類資本有關的風險，並採取適當措施平衡其整體資本架構。

45. 金融工具

(a) 金融工具類別

本集團
金融資產
貸款及應收款項 (包括銀行結餘及現金)
可供出售投資
金融負債
按攤銷成本計量的負債

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings and senior notes disclosed in Notes 31 and 33, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits. The capital structure of the Company consists of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance its overall capital structure.

45. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015年	2014年
	人民幣千元	人民幣千元
	2015	2014
	RMB'000	RMB'000
The Group		
Financial assets		
Loans and receivables (including bank balances and cash)	6,729,921	6,442,031
Available-for-sale investments	34,850	114,236
	7,701,155	6,556,267
Financial liabilities		
Liabilities measured at amortised cost	7,701,155	6,168,846
	7,701,155	6,168,846

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45. 金融工具 (續)

(b) 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款、應收關聯方款項、向合營企業作出貸款、向僱員墊款、受限制現金、銀行結餘及現金、貿易及其他應付款、應付關聯方款項、銀行及其他借貸以及優先票據。該等金融工具的詳情載於各相應附註。與該等金融工具相關的風險及減低該等風險的政策載於下文。本集團管理層對該等風險進行管理及監控以確保能適時有效地採取適當措施。

市場風險

本集團的業務主要承受利率及外幣匯率變動及其他價格變動的市場風險(見下文)。

本集團於本年度承受的市場風險或其管理及計量該等風險的方法概無重大變動。

(1) 利率風險

由於銀行結餘及存款、受限制現金及銀行借貸(按現行存款利率及中國人民銀行所報利率及倫敦銀行同業拆息計算的浮息計息)的現行市場利率出現波動，故本集團須承受現金流量利率風險。

本集團的公允價值利率風險主要與其他定息借貸及優先票據有關。本集團現時並無利用任何衍生工具合約對沖其承受的利率風險。然而，管理層於有需要時將考慮對沖重大利率風險。

本集團須承受與金融負債有關的利率風險，詳情載於本附註流動資金風險管理一節。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amounts due from related parties, loans to joint ventures, advances to employees, restricted cash, bank balances and cash, trade and other payables, amounts due to related parties, bank and other borrowings and senior notes. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates risks and other price risk (see below).

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

(1) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and deposits, restricted cash and bank borrowings which carry at prevailing deposit interest rates and variable rate based on the interest rates quoted by the People's Bank of China and London Interbank Offered Rate.

The Group's fair value interest rate risk relates primarily to its fixed rate other borrowings and senior notes. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(1) 利率風險 (續)

利率敏感度

以下敏感度分析乃根據各報告期末的銀行結餘及存款、受限制現金及浮息銀行借貸利率風險以及財政年度開始時的規定改變(於整個年度保持不變)而釐定。公司內部向關鍵管理人員匯報利率風險時會以升跌20個基點(就浮息銀行借貸而言)及升跌10個基點(就銀行結餘及存款以及受限制現金而言)為基準，即管理層分別評估銀行借貸、銀行結餘及存款以及受限制現金利率的合理可能變動。

倘利率上升/下降20個基點(就浮息銀行借貸而言)，而所有其他變數維持不變，則本集團截至2015年12月31日止年度的溢利(扣除利息資本化影響)將減少/增加約人民幣705,000元(2014年：人民幣1,245,000元)。

倘利率上升/下降10個基點(就銀行結餘及存款以及受限制現金而言)，而所有其他變數維持不變，則本集團截至2015年12月31日止年度的溢利將增加/減少約人民幣2,682,000元(2014年：人民幣2,958,000元)。

敏感度分析不代表報告期末的風險，故並不反映年內風險。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(1) Interest rate risk (Continued)

Interest rate sensitivity

The sensitivity analysis below has been prepared based on the exposure to interest rates on bank balances and deposits, restricted cash and variable rate bank borrowings at the end of each reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 20 basis points increase or decrease for variable rate bank borrowings and a 10 basis points increase or decrease for bank balances and deposits and restricted cash are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rate in respect of bank borrowings, bank balances and deposits and restricted cash, respectively.

If interest rates had been increased/decreased by 20 basis points in respect of variable rate bank borrowings and all other variables were held constant, the Group's profit (net of interest capitalisation effect) would decrease/increase by approximately RMB705,000 (2014: RMB1,245,000) for the year ended 31 December 2015.

If interest rates had been increased/decreased by 10 basis points in respect of bank balances and deposits and restricted cash and all other variables were held constant, the Group's profit would increase/decrease by approximately RMB2,682,000 (2014: RMB2,958,000) for the year ended 31 December 2015.

The sensitivity analysis is not representative as the exposure at the end of the reporting period does not reflect the exposure during the year.

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45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(2) 價格風險

本集團因其可供出售投資而承受股本價格風險。於2015年12月31日，管理層認為本集團承受的股本價格波動風險極微。因此，並無呈列敏感度分析。

(3) 外匯風險

集團實體的功能貨幣為人民幣，大多數交易均以人民幣計值。本集團海外業務的交易（如購買持作日後發展的土地）及若干已產生的開支均以外幣計值。以外幣計值的若干銀行結餘及銀行借款，以及以美元發行的優先票據令本集團承受貨幣風險。

本集團以外幣計值的貨幣資產及貨幣負債於各報告期末的賬面值如下：

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(2) Price risk

The Group is exposed to equity price risks through its available-for-sale investments. At 31 December 2015, the management considers that the Group's exposure to fluctuation in equity price is minimal. Accordingly, no sensitivity analysis is presented.

(3) Foreign currency risk

The functional currency of the group entities is RMB in which most of the transactions are denominated. Foreign currencies denominated transactions arise from the Group's overseas operation, such as purchases of land held for further development and certain expenses incurred. Certain bank balances and bank borrowings are denominated in foreign currencies, while senior notes are issued in US\$ and expose the Group to currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		資產		負債	
		Assets		Liabilities	
		於12月31日		於12月31日	
		At 31 December		At 31 December	
		2015年	2014年	2015年	2014年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		2015	2014	2015	2014
		RMB'000	RMB'000	RMB'000	RMB'000
美元	US\$	60,361	84,873	2,136,028	1,682,725
港元	HK\$	206,223	2,487	-	136,317

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45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(3) 外匯風險 (續)

本集團目前並無外幣對沖政策，但管理層監控外匯風險，並將於需要時考慮對沖重大外匯風險。

下表詳列於所有其他變數保持不變情況下本集團對各種外幣兌人民幣匯率的5%的合理可能變動的敏感度。5%為向主要管理人員內部匯報外匯風險時採用的敏感度利率，反映管理層對外匯匯率的合理可能變動的評估。敏感度分析僅包括以外幣計值的未到期貨幣項目，並於各報告期末就外幣匯率的5%變動調整其換算。

本集團貨幣風險的敏感度分析如下：

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(3) Foreign currency risk (Continued)

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following tables detail the Group's sensitivity to a reasonably possible change of 5% in exchange rate of each foreign currency against RMB while all other variables are held constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates.

An analysis of sensitivity to currency risk for the Group is as follows:

	2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
年度稅後溢利(減少)增加		
(Decrease) increase in post-tax profit for the year		
– 若人民幣兌美元減值	(103,783)	(79,893)
– 若人民幣兌港元減值	10,311	(6,691)
– 若人民幣兌美元升值	103,783	79,893
– 若人民幣兌港元升值	(10,311)	6,691

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截至2015年12月31日止年度 For the year ended 31 December 2015

45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險管理

於2015年12月31日，本集團因對手方未能履行責任及本集團所提供財務擔保而承受並將導致本集團產生財務虧損的最大信貸風險，乃產生自合併財務狀況報表內所列各已確認金融資產的賬面值，以及附註40所披露的或然負債金額。為將信貸風險降至最低，已執行監管程序以確保採取跟進行動收回過期債務。此外，本集團於各報告期末定期審閱每項個別貿易及其他應收款及應收關聯方款項的可收回金額。呈列於合併財務狀況報表中的金額乃經扣除呆壞賬撥備，並由本集團管理層基於過往經驗及其對現時經濟環境的評估來估計。

本集團貿易應收款的信貸風險並無重大集中，所承受之風險分散於多個交易對手及客戶。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management

At 31 December 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities disclosed in Note 40. In order to minimise the credit risk, monitoring procedures are carried out to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables and amounts due from related parties at each of the end of the reporting period. The amounts presented in the consolidated statement of financial position are net of allowances for bad and doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The Group has no significant concentration of credit risk on trade receivables, with exposure spread over a number of counterparties and customers.

45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險管理 (續)

就已預售但未完成發展的物業而言，本集團通常就客戶為購買物業籌集資金所借入按揭貸款而向銀行提供擔保，擔保金額最高為個別物業購買價的80%。如果買方於擔保期間未能償還按揭，則持有按揭的銀行可要求本集團償還未償還貸款及任何有關應計利息。在此等情況下，本集團可沒收已收銷售押金並重新銷售再生物業。因此，管理層認為本集團所提供擔保引致的任何虧損均有可能收回。管理層認為，由於該等融資以物業作擔保，而物業的市價高於擔保金額，故提供予物業買方的金融擔保所承受的信貸風險有限。就此而言，本公司董事認為，本集團的信貸風險已顯著降低。

由於對手方均為國際信貸評級機構給予高信貸評級的銀行或中國的國有銀行，故流動資金信貸風險有限。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management (Continued)

For properties that are pre-sold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 80% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and resell the reprocessed properties. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee by the Group. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market price of the properties is higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC.

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45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理

本集團的目標乃透過使用借貸維持資金連續性與靈活性之間的平衡。本公司董事嚴密監察流動資金狀況，並預期會有足夠資金來源來為本集團的項目及營運提供融資。

下表詳列本集團非衍生金融負債的剩餘合約到期日。該表按本集團可能須付款的最早日期的金融負債未貼現現金流量編製，表中包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現金額以報告期末的利率得出。倘利率變動有別於報告期末釐定的利率估計，則須對以下就非衍生浮息金融負債計入的金額作出變動。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings. The directors of the Company closely monitor the liquidity position and expect to have adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The amounts included below for non-derivative variable rate financial liabilities is subject to changes if changes in interest rates differ to those estimates of interest rates determined at the end of the reporting period.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理 (續)

		加權平均 實際利率 %	按要求償還 或少於1年 人民幣千元	1至3年 人民幣千元	超過3年 人民幣千元	未貼現現金 流量總額 人民幣千元	賬面值 人民幣千元
		Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-3 years RMB'000	Over 3 years RMB'000	Total undiscounted cashflows RMB'000	Carrying amount RMB'000
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	2,309,120	133,134	-	2,442,254	2,442,254
浮息工具	Variable interest rate instruments	11.35	1,720,790	3,305,038	915,192	5,941,020	4,627,214
財務擔保合約	Financial guarantee contracts	4.30	558,863	85,806	40,180	684,849	631,687
		-	<u>9,619,953</u>	<u>-</u>	<u>-</u>	<u>9,619,953</u>	<u>-</u>
於2015年12月31日	At 31 December 2015		<u>14,208,726</u>	<u>3,523,978</u>	<u>955,372</u>	<u>18,688,076</u>	<u>7,701,155</u>
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	1,661,609	-	-	1,661,609	1,661,609
浮息工具	Variable interest rate instruments	11.55	1,080,675	1,851,221	2,005,120	4,937,016	3,527,020
財務擔保合約	Financial guarantee contracts	3.64	731,373	337,349	89,562	1,158,284	980,217
		-	<u>5,629,897</u>	<u>-</u>	<u>-</u>	<u>5,629,897</u>	<u>-</u>
於2014年12月31日	At 31 December 2014		<u>9,103,554</u>	<u>2,188,570</u>	<u>2,094,682</u>	<u>13,386,806</u>	<u>6,168,846</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

45. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理 (續)

上文就財務擔保合約計入的金額為倘擔保的對手方索回該金額，本集團根據安排可能被要求就全數擔保金額償付的最高金額。根據於報告期末的預期，本集團認為可能並無金額須根據安排予以支付。然而，上述估計將視乎對手方根據擔保提出申索的可能性而有變，而提出申索的可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損的可能性。

(c) 公允價值

金融資產及金融負債的公允價值根據以貼現現金流量分析為基準的公認定價模式所釐定。

本公司董事認為，於各報告期末，於合併財務狀況報表內以攤銷成本列賬的金融資產及金融負債的賬面值與其相應的公允價值相若。

45. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(c) Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2015年12月31日止年度 For the year ended 31 December 2015

46. 本公司的財務資料

46. FINANCIAL INFORMATION OF THE COMPANY

(a) 本公司財務狀況的財務資料：

(a) Financial information of the financial position of the Company:

		2015年 人民幣千元 2015 RMB'000	2014年 人民幣千元 2014 RMB'000
非流動資產	Non-current assets		
於附屬公司的投資	Investments in subsidiaries	1,919,067	1,713,821
於合營企業的權益	Interest in joint ventures	787,897	941,967
		<u>2,706,964</u>	<u>2,655,788</u>
流動資產	Current assets		
預付款及其他應收款	Prepayments and other receivables	2,307	1,856
應收附屬公司款項	Amounts due from subsidiaries	4,500	4,127
應收關聯方款項	Amounts due from related parties	52,107	10,606
銀行結餘及現金	Bank balances and cash	218,190	93,383
		<u>277,104</u>	<u>109,972</u>
流動負債	Current liabilities		
應計費用及其他應付款	Accrued charges and other payables	117,784	115,368
應付附屬公司款項	Amounts due to subsidiaries	76,986	612
應付關聯方款項	Amounts due to related parties	398	593
應付股息	Dividend payable	589	701
於一年內到期的銀行借款	Bank borrowing due within one year	286,050	-
		<u>481,807</u>	<u>117,274</u>
流動負債淨額	Net current liabilities	<u>(204,703)</u>	<u>(7,302)</u>
總資產減流動負債	Total assets less current liabilities	<u>2,502,261</u>	<u>2,648,486</u>
股本及儲備	Capital and reserves		
股本	Share capital	128,094	98,610
儲備	Reserves	(428,047)	(162,144)
權益總額	Total equity	<u>(299,953)</u>	<u>(63,534)</u>
非流動負債	Non-current liabilities		
優先票據	Senior notes	2,802,214	2,712,020
		<u>2,802,214</u>	<u>2,712,020</u>
		<u>2,502,261</u>	<u>2,648,486</u>

合併財務報表附註

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截至2015年12月31日止年度 For the year ended 31 December 2015

46. 本公司的財務資料 (續)

46. FINANCIAL INFORMATION OF THE COMPANY

(Continued)

(b) 本公司股本及儲備變動：

(b) Movement of capital and reserves of the Company:

		股本 人民幣千元 Share capital RMB'000	股份溢價 人民幣千元 Share premium RMB'000	購股權儲備 人民幣千元 Share option reserve RMB'000	累計虧損 人民幣千元 Accumulated losses RMB'000	總計 人民幣千元 Total RMB'000
於2014年1月1日	At 1 January 2014	98,610	339,993	-	(42,082)	396,521
僱員購股權計劃	Employee share option scheme	-	-	1,275	-	1,275
年度虧損	Loss for the year	-	-	-	(324,170)	(324,170)
股息	Dividend	-	(137,160)	-	-	(137,160)
於2014年12月31日	At 31 December 2014	98,610	202,833	1,275	(366,252)	(63,534)
紅股發行	Bonus issue	9,861	(9,861)	-	-	-
於股份配售時 發行股份	Issue of shares on share placement	19,575	241,461	-	-	261,036
僱員購股權計劃	Employee share option scheme	-	-	11,700	-	11,700
於行使購股權後 發行股份	Issue of shares upon exercise of share options	48	786	(115)	-	719
於沒收購股權後轉撥	Transfer of share option reserve upon forfeiture of share options	-	-	(95)	95	-
年度虧損	Loss for the year	-	-	-	(509,874)	(509,874)
於2015年12月31日	At 31 December 2015	128,094	435,219	12,765	(876,031)	(299,953)

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47. 主要附屬公司詳情

本公司於2015年及2014年12月31日主要附屬公司詳情如下：

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2015 and 2014 are as follow:

公司名稱 Name of Company	註冊成立／成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015	2014		
直接附屬公司 Direct subsidiaries					
鴻嘉科技有限公司 (原宏業科技有限公司) Great Trade Technology Ltd.	英屬處女群島 2007年1月23日 BVI 23 January 2007	100%	100%	法定股本50,000美元 已發行及繳足股本1美元 Authorised US\$50,000 Issued and fully paid US\$1	投資控股 Investment holding
南昌新建 (附註ii) Nanchang Xinjian (note ii)	中國 2013年9月11日 PRC 11 September 2013	100%	65%	註冊資本人民幣230,000,000元 實繳股本人民幣230,000,000元 Registered RMB230,000,000 Paid up capital RMB230,000,000	物業發展 Property development
間接附屬公司 Indirect subsidiaries					
久運發展有限公司 Jiu Yun Development Co., Ltd.	香港 2007年12月28日 Hong Kong 28 December 2007	100%	100%	法定股本10,000港元 已發行及繳足股本10,000港元 Authorised HK\$10,000 Issued and fully paid HK\$10,000	投資控股 Investment holding
當代摩碼工程項目管理(北京)有限公司 (附註ii) Modern Moma Project Management (Beijing) Co., Ltd.* (note ii)	中國 2005年9月29日 PRC 29 September 2005	100%	100%	註冊資本人民幣605,000,000元 實繳股本人民幣305,000,000元 Registered RMB605,000,000 Paid up capital RMB305,000,000	項目管理及諮詢 Project management and consulting
北京綠建工程項目管理有限公司 (附註i) Beijing Green Project Management Co., Ltd.* (note i)	中國 2011年2月15日 PRC 15 February 2011	100%	100%	註冊資本人民幣20,000,000元 實繳股本人民幣20,000,000元 Registered RMB20,000,000 Paid up capital RMB20,000,000	建築項目管理 Construction project management
北京綠建動力商業運營管理有限公司 (附註i) Beijing Green Power Commercial Operation Management Co., Ltd.* (note i)	中國 2013年4月22日 PRC 22 April 2013	100%	100%	註冊資本人民幣1,000,000元 實繳股本人民幣1,000,000元 Registered RMB1,000,000 Paid up capital RMB1,000,000	物業發展相關服務 Property development related services

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47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立／成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
當代綠色實業 (附註i) Modern Green Industrial* (note i)	中國 2006年6月30日 PRC 30 June 2006	100%	100%	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	投資管理及諮詢 Investment management and consulting
當代節能置業 (附註i) Modern Green Development* (note i)	中國 2000年9月21日 PRC 21 September 2000	100%	100%	註冊資本人民幣800,000,000元 實繳股本人民幣800,000,000元 Registered RMB800,000,000 Paid up capital RMB800,000,000	物業發展、投資及 酒店經營 Property development, investment and hotel operation
北京澳新紀元房地產開發有限公司 (附註i) Beijing Aoxinjiyuan Real Estate Development Co., Ltd.* (note i)	中國 2002年5月30日 PRC 30 May 2002	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	物業發展 Property development
北京當代房地產開發有限公司 (附註i) Beijing Modern Real Estate Development Co., Ltd.* (note i)	中國 2000年2月15日 PRC 15 February 2000	100%	100%	註冊資本人民幣60,000,000元 實繳股本人民幣60,000,000元 Registered RMB60,000,000 Paid up capital RMB60,000,000	物業發展及投資 Property development and investment
當代滬浦拉斯科技(北京)有限公司 (「當代滬浦拉斯」) (附註i) Modern Oupulasi Technology (Beijing) Co., Ltd.* ("Modern Oupulasi") (note i)	中國 2011年4月19日 PRC 19 April 2011	100%	55%	註冊資本人民幣3,000,000元 實繳股本人民幣3,000,000元 Registered RMB3,000,000 Paid up capital RMB3,000,000	技術開發及諮詢 Technology development and consulting
北京東君房地產開發有限公司 (附註i) Beijing Dongjun Real Estate Development Co., Ltd.* (note i)	中國 2001年11月13日 PRC 13 November 2001	100%	100%	註冊資本人民幣569,000,000元 實繳股本人民幣569,000,000元 Registered RMB569,000,000 Paid up capital RMB569,000,000	物業發展 Property development

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47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

公司名稱 Name of Company	註冊成立/成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
新動力(北京)建築科技有限公司(附註i) New Power (Beijing) Architectural Technology Co., Ltd.* (note i)	中國 2006年3月22日 PRC 22 March 2006	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	技術開發及諮詢 Technology development and consulting
山西當代紅華置業有限公司(附註i) Shanxi Modern Green Development Co., Ltd.* (note i)	中國 2007年8月16日 PRC 16 August 2007	100%	100%	註冊資本人民幣190,000,000元 實繳股本人民幣190,000,000元 Registered RMB190,000,000 Paid up capital RMB190,000,000	物業發展 Property development
山西當代紅華房地產開發有限公司(附註i) Shanxi Modern Green Real Estate Development Co., Ltd.* (note i)	中國 2007年8月16日 PRC 16 August 2007	100%	100%	註冊資本人民幣150,000,000元 實繳股本人民幣150,000,000元 Registered RMB150,000,000 Paid up capital RMB150,000,000	物業發展 Property development
當代置業(湖南)有限公司(附註i) Hunan Modern Green Development Co., Ltd.* (note i)	中國 2005年9月14日 PRC 14 September 2005	100%	100%	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	物業發展 Property development
江西當代節能置業有限公司(附註i) Jiangxi Modern Green Development Co., Ltd.* (note i)	中國 2009年12月22日 PRC 22 December 2009	100%	100%	註冊資本人民幣180,000,000元 實繳股本人民幣180,000,000元 Registered RMB180,000,000 Paid up capital RMB180,000,000	物業發展 Property development
九江摩碼置業有限公司(附註i) Jiujiang Moma Development Co., Ltd.* (note i)	中國 2010年12月22日 PRC 22 December 2010	100%	100%	註冊資本人民幣140,000,000元 實繳股本人民幣140,000,000元 Registered RMB140,000,000 Paid up capital RMB140,000,000	物業發展 Property development

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47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立／成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
湖北萬星置業有限公司 (附註i) Hubei Wanxing Development Co., Ltd.* (note i)	中國 2010年1月27日 PRC 27 January 2010	100%	100%	註冊資本人民幣100,000,000元 實繳股本人民幣100,000,000元 Registered RMB100,000,000 Paid up capital RMB100,000,000	物業發展 Property development
九江當代綠建置業有限公司 (附註ii) Jiujiang Modern Green Development Co., Ltd.* (note ii)	中國 2014年2月18日 PRC 18 February 2014	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	物業發展 Property development
北京當代摩碼投資管理有限公司 (附註i) Beijing Modern Moma Investment Management Co., Ltd.* (note i)	中國 2011年1月11日 PRC 11 January 2011	100%	100%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股 Investment holding
遼寧東戴河新區當代置業有限公司 (附註i) (前稱綏中縣長龍房地產開發有限公司) Liaoning Dongdaihe Modern Development Co., Ltd.* (note i) (previously Suizhong Changlong Property Development Co., Ltd.)	中國 2008年1月28日 PRC 28 January 2008	100%	100%	註冊資本人民幣10,000,000元 物業發展人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	實繳股本 Property development
武漢綠建節能置業有限公司 (附註ii) Wuhan Green Development Co., Ltd.* (note ii)	中國 2014年3月12日 PRC 12 March 2014	99.02%	99.02%	註冊資本人民幣50,000,000元 實繳股本人民幣50,000,000元 Registered RMB50,000,000 Paid up capital RMB50,000,000	物業發展 Property development
北京綠色春天股權投資基金 (有限合夥) (附註iii) (「綠色基金」) Beijing Green Spring Equity Investment Fund, LLP* (note iii) ("Green Fund")	中國 2014年4月17日 PRC 17 April 2014	100%	53.75%	註冊資本人民幣430,000,000元 實繳股本人民幣430,000,000元 Registered RMB430,000,000 Paid up capital RMB430,000,000	投資管理及諮詢 Investment management and consulting

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截至2015年12月31日止年度 For the year ended 31 December 2015

47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

公司名稱 Name of Company	註冊成立/成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
北京當代摩碼置業有限公司 (附註i) Beijing Modern Moma Development Co., Ltd.* (note i)	中國 2014年1月8日 PRC 8 January 2014	100%	53.75%	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	物業發展 Property development
上海鈺景投資管理有限公司 (附註i) Shanghai Yujing Investment Management Co., Ltd.* (note i)	中國 2013年10月23日 PRC 23 October 2013	100%	100%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股 Investment holding
當代品業(北京)房地產經紀有限公司 (附註i) Modern Pinye (Beijing) Real Estate Brokerage Co., Ltd.* (note i)	中國 2014年10月9日 PRC 9 October 2014	100%	100%	註冊資本人民幣100,000元 實繳股本人民幣100,000元 Registered RMB100,000 Paid up capital RMB100,000	房地產經紀服務 Real estate brokerage services
America Modern Green Development (Houston), LLC America Modern Green Development (Houston), LLC	美國德克薩斯州 2012年10月15日 Texas, US 15 October 2012	100%	100%	已發行及發行在外股東權益， 總出資額100美元 100% of issued and outstanding membership interest in consideration at an aggregate contribution of US\$100	物業發展 Property development
Crown Point Regional Center, LLC Crown Point Regional Center, LLC	美國德克薩斯州 2010年3月31日 Texas, US 31 March 2010	100%	100%	法定股本100美元 實繳股本100美元 Authorized US\$100 Paid up capital US\$100	投資移民服務 Investment immigration services
北京當代綠色投資基金管理有限公司 (「當代綠色投資基金」) (附註i) Beijing Modern Green Investment Fund Management Co., Ltd.* (note i)	中國 2013年12月3日 PRC 3 December 2013	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	投資控股 Investment holding

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截至2015年12月31日止年度 For the year ended 31 December 2015

47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立／成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
北京旭輝當代 (附註i) (附註iv) Beijing CIFI Modern (note i) (note iv)	中國 2014年3月10日 PRC 10 March 2014	50%	50%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	物業發展 Property development
當代節能置業 (蘇州) 有限公司 (附註i) Modern Green Development (Suzhou) Co., Ltd.* (note i)	中國 2015年6月6日 PRC 6 June 2015	70%	不適用 N/A	註冊資本人民幣100,000,000元 實繳股本人民幣100,000,000元 Registered RMB100,000,000 Paid up capital RMB100,000,000	物業發展 Property development
毅力精神 (附註i) YLJS (note i)	中國 2015年1月29日 PRC 29 January 2015	70%	不適用 N/A	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股及物業發展 Investment holding and property development
深耕智業 (附註i) SGZY (note i)	中國 2015年6月16日 PRC 16 June 2015	100%	不適用 N/A	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股及物業發展 Investment holding and property development
嘉興當代藍綠資產管理有限公司 (附註i) Jiaxing Modern Qinglv Asset Management Co., Ltd.* (note i)	中國 2015年7月23日 PRC 23 July 2015	100%	不適用 N/A	註冊資本人民幣50,000,000元 實繳股本人民幣0元 Registered RMB50,000,000 Paid up capital RMB0	投資控股 Investment holding
鳳觀 (北京) 諮詢有限公司 (附註ii) Crown Point (Beijing) Advisory Co., Ltd. (note ii)	中國 2015年10月8日 PRC 8 October 2015	100%	不適用 N/A	註冊資本人民幣10,000,000元 實繳股本人民幣0元 Registered RMB10,000,000 Paid up capital RMB0	移民顧問 Immigration advisory

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47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

公司名稱 Name of Company	註冊成立/成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
Crown Point Funding Management LLC	美國 2015年5月11日	100%	不適用	100%已發行及發行在外股東權益	投資控股
Crown Point Funding Management LLC	US 11 May 2015	100%	N/A	100% of issued and outstanding membership interest	Investment holding
Crown Senior Investment Fund LP	美國 2015年10月23日	0%	不適用	0%已發行及發行在外股東權益	投資管理
Crown Senior Investment Fund LP	US 23 October 2015	0%	N/A	0% of issued and outstanding membership interest	Investment management
Crown Community Investment Fund LP	美國 2015年8月11日	0%	不適用	0%已發行及發行在外股東權益	投資管理
Crown Community Investment Fund LP	US 11 August 2015	0%	N/A	0% of issued and outstanding membership interest	Investment management
Crown Residential Investment Fund LP	美國 2015年8月11日	0%	不適用	0%已發行及發行在外股東權益	投資管理
Crown Residential Investment Fund LP	US 11 August 2015	0%	N/A	0% of issued and outstanding membership interest	Investment management
Crown Commercial Center Investment Fund LP	美國 2015年7月13日	0%	不適用	0%已發行及發行在外股東權益	投資管理
Crown Commercial Center Investment Fund LP	US 13 July 2015	0%	N/A	0% of issued and outstanding membership interest	Investment management
Crown Sueba Investment Fund I LP	美國 2015年9月29日	100%	不適用	100%已發行及發行在外股東權益	投資管理
Crown Sueba Investment Fund I LP	US 29 September 2015	100%	N/A	100% of issued and outstanding membership interest	Investment management

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47. 主要附屬公司詳情 (續)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立／成立 地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/paid-up capital	主要業務 Principal activities
		2015年 2015	2014年 2014		
間接附屬公司 (續) Indirect subsidiaries (Continued)					
America Modern Green Senior (Houston) LLC	美國 2013年2月1日	100%	100%	100%已發行及發行在外股東權益	物業發展
America Modern Green Senior (Houston) LLC	US 1 February 2013	100%	100%	100% of issued and outstanding membership interest	Property development
America Modern Green Community (Houston) LLC	美國 2015年8月11日	100%	不適用	100%已發行及發行在外股東權益	物業發展
America Modern Green Community (Houston) LLC	US 11 August 2015	100%	N/A	100% of issued and outstanding membership interest	Property development
America Modern Green Residential (Houston) LLC	美國 2015年8月13日	100%	不適用	100%已發行及發行在外股東權益	物業發展
America Modern Green Residential (Houston) LLC	US 13 August 2015	100%	N/A	100% of issued and outstanding membership interest	Property development
America Modern Green Commercial Center (Houston) LLC	美國 2013年2月1日	100%	100%	100%已發行及發行在外股東權益	物業發展
America Modern Green Commercial Center (Houston) LLC	US 1 February 2013	100%	100%	100% of issued and outstanding membership interest	Property development
AMGHV	美國 2015年11月12日	100%	不適用	100%已發行及發行在外股東權益	投資控股
AMGHV	US 12 November 2015	100%	N/A	100% of issued and outstanding membership interest	Investment holding

47. 主要附屬公司詳情 (續)

附註：

- (i) 該等公司均為中國有限公司。
- (ii) 該等公司均為全外資公司。
- (iii) 於截至2015年12月31日止年度，本集團退回於綠色基金的46.25%股權予非控股股東，金額達人民幣370,000,000元。因此，綠色基金成為本公司的全資附屬公司。
- (iv) 於截至2015年12月31日止年度，北京旭輝當代因視作收購附屬公司而成為本公司的附屬公司。詳情載於附註36。
- * 在中國經營的公司的英文名稱僅供參考，並未登記。

上表載列本公司董事認為對本集團業績或資產構成重大影響之附屬公司。本公司董事認為，若詳述其他附屬公司，將導致所提供之資料過於冗長。

於年末，概無附屬公司曾發行任何債務證券。

48. 報告期後事項

根據本公司全資附屬公司當代節能置業與淮南市信誼房地產開發有限責任公司（「淮南信誼」，獨立第三方）於2016年1月8日訂立的協議，當代節能置業同意自淮南信誼收購安徽摩碼的49%股權，代價為人民幣65,000,000元。於完成收購後，安徽摩碼將由當代節能置業持有100%，並將成為本公司的全資附屬公司。安徽摩碼從事發展一幅位於安徽省的土地。收購詳情載於本公司日期為2016年1月8日的公佈。本集團正在評估被收購方的已識別資產及負債的公允價值，故並無呈列收購的財務影響。

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

Notes:

- (i) These companies are PRC limited liability companies.
- (ii) These companies are wholly foreign-owned companies.
- (iii) During the year ended 31 December 2015, the Group returned 46.25% equity interest amounted to RMB370,000,000 in Green Fund to its non-controlling shareholder. As a result, Green Fund became a wholly-owned subsidiary of the Company.
- (iv) During the year ended 31 December 2015, Beijing CIFI Modern becomes a subsidiary of the Company as a result of a deemed acquisition of subsidiary. Details are set out in Note 36.
- * The English names of the companies which operate in the PRC are for reference only and have not been registered.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

48. EVENT AFTER THE REPORTING PERIOD

Pursuant to the agreement dated on 8 January 2016 entered into between Modern Green Development, a wholly-owned subsidiary of the Company, and Huainan Xinyi Real Estate Development Co., Ltd 淮南市信誼房地產開發有限責任公司（“Huainan Xinyi”，an independent third party），Modern Green Development agrees to acquire from Huainan Xinyi 49% equity interest in Anhui Moma for a consideration of RMB65,000,000. Upon completion of the acquisition, Anhui Moma will be held as to 100% by Modern Green Development and will become a wholly-owned subsidiary of the Company. Anhui Moma is engaged in development of a parcel of land located at Hefei, Anhui Province. Details of the acquisition are set out in the Company's announcement dated 8 January 2016. The Group is in the process of assessing the fair value of the identified assets and liabilities of the acquiree, therefore the financial effect of the acquisition is not presented.

獨立核數師報告 Independent Auditor's Report

Deloitte. 德勤

致當代置業(中國)有限公司股東
當代置業(中國)有限公司
(於開曼群島註冊成立的有限公司)

吾等已審閱列載於第107至251頁的當代置業(中國)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表,當中包括於2014年12月31日的合併財務狀況報表以及截至該日止年度的合併損益及其他全面收入報表、合併權益變動表及合併現金流量表,以及主要會計政策概要及其他解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及按照香港公司條例的披露規定編製及真實而公平地列報合併財務報表,及落實其認為屬必需的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

根據吾等協定的聘用條款,吾等的責任是根據吾等的審核對該等合併財務報表作出意見,並僅向整體股東報告,除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。吾等已根據國際核數準則進行審核。該等準則要求吾等遵守道德規範,並規劃及執行審核,以合理確定該等合併財務報表是否不存有任何重大錯誤陳述。

TO THE SHAREHOLDERS OF MODERN LAND (CHINA) CO., LIMITED
當代置業(中國)有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Modern Land (China) Co., Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 107 to 251, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

獨立核數師報告 Independent Auditor's Report

審核涉及執程序以獲取該等合併財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致該等合併財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報合併財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價合併財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映 貴集團於2014年12月31日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港公司條例的披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師

香港
2015年3月24日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of the Group's profit and cash flow for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
24 March 2015

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2014年12月31日止年度 For the year ended 31 December 2014

		附註	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
		Notes		
收益	Revenue	5	4,079,464	3,469,029
銷售成本	Cost of sales		(2,424,163)	(2,099,066)
毛利	Gross profit		1,655,301	1,369,963
其他收入、收益及虧損	Other income, gain and loss	6	75,334	8,680
已竣工待售物業 轉撥至投資物業的 公允價值收益	Fair value gain of completed properties for sale upon transfer to investment properties	13	90,886	30,186
投資物業公允 價值變動	Changes in fair value of investment properties	13	111,074	46,273
銷售及分銷開支	Selling and distribution expenses		(206,835)	(170,797)
行政開支	Administrative expenses		(242,083)	(204,136)
融資成本	Finance costs	7	(265,510)	(35,570)
上市開支	Listing expenses		-	(22,024)
分佔合營企業的虧損	Share of loss of joint ventures		(51,133)	-
分佔聯營公司的虧損	Share of loss of an associate		(90)	-
稅前溢利	Profit before taxation		1,166,944	1,022,575
所得稅開支	Income tax expense	8	(625,552)	(494,230)
年度溢利	Profit for the year	9	541,392	528,345

合併損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2014年12月31日止年度 For the year ended 31 December 2014

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
	附註 Notes		
其他全面收入	Other comprehensive income		
不會重新分類至 損益的項目：	<i>Items that will not be reclassified to profit or loss:</i>		
業主自用物業 轉撥至投資物業的 重估收益	Gain on revaluation of owner-occupied properties upon transfer to investment properties	1,351	-
與業主自用物業重估 收益有關的遞延稅項	Deferred tax relating to gain on revaluation of owner-occupied properties	(338)	-
其後可重新分類至 損益的項目：	<i>Items that may be reclassified subsequently to profit or loss:</i>		
換算境外業務 所產生的匯兌差額	Exchange differences on translating foreign operations	562	(3,740)
年度其他全面收入（開支） （扣除稅項）	Other comprehensive income (expense) for the year, net of income tax	1,575	(3,740)
年度全面收入總額	Total comprehensive income for the year	542,967	524,605
下列人士應佔年度溢利 （虧損）：	Profit (loss) for the year attributable to:		
本公司擁有人	Owners of the Company	521,128	528,934
非控股權益	Non-controlling interests	20,264	(589)
		541,392	528,345
下列人士應佔 全面收入（開支）總額：	Total comprehensive income (expense) attributable to:		
本公司擁有人	Owners of the Company	522,703	525,194
非控股權益	Non-controlling interests	20,264	(589)
		542,967	524,605
每股盈利（人民幣分）：	Earnings per share, in Renminbi cents:		
基本	Basic	12 32.6	38.1

合併財務狀況報表

Consolidated Statement of Financial Position

於2014年12月31日 At 31 December 2014

		附註	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
		Notes		
非流動資產	Non-current assets			
投資物業	Investment properties	13	1,146,600	825,660
物業、廠房及設備	Property, plant and equipment	14	503,655	518,803
無形資產	Intangible assets	15	1,259	1,229
預付租賃款項	Prepaid lease payments	16	–	916,137
持作日後發展的 永久業權土地	Freehold land held for future development	17	27,842	27,742
於聯營公司的權益	Interests in an associate	18	20,977	–
於合營企業的權益	Interests in joint ventures	19	2,116,699	–
向僱員作出墊款	Advances to employees	20	39,769	–
可供出售投資	Available-for-sale investments	21	114,236	34,336
就購入土地使用權 已付的押金	Deposits paid for acquisition of land use rights	22	–	465,000
遞延稅項資產	Deferred tax assets	23	317,112	338,488
			4,288,149	3,127,395
流動資產	Current assets			
存貨	Inventories	24	3,675	3,350
預付租賃款項	Prepaid lease payments	16	410,642	–
發展中待售物業	Properties under development for sale	25	4,213,683	2,936,051
持作銷售物業	Properties held for sale	26	1,036,375	1,649,366
貿易及其他應收款、 押金及預付款	Trade and other receivables, deposits and prepayments	27	708,459	467,690
應收關聯方款項	Amounts due from related parties	42(a)	573,353	–
受限制現金	Restricted cash	28	1,145,997	125,930
銀行結餘及現金	Bank balances and cash	28	2,797,941	2,743,579
			10,890,125	7,925,966
流動負債	Current liabilities			
貿易及其他應付款、 已收押金及應計費用	Trade and other payables, deposits received and accrued charges	29	5,486,747	4,926,654
應付關聯方款項	Amounts due to related parties	42(b)	186,183	13,990
應付稅項	Taxation payable	30	1,717,318	1,453,506
銀行及其他借貸 (於一年內到期)	Bank and other borrowings – due within one year	31	1,314,317	256,910
			8,704,565	6,651,060
流動資產淨額	Net current assets		2,185,560	1,274,906
總資產減流動負債	Total assets less current liabilities		6,473,709	4,402,301

合併財務狀況報表

Consolidated Statement of Financial Position

於2014年12月31日 At 31 December 2014

年報 ANNUAL REPORT 2014

		附註	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
		Notes		
股本及儲備	Capital and reserves			
股本	Share capital	33	98,610	98,610
儲備	Reserves		2,762,043	2,373,702
本公司擁有人應佔權益	Equity attributable to owners of the Company		2,860,653	2,472,312
非控股權益	Non-controlling interests		373,086	(1,319)
權益總額	Total equity		3,233,739	2,470,993
非流動負債	Non-current liabilities			
銀行及其他借貸 (於一年後到期)	Bank and other borrowings – due after one year	31	480,900	997,200
優先票據	Senior notes	32	2,712,020	904,753
遞延稅項負債	Deferred tax liabilities	23	47,050	29,355
			3,239,970	1,931,308
			6,473,709	4,402,301

第107至第251頁的合併財務報表於2015年3月24日經董事會批准及授權刊發。

The consolidated financial statements on pages 107 to 251 were approved and authorised for issue by the Board of directors on 24 March 2015.

董事
DIRECTOR

董事
DIRECTOR

合併權益變動表

Consolidated Statement of Changes in Equity

截至2014年12月31日止年度 For the year ended 31 December 2014

		本公司擁有人應佔											非控股權益		權益總額
		Attributable to equity owners of the Company											Non-controlling interests		Total equity
		股本	股份溢價	特別儲備	重估儲備	購股權儲備	其他儲備	法定盈餘儲備	外匯換算儲備	累計溢利	合計			權益總額	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
			(附註a)	(附註b)		(附註41)	(附註d)	(附註c)							
		Share capital	Share premium	Special reserve	Revaluation reserve	Share option reserve	Other reserve	Statutory surplus reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests		Total equity	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
			(note a)	(note b)		(Note 41)	(note d)	(note c)							
於2013年1月1日	At 1 January 2013	342	-	299,292	71,466	-	(7,345)	270,229	252	867,243	1,501,479	(730)	1,500,749		
換算境外業務所產生的匯兌差額	Exchange differences on translating foreign operations	-	-	-	-	-	-	-	(3,740)	-	(3,740)	-	(3,740)		
其他全面收入	Other comprehensive income	-	-	-	-	-	-	-	(3,740)	-	(3,740)	-	(3,740)		
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	528,934	528,934	(589)	528,345		
年度全面收入總額	Total comprehensive income for the year	-	-	-	-	-	-	-	(3,740)	528,934	525,194	(589)	524,605		
資本化發行股份(附註33)	Capitalisation issue of shares (Note 33)	73,615	(73,615)	-	-	-	-	-	-	-	-	-	-		
與上市相關的股份發行(附註33)	Issuance of shares in connection with listing (Note 33)	24,653	448,698	-	-	-	-	-	-	-	473,351	-	473,351		
發行股份開支	Share issue expenses	-	(16,105)	-	-	-	-	-	-	-	(16,105)	-	(16,105)		
以股份付款	Share-based payment	-	-	-	-	-	6,613	-	-	-	6,613	-	6,613		
來自一名股東所控制公司的供款(附註e)	Contribution from a company controlled by a shareholder (note e)	-	-	407	-	-	-	-	-	-	407	-	407		
出售附屬公司	Disposal of subsidiaries	-	-	358	-	-	-	-	-	-	358	-	358		
撥作儲備	Appropriations to reserves	-	-	-	-	-	-	23,512	-	(23,512)	-	-	-		
轉撥	Transfer	-	-	-	(38,095)	-	-	-	-	38,095	-	-	-		
股息(附註11)	Dividend (Note 11)	-	(18,985)	-	-	-	-	-	-	-	(18,985)	-	(18,985)		
於2013年12月31日	At 31 December 2013	98,610	339,993	300,057	33,371	-	(732)	293,741	(3,488)	1,410,760	2,472,312	(1,319)	2,470,993		
業主自用物業的重估收益	Gain on revaluation of owner occupied properties	-	-	-	1,013	-	-	-	-	-	1,013	-	1,013		
換算境外業務所產生的匯兌差額	Exchange differences on translating foreign operations	-	-	-	-	-	-	-	562	-	562	-	562		
其他全面收入	Other comprehensive income	-	-	-	1,013	-	-	-	562	-	1,575	-	1,575		
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	521,128	521,128	20,264	541,392		
年度全面收入總額	Total comprehensive income for the year	-	-	-	1,013	-	-	-	562	521,128	522,703	20,264	542,967		
以股份付款	Share-based payment	-	-	-	-	1,275	732	-	-	-	2,007	-	2,007		
來自一名股東所控制公司的供款(附註e)	Contribution from a company controlled by a shareholder (note e)	-	-	407	-	-	-	-	-	-	407	-	407		
向非控股股東出售附屬公司股份權益	Disposal of partial interests in subsidiaries to a non-controlling shareholder	-	-	384	-	-	-	-	-	-	384	374,516	374,900		
撥作儲備	Appropriations to reserves	-	-	-	-	-	-	60,281	-	(60,281)	-	-	-		
股息(附註11)	Dividend (Note 11)	-	(137,160)	-	-	-	-	-	-	-	(137,160)	-	(137,160)		
向附屬公司非控股權益分派股息	Dividend distribution to the non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(20,375)	(20,375)		
於2014年12月31日	At 31 December 2014	98,610	202,833	300,848	34,384	1,275	-	354,022	(2,926)	1,871,607	2,860,653	373,086	3,233,739		

合併權益變動表

Consolidated Statement of Changes in Equity

截至2014年12月31日止年度 For the year ended 31 December 2014

附註：

(a) 根據本公司組織章程細則第134條，本公司獲准自股份溢價賬撥付末期股息。

(b) 特別儲備涉及收購附屬公司的額外權益，視為收購一家附屬公司、出售於附屬公司的部分權益及來自一名股東所控制公司的供款。

(c) 根據在中華人民共和國（「中國」）成立的本集團現時旗下若干實體的組織章程細則，該等實體須向法定盈餘儲備轉撥其（根據中國公認會計原則編製的）稅後溢利的10%，直至該儲備達到有關實體註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息之前作出。法定盈餘儲備可用以彌補過往年度的虧損、擴充現有的經營業務或轉換為實體的額外資本。

(d) 於截至2008年12月31日止年度，當代綠色實業有限公司（前稱當代綠色置業有限公司）（「當代綠色」）已出售當代節能置業股份有限公司（前稱北京當代鴻運房地產經營開發有限公司）（「當代節能置業」）5.8%的權益。向幾位高級管理人員（「僱員」）轉讓於當代綠色的1.924%權益超出公允價值的部分，乃被視為以股份付款。2008年度初步於儲備內確認的以股份付款總額為人民幣57,704,000元，在僱員提供服務的六年間自損益扣除。因此，本集團於截至2014年12月31日止年度確認與本集團以股份付款相關的開支約人民幣732,000元（2013年：人民幣6,613,000元）。上述金額已自其他儲備解除。

Notes:

(a) Pursuant to article 134 of the Company's Articles of Association, the Company is permitted to pay out final dividend from share premium account.

(b) Special reserve relates to acquisition of additional interest in subsidiaries, deemed acquisition of a subsidiary, disposals of partial interest in subsidiaries and contribution from a company controlled by a shareholder.

(c) In accordance with the Articles of Association of certain entities established in the People's Republic of China ("PRC") now comprising the Group, these entities are required to transfer 10% of the profit after taxation, prepared in accordance with PRC generally accepted accounting principles, to the statutory surplus reserve until the reserve reaches 50% of the registered capital of respective entities. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous year's losses, expand the existing operations or convert into additional capital of the entities.

(d) During the year ended 31 December 2008, Modern Green Industrial Co., Ltd. 當代綠色實業有限公司 (formerly known as Modern Green Property Co., Ltd. 當代綠色置業有限公司) ("Modern Green Industrial") disposed of 5.8% interests in Modern Green Development Co., Ltd. 當代節能置業股份有限公司 (formerly known as Beijing Modern Hongyun Real Estate Development Co., Ltd. 北京當代鴻運房地產經營開發有限公司) ("Modern Green Development"). The excess of the fair value of 1.924% interest in Modern Green Industrial transferred to certain senior level management individuals (the "Employees") is considered as a share-based payment. The total share based payment initially recognised in the reserve in 2008 amounted to RMB57,704,000 and is charged to profit or loss over 6 years of service to be provided by the Employees. Accordingly, the Group recognised an expense of approximately RMB732,000 (2013: RMB6,613,000) for year ended 31 December 2014 in relation to share-based payment of the Group. The amount was released from other reserve.

合併權益變動表

Consolidated Statement of Changes in Equity

截至2014年12月31日止年度 For the year ended 31 December 2014

於2013年3月，其中一位僱員離職，即使其並未提供規定年限的服務，本公司管理層同意不會取得先前向其轉讓的當代綠色的權益，因此，截至2013年12月31日止年度有關該僱員的餘下以股份付款人民幣319,000元（計入上述人民幣6,613,000元內）悉數自合併損益及其他全面收入報表扣除。

In March 2013, one of the Employees resigned, the management of the Company agreed not to obtain the interest in Modern Green Industrial previously transferred to him even though he has not yet provided the required number of years of services, as such, the remaining share-based payment relating to him amounted to RMB319,000, which included in RMB6,613,000 mentioned above, was fully charged to consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2013.

(e) 根據2010年11月29日當代節能置業與其一名僱員訂立的協議，該僱員可使用由北京當代城市房地產開發有限公司（「北京當代城市房地產」，一家由本公司股東控制的公司）所發展的物業。該僱員自2010年10月30日開始為當代節能置業服務達10年後，該項物業的產權將轉讓予該僱員。於2010年11月29日，該物業的市場價值為人民幣4,071,000元。截至2014年12月31日止年度，本集團將該交易確認為員工成本及來自股東所控制公司的供款，金額為人民幣407,000元（2013年：人民幣407,000元）。

(e) Pursuant to the agreement dated 29 November 2010 entered into between Modern Green Development and an employee of Modern Green Development, the employee can use the property developed by Beijing Modern City Real Estate Development Co., Ltd. 北京當代城市房地產開發有限公司（“Beijing Modern City Real Estate”），a company controlled by a shareholder of the Company. The title of the property will be transferred to the employee upon his completion of service with Modern Green Development for 10 years commencing from 30 October 2010. As at 29 November 2010, the market value of the property is RMB4,071,000. The Group recognised this transaction as staff cost and contribution from a company controlled by the shareholder amounted to RMB407,000 (2013: RMB407,000) for the year ended 31 December 2014.

合併現金流量表

Consolidated Statement of Cash Flows

截至2014年12月31日止年度 For the year ended 31 December 2014

年報 ANNUAL REPORT 2014

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
經營活動	Operating activities		
稅前溢利	Profit before taxation	1,166,944	1,022,575
就以下各項作出調整：	Adjustments for:		
融資成本	Finance costs	265,510	35,570
利息收入	Interest income	(42,398)	(7,140)
可供出售投資 股息收入	Dividend income from available-for-sale investments	(2,554)	(6,146)
物業、廠房及 設備折舊	Depreciation of property, plant and equipment	24,585	19,695
無形資產攤銷	Amortisation of intangible assets	193	180
以股份付款	Share-based payment	2,007	6,613
出售附屬公司的收益	Gain on disposal of subsidiaries	(31,514)	-
持作銷售物業 轉撥至投資物業 的公允價值收益	Fair value gain upon transfer from properties held for sale to investment properties	(90,886)	(30,186)
投資物業公允 價值變動	Changes in fair value of investment properties	(111,074)	(46,273)
呆賬撥備	Allowance for doubtful debts	697	610
供應商墊款撥備	Allowance for advance to a supplier	5,580	-
出售物業、廠房及 設備的收益	Gain on disposal of property, plant and equipment	(658)	(496)
來自一名股東所控制 公司的供款， 已確認為員工成本	Contribution from a company controlled by a shareholder, recognised as staff cost	407	407
分佔聯營公司的虧損	Share of loss of an associate	90	-
分佔合營企業的虧損	Share of loss of joint ventures	51,133	-
出售投資物業的虧損	Loss on disposal of investment properties	4,727	-
持作銷售物業 撇減／(撥回)	Write-down/(reversal of allowance) of properties held for sale	4,928	(11,510)
未變現匯兌收益	Unrealised exchange gain	(4,469)	(6,955)
營運資金變動前的 經營現金流量	Operating cash flows before movements in working capital	1,243,248	976,944

合併現金流量表

Consolidated Statement of Cash Flows

截至2014年12月31日止年度 For the year ended 31 December 2014

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
營運資金變動：	Movements in working capital:		
存貨增加	Increase in inventories	(325)	(2,471)
發展中待售物業及 持作銷售物業 (增加)/減少	(Increase)/decrease in properties under development for sale and properties held for sale	(1,216,369)	645,624
貿易及其他應收款、 押金及預付款 (增加)/減少	(Increase)/decrease in trade and other receivables, deposits and prepayments	(3,465,785)	25,874
應收關聯公司款項 (增加)/減少	(Increase)/decrease in amounts due from related companies	(68,959)	186
就購入土地使用權已付 的押金減少/(增加)	Decrease/(increase) in deposits paid for acquisition of land use rights	20,000	(465,000)
預付租賃款項增加	Increase in prepaid lease payments	(1,293,230)	(783,597)
貿易及其他應付款、 已收押金及 應計費用增加	Increase in trade and other payables, deposits received and accrued charges	3,448,859	517,926
應付關聯方款項 (減少)/增加	(Decrease)/increase in amounts due to related parties	(10,759)	162
經營活動(所用)/ 所得現金	Cash (used in)/generated from operating activities	(1,343,320)	915,648
已付所得稅	Income tax paid	(342,810)	(359,695)
經營活動(所用)/ 所得現金淨額	Net cash (used in)/generated from operating activities	(1,686,130)	555,953

合併現金流量表

Consolidated Statement of Cash Flows

截至2014年12月31日止年度 For the year ended 31 December 2014

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		附註	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
		Notes		
投資活動	Investing activities			
已收利息	Interest received		76,339	7,140
自可供出售投資 所收取股息	Dividend received from available-for-sale investment		2,554	6,146
購入可供出售投資	Purchase of available-for-sale investments		(79,900)	(229,280)
購入物業、廠房及設備	Purchase of property, plant and equipment		(17,897)	(112,377)
購入無形資產	Purchase of intangible assets		(223)	(72)
出售可供出售 投資所得款項	Proceeds on disposal of available-for-sale investments		–	207,000
出售物業、廠房及 設備所得款項	Proceeds on disposal of property, plant and equipment		8,815	2,834
收購附屬公司的 現金流出淨額	Net cash outflow from acquisition of subsidiaries	35	(170,985)	(4,159)
出售附屬公司的 現金流量淨額	Net cash flow from disposals of subsidiaries	36	262,757	9,783
於聯營公司的投資	Investment in an associate		(25,000)	–
於合營企業的投資	Investment in joint ventures		(78,500)	–
向合營企業作出貸款	Loan to joint ventures		(1,866,306)	–
合營企業還款	Repayment from joint ventures		2,307,742	–
向關聯方作出墊款	Advances to related parties		(616,914)	(4,114)
關聯方還款	Repayment from related parties		244,915	106,657
向第三方作出墊款	Advances to a third party		(290,000)	–
第三方還款	Repayment from a third party		290,000	–
出售投資物業所得款項	Proceeds on disposal of investment properties		40,607	84,573
受限制現金增加	Increase in restricted cash		(1,020,067)	(40,705)
向僱員作出墊款	Advances to employees		(39,769)	–
投資活動(所用)/ 所得現金淨額	Net cash (used in)/generated from investing activities		(971,832)	33,426

合併現金流量表

Consolidated Statement of Cash Flows

截至2014年12月31日止年度 For the year ended 31 December 2014

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
融資活動	Financing activities		
已付利息	Interest paid	(315,070)	(102,013)
已付本公司 擁有人的股息	Dividend paid to owners of the Company	(136,729)	(18,715)
已付非控股股東 的股息	Dividend paid to a non-controlling shareholder	(20,375)	-
償還銀行借貸	Repayments of bank borrowings	(428,436)	(419,757)
償還其他借貸	Repayments of other borrowings	(682,000)	(300,000)
新增銀行貸款	New bank loans raised	1,044,543	473,967
新增其他貸款	New other loans raised	607,000	390,000
償還關聯方款項	Repayment to related parties	(1,848,525)	(3,286)
關聯方／(向關聯方 作出) 墊款	Advances from/(to) related parties	2,297,421	(20)
非控股權益注資	Capital injection from non-controlling interests	374,900	-
發行優先票據 所得款項淨額	Net proceeds from issue of senior notes	1,819,134	891,952
公開發售下發行 股份所得款項淨額	Net proceeds from issuance of shares under public offering	<u>-</u>	<u>457,246</u>
融資活動所得現金淨額	Net cash generated from financing activities	<u>2,711,863</u>	<u>1,369,374</u>
現金及現金等價物 增加淨額	Net increase in cash and cash equivalents	53,901	1,958,753
年初現金及現金等價物	Cash and cash equivalents at the beginning of the year	2,743,579	787,712
匯率變動對以外幣持有的 現金結餘的影響	Effects of exchange rate changes on the balance of cash held in foreign currencies	461	(2,886)
年終現金結餘及 現金等價物	Cash balance and cash equivalents at the end of the year	<u><u>2,797,941</u></u>	<u><u>2,743,579</u></u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

1. 一般資料

本公司於2006年6月28日根據開曼群島公司法在開曼群島註冊成立為一家獲豁免有限公司。其母公司為於英屬處女群島（「英屬處女群島」）註冊成立的極地控股有限公司及最終控股公司為根據巴哈馬群島聯邦法律註冊成立的Fantastic Energy Ltd.。兩家公司均由張雷先生及Salum Zheng Lee先生控制。本公司的註冊辦事處位於Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands。其主要營業地點則位於中華人民共和國（「中國」）北京東城區香河園路1號。

本公司為預備將股份於香港聯合交易所有限公司（「聯交所」）主板上市（「上市」），於2011年進行了集團重組。進一步詳情載於本公司於2013年6月28日刊發的招股章程。本公司股份其後於2013年7月12日於聯交所上市。

本公司及其附屬公司（統稱「本集團」）主要在中國從事房地產發展、物業投資及酒店營運。

合併財務報表以人民幣（「人民幣」）呈列。人民幣乃各集團實體經營所在主要經濟環境的流通貨幣（即各集團實體的功能貨幣）。

1. GENERAL

The Company was incorporated in the Cayman Islands on 28 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its parent is Super Land Holdings Limited, a company incorporated in the British Virgin Islands (“BVI”) and its ultimate holding company is Fantastic Energy Ltd., a company incorporated under the laws of Commonwealth of the Bahamas. Both of them are controlled by Mr. Zhang Lei and Mr. Salum Zheng Lee. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands, and its principal place of business is located at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, People's Republic of China (the “PRC”).

In preparation for the listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”), the Company underwent a group reorganisation in 2011. Further details of which are set out in the Company's prospectus dated 28 June 2013. The Company's shares were then listed on the Stock Exchange on 12 July 2013.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in real estate development, property investment and hotel operation in the PRC.

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

2. 應用新訂及經修訂國際財務報告準則

於本年度，本集團首次應用下列國際財務報告準則（「國際財務報告準則」）的修訂及新詮釋。

國際財務報告準則 第10號、國際 財務報告準則 第12號及國際 會計準則第27號 (修訂本)	投資實體
國際會計準則 第32號(修訂本)	抵銷金融資產及 金融負債
國際會計準則 第36號(修訂本)	非金融資產的 可收回金額披露
國際會計準則 第39號 (修訂本)	衍生工具的 更替及對沖 會計法的延續
國際財務報告 詮釋委員會 詮釋第21號	徵費

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(修訂本)投資實體

本集團已於本年度首次應用國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號投資實體的修訂本。國際財務報告準則第10號(修訂本)界定了投資實體，並要求符合投資實體定義的報告實體不得將其附屬公司合併入賬，但須於其合併及獨立財務報表以透過損益按公允價值列賬的方式計量其附屬公司。

為符合投資實體資格，報告實體必須：

- 自一名或以上的投資者獲取資金，以向彼等提供投資管理服務；
- 向其投資者承諾，其業務宗旨是僅為從資本增值、投資收益或兩者中產生回報而將資金投資；及
- 按公允價值基準計量及評估其絕大部分投資的表現。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards (“IFRSs”) and a new Interpretation.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號 (修訂本) 投資實體 (續)

國際財務報告準則第12號及國際會計準則第27號已作出相應修訂，以為投資實體引進新的披露規定。

由於本公司並非投資實體 (根據2014年1月1日國際財務報告準則第10號所載標準進行評估)，應用該等修訂本對本集團合併財務報表內的披露或已確認金額並無產生影響。

國際會計準則第32號 (修訂本) 抵銷金融資產及金融負債

本集團已於本年度首次採納國際會計準則第32號 (修訂本) 抵銷金融資產及金融負債。國際會計準則第32號 (修訂本) 澄清有關抵銷金融資產及金融負債的規定。特別是，修訂本澄清「目前擁有抵銷的合法強制執行權利」及「同步變現及結算」的含義。

修訂本已追溯應用。本集團已根據修訂本所載的標準評估其若干金融資產及金融負債是否可抵銷，並確定應用修訂本不會對本集團合併財務報表確認的金額產生影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (Continued)

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則 (續)

國際會計準則第36號 (修訂本) 非金融資產的可收回金額披露

本集團已於本年度首次應用國際會計準則第36號 (修訂本) 非金融資產的可收回金額披露。國際會計準則第36號 (修訂本) 就獲分配商譽或具有無限期使用年期的其他無形資產的現金產生單位並無出現減值或減值撥回的情況，取消披露有關現金產生單位可收回金額的規定。此外，修訂本亦對按公允價值減出售成本計量的資產或現金產生單位的可收回金額引入額外的適用披露規定。該等新披露包括公允價值層級、所使用的主要假設及估值方法，其與國際財務報告準則第13號公允價值計量所規定的披露一致。

應用該等修訂本對本集團合併財務報表的披露並無產生重大影響。

香港會計準則第39號 (修訂本) 衍生工具的更替及對沖會計法的延續

本集團已於本年度首次採納國際會計準則第39號 (修訂本) 衍生工具的更替及對沖會計法的延續。國際會計準則第39號 (修訂本) 放寬指定為對沖工具的衍生工具在若干情況下被更替時終止採用對沖會計法的規定。該等修訂本亦澄清，指定為對沖工具的衍生工具因更替產生的任何公允價值變動應計入對沖有效性的評估及計量之內。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

2. 應用新訂及經修訂國際財務報告準則 (續)

香港會計準則第39號 (修訂本) 衍生工具的更替及對沖會計法的延續 (續)

修訂本已追溯應用。由於本集團並無任何須更替的衍生工具，應用該等修訂本對本集團合併財務報表內的披露或已確認金額並無產生影響。

國際財務報告詮釋委員會詮釋第21號徵費

本集團已於本年度首次採納國際財務報告詮釋委員會詮釋第21號徵費。國際財務報告詮釋委員會詮釋第21號處理有關何時就支付政府徵費確認負債的問題。該詮釋界定何謂徵費，並訂明產生有關負債的責任事件是指依據法律確定為觸發徵費付款的活動。該詮釋訂明不同徵費安排的入賬指引，特別是澄清了經濟強制或以持續經營基準編製財務報表均不意味著一個實體目前負有支付徵費的責任，且該責任將在未來期間由經營活動觸發。

國際財務報告詮釋委員會詮釋第21號已追溯應用。應用該詮釋對本集團合併財務報表內的披露或已確認金額並無產生重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Continued)

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 Levies

The Group has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

已頒佈但尚未生效的新訂及經修訂準則及修訂如下：

國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第14號	監管遞延賬目 ²
國際財務報告準則第15號	來自客戶合約的收益 ³
國際財務報告準則第11號(修訂本)	收購於合營業務的權益的會計處理 ⁵
國際會計準則第1號(修訂本)	披露計劃 ⁵
國際會計準則第16號及國際會計準則第38號(修訂本)	澄清可接受的折舊及攤銷方法 ⁵
國際會計準則第19號(修訂本)	定額福利計劃：僱員供款 ⁴
國際財務報告準則(修訂本)	對國際財務報告準則2010年至2012年周期的年度改進 ⁶
國際財務報告準則(修訂本)	對國際財務報告準則2011年至2013年周期的年度改進 ⁴
國際財務報告準則(修訂本)	對國際財務報告準則2012年至2014年周期的年度改進 ⁵
國際會計準則第16號及國際會計準則第41號(修訂本)	農業：生產性植物 ⁵
國際會計準則第27號(修訂本)	於獨立財務報表的權益法 ⁵
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁵
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本)	投資實體：應用合併的例外情況 ⁵

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and revised IFRSs in issue but not yet effective

The following new and revised standards and amendments have been issued which are not yet effective:

IFRS 9	Financial Instruments ¹
IFRS 14	Regulatory Deferral Accounts ²
IFRS 15	Revenue from Contracts with Customers ³
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to IAS 1	Disclosure Initiative ⁵
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle ⁶
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle ⁵
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ⁵
Amendments to IAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ⁵

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2. 應用新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則 (續)

- 1 於2018年1月1日或之後開始的年度期間生效
- 2 就2016年1月1日或之後開始的首份年度國際財務報告準則財務報表生效
- 3 於2017年1月1日或之後開始的年度期間生效
- 4 於2014年7月1日或之後開始的年度期間生效
- 5 於2016年1月1日或之後開始的年度期間生效
- 6 於2014年7月1日或之後開始的年度期間生效，除有限例外情況

國際財務報告準則第9號金融工具

2009年頒佈的國際財務報告準則第9號引入金融資產分類及計量的新規定。國際財務報告準則第9號隨後於2010年修訂以包括金融負債分類及計量以及終止確認的規定，並進一步於2013年修訂以包括對沖會計的新規定。於2014年頒佈的國際財務報告準則第9號另一份經修訂的版本主要包括(a)金融資產的減值規定及(b)透過對若干簡單債務工具引入「透過其他全面收入按公允價值列賬」計量類別，對分類及計量規定作出有限修訂。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016
- 3 Effective for annual periods beginning on or after 1 January 2017
- 4 Effective for annual periods beginning on or after 1 July 2014
- 5 Effective for annual periods beginning on or after 1 January 2016
- 6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

國際財務報告準則第9號的主要規定闡述如下：

- 屬國際會計準則第39號金融工具：確認及計量範圍內的所有已確認金融資產，其後均須按攤銷成本或公允價值計量。尤其目的是為收取合約現金流量的業務模式內所持有及合約現金流量僅為本金及尚未償還本金的利息付款的債務投資，一般於其後會計期末按攤銷成本計量。於透過同時收取合約現金流量及出售金融資產而達致目的之業務模式中持有的債務工具，以及金融資產合約條款令於特定日期產生的現金流量僅為本金及尚未償還本金利息付款的債務工具，乃以透過其他全面收入按公允價值列賬的方式計量。所有其他債務投資及股本投資均於其後報告期末按公允價值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇，於其他全面收入呈列股本投資（並非持作買賣）的其後公允價值變動，僅股息收入一般於損益中確認。
- 就指定為透過損益按公允價值列賬的金融負債計量而言，國際財務報告準則第9號規定，因金融負債信貸風險有變而導致其公允價值變動的款額乃於其他全面收入呈列，除非於其他全面收入確認該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。因金融負債的信貸風險有變而導致其公允價值變動其後不會重新分類至損益。根據國際會計準則第39號，指定為透過損益按公允價值列賬的金融負債的全部公允價值變動款額於損益呈列。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

- 就金融資產的減值而言，國際財務報告準則第9號按預期信貸虧損模式計算，與國際會計準則第39號按已產生信貸虧損模式計算相反。預期信貸虧損模式需要實體於各報告日將預期信貸虧損及該等預期信貸虧損變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。
- 新訂一般對沖會計規定保留三種對沖會計類型。然而，符合對沖會計資格交易的類型已引入更大彈性，尤其是擴闊符合對沖工具資格的工具類型及符合對沖會計資格的非金融項目的風險成份類型。此外，效力測試經已修訂並由「經濟關係」原則代替。對沖效力亦不再需要回顧評估。實體風險管理活動亦已告引入增強披露規定。

除目前按成本減減值計量的可供出售股本投資及就本集團按攤銷成本計量的金融資產有可能根據預期虧損模式提前確認信貸虧損外，根據對於2014年12月31日本集團所持投資的分析，本公司董事預期國際財務報告準則第9號並不會對本集團的業績及財務狀況產生任何重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9 Financial Instruments (Continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

Except for the available-for-sale equity investment currently measured at cost less impairment and the potential early recognition of credit losses based on the expected loss model in relation to the Group’s financial assets measured at amortised costs, the directors of the Company do not expect IFRS 9 will have any material impact on the results and financial position of the Group based on an analysis of the Group’s investment as at 31 December 2014.

2. 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第15號「來自客戶合約的收益」

於2014年5月，國際財務報告準則第15號的頒佈為實體確立了單一全面的模型，用於客戶合約所產生的收益的會計處理。國際財務報告準則第15號生效後將會取代現行的收益確認指引，包括國際會計準則第18號「收益」、國際會計準則第11號「建築合約」及相關詮釋。國際財務報告準則第15號的核心原則為實體應確認收益以說明向客戶承諾的商品或服務的轉移，其金額反映該實體預期該等商品或服務應可換取的代價。特別是，該準則引入確認收益的五步法：

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約內的履約責任
- 第3步：釐定交易價
- 第4步：將交易價分配至合約內的履約責任
- 第5步：當實體達成履約責任時（或按此）確認收益

根據國際財務報告準則第15號，當實體達成履約責任時（或按此）確認收益，即該特定履約責任的相關商品或服務的「控制權」轉移予客戶時。國際財務報告準則第15號已增加更為規範性的指引以處理特定情況。此外，國際財務報告準則第15號規定廣泛的披露事項。

本公司董事預期日後採納國際財務報告準則第15號可能對呈報金額及有關披露事項產生影響。然而，在本集團完成詳細審閱前對於國際財務報告準則第15號的影響提供合理估計屬不切實際。

除上述者外，本公司董事預期採納其他新訂及經修訂的國際財務報告準則將不會對本集團合併財務報表產生重大影響。

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 15 Revenue from Contracts with Customer

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Except for the above, the directors of the Company do not anticipate that the application of other new and revised IFRSs will have significant impact on the Group's consolidated financial statements.

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3. 主要會計政策

合併財務報表乃根據歷史成本法（投資物業按公允價值計量則除外）及國際財務報告準則而編製。此外，合併財務報表載有聯交所證券上市規則及香港公司條例所規定的適用披露事項。

歷史成本一般以交換貨品及服務時給予代價的公允價值為基準。

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。此外，非金融資產公允價值的計量則參考市場參與者可從使用該資產得到的最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用的市場參與者所產生的經濟效益。此等合併財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於國際財務報告準則第2號以股份付款範圍的以股份付款的交易、屬於國際會計準則第17號租賃範圍內的租賃交易，以及與公允價值有部份相若地方但並非公允價值的計量，譬如國際會計準則第2號存貨內的可變現淨額或國際會計準則第36號資產減值的使用價值除外。

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for the investment properties which are measured at fair value, and in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

3. 主要會計政策 (續)

- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外); 及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

合併基準

合併財務報表包括本公司及本公司所控制實體及其附屬公司的財務報表。倘本公司符合以下情況，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上列三項控制權條件的其中一項或多項有變，本集團會重新評估其是否控制被投資方。

當本集團取得附屬公司的控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司的控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售的附屬公司的收入及支出會於本集團取得控制權當日起計入合併損益及其他全面收入報表，直至本集團對該附屬公司的控制權終止當日為止。

損益及各其他全面收入項目歸屬本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉將導致非控股權益產生虧絀結餘。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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3. 主要會計政策 (續)

合併基準 (續)

如有需要，會對附屬公司的財務報表作出調整，致令其會計政策與本集團所採用者一致。

本集團內公司間與交易有關的所有資產及負債、股權、收入、開支及現金流乃於合併賬目時悉數抵銷。

本集團於現有附屬公司的擁有權權益變動

本公司於附屬公司的擁有權權益發生變動（並不導致對附屬公司喪失控制權）列賬為股本交易（即擁有人以擁有人身份進行的交易）。控股權益與非控股權益的賬面值須作調整以反映彼等於附屬公司的相關權益的變動。非控股權益調整金額與已付或已收代價公允價值之間的任何差額直接於權益內確認，並歸屬本公司擁有人。

倘本集團失去對一間附屬公司的控制權，則於損益賬中確認盈虧，以下列兩項的差額計算：(i)所收取代價的公允價值及任何保留權益公允價值的總和，及(ii)附屬公司先前的資產（包括商譽）及負債及任何非控股權益的賬面值。早前於其他全面收入確認與該附屬公司有關的所有金額將會以猶如本集團已直接出售附屬公司的相關資產或負債的方式入賬（即重新分類至損益或按國際財務報告準則規定／容許而轉撥至另一股權類別）。於失去控制權當日仍保留於前附屬公司的任何投資公允價值，則根據國際會計準則第39號，將被視為就其後入賬而言初步確認的公允價值，或（如適用）於聯營公司或合營公司的投資的初步確認成本。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the Group's ownership interests in existing subsidiaries

Changes in a Company's ownership interests in subsidiaries that do not result in losing control over the subsidiaries are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併的轉撥代價以公允價值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團為交換被收購方的控制權而發行的股權於收購日期的公允價值的總和。收購相關成本一般於產生時在損益確認。

於收購日期，所收購的可識別資產及所承擔的負債按公允價值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，分別根據國際會計準則第12號所得稅及國際會計準則第19號僱員福利確認並計量；
- 與被收購方以股份為基礎的支付安排或以本集團訂立以股份為基礎的支付安排取代被收購方以股份為基礎的支付安排相關的負債或股本工具，乃於收購日期根據國際財務報告準則第2號以股份為基礎的支付計量；及
- 根據國際財務報告準則第5號持作出售的非流動資產及已終止業務分類為持作出售的資產（或出售組別）按該準則計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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3. 主要會計政策 (續)

業務合併 (續)

商譽按轉讓代價、被收購方的任何非控股權益金額，以及收購方先前持有的被收購方股本權益的公允價值(如有)的總額，超出所收購可識別資產扣除所承擔負債後於收購日期的金額的差額計量。倘經重新評估後，所收購可識別資產扣除所承擔負債後於收購日期的金額超出轉讓代價、被收購方的任何非控股權益金額及收購方先前持有的被收購方股本權益的公允價值(如有)的總額，則該差額即時於損益確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體淨資產的非控股權益，可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每宗交易而作出選擇。其他種類的非控股權益乃按其公允價值或(如適用)另一項國際財務報告準則所訂明的基準計量。

於聯營公司及合營企業的投資

聯營公司是指本集團有重大影響力的實體。重大影響力指有權參與被投資方的財務及經營政策決定但非控制或共同控制該等政策。

合營企業指一項合營安排，據此，對安排擁有共同控制權的訂約方對合營安排的資產淨值擁有權利。共同控制是指按照合約協定對某項安排所共有的控制權，共同控制僅在相關活動要求共享控制權的各方作出一致同意的決定時存在。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

聯營公司或合營企業的業績與資產及負債，乃採用權益會計法列入合併財務報表，惟倘該項投資（或其中部分）被分類為持作出售，則會根據國際財務報告準則第5號入賬。根據權益會計法，於聯營公司或合營企業的投資初步於合併財務狀況報表按成本確認，並於其後就確認本集團應佔該聯營公司或合營企業的溢利或虧損及其他全面收入而作出調整。當本集團應佔一間聯營公司或合營企業的虧損超出本集團於該聯營公司或合營企業的權益時（包括實質上構成本集團於聯營公司或合營企業的投資淨值一部分的任何長期權益），本集團會終止確認其應佔的進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司或合營企業付款時方予確認。

於聯營公司或合營企業的投資自被投資方成為聯營公司或合營企業當日起以權益法入賬。收購於聯營公司或合營企業的投資時，任何投資成本超出本集團應佔被投資方的可識別資產及負債公允淨值的差額，均確認為商譽，並計入該項投資的賬面值內。本集團應佔可識別資產及負債的公允淨值超出投資成本的任何數額經重新評估後，即時於收購該項投資的期間於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

國際會計準則第39號的規定適用於釐定是否需要就本集團於一間聯營公司或合營企業的投資確認任何減值虧損。如需要，該項投資的全部賬面值（包括商譽）將根據國際會計準則第36號以單一資產方式進行減值測試，方法是比較其可收回金額（即使用價值與公允價值減出售成本的較高者）與其賬面值。任何已確認減值虧損均構成該項投資賬面值的一部分。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加時根據國際會計準則第36號確認。

本集團於投資不再為聯營公司或合營企業當日起，或投資被分類為持作出售時，終止使用權益法。倘本集團保留於前聯營公司或合營企業的權益，且該保留權益為金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為根據國際會計準則第39號首次確認時的公允價值。聯營公司或合營企業於終止採用權益法當日的賬面值與任何保留權益及出售聯營公司或合營企業部分權益的任何所得款項的公允價值之間的差額，乃於釐定出售該聯營公司或合營企業的收益或虧損時計入。此外，本集團將先前於其他全面收入就該聯營公司或合營企業確認的所有金額入賬，基準與倘該聯營公司或合營企業直接出售相關資產或負債時所規定的基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收入確認的收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團會在終止使用權益法時，將該項收益或虧損由權益重新分類至損益（作為重新分類調整）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策 (續)

於聯營公司及合營企業的投資 (續)

倘於聯營公司的投資成為於合營企業的投資，或於合營企業的投資成為於聯營公司的投資，本集團會繼續使用權益法。於該等擁有權權益變動後，不會重新計量公允價值。

倘本集團削減其於聯營公司或合營企業的擁有權權益但本集團繼續採用權益法，而有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前就削減擁有權權益而於其他全面收入確認的收益或虧損部分重新分類至損益。

倘一集團實體與本集團一間聯營公司或合營企業進行交易，與該聯營公司或合營企業進行交易所產生的損益僅於該聯營公司或合營企業的權益與本集團無關的情況下，才會在本集團的合併財務報表確認。

收益確認

收益乃按已收或應收代價的公允價值計算，乃一般業務過程中出售貨物及提供服務的應收款項扣除折讓及銷售相關稅項後的金額。

在日常業務過程中銷售物業所得的收益於有關物業竣工，且物業所有權的絕大部分風險及回報已轉移至客戶（即客戶已根據買賣協議的條款完成所需程序確認收到交付物業）時予以確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of properties in the ordinary course of business is recognised when the construction of respective properties have been completed and the significant risks and rewards of ownership of the properties are transferred to the customers, that is when the customers completed the necessary procedures to acknowledge receipts of delivery of properties in accordance with the terms under respective sales and purchases agreements.

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3. 主要會計政策 (續)

收益確認 (續)

於收益確認日期前從買方所收取的押金及分期付款，則列於合併財務狀況報表流動負債項下。

來自經營租賃的租金收入，於有關租賃期內按直線法確認。

酒店住宿、飲食銷售及其他配套服務之收入於提供服務時確認。

其他服務收入於提供服務時確認。

金融資產的利息收入乃參考尚未償還本金額採用適用實際利率，按時間基準累計，而實際利率乃將估計未來現金收入透過金融資產預計可用年期準確地貼現為該資產於初步確認時的賬面淨值的利率。

投資所得股息收入於股東收取款項的權利獲確立時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Deposits and instalments received from purchasers prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Revenue from hotel accommodation, food and beverage sales and other ancillary services is recognised when the services are rendered.

Other service income is recognised when the services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3. 主要會計政策 (續)

投資物業

投資物業乃持作賺取租金及／或資本增值之用的物業。投資物業初步以成本(包括任何直接應佔支出)計量。於初步確認後，投資物業採用公允價值模式按公允價值計量。投資物業公允價值變動所產生盈虧於產生期間計入損益中。

投資物業於出售或於其被永久終止使用或預期出售時再無日後經濟利益產生之時終止確認。終止確認資產所產生的任何盈虧(按該資產的出售所得款項淨額與資產賬面值之間的差額計算)於該項目終止確認期間計入損益。

當物業、廠房及設備項目因已證實終止自用而變為投資物業時，其於轉撥當日的賬面值與公允價值間的任何差額在其他全面收入內確認並於重估儲備中累計。待資產隨後出售或報廢時，有關重估儲備將直接轉至保留溢利。

倘持有物業的意圖變更為賺取租金及／或資本增值，持作銷售物業轉入投資物業(以對另一方之經營租賃開始為證)，則該項目於轉撥當日的賬面值與其公允價值間的任何差額於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

Where properties held for sale transferred to investment properties when there is a change of intention to hold the property to earn rentals or/and capital appreciation, which is evidenced by the commencement of an operating lease to another party, any difference between the carrying amount and fair value of that item at the date of transfer is recognised in profit or loss.

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3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何已確認減值虧損列賬。

正在建造以供生產、供應或管理之用的物業按成本值減任何已確認減值虧損列賬。成本包括專業費用，及按照本集團會計政策資本化的借貸成本(就合資格資產而言)。當該類物業竣工及可投入擬定用途時，將撥入物業、廠房及設備之適當分類。當該等資產可投入擬定用途時，開始就該等資產計提折舊，其基準與其他物業資產相同。

折舊乃經計及物業、廠房及設備項目(在建工程除外)的估計剩餘價值，於其估計可使用年期以直線法確認以撇銷成本。物業、廠房及設備項目乃於出售或預期持續使用該資產不會產生未來經濟利益時終止確認。該資產出售或報廢所產生的任何收益或虧損(以出售所得款項淨額與該項目賬面值之間的差額計算)於該項目終止確認期間計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any recognised impairment losses.

Properties in the course of construction for production, supply or administrative purpose are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual values, using the straight-line method. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

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3. 主要會計政策 (續)

無形資產

單獨收購且具限定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。

具限定可使用年期的無形資產攤銷乃於預計可用年內按直線法確認。

預付租賃款項

預付租賃款項指以發展待售物業為目的之土地使用權的預付款項，初步按成本確認及於租期內以直線法轉撥至損益。於物業發展項目中的相關建設工程動工時，其將被轉撥至發展中待售物業。

持作日後發展的永久業權土地

持作日後發展的永久業權土地指本集團擁有的用作發展待售物業的地塊。永久業權土地初步按成本確認，且不計及減值。於物業發展項目中的相關建設工程動工時，其將被轉撥至發展中待售物業。

存貨

存貨乃以成本與可變現淨值兩者中之較低者列賬。成本值乃利用加權平均法計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

Prepaid lease payments

The prepaid lease payments represent upfront payments for land use rights for the purpose of development of properties for sale and are initially recognised at cost and released to profit or loss over the lease term on a straight-line basis. They would be transferred to properties under development for sale upon commencement of the related construction work in property development project.

Freehold land held for future development

The freehold land held for future development represents parcels of land owned by the Group for the purpose of development of properties for sale. The freehold land is initially recognised at cost and not depreciated. It would be transferred to properties under development for sale upon commencement of the related construction work in property development project.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

合併財務報表附註

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3. 主要會計政策 (續)

發展中待售物業

擬於發展完成後於一般業務過程中出售的發展中物業列為流動資產，以成本與可變現淨值兩者中之較低者列賬。成本包括相關土地成本、所產生的發展支出及已資本化的借貸成本（如適用）。

發展中待售物業於竣工後轉撥至持作銷售物業。

倘發展中物業的擬定持有用途變更為自用，則發展中待售物業將轉入物業、廠房及設備。

持作銷售物業

持作銷售物業按成本與可變現淨值兩者中之較低者列賬。成本包括土地成本、所產生的發展支出及已資本化的借貸成本（如適用）。可變現淨值按當時市況釐定。

倘持作銷售物業的擬定持有用途變更為自用，則持作銷售物業將轉入物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties under development for sale

Properties under development which are intended to be sold in the ordinary course of business upon completion of development are classified as current assets, and carried at the lower of cost and net realisable value. Costs include the related land cost, development expenditure incurred and, where appropriate, borrowing costs capitalised.

Properties under development for sale are transferred to properties held for sale upon completion.

Properties under development for sale are transferred to property, plant and equipment when there is a change of intention to hold the properties under development for own use.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. Net realised value is determined based on prevailing market conditions.

Properties held for sale are transferred to property, plant and equipment when there is a change of intention to hold the properties held for sale for own use.

3. 主要會計政策 (續)

商譽以外有形資產及無形資產減值

於各報告期末，本集團均會審閱其有限定可使用年期的有形及無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，將估計資產的可收回金額，以釐定減值虧損(如有)的程度。倘不能估計個別資產的可收回金額，本集團將估計該資產所屬現金產生單位的可收回金額。當可確定合理及一致的分配基準時，企業資產亦分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小現金產生單位組別。

可收回金額為公允價值減出售成本與使用價值的較高者。於評估使用價值時，估計未來現金流將使用稅前貼現率貼現至其現值，而稅前貼現率為反映目前市場對金錢時間值的評估及未來現金流估計並無就此調整的資產的特定風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值時，則該資產(或現金產生單位)的賬面值將會減至其可收回金額。減值虧損即時於損益確認。

當減值虧損其後撥回，則該資產(或現金產生單位)的賬面值會增至經修定的估計可收回金額，惟增加後的賬面值不得超過如並無於以往年度就該資產(或現金產生單位)確認減值虧損而原應釐定的賬面值。撥回的減值虧損即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the small group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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3. 主要會計政策 (續)

金融工具

倘集團實體成為工具合約條文的訂約方，則於合併財務狀況報表中確認金融資產及金融負債。金融資產及金融負債初步按公允價值計量。因收購或發行金融資產及金融負債（透過損益按公允價值列賬的金融資產及金融負債除外）而直接產生的交易成本於初步確認時計入或扣除自金融資產或金融負債（視適用情況而定）的公允價值。因收購透過損益按公允價值列賬的金融資產或金融負債而直接產生的交易成本即時於損益確認。

金融資產

本集團的金融資產分為貸款及應收款項以及可供出售金融資產。所有日常金融資產買賣於交易日確認及終止確認。日常買賣指須在市場規則或慣例訂定的時間內交收資產的金融資產買賣。

實際利率法

實際利率法乃計算金融資產的攤銷成本以及於相關期間分配利息收入的方法。實際利率乃按金融資產的預計可用年期或（如適用）較短期間準確貼現估計未來現金收入（包括構成實際利率不可或缺部分的一切已付或已收費用、交易成本及其他溢價或折讓）至於初步確認時的賬面淨值的利率。

債務工具（其利息收入列為其他收入）的利息收入乃按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments, of which interest income is included in other income.

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3. 主要會計政策 (續)

金融工具 (續)

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款的非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易應收款、其他應收款項、應收關聯方款項、受限制現金、銀行結餘及現金）採用實際利率法，以攤銷成本減任何已識別減值虧損列賬（請參閱下文有關金融資產減值虧損的會計政策）。

可供出售金融資產

可供出售金融資產為指定或未分類為透過損益按公允價值列賬的金融資產、貸款及應收款項或持至到期投資的非衍生工具。

對於在活躍市場並無市場報價及其公允價值無法可靠計量的可供出售股本投資，於各報告期末按成本減任何已識別減值虧損計量（請參閱下文有關金融資產減值虧損的會計政策）。

金融資產減值

金融資產於各報告期末時評估是否有減值跡象。倘有客觀證據證明初步確認金融資產後發生的一項或多項事件令金融資產的估計未來現金流量受到影響，則金融資產屬已減值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, amounts due from related parties, restricted cash, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就金融資產而言，減值的客觀證據可包括：

- 發行人或對手方遇到嚴重財政困難；或
- 違反合約（如逾期或拖欠利息或本金付款）；或
- 借貸人有可能破產或進行財務重組。

貿易應收款及其他應收款項等被評估為非個別減值的若干金融資產類別，其後按整體基準進行減值評估。應收款項組合的客觀減值證據可包括本集團的過往收款經驗以及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

對於按攤銷成本計量的金融資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益內確認，並按該資產的賬面值與按原先實際利率貼現的估計未來現金流量的現值間的差額計量。

就所有金融資產而言，金融資產的賬面值直接按減值虧損減少，惟貿易應收款及其他應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目的賬面值變動於損益確認。倘貿易應收款及其他應收款項被視為無法收回，則於撥備賬目撇銷。其後收回過往撇銷的款項計入損益內。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment for financial assets could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable and other receivable are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該資產於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

就以成本列賬的金融資產而言，減值虧損的金額乃按資產賬面值與以類似金融資產的當前市場回報率貼現的估計未來現金流的現值之間的差額計算。該等減值虧損將不會於往後期間撥回。

金融負債及股本工具

集團實體發行的債務及股本工具乃根據所訂立合約安排的性質與金融負債及股本工具的定義分類。

股本工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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3. 主要會計政策 (續)

金融工具 (續)

金融負債

金融負債包括銀行及其他借貸、優先票據、貿易應付款、其他應付款項及應付關聯方款項，其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債的攤銷成本以及於相關期間分配利息支出的方法。實際利率是按金融負債的預計可用年期或（如適用）較短期間準確貼現估計未來現金付款至於初步確認時的賬面淨值的利率。

利息開支按實際利率基準確認。

股本工具

集團實體所發行的股本工具以已收所得款項扣除直接發行成本而入賬。

終止確認

倘收取資產現金流量的合約權利屆滿，或金融資產已轉讓且本集團已將該等金融資產擁有權的絕大部分風險及回報轉讓予另一實體，則終止確認金融資產。

於全面終止確認金融資產時，該資產賬面值與已收及應收代價總和間的差額於損益內確認。

倘有關合約所訂明的本集團責任獲解除、取消或屆滿，則終止確認金融負債。被終止確認的金融負債的賬面值與已付及應付代價間的差額於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

Financial liabilities including bank and other borrowings, senior notes, trade payables, other payables and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire, or when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the Group's obligation specified in the relevant contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

租賃

當租賃條款將所有權的絕大部分風險及回報轉移至承租人，則有關租賃被分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃的租金收入於相關租賃年期按直線法於損益確認。

本集團作為承租人

經營租賃款項乃於有關租賃年期按直線法確認為開支。訂立經營租賃時已收及應收作為獎勵的利益按直線法於租賃年期確認為租金開支減少。

租賃土地及樓宇

當一項租賃包括土地及樓宇部分，本集團會根據各部分所有權附帶的絕大部分風險及回報是否轉移至本集團之評估，獨立評估各部分以分類為融資或經營租賃，惟兩部分均為經營租賃，則整份租賃視作經營租賃處理。特別是，最低租賃款項（包括任何一次性預付款）於租賃開始時，按租賃土地與樓宇部分的租賃權益的相關公允價值的比例在土地與樓宇部分間進行分配。

租賃款項能夠可靠分配時，租賃土地權益作為經營租賃在合併財務狀況報表中列作「預付租賃款項」，並於租期內按直線基準攤銷，惟按公允價值模式分類及入賬列作投資物業者除外。當租賃款項無法於土地與樓宇部分間可靠分配，整份租賃一般視作融資租賃處理，並入賬列作物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expenses on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

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3. 主要會計政策 (續)

借貸成本

與收購、興建或生產合資格資產(該等資產須用一段較長時間達致其擬定用途或銷售)直接有關的借貸成本會加入該等資產的成本，直至資產大致上達致其擬定用途或銷售時為止。用於合資格資產支出前暫作投資之用的特定借貸所賺取的投資收入將自可資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間於損益確認。

外幣

編製各個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)進行的交易，按交易日的現行匯率確認。於各報告期末，以外幣計值的貨幣項目按該日的現行匯率重新換算。按公允價值計量以外幣計值的非貨幣項目乃按公允價值釐定當日的現行匯率進行換算。按外幣的過往成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額乃於產生期間內於損益確認。

就合併財務報表的呈報而言，本集團海外業務的資產及負債按各報告期末的現行匯率換算為人民幣。至於收入及開支項目則按期內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易當日的匯率換算。所產生匯兌差額(如有)於其他全面收入中確認及於權益項目中累積(如適用，歸屬為非控股權益)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Renminbi using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項按年內應課稅溢利計算。應課稅溢利有別於合併損益及其他全面收入報表所報稅前溢利，乃因其不包括其他年度的應課稅收入或可扣減開支項目，亦不包括毋須課稅或不可扣減項目。本集團的即期稅項負債按報告期末前已頒佈或實質上已頒佈的稅率計算。

遞延稅項按合併財務報表內資產及負債的賬面值與計算應課稅溢利所用相應稅基間的暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產則一般於可能出現可利用可扣減暫時差額扣稅之應課稅溢利時就所有該等可扣減暫時差額確認。倘因商譽或初步確認（業務合併情況下除外）一項交易的其他資產及負債而引致的暫時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就來自於附屬公司及聯營公司的投資以及於合營企業的權益的應課稅暫時差額確認，惟倘本集團可控制撥回暫時差額及該暫時差額可能不會於可見將來撥回則除外。

與該等投資及權益相關的可扣減暫時差額產生的遞延稅項資產，僅於可能有足夠應課稅溢利可抵銷暫時差額利益，且預期暫時差額於可見將來會撥回時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產的賬面值於各報告期末進行檢討，並會扣減至不再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項資產及負債基於各報告期末前已頒佈或實質上已頒佈的稅率（及稅法），按預期將於清償負債或變現資產期間適用的稅率計算。遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務影響。即期及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認的項目有關時，則即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

就按照國際會計準則第40號投資物業使用公允價值模式計量的投資物業而言，在計量其遞延稅項負債及遞延稅項資產時，除非假設被駁回，否則假設該等物業是透過出售收回其賬面值。當投資物業可予折舊及以本集團的商業模式（其業務目標乃隨著時間推移而消耗投資物業所包含的絕大部分經濟利益，而非透過出售消耗）所持有，則有關假設將被駁回。如假設被駁回，此等投資物業的遞延稅項負債及遞延稅項資產則根據上述載於國際會計準則第12號的一般原則（即基於物業可被收回的預計方式）計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principle set out in IAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

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3. 主要會計政策 (續)

退休福利成本

中國國營退休福利計劃下的定額供款退休福利計劃供款，於僱員提供可令其享有供款的服務時列為開支。

以股份付款交易

與僱員發生的權益結算以股份付款交易

經參考已轉讓股份的公允價值減自僱員收取的代價後釐定的已收服務公允價值於轉讓當日在其他儲備內確認，並於股權轉讓協議所訂明的服務期間內按直線基準支銷。於歸屬期內對估計所作修訂的影響（如有）會於損益確認，並相應調整其他儲備。

倘僱員於股權轉讓協議所訂明的服務期間屆滿前離開本集團，及本集團並無自僱員購回股份，餘下以股份付款自合併損益及其他全面收入報表扣除。

向僱員授出的購股權

按已授出購股權於授出日期的公允價值釐定的已取得服務公允價值於歸屬期內以直線法支銷，並相應增加權益（購股權儲備）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefits scheme under the state-managed retirement benefit scheme in PRC are charged as an expense when employees have rendered service entitling them to the contributions.

Share-Based Payment Transactions

Equity-settled share-based payment transactions with employees

The fair value of services received determined with reference to the fair value of shares transferred less consideration received from employees is recognised in other reserve at the date of transfer and expensed on a straight-line basis over the service period as specified in the equity transfer agreement. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to other reserve.

When the employees leave the Group before the completion of service period as specified in the equity transfer agreement and the Group does not purchase back the shares from the employees, the remaining share-based payment is charged to the consolidated statement of profit or loss and other comprehensive income.

Share Options Granted to Employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

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3. 主要會計政策 (續)

以股份付款交易 (續)

向僱員授出的購股權 (續)

於報告期末，本集團修訂其對預期最終歸屬的購股權數目的估計。於歸屬期內修訂估計的影響(如有)於損益內確認，致使累計開支反映經修訂的估計，並相應調整購股權儲備。

當購股權被行使時，先前在購股權儲備確認的金額將轉撥至股份溢價。若購股權於歸屬日期後被沒收或於到期日仍未行使，先前在購股權儲備確認的金額繼續列入購股權儲備。

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助於本集團將政府補助擬作補償的相關成本確認為開支的各期間有系統地於損益確認。應收政府補助倘用作補償已產生之開支或虧損或旨在為本集團提供即時財務支持且於未來不會產生相關費用，則於應收期間於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-Based Payment Transactions (Continued)

Share Options Granted to Employees (Continued)

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

財務擔保合約

財務擔保合約是指當某特定債務人未能根據債務工具的條款支付到期債務，則發行人須向持有人就所產生的損失償付特定款項的合約。本集團發行的財務擔保合約初步乃以其公允價值計量，且倘未指定透過損益按公允價值列賬，則隨後將按以下兩項的較高者計量：(i)根據國際會計準則第37號撥備、或然負債及或然資產釐定的合約項下的責任金額；及(ii)最初確認的金額減去（如適合）根據國際會計準則第18號收益所確認累計攤銷的金額。

4. 重大會計判斷及估計不明朗因素的主要來源

於採用附註3所述的本集團會計政策時，管理層須就不能透過其他來源明顯確定的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及視為相關的其他因素作出。實際結果可能有別於該等估計。

估計及相關假設會歷經持續檢討。對會計估計進行修訂時，若修訂會計估計僅影響修訂估計期間，則會在該期間確認有關修訂；若修訂影響到現行修訂期間及未來期間，則在現行以及未來期間確認有關修訂。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IAS 18 Revenue.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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4. 重大會計判斷及估計不明朗因素的主要來源 (續)

投資物業

投資物業根據獨立專業估值師進行的估值按公允價值列賬。釐定公允價值時，估值師以涉及對若干市況進行估計的估值法計算。在依賴估值報告時，本公司董事已作出判斷，並信納估值所用的假設能反映現時市況。該等假設的任何變動會導致本集團投資物業的公允價值發生變動，並須對損益表所報盈虧金額作出相應調整。

所得稅開支

如附註23所載，於2014年12月31日，主要與稅項虧損、土地增值稅撥備、呆壞賬撥備、撇銷持作銷售物業、廣告費用、物業銷售額與銷售成本之間的暫時差額以及其他項目相關的遞延稅項資產約人民幣317,112,000元（2013年：人民幣338,488,000元），經抵銷若干遞延稅項負債後已予確認。遞延稅項資產能否變現主要視乎未來有無足夠可供動用的未來溢利或應課稅暫時差額。本公司董事釐定遞延稅項資產乃基於已頒佈或實質已頒佈的稅率，以及對本集團預期動用遞延稅項資產的未來數年所作的最佳溢利預測。本公司董事將於報告期末前審閱假設及溢利預測。倘所產生的實際未來溢利高於或低於預期，則可能須額外確認或撥回遞延稅項資產，並於有關確認或撥回所發生期間於損益內確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Investment properties

Investment properties are stated at fair values based on the valuation performed by independent professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the company have exercised their judgment and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in profit or loss.

Income tax expense

Deferred tax assets of approximately RMB317,112,000 (2013: RMB338,488,000) mainly in relation to tax losses, land appreciation tax provisions, allowance for bad and doubtful debts, write-down of properties held for sale, advertising expenses, temporary differences on property sales and cost of sales and others have been recognised at 31 December 2014, after offsetting certain deferred tax liabilities as set out in Note 23. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the company determine the deferred tax assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. The directors of the company will review the assumptions and profit projections by the end of the reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a recognition or reversal takes place.

4. 重大會計判斷及估計不明朗因素的主要來源 (續)

土地增值稅

本集團在中國須繳付土地增值稅。然而，有關稅項的執行及繳納因中國不同城市的不同稅務司法權區而各異，且本集團若干物業發展項目尚未與中國地方稅務機關確認土地增值稅的計算及付款方法。因此，本集團於釐定土地增值及其相關所得稅撥備的金額時須作出重大判斷。本集團根據管理層的最佳估計確認土地增值稅。最終稅務結果可能有別於最初記錄的金額，而相關差額會於本集團與地方稅務機關落實有關稅項期間對所得稅開支及相關所得稅撥備造成影響。

投資物業的遞延稅項

就使用國際會計準則第40號的公允價值模式計量的投資物業而言，在計量其遞延稅項負債或遞延稅項資產時，本公司董事已審閱本集團的投資物業組合及若干資產的特性。就於2014年12月31日金額為人民幣66,300,000元（2013年：人民幣50,000,000元）的投資物業而言，本公司董事的結論為其並非以目標為隨時間消耗投資物業所包含的絕大部分經濟利益的商業模式持有。因此，在計算本集團於投資物業的遞延稅項時，本公司董事決定透過出售全部收回以公允價值模式入帳的投資物業的帳面值並未被駁回。本集團乃計及於出售此等投資物業時的土地增值稅及企業所得稅估計遞延稅項。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain property development projects of the Group have not finalised their land appreciation tax calculations and payments with local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model in IAS 40, the directors of the company have reviewed the Group's investment property portfolios together with certain properties characteristics. For investment properties amounting to RMB66,300,000 (2013: RMB50,000,000) as at 31 December 2014, the directors of the company concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has estimated the deferred tax taking into account both the land appreciation tax and enterprise income tax on disposal of these investment properties.

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4. 重大會計判斷及估計不明朗因素的主要來源 (續)

投資物業的遞延稅項 (續)

就於2014年12月31日金額為人民幣1,080,300,000元(2013年：人民幣775,660,000元)的其他投資物業而言，本公司董事已重新評估並得出結論為其乃以目標為隨時間消耗投資物業所包含的絕大部分經濟利益(而非透過出售實現)的商業模式持有。對於此等投資物業，駁回按公允價值模式計量的投資物業透過出售予以收回的假設，且本集團已計及企業所得稅估計遞延稅項。

股息政策

本集團已就中國附屬公司未分派溢利確認預扣稅，擬就2008年1月1日後年度派發約20%的稅後溢利。倘業務或財務狀況變化導致可分派溢利出現任何重大波動，本公司董事將會考慮調整股息分派比率。然而，概不能保證各年或任何特定年度會宣派或分派任何金額的股息。本公司董事將不時重新評估股息政策。

已竣工待售物業撇減

管理層會對已竣工待售物業的賬面值進行定期檢討。根據管理層檢討的結果，於估計可變現淨值低於賬面值時，會撇減已竣工待售物業。

在釐定已竣工待售物業的可變現淨值時，管理層已參考當前市場數據(如近期出售交易)作為評估基準。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Deferred taxation on investment properties (Continued)

For other investment properties amounting to RMB1,080,300,000 (2013: RMB775,660,000) as at 31 December 2014, the directors of the company have reassessed and concluded that they are held with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. For these investment properties, the presumption that investment properties measured using the fair value model are recovered through sale is rebutted and the Group has estimated the deferred tax taking into account of enterprise income tax.

Dividend policy

The Group recognised the withholding tax for undistributed profits of PRC subsidiaries with intention to distribute around 20% of profit after tax for the years since 1 January 2008. If there is any material fluctuation to the distributable profits, as a result of the changes in business or financial conditions, the directors of the company will consider adjusting the dividend distribution ratio. Nevertheless, there is no assurance that dividends of any amount will be declared or distributed each year or in any given year. The directors of the company will re-evaluate the dividend policy from time to time.

Write-down of completed properties held for sale

Management performs a regular review on the carrying amount of completed properties held for sale. Based on management's review, write-down of completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions as base for evaluation.

4. 重大會計判斷及估計不明朗因素的主要來源 (續)

物業、廠房及設備折舊

於2014年12月31日，物業、廠房及設備的賬面值為人民幣503,655,000元(2013年：人民幣518,803,000元)。物業、廠房及設備以直線基準按照其估計可使用年期並計入估計剩餘價值後折舊。本集團每年審核物業、廠房及設備的剩餘價值及可使用年期，倘預期有別於原先估計，與原先估計相比的差額將影響估計變更的年度的折舊開支。

於無錫中節控綠碳產業投資中心(有限合夥)(「無錫中節控」)的投資分類為可供出售投資

無錫中節控為一家有限責任合夥，並由當代節能置業擔任有限合夥人。根據法律形式和有限合夥協議，當代節能置業對無錫中節控並無控制權，亦無重大影響力。故此，本集團於無錫中節控的投資人民幣79,900,000元被分類為可供出售投資。詳情見附註21。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Depreciation of property, plant and equipment

The carrying value of property, plant and equipment at 31 December 2014 amounted to RMB503,655,000 (2013: RMB518,803,000). Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change.

Classification of investment in Wuxi Zhongjiakong Green Carbon Investment Center LLP ("Wuxi Zhongjiakong") as available-for-sale investment

Wuxi Zhongjiakong is a limited liability partnership in which Modern Green Development acts as a limited partner. According to the legal form and the limited partnership agreement, Modern Green Development has neither control nor significant influence over Wuxi Zhongjiakong. Accordingly, the Group's investment amounted to RMB79,900,000 in Wuxi Zhongjiakong is classified as available-for-sale investment. See Note 21 for details.

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5. 收益及分部資料

本集團的經營活動可歸為主要專注於(a)物業發展，(b)物業投資及(c)酒店經營的單一可報告及經營分部。該經營分部乃依據本集團主要決策人所審閱的內部管理報告確立。主要經營決策人主要審閱有關來自物業發展的物業銷售、來自物業投資的租賃物業以及來自酒店經營的收益資料，此等收益乃按與國際財務報告準則類似的會計政策計量。然而，除收益資料外，並無經營業績及其他分立財務資料可用以評估有關收益類別的表現。主要經營決策人（本集團執行總裁張鵬先生）全面審閱本集團的整體業績及組織架構，以作出有關資源分配的決策。因此，並無呈列對此單一可報告及經營分部的分析。

收益乃指已收或應收代價的公允價值。

整體資料

按類別劃分的本集團收益分析如下：

物業銷售	Sale of properties
物業租賃	Leasing of properties
酒店經營	Hotel operation

於2014年12月31日，賬面值為人民幣3,828,083,000元（2013年：人民幣2,726,541,000元）的非流動資產（不包括金融工具及遞延稅項資產）乃位於中國，而於2014年12月31日，賬面值為人民幣28,718,000元（2013年：人民幣28,030,000元）的其餘非流動資產乃位於美國（「美國」）。

5. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) property development, (b) property investment and (c) hotel operation. The operating segment has been identified on the basis of internal management reports reviewed by chief decision maker of the Group. The chief operating decision maker mainly reviews the revenue information on sales of properties from property development, leasing properties from property investment and hotel operation which are measured in accordance with accounting policies similar to those of IFRS. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. The chief operating decision maker, Mr. Zhang Peng, who is the Executive President of the Group, reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Revenue represents the fair value of the consideration received or receivable.

Entity-wide information

An analysis of the Group's revenue by type is as follow:

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
	4,018,247	3,427,613
	36,488	34,560
	24,729	6,856
	<u>4,079,464</u>	<u>3,469,029</u>

Non-current assets (excluding financial instruments and deferred tax assets) with carrying amount of RMB3,828,083,000 (2013: RMB2,726,541,000) as at 31 December 2014 are situated in the PRC, the remaining non-current assets with carrying amount of RMB28,718,000 (2013: RMB28,030,000) as at 31 December 2014 are situated in the United States (the "US").

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5. 收益及分部資料 (續)

地區資料

下表載列按地理位置劃分的有關本集團來自外部客戶的收益的資料。客戶的地理位置乃以提供服務或交付貨物及物業的地點為準。

中國北部	Northern, PRC
中國中南部	Middle south, PRC

概無與單一外部客戶進行交易的收益達本集團於本年度的收益10%或以上。

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Geographic information

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

來自外部客戶的收益	
Revenues from external customers	
2014年	2013年
人民幣千元	人民幣千元
2014	2013
RMB'000	RMB'000
1,961,593	1,881,321
2,117,871	1,587,708
<u>4,079,464</u>	<u>3,469,029</u>

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue during the year.

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6. 其他收入、收益及虧損

6. OTHER INCOME, GAIN AND LOSS

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
利息收入	Interest income	42,398	7,140
可供出售投資股息收入	Dividend income from available-for-sale investments	2,554	6,146
罰款收入	Penalty income	1,193	516
政府補助 (附註a)	Government grant (note a)	8,009	1,659
出售物業、廠房及設備的收益	Gain on disposal of property, plant and equipment	658	496
出售附屬公司的收益 (附註36)	Gain on disposal of subsidiaries (Note 36)	31,514	-
項目管理服務收入	Project management service income	946	2,322
匯兌損失淨額 (附註b)	Net exchange loss (note b)	(10,836)	(9,710)
轉讓物業的虧損 (附註c)	Loss on transfer of properties (note c)	(6,354)	-
供應商墊款撥備	Allowance for advance to a supplier	(5,580)	-
管理服務收入 (附註d)	Management service income (note d)	10,606	-
其他	Others	226	111
		75,334	8,680

附註：

Notes:

(a) 政府補助指來自中國各政府部門的激勵性補貼。有關中國政府部門概無對該等補貼附加任何條件或限制。

(a) Government grants represent incentive subsidies from various PRC governmental authorities. There are no conditions or limitations attached to these subsidies by the respective PRC governmental authorities.

(b) 該金額主要由於人民幣兌美元貶值而重新換算美元銀行存款而產生。

(b) The amount mainly arose from retranslation of bank deposits denominated in United States dollars ("US\$") due to depreciation of RMB against US\$.

(c) 該金額指根據有關地方政府規例須於若干新發展區域就社區用途在無收取任何代價下轉讓予地方政府的物業(包括投資物業人民幣4,727,000元及持作銷售物業人民幣427,000元)。此外,金額亦包括由本公司附屬公司向租戶支付的人民幣1,200,000元,以作為就上述轉讓予地方政府的投資物業提前終止租賃協議的賠償。

(c) Amount represents properties (comprising investment properties of RMB4,727,000 and properties held for sales of RMB427,000) transferred to the local government without receiving any consideration for community purposes as required in certain new developing district, pursuant to the relevant local government regulation. In addition, the amount also included RMB1,200,000 paid by a subsidiary of the Company as compensation to the tenant for early termination of the tenancy agreement for the captioned investment properties transferred to the local government.

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6. 其他收入、收益及虧損 (續)

附註：(續)

(d) 該金額指由本集團向其其中一家合營企業提供的管理服務。根據合營公司與本集團訂立的管理服務協議，服務範圍包括流動資金及預算控制、營運監督、招聘及相關諮詢服務。

6. OTHER INCOME, GAIN AND LOSS (Continued)

Notes: (Continued)

(d) Amount represents management service provided by the Group to one of its joint ventures. Pursuant to the management service agreement entered into between the joint venture company and the Group, the scope of services includes liquidity and budget control, operational supervision, recruitment and related consultancy services.

7. 融資成本

7. FINANCE COSTS

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
銀行及其他借貸利息	Interest on bank and other borrowings		
— 須於五年內悉數償還	— wholly repayable within five years	(142,234)	(83,874)
— 毋須於五年內悉數償還	— not wholly repayable within five years	—	(14,072)
須於五年內悉數償還的 優先票據利息開支	Interest expense on senior notes wholly repayable within five years	(293,712)	(20,425)
		(435,946)	(118,371)
減：發展中物業的資本化金額	Less: Amount capitalised in properties under development	170,436	82,801
		(265,510)	(35,570)

截至2014年12月31日止年度，本集團優先票據所產生的資本化借貸成本乃按合格資產的開支的資本化比率每年2.59% (2013年：零) 計算。

Borrowing costs capitalised arose on the senior notes of the Group were calculated by applying a capitalisation rate of 2.59% (2013: nil) per annum for the year ended 31 December 2014, to expenditure on the qualifying assets.

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8. 所得稅開支

8. INCOME TAX EXPENSE

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
即期稅項	Current Tax		
中國企業所得稅	PRC enterprise income tax	(281,985)	(297,472)
美國企業稅	US corporate tax	(23)	-
土地增值稅(「土地增值稅」)	Land appreciation tax ("LAT")	(306,259)	(273,564)
過往年度超額撥備	Over-provision in prior year		
香港利得稅	Hong Kong profits tax	-	6
遞延稅項(附註23)	Deferred tax (Note 23)		
中國企業所得稅	PRC enterprise income tax	(35,000)	77,916
土地增值稅	LAT	(2,285)	(1,116)
		<u>(625,552)</u>	<u>(494,230)</u>
所得稅開支	Income tax expense	<u>(625,552)</u>	<u>(494,230)</u>

根據於2007年3月16日頒佈的中國企業所得稅法，自2008年1月1日起，境內及境外投資企業統一按25%的企業所得稅率繳納中國企業所得稅。

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定來估計。土地增值稅已按增值價值的累進稅率範圍作出撥備(附帶若干可准許豁免及減免)。

根據英屬處女群島及開曼群島的規則及規例，本集團於英屬處女群島及開曼群島毋須繳付任何所得稅。

由於截至2014年及2013年12月31日止年度本集團並無於香港產生或取得收入，故並無就香港利得稅作出撥備。

根據美國聯邦稅法，美國企業稅應按15%至35%的累進稅率徵收。截至2014年12月31日止年度，美國企業稅乃按估計應課稅溢利15%的聯邦法定稅率予以撥備。

Pursuant to the PRC Enterprise Income Tax Law promulgated on 16 March 2007, the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the enterprise income tax rate of 25% effective from 1 January 2008 onwards.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulation of the BVI and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arises in, nor is derived from, Hong Kong for the year ended 31 December 2014 and 2013.

Pursuant to the US Federal tax law, the US corporate tax shall be taxed at progressive rates ranging from 15% to 35%. US corporate tax is provided at federal statutory rate of 15% based on the estimated assessable profits during the year ended 31 December 2014.

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8. 所得稅開支 (續)

年度稅項開支可與合併損益及其他全面收入報表內的稅前溢利的對賬如下：

8. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per consolidated statements of profit or loss and other comprehensive income as follows:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
稅前溢利	Profit before tax	1,166,944	1,022,575
按25%稅率計算的			
中國企業所得稅	PRC enterprise income tax at 25%	(291,736)	(255,644)
土地增值稅	LAT	(308,544)	(274,680)
土地增值稅的稅務影響	Tax effect of LAT	77,136	68,670
對以下各項的稅務影響：	Tax effect on:		
分佔合營企業的虧損的稅務影響	Tax effect of share of loss of joint ventures	(12,783)	-
分佔聯營公司的虧損的稅務影響	Tax effect of share of loss of an associate	(22)	-
就稅項而言不可抵扣開支	Expenses not deductible for tax purposes	(72,440)	(22,478)
就稅項而言毋須徵稅收入的稅務影響	Tax effect of income not taxable for tax purpose	4,604	2,780
並非確認為遞延稅項資產的稅項虧損的影響	Effect of tax losses not recognised as deferred tax assets	(4,107)	(1,531)
動用過往未確認的稅項虧損	Utilisation of tax loss previously not recognised	12	89
在其他司法權區經營的附屬公司稅率差異的影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	23	45
待分派保留溢利的預扣稅 (附註)	Withholding tax on retained profits to be distributed (note)	(17,695)	(11,481)
稅項開支	Tax charge	(625,552)	(494,230)

附註：

根據於2008年1月1日生效的中國稅務通函(國稅函[2008]112號)，稅率為10%的中國預扣所得稅適用於支付「非居民」投資者(其在中國並無設立機構或營業場所)的股息。該金額指就中國附屬公司自2008年1月1日以來所賺取的可用作分派的未分派溢利而撥備的預扣所得稅。

Note:

In accordance with PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends to "non-resident" investors who do not have an establishment or place of business in the PRC. The amount represents the withholding income tax provided on the undistributed profits of PRC subsidiaries earned since 1 January 2008, which are available for distribution.

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9. 年度溢利

9. PROFIT FOR THE YEAR

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
年度溢利乃經扣除(計入) 下列項目後釐定： 於損益內確認的物業、 廠房及設備折舊 於發展中物業項下資本化 的物業、廠房及設備折舊	Profit for the year has been arrived at after charging (crediting): Depreciation of property, plant and equipment recognised in profit and loss Depreciation of property, plant and equipment capitalised in properties under development	24,585 298	19,695 273
年度折舊開支總額	Total depreciation charged for the year	24,883	19,968
無形資產攤銷	Amortisation of intangible assets	193	180
經營租賃租金	Operating lease rentals	7,487	3,713
核數師酬金	Auditors' remuneration	2,600	2,650
呆賬撥備	Allowance for doubtful debts	697	610
持作銷售物業撇減(撥回)， 計入銷售成本	Write-down (reversal of allowance) of properties held for sale included in cost of sales	4,928	(11,510)
確認為開支的存貨成本	Cost of inventories recognised as expense	2,393,087	2,090,027
員工成本(包括退休福利成本)：	Staff costs (including retirement benefit cost):		
董事薪酬(包括權益結算 以股份付款)(附註10)	Directors' emoluments (including equity- settled share-based payments) (Note 10)	14,587	19,116
薪金及其他津貼	Salaries and other allowances	158,402	109,534
以股份付款	Share-based payment	586	4,423
退休福利成本	Retirement benefit costs	10,405	7,615
其他實物福利： 提供予若干僱員使用的物業	Other benefit-in-kind: Properties provided for the use by certain employees	6,099	7,284
總員工成本	Total staff costs	190,079	147,972
減：發展中待售物業項下的 資本化金額	Less: Amount capitalised to properties under development for sale	(45,719)	(40,211)
		144,360	107,761

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10. 董事及僱員薪酬

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

董事

Directors

		董事袍金 人民幣千元	基本薪金 及津貼 人民幣千元	花紅 人民幣千元	退休 福利供款 人民幣千元	以股份 付款 人民幣千元	合計 人民幣千元
		Directors' fee RMB'000	Basic salaries and allowance RMB'000	Bonus RMB'000	Retirement benefit contribution RMB'000	Share-based payment RMB'000	Total RMB'000
截至2014年12月31日止年度							
Year ended 31 December 2014							
董事姓名	Name of director						
執行董事							
張雷	Zhang Lei	-	768	4,292	38	193	5,291
張鵬 (附註a)	Zhang Peng (note a)	-	768	4,292	38	862	5,960
陳音	Chen Yin	-	710	220	38	-	968
非執行董事							
范慶國 (附註b)	Fan Qingguo (note b)	-	467	305	38	366	1,176
鍾天降 (附註b)	Zhong Tianxiang (note b)	-	451	229	38	-	718
獨立董事							
崔健	Cui Jian	158	-	-	-	-	158
許俊浩	Hui Chun Ho, Eric	158	-	-	-	-	158
秦佑國	Qin Youguo	158	-	-	-	-	158
		474	3,164	9,338	190	1,421	14,587
截至2013年12月31日止年度							
Year ended 31 December 2013							
董事姓名	Name of director						
執行董事							
張雷	Zhang Lei	-	655	4,559	37	-	5,251
陳音	Chen Yin	-	706	198	37	-	941
范慶國	Fan Qingguo	-	665	4,559	37	2,190	7,451
鍾天降	Zhong Tianxiang	-	655	4,559	37	-	5,251
獨立董事							
崔健	Cui Jian	74	-	-	-	-	74
許俊浩	Hui Chun Ho, Eric	74	-	-	-	-	74
秦佑國	Qin Youguo	74	-	-	-	-	74
		222	2,681	13,875	148	2,190	19,116

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截至2014年12月31日止年度 For the year ended 31 December 2014

10. 董事及僱員薪酬 (續)

董事 (續)

附註：

- (a) 張鵬於2014年1月27日獲委任為執行董事。
- (b) 范慶國及鍾天降於2014年8月26日從執行董事調任為非執行董事。

張雷先生為本公司主席，以及上文披露有關其酬金乃包括就其擔任主席提供服務支付之酬金。

花紅乃由管理層經參考本集團經營業績、個人表現及現行市況後釐定。

於截至2014年12月31日止年度，概無董事放棄任何酬金。

五名最高薪酬人士

截至2014年12月31日止年度，五名最高薪酬人士包括3名董事（2013年：3名董事）。截至2014年12月31日止年度的其餘2名最高薪酬人士（2013年：其餘2名最高薪酬人士）的薪酬如下：

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

Notes:

- (a) Zhang Peng was appointed on 27 January 2014 as an executive director.
- (b) Fan Qingguo and Zhong Tianxiang were re-designated from executive directors to non-executive directors on 26 August 2014.

Mr. Zhang Lei is the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

The bonus is determined by the management with reference to the Group's operating results, individual performance and prevailing market conditions.

No directors waived any emoluments during the year ended 31 December 2014.

Five highest paid individuals

The five highest paid individuals included 3 directors for the year ended 31 December 2014 (2013: 3 directors). The emoluments of the remaining 2 highest paid individuals for the year ended 31 December 2014 (2013: remaining 2 highest paid individuals) are as follows:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
僱員	Employees		
— 基本薪金及津貼	— Basic salaries and allowances	1,427	670
— 花紅	— Bonus	1,371	4,559
— 以股份付款	— Share-based payment	298	4,423
— 退休福利供款	— Retirement benefit contributions	76	37
— 其他實物福利 所提供物業	— Other benefit-in-kind Properties provided	759	—
		3,931	9,689

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10. 董事及僱員薪酬 (續)

五名最高薪酬人士 (續)

本年度，本集團並無支付五名最高薪酬人士任何薪酬作為鼓勵加入或加入本集團後的獎勵或作為離職補償。

其餘最高薪酬人士薪酬組別如下：

1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000
2,500,001港元至3,000,000港元	HK\$2,500,001 to HK\$3,000,000
3,000,001港元至3,500,000港元	HK\$3,000,001 to HK\$3,500,000
9,000,001港元至9,500,000港元	HK\$9,000,001 to HK\$9,500,000

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Five highest paid individuals (Continued)

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

The emoluments of the remaining highest paid individuals are within the following bands:

	2014年 2014	2013年 2013
	-	-
	1	-
	1	1
	-	-
	-	1
	<u> </u>	<u> </u>

11. 股息

截至2014年12月31日止年度，本集團已派付截至2013年12月31日止年度的末期股息每股股份10.8港仙（相當於人民幣8.6分），合共172,800,000港元（相當於人民幣137,160,000元）（2013年：24,000,000港元（相當於人民幣18,985,000元））。

本公司董事（「董事」）建議截至2014年12月31日止年度的末期股息每股股份8.0港仙須獲本公司股東於應屆股東週年大會批准。

11. DIVIDEND

A final dividend in respect of the year ended 31 December 2013 of HK10.8 cents (equivalent to RMB8.6 cents) per share amounting to HK\$172,800,000 (equivalent to RMB137,160,000) in aggregate has been paid by the Group during the year ended 31 December 2014 (2013: HK\$24,000,000, equivalent to RMB18,985,000).

The final dividend proposed by the directors of the Company (the "Directors") for the year ended 31 December 2014 of HK8.0 cents per share is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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12. 每股盈利

截至2014年12月31日止年度，每股基本及攤薄盈利乃根據本公司股權擁有人應佔年度溢利約人民幣521,128,000元（2013年：人民幣528,934,000元）及截至2014年12月31日止年度已發行普通股的加權平均數1,600,000,000股（2013年：1,389,589,000股）而計算。

截至2014年12月31日止年度，由於經調整行使價高於2014年未行使期間本公司股份的平均市價，故計算每股攤薄盈利時並無計入根據2013年6月14日採納的購股權計劃於2014年9月4日授出的購股權。

截至2014年及2013年12月31日止年度，所呈列的每股基本盈利金額並無調整，因為本集團兩年間的已發行普通股均沒有潛在攤薄影響。

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the year ended 31 December 2014 is based on the profit for the year attributable to equity owners of the Company of approximately RMB521,128,000 (2013: RMB528,934,000) and the weighted average number of ordinary shares in issue during the year ended 31 December 2014 of 1,600,000,000 (2013: 1,389,589,000).

For the year ended 31 December 2014, the share options granted on 4 September 2014 under the share option scheme adopted on 14 June 2013 are not included in the calculation of diluted earnings per share as the adjusted exercise price was greater than the average market price of the Company's shares during the outstanding period in 2014.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2014 and 2013 as the Group had no potentially dilutive ordinary shares in issue during both years.

13. 投資物業

13. INVESTMENT PROPERTIES

公允價值	FAIR VALUE	2014年	2013年
		人民幣千元	人民幣千元
		2014	2013
		RMB'000	RMB'000
於1月1日	At 1 January	825,660	717,000
轉撥自持作銷售物業	Transfer from properties held for sale	246,900	146,960
轉撥自物業、廠房及設備	Transfer from property, plant and equipment	8,300	–
於損益確認的公允價值變動淨額	Net change in fair value recognised in profit or loss	111,074	46,273
出售	Disposals	(40,607)	(84,573)
轉讓予地方政府 (附註6(c))	Transfer to local government (Note 6(c))	(4,727)	–
於12月31日	At 31 December	1,146,600	825,660
計入損益之物業重估未變現收益 (計入投資物業公允價值變動)	Unrealised gain on property revaluation included in profit or loss (included in changes in fair value of investment properties)	100,756	41,251

13. 投資物業 (續)

本集團所有按經營租賃持有以賺取租金的物業權益乃使用公允價值模式計量，並分類為及入賬列作投資物業。所有投資物業均位於中國。投資物業所在土地的租期為40年。

本集團於2014年12月31日已抵押人民幣388,556,000元(2013年：人民幣195,194,000元)的投資物業，以擔保本集團獲授的若干銀行融資(載於附註37)。

根據轉撥日進行的估值，截至2014年12月31日止年度，在用途變更(由與外部人士簽訂的經營租賃開始所證明)後，轉撥自持作銷售物業的金額中已包括持作銷售物業的成本人民幣156,014,000元(2013年：人民幣116,774,000元)，及其公允價值收益約人民幣90,886,000元(2013年：人民幣30,186,000元)。

截至2014年12月31日止年度，在與外部人士簽訂的經營租賃協議開始後轉撥自物業、廠房及設備的金額中已包括物業、廠房及設備的賬面值人民幣6,949,000元，及於其他全面收入中確認的公允價值變動約人民幣1,351,000元。

本集團已竣工投資物業於各轉撥日期以及於2014年及2013年12月31日的公允價值，已根據戴德梁行有限公司(「戴德梁行」)於同日作出的估值而達致。戴德梁行為一家與本集團並無關連的獨立合資格專業估值師，擁有合適的資歷，而且在近期亦有評估相關地點類似物業的經驗。

13. INVESTMENT PROPERTIES (Continued)

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties. The investment properties are all situated in the PRC. The lease term of land on which the investment properties are situated on is 40 years.

The Group had pledged investment properties of RMB388,556,000 (2013: RMB195,194,000) at 31 December 2014 to secure certain banking facilities granted to the Group as set out in Note 37.

The amount transferred from properties held for sale upon change in use as evidenced by commencement of operating lease with outsiders included the cost of the properties held for sale amounted to RMB156,014,000 (2013: RMB116,774,000) with fair value gain of approximately RMB90,886,000 (2013: RMB30,186,000) for the year ended 31 December 2014, based on valuation performed at dates of transfer.

The amount transferred from property, plant and equipment upon commencing of operating lease agreements with outsiders included the carrying value of the property, plant and equipment amounted to RMB6,949,000 with fair value change recognised to other comprehensive income of approximately RMB1,351,000 during the year ended 31 December 2014.

The fair value of the Group's completed investment properties at the respective dates of transfer and as at 31 December 2014 and 2013 has been arrived at on the basis of a valuation on those dates carried out by DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuers not connected to the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

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13. 投資物業 (續)

估值乃採用投資法將現有租賃協議所產生的租金收入淨額撥作資本，並就該等物業的可復歸收入潛力作適當撥備。過往年度估值方法並無變更。本集團估計物業公允價值時，現時用途取其最高及最佳用途。

在估計資產或負債的公允價值時，本集團盡可能使用市場可觀察數據。在沒有第一級輸入數據的情況下，本集團委聘第三方合資格估值師進行估值。

本集團投資物業於2014年及2013年12月31日的詳情及公允價值層級資料如下：

13. INVESTMENT PROPERTIES (Continued)

The valuations were arrived at with adoption of investment approach by capitalisation of the net rental income derived from the existing tenancies with due allowance for reversionary income potential of the properties. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2014 and 2013 are as follow:

		第三級 人民幣千元	於2014年 12月31日 的公允價值 人民幣千元 Fair value as at 31 December 2014 RMB'000
位於中國的投資物業	Investment properties located in PRC	1,146,600	1,146,600
		第三級 人民幣千元	於2013年 12月31日 的公允價值 人民幣千元 Fair value as at 31 December 2013 RMB'000
位於中國的投資物業	Investment properties located in PRC	825,660	825,660

年內第三級與其他層級間並無轉撥。

There were no transfers into or out of Level 3 during the year.

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13. 投資物業 (續)

下表載有釐定該等投資物業公允價值的資料(特別是估值方法及所用參數),以及按照參數的可觀察程度分類的公允價值層級(第1層至第3層)。

13. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

合併財務狀況表中本集團 所持投資物業 Investment properties held by the Group in the consolidated statements of financial position	公允價 值層級	估值方法 及主要參數	重要的 不可觀察參數	不可觀察參數與 公允價值的關係
	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
位於中國北京、長沙、南昌、 九江、太原及仙桃的 投資物業(主要為零售)	第3級	投資方法	資本化比率, 介乎 4.25%至6.5%	資本化比率越高, 市場價值越低。
Investment properties located at Beijing, Changsha, Nanchang, Jiujiang Taiyuan, and Xiantao, PRC (mainly retails)	Level 3	Investment approach	Capitalisation rate, from 4.25% to 6.5%	The higher the capitalisation rate, the lower the market value.
		主要參數: 1. 資本化比率; 2. 個別單位的單位租金	單位租金, 介乎每月 每平方米人民幣31元至 每月每平方米人民幣320元	單位租金越高, 市場價值越高。
		The key inputs are: 1. Capitalisation rate; 2. Unit rent of individual unit	Unit rent, from RMB31/ sq.m./month to RMB320/ sq.m./month	The higher the unit rent, the higher the market value.

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14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

		租賃土地 及樓宇 人民幣千元	汽車 人民幣千元	電器設備 及家具 人民幣千元	在建物業 人民幣千元	合計 人民幣千元
		Leasehold land and buildings RMB'000 (附註a) (note a)	Motor vehicles RMB'000	Electronic equipment and furniture RMB'000	Properties under construction RMB'000	Total RMB'000
成本	COST					
於2013年1月1日	At 1 January 2013	222,018	28,639	11,200	726,142	987,999
匯兌差額	Exchange differences	-	(6)	-	-	(6)
添置	Additions	-	4,100	2,560	105,717	112,377
轉撥	Transfer	169,611	-	-	(169,611)	-
轉撥自發展中待售物業	Transfer from properties under development for sale	25,408	-	-	8,448	33,856
轉撥自持作銷售 物業(附註b)	Transfer from properties held for sale (note b)	34,217	-	-	-	34,217
轉撥至持作銷售 物業(附註c)	Transfer to properties held for sale (note c)	-	-	-	(572,413)	(572,413)
出售	Disposals	(1,081)	(3,684)	(651)	-	(5,416)
於2013年12月31日	At 31 December 2013	450,173	29,049	13,109	98,283	590,614
匯兌差額	Exchange differences	-	1	-	-	1
添置	Additions	35	4,744	4,582	8,536	17,897
轉撥	Transfer	8,448	-	-	(8,448)	-
轉撥自持作銷售 物業(附註b)	Transfer from properties held for sale (note b)	8,381	-	-	-	8,381
轉撥至投資物業	Transfer to investment properties	(9,403)	-	-	-	(9,403)
收購附屬公司	Acquisition of subsidiaries	-	288	242	-	530
出售附屬公司	Disposals of subsidiaries	-	(511)	(1,256)	-	(1,767)
出售	Disposals	(7,801)	(2,488)	(1,277)	-	(11,566)
於2014年12月31日	At 31 December 2014	449,833	31,083	15,400	98,371	594,687

合併財務報表附註 Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

14. 物業、廠房及設備 (續)

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

		租賃土地 及樓宇 人民幣千元	汽車 人民幣千元	電器設備 及家具 人民幣千元	在建物業 人民幣千元	合計 人民幣千元
		Leasehold land and buildings RMB'000 (附註a) (note a)	Motor vehicles RMB'000	Electronic equipment and furniture RMB'000	Properties under construction RMB'000	Total RMB'000
累計折舊	ACCUMULATED DEPRECIATION					
於2013年1月1日	At 1 January 2013	34,948	13,311	6,662	-	54,921
本年度扣除	Charge for the year	14,086	3,895	1,987	-	19,968
出售時抵銷	Eliminated on disposals	(825)	(1,723)	(530)	-	(3,078)
於2013年12月31日	At 31 December 2013	48,209	15,483	8,119	-	71,811
本年度扣除	Charged for the year	18,339	4,200	2,344	-	24,883
轉撥至投資物業	Transfer to investment properties	(2,454)	-	-	-	(2,454)
收購附屬公司	Acquisitions of subsidiaries	-	155	174	-	329
出售附屬公司	Disposals of subsidiaries	-	(69)	(59)	-	(128)
出售時抵銷	Eliminated on disposals	(853)	(1,342)	(1,214)	-	(3,409)
於2014年12月31日	At 31 December 2014	63,241	18,427	9,364	-	91,032
賬面值	CARRYING AMOUNT					
於2014年12月31日	At 31 December 2014	<u>386,592</u>	<u>12,656</u>	<u>6,036</u>	<u>98,371</u>	<u>503,655</u>
於2013年12月31日	At 31 December 2013	<u>401,964</u>	<u>13,566</u>	<u>4,990</u>	<u>98,283</u>	<u>518,803</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

14. 物業、廠房及設備 (續)

附註：

- (a) 本集團已就本集團所發展的物業與合資格僱員訂立協議(「計劃」)。根據計劃，合資格僱員可使用該等物業，惟於本集團的服務年期須維持在介乎1.5年至15年。該等物業的產權將於完成計劃項下所述的服務年期時授予合資格僱員。於2014年12月31日，合資格僱員已根據計劃佔用的租賃土地及樓宇的賬面值為人民幣33,307,000元(2013年：人民幣44,527,000元)。
- (b) 當本公司管理層議決動用該等物業中的部分作上文(a)中計劃用途及／或自用辦公室時，有關樓宇將自持作銷售物業中轉出。
- (c) 截至2013年12月31日止年度，原本擬定作租賃用途的兩幢在建服務公寓轉為賬面值為人民幣572,413,000元的持作銷售物業。考慮到服務公寓正在建設及本集團尚未投入使用，連同正在進行的有關銷售該等服務公寓的銷售及市場推廣活動，與本集團的持作銷售物業比較，本集團的管理層認為該轉撥更能反映本集團對財務報表使用者的經營。
- (d) 本集團於2014年12月31日已抵押人民幣369,384,000元(2013年：人民幣117,355,000元)的樓宇(包括在建物業)，以擔保本集團獲授的若干銀行及其他融資(載於附註37)。

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The Group had entered agreement with the eligible employees in connection with the properties developed by the Group (the "Scheme"). Under the Scheme, the eligible employees can use the properties while remain with the Group for a service period ranging from 1.5 to 15 years, the title of the properties will be transferred to the eligible employees upon the completion of the service period as stated under the Scheme. As at 31 December 2014, the carrying amount of leasehold land and buildings which have been occupied by the eligible employees under the Scheme is RMB33,307,000 (2013: RMB44,527,000).
- (b) Buildings were transferred from properties held for sale when the management of the Company decided to use some of those properties for the Scheme as mentioned in (a) above and/or as offices for own use.
- (c) During the year ended 31 December 2013, 2 blocks of service apartments under construction with original intention for leasing purpose were transferred to properties held for sale at carrying amount of RMB572,413,000. Taking into account that the service apartments were still under construction and not yet put in use by the Group, together with the same selling and marketing activities being carried out for sales of those service apartments compared to the Group's properties held for sale, the management of the Group considered that such transfer can better reflect the Group's operation to the users of the financial statements.
- (d) The Group had pledged buildings, including properties under construction, of RMB369,384,000 (2013: RMB117,355,000) at 31 December 2014 to secure certain banking and other facilities granted to the Group as set out in Note 37.

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14. 物業、廠房及設備 (續)

上述物業、廠房及設備項目(不包括在建物業)在計及彼等的估計剩餘價值後以直線法按以下年率計算折舊:

租賃土地及樓宇	按土地未屆滿租期 與30年中的較短者
計劃項下的租賃 土地及樓宇	1.5至15年
汽車	19%
電器設備及家具	19%至31.67%

所有樓宇及在建物業所在土地均位於中國，屬中期租賃。

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than properties under construction, are depreciated using the straight-line method after taking into account of their estimated residual values at the following rates per annum:

Leasehold land and buildings	Over the shorter of unexpired lease term of land and 30 years
Leasehold land and buildings under the Scheme	1.5 to 15 years
Motor vehicles	19%
Electronic equipment and furniture	19%-31.67%

The buildings and properties under construction are all situated on land in the PRC under medium-term leases.

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Notes to the Consolidated Financial Statements

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15. 無形資產

15. INTANGIBLE ASSETS

電腦軟件
人民幣千元
**Computer
Software**
RMB'000

成本	COST	
於2013年1月1日	At 1 January 2013	1,839
添置	Additions	72
出售	Disposals	(16)
		<hr/>
於2013年12月31日	At 31 December 2013	1,895
添置	Additions	223
		<hr/>
於2014年12月31日	At 31 December 2014	2,118
		<hr/>
累計折舊	ACCUMULATED DEPRECIATION	
於2013年1月1日	At 1 January 2013	502
本年度扣除	Charge for the year	180
出售時抵銷	Eliminated on disposals	(16)
		<hr/>
於2013年12月31日	At 31 December 2013	666
本年度扣除	Charge for the year	193
		<hr/>
於2014年12月31日	At 31 December 2014	859
		<hr/>
賬面值	CARRYING AMOUNT	
於2014年12月31日	At 31 December 2014	1,259
		<hr/> <hr/>
於2013年12月31日	At 31 December 2013	1,229
		<hr/> <hr/>

電腦軟件有限定可使用年期，於5年內以直線法攤銷。

The computer software has definite useful life and is amortised on a straight-line basis over 5 years.

合併財務報表附註

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16. 預付租賃款項

與中國境內土地的土地使用權有關的預付租賃款項的賬面值分析如下：

中期 Medium term
長期 Long term

16. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments in respect of land use rights for the lands situated in the PRC is analysed as follows:

2014年 人民幣千元	2013年 人民幣千元
2014 RMB'000	2013 RMB'000
8,606	102,638
402,036	813,499
410,642	916,137

於2014年12月31日，就銷售物業持有的預付租賃款項人民幣410,642,000元（2013年：無）分類為流動資產。

As at 31 December 2014, prepaid lease payment of RMB410,642,000 (2013: Nil) which held for purpose of properties for sale, are classified under current assets.

本集團的預付租賃款項指為在中國取得介乎40年至70年租期的土地使用權所支付的款項。

The Group's prepaid lease payments represent payments for obtaining the land use rights in the PRC with lease terms ranging from 40 to 70 years.

於2014年12月31日，本集團並無抵押土地使用權（2013年：人民幣777,923,000元），以擔保本集團獲授的若干銀行融資。

At 31 December 2014, the Group had not pledged the land use rights to secure certain banking facilities granted to the Group (2013: RMB777,923,000).

17. 持作日後發展的永久業權土地

永久業權土地指本集團為發展持作銷售物業在美國德克薩斯州購入的一幅永久業權土地。於2014年12月31日，土地處於計劃及設計階段。

17. FREEHOLD LAND HELD FOR FUTURE DEVELOPMENT

The Group's freehold land represents a parcel of freehold land in Texas, US for the purpose of development of properties for sale. As at 31 December 2014, the land is under planning and design stages.

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18. 於聯營公司的權益

本集團於聯營公司的權益詳情如下：

分佔資產淨值 Share of net assets

本集團於報告期末的聯營公司詳情如下：

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的 投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2014年 2014	2013年 2013	2014年 2014	2013年 2013	
北京當代北辰置業有限公司* (「北京當代北辰」) Beijing Modern North Star Development Co., Ltd.* ("Beijing MNS")	中國 PRC	50% 50%	不適用 N/A	附註 note	不適用 N/A	物業發展 Property development

* 在中國經營的公司的英文名稱僅供參考，並未登記。

附註：根據當代節能置業（本集團附屬公司）與北京北辰實業股份有限公司（「北辰」）之間日期為2014年10月10日的合作發展框架協議及相關補充協議（統稱「北京當代北辰協議」），北京當代北辰成立，並由當代節能置業與北辰各自出資人民幣25,000,000元及持有50%股權。

根據北京當代北辰協議及北京當代北辰的組織章程細則，北辰控制北京當代北辰的董事會並擁有北京當代北辰的控制權。董事認為，本集團對北京當代北辰確實有重大影響力，因此分類為本集團的聯營公司。

18. INTERESTS IN AN ASSOCIATE

Details of the Group's interests in an associate are as follows:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
20,977	—
20,977	—

Details of the Group's associate at the end of the reporting period are as follow:

本集團應佔股權 Equity interests attributable to the Group	本集團持有的 投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
	2014年 2014	2013年 2013	
50%	不適用 N/A	附註 note	物業發展 Property development

* The English name of the company which operates in the PRC is for reference only and has not been registered.

Note: Pursuant to the cooperative development framework agreement and related supplementary agreements (collectively, the "Beijing MNS Agreements") dated 10 October 2014 entered into between Modern Green Development, a subsidiary of the Group, and Beijing North Star Company Limited 北京北辰實業股份有限公司 ("North Star"), Beijing MNS was established, in which Modern Green Development and North Star each contributed RMB25,000,000 and held 50% equity interests.

Pursuant to the Beijing MNS Agreements and Articles of Association of Beijing MNS, North Star controls the board of directors of Beijing MNS and has control over Beijing MNS. The Directors consider that the Group does have significant influence over Beijing MNS and it is therefore classified as an associate of the Group.

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18. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要

有關本集團重大聯營公司的財務資料概要載於下文。下述財務資料概要為該聯營公司根據國際財務報告準則編製的未經審核財務報表所顯示的金額。

該聯營公司以權益法於此等合併財務報表入賬。

北京當代北辰

流動資產	Current assets
非流動資產	Non-current assets
流動負債	Current liabilities
非流動負債	Non-current liabilities

收益	Revenue
年度虧損	Loss for the year

18. INTERESTS IN AN ASSOCIATE (Continued)

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's unaudited financial statements prepared in accordance with IFRSs.

The associate is accounted for using the equity method in these consolidated financial statements.

Beijing MNS

於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
1,422,716	—
49	—
722,945	—
650,000	—
<hr/>	
截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日 止年度 人民幣千元 Year ended 31 December 2013 RMB'000
—	—
(180)	—

合併財務報表附註

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18. 於聯營公司的權益 (續)

北京當代北辰 (續)

上述財務資料概要與在合併財務報表中
確認於北京當代北辰的權益賬面值對
賬：

北京當代北辰的資產淨值	Net assets of Beijing MNS	49,820	–
本集團於北京當代北辰的 擁有權權益的比例	Proportion of the Group's ownership interest in Beijing MNS	50%	–
於與聯營公司進行的該等 交易中抵銷本集團分佔的損益	Elimination on the Group's share of profit or loss in those transactions with associate	(3,933)	–
本集團於北京當代北辰的 權益的賬面值	Carrying amount of the Group's interest in Beijing MNS	20,977	–

19. 於合營企業的權益

本集團於合營企業的權益詳情如下：

分佔資產淨值	Share of net assets	595,116	–
向合營企業作出貸款	Loans to joint ventures	1,521,583	–
		2,116,699	–

向合營企業作出貸款乃無抵押、預期
於一年後收回，並按介乎3%至13%
的固定年利率計息，惟為數人民幣
139,435,000元的款項則為免息。

18. INTERESTS IN AN ASSOCIATE (Continued)

Beijing MNS (Continued)

Reconciliation of the above summarised financial information to
the carrying amount of the interest in Beijing MNS recognised in
the consolidated financial statements:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
49,820	–
50%	–
(3,933)	–
20,977	–

19. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
595,116	–
1,521,583	–
2,116,699	–

Loans to joint ventures are unsecured, expected to be recovered
after one year and bear interest at fixed rate ranged from 3% to
13% per annum, except for the amounts of RMB139,435,000
which are interest free.

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19. 於合營企業的權益 (續)

本集團於報告期末的各家合營企業詳情如下：

19. INTERESTS IN JOINT VENTURES (Continued)

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

公司名稱 Name of company	成立地點 Place of establishment	本集團應佔股權 Equity interests attributable to the Group		本集團持有的投票權比例 Proportion of voting power held by the Group		主要業務 Principal activities
		2014年 2014	2013年 2013	2014年 2014	2013年 2013	
北京旭輝當代置業有限公司* (「北京旭輝當代」) Beijing CIFI Modern Development Co., Ltd.* ("Beijing CIFI Modern")	中國 PRC	50%	不適用 N/A	附註a note a	不適用 N/A	物業發展 Property development
南昌摩碼置業有限公司* (「南昌摩碼」) Nanchang Moma Development Co., Ltd.* ("Nanchang Moma")	中國 PRC	65%	100%	附註b note b	100%	物業發展 Property development
南昌新建當代房地產開發有限公司* (「南昌新建」) Nanchang Xinjian Modern Real Estate Development Co., Ltd.* ("Nanchang Xinjian")	中國 PRC	65%	100%	附註b note b	100%	物業發展 Property development
當代置業(香港5)有限公司 (「香港5」) Modern Land (HKNo.5) Co., Limited ("HKNo.5")	香港 Hong Kong	51%	100%	附註c note c	100%	投資控股及物業發展 Investment holding and property development
上海盛銘房地產開發有限公司* (「上海盛銘」) Shanghai Shengming Real Estate Development Co., Ltd.* ("Shanghai Shengming")	中國 PRC	35%	-	附註d note d	-	物業發展 Property development
武漢當代節能置業有限公司* (「武漢當代節能置業」) Wuhan Modern Green Development Co., Ltd.* ("Wuhan MGD")	中國 PRC	60%	100%	附註e note e	100%	物業發展 Property development
武漢當代北辰置業有限公司* (「武漢當代北辰」) Wuhan Modern North Star Development Co., Ltd.* ("Wuhan MNS")	中國 PRC	45%	不適用 N/A	附註f note f	不適用 N/A	物業發展 Property development
安徽摩碼置業有限公司* (「安徽摩碼」) Anhui MOMA Development Co., Ltd.* ("Anhui Moma")	中國 PRC	51%	不適用 N/A	附註g note g	不適用 N/A	物業發展 Property development

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

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19. 於合營企業的權益 (續)

附註：

- (a) 根據2014年2月21日當代節能置業與旭輝集團股份有限公司(「旭輝集團」)所訂協議，當代節能置業與旭輝集團各出資人民幣5,000,000元成立北京旭輝當代，各持其50%股權。根據北京旭輝當代組織章程細則，其相關業務須獲雙方一致同意。北京旭輝當代因而以本集團合營企業入賬。
- (b) 2014年3月18日，本集團與獨立第三方中航信託股份有限公司(「中航信託」)訂立合作框架協議及相關補充協議(統稱「合作協議」)。根據合作協議，(i)本集團出售南昌摩碼及南昌新建35%股權予中航信託，代價分別為人民幣140,000,000元及人民幣80,500,000元，餘下65%股權由本公司持有；(ii)中航信託向南昌摩碼及南昌新建提供貸款本金額依次為人民幣250,000,000元及人民幣79,500,000元(統稱「該等貸款」)；(iii)本公司向中航信託質押其南昌摩碼及南昌新建65%股權，作該等貸款的抵押，而當代節能置業為南昌摩碼及南昌新建債務向中航信託擔保；(iv)南昌摩碼及南昌新建向中航信託質押其項目土地使用權，作該等貸款的抵押；及(v)中航信託有權自2014年4月17日起，依次滿二十四個月及十八個月後，或已售物業總面積達該等項目總可售面積85%後(以較早者為準)，向本集團或任何第三方出售其南昌摩碼及南昌新建35%股權，行使價各定為南昌摩碼及南昌新建35%股權公允價值。

根據合作協議、南昌摩碼及南昌新建經修訂組織章程細則，南昌摩碼及南昌新建相關活動須獲其董事會一致同意。本集團因而失去對南昌摩碼及南昌新建控制權，南昌摩碼及南昌新建成為本集團合營企業。本集團所持南昌摩碼及南昌新建剩餘65%股權按於出售日期的公允價值確認。

19. INTERESTS IN JOINT VENTURES (Continued)

Notes:

- (a) Pursuant to the agreement dated 21 February 2014 entered into between Modern Green Development and CIFI Group Co., Ltd. 旭輝集團股份有限公司(“CIFI Group”), Beijing CIFI Modern was established, in which Modern Green Development and CIFI Group each contributed RMB5,000,000 and held 50% equity interests. Pursuant to the Articles of Association of Beijing CIFI Modern, relevant activities of Beijing CIFI Modern require unanimous consent of both parties. Beijing CIFI Modern is therefore accounted for as a joint venture of the Group.
- (b) On 18 March 2014, the Group entered into a cooperative framework agreement and related supplementary agreements (collectively, the “Cooperative Agreements”) with AVIC Trust Co., Ltd. 中航信託股份有限公司(“AVIC Trust”), an independent third party. Pursuant to the Cooperative Agreements, (i) the Group disposed of its 35% equity interests in Nanchang Moma and Nanchang Xinjian to AVIC Trust for consideration of RMB140,000,000 and RMB80,500,000 respectively, with the remaining 65% equity interests held by the Company; (ii) AVIC Trust provided loans to Nanchang Moma and Nanchang Xinjian in the principal amount of RMB250,000,000 and RMB79,500,000 respectively (collectively, the “Loans”); (iii) the Company pledged its 65% equity interests in Nanchang Moma and Nanchang Xinjian to AVIC Trust as security to the Loans and Modern Green Development provided a guarantee to AVIC Trust for the obligations of Nanchang Moma and Nanchang Xinjian; (iv) Nanchang Moma and Nanchang Xinjian pledged their project land use rights to AVIC Trust as security of the Loans; and (v) AVIC Trust is entitled to dispose of its 35% equity interests in Nanchang Moma and Nanchang Xinjian to the Group, or to any third parties, after the expiry of 24 months and 18 months, respectively from 17 April 2014, or the time when the aggregate area of the properties sold reaches 85% of the total saleable area in the projects (whichever is earlier), at the exercise prices determined as the fair value of 35% equity interests in Nanchang Moma and Nanchang Xinjian, respectively.

Pursuant to the Cooperative Agreements and revised Articles of Association of Nanchang Moma and Nanchang Xinjian, relevant activities of Nanchang Moma and Nanchang Xinjian require unanimous consent of the board of directors of Nanchang Moma and Nanchang Xinjian. The Group therefore lost control over Nanchang Moma and Nanchang Xinjian, and Nanchang Moma and Nanchang Xinjian became joint ventures of the Group. The remaining 65% equity interests in Nanchang Moma and Nanchang Xinjian held by the Group are recognised at fair value at the date of disposal.

19. 於合營企業的權益 (續)

附註：(續)

- (c) 於2014年9月，本集團與長城環亞國際投資有限公司(「長城」，為獨立第三方)訂立合營協議及相關補充協議(統稱「合營協議」)。根據合營協議，(i)香港5以代價49港元(相當於約人民幣38.7元)發行49股普通股予長城，而本集團於香港5的股權，連同其於當代置業(香港1)有限公司(「香港1」，為香港5的附屬公司)、湖南當代摩碼置業有限公司(「湖南當代摩碼」)及湖南當代綠建置業有限公司(「湖南當代綠建」)(「項目公司」，兩者均為香港1的附屬公司)的間接股權，由100%相應攤薄至51%；(ii)本公司及長城各自向香港5出資人民幣500,000,000元作為股東貸款(分別為「公司股東貸款」及「長城股東貸款」)，用作開發項目公司於湖南省長沙持有的兩幅地塊；(iii)香港5將其於香港1的全部股權及香港1將其於項目公司的全部股權質押予長城，作為長城股東貸款的抵押；(iv)本公司就長城股東貸款向長城提供擔保；及(v)本公司及長城有權隨時以行使價(按香港5的股權公允價值釐定)購買香港5的全部股權。

根據合營協議及香港5的經修訂組織章程細則，香港5的有關活動需要其董事會的一致同意，而董事會則由本公司與長城雙方委任的董事組成。因此，本集團失去對香港5、香港1及項目公司的控制權，而香港5成為本集團的合營企業。本公司於香港5持有的51%股權按於視作出售日期的公允價值確認。

19. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

- (c) In September 2014, the Group entered into a joint venture agreement and related supplementary agreements (collectively, the "JVA") with Great Wall Pan Asia International Investment Co., Limited 長城環亞國際投資有限公司 ("Great Wall"), an independent third party. Pursuant to the JVA, (i) HKNo.5 issued 49 ordinary shares to Great Wall at a consideration of HK\$49 (equivalent to approximately RMB38.7), where the Group's equity interests in HKNo.5, along with its indirect equity interests in Modern Land (HKNo.1) Co., Limited ("HKNo.1", a subsidiary of HKNo.5), Hunan Modern MOMA Development Co., Ltd. 湖南當代摩碼置業有限公司 ("Hunan Modern Moma") and Hunan Modern Green Development Co., Ltd. 湖南當代綠建置業有限公司 ("Hunan Modern Green") (the "Project Companies", both subsidiaries of HKNo.1) were diluted from 100% to 51% accordingly, (ii) each of the Company and Great Wall provided RMB500,000,000 as shareholder loans ("the Company Shareholder Loan" and "Great Wall Shareholder Loan", respectively) to HKNo.5 for the purposes of developing two parcels of land in Changsha, Hunan province held by the Project Companies, (iii) HKNo.5 pledged its entire equity interests in HKNo.1 and HKNo.1 pledged its entire equity interests in the Project Companies to Great Wall, as securities to the Great Wall Shareholder Loan, (iv) the Company provided a guarantee to Great Wall for the Great Wall Shareholder Loan, and (v) the Company and Great Wall are entitled to purchase the entire equity interests in HKNo.5 at any time at the exercise prices determined as the fair value of equity interests in HKNo.5.

Pursuant to the JVA and revised Articles of Association of HKNo.5, relevant activities of HKNo.5 require unanimous consent of its board of directors, which comprise directors appointed by both the Company and Great Wall. The Group therefore lost control over HKNo.5, HKNo.1 and Project Companies, and HKNo.5 became a joint venture of the Group. The 51% equity interests in HKNo.5 held by the Company are recognised at fair value at the date of deemed disposal.

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19. 於合營企業的權益 (續)

附註：(續)

- (d) 於2014年10月，當代節能置業收購上海鈺景投資管理有限公司（「上海鈺景」，其持有上海盛銘（於上海開發一幅地塊的項目公司）的35%股權）的全部股權（收購詳情載於附註35）。

根據上海盛銘的組織章程細則，上海盛銘的有關活動需要其董事會的一致同意，而董事會則由上海鈺景與一名持有上海盛銘65%股權的第三方股東雙方委任的董事組成。因此，上海盛銘成為本集團的合營企業。

- (e) 於2014年8月，本集團與獨立第三方寧波益方展達投資合夥企業（有限合夥）（「寧波益方展達」）及深圳平安大華匯通財富管理有限公司（「深圳平安」）訂立合作框架協議及相關補充協議（統稱「武漢當代節能置業協議」）。根據武漢當代節能置業協議，(i)本集團將其於武漢當代節能置業的40%及5%股權分別出售予寧波益方展達及深圳平安，代價分別為人民幣80,000,000元及人民幣10,000,000元，而餘下55%股權則由當代節能置業持有；(ii)深圳平安向武漢當代節能置業提供貸款人民幣790,000,000元（「武漢當代節能置業貸款」），用作開發武漢當代節能置業於湖北省武漢持有的一幅地塊；(iii)武漢當代節能置業及本集團一家附屬公司將其項目土地使用權質押予深圳平安，作為武漢當代節能置業貸款的抵押；(iv)當代節能置業將其於武漢當代節能置業的55%股權及寧波益方展達將其於武漢當代節能置業的40%股權質押予深圳平安，作為武漢當代節能置業貸款的抵押；(v)當代節能置業就武漢當代節能置業的責任向深圳平安提供擔保；及(vi)當代節能置業須在不遲於出售日期起計兩年內以代價人民幣10,000,000元向深圳平安購回於武漢當代節能置業的5%股權。

19. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

- (d) In October 2014, Modern Green Development acquired entire equity interests in Shanghai Yujing Investment Management Co., Ltd. 上海鈺景投資管理有限公司 (“Shanghai Yujing”), which held 35% equity interests in Shanghai Shengming, a project company engaged in developing a parcel of land in Shanghai (details of the acquisition are set out in Note 35).

Pursuant to the Articles of Association of Shanghai Shengming, relevant activities of Shanghai Shengming require unanimous consent of its board of directors, which comprise directors appointed by both Shanghai Yujing and a third party shareholder holding 65% equity interests in Shanghai Shengming. Therefore Shanghai Shengming became a joint venture of the Group.

- (e) In August 2014, the Group entered into a cooperative framework agreement and related supplementary agreements (collectively, the “Wuhan MGD Agreements”) with Ningbo Yifangzhanda Investment LLP 寧波益方展達投資合夥企業（有限合夥） (“Ningbo YFZD”) and Shenzhen Pingan Dahua Huitong Wealth Management Co., Ltd. 深圳平安大華匯通財富管理有限公司 (“Shenzhen Pingan”), independent third parties. Pursuant to the Wuhan MGD Agreements, (i) the Group disposed of its 40% and 5% equity interests in Wuhan MGD to Ningbo YFZD and Shenzhen Pingan for considerations of RMB80,000,000 and RMB10,000,000, respectively, with the remaining 55% equity interests held by Modern Green Development, (ii) Shenzhen Pingan provided a loan amounted to RMB790,000,000 (the “Wuhan MGD Loan”) to Wuhan MGD for the purpose of developing a parcel of land held by Wuhan MGD located at Wuhan, Hubei province, (iii) Wuhan MGD and a subsidiary of the Group pledged their project land use rights to Shenzhen Pingan as securities of the Wuhan MGD Loan, (iv) Modern Green Development pledged its 55% equity interests in Wuhan MGD and Ningbo YFZD pledged its 40% equity interests in Wuhan MGD to Shenzhen Pingan as securities of the Wuhan MGD Loan, (v) Modern Green Development provided a guarantee to Shenzhen Pingan for the obligation of Wuhan MGD, and (vi) Modern Green Development shall repurchase the 5% equity interests in Wuhan MGD from Shenzhen Pingan at a consideration of RMB10,000,000 no later than two years from the date of disposal.

19. 於合營企業的權益 (續)

附註：(續)

(e) (續)

根據前述武漢當代節能置業協議的條款，出售武漢當代節能置業的5%股權須以固定金額進行強制贖回，並包含於贖回時交付現金的合約責任。因此，代價人民幣10,000,000元被視為本集團一項長期貸款而非股本工具。故此，於武漢當代節能置業協議完成後，本集團及寧波益方展達分別持有武漢當代節能置業的60%及40%股權。

根據武漢當代節能置業協議及武漢當代節能置業的經修訂組織章程細則，武漢當代節能置業的有關活動需要董事會的一致同意，而董事會則由當代節能置業、寧波益方展達與深圳平安委任的董事組成。因此，本集團失去對武漢當代節能置業的控制權，而武漢當代節能置業成為本集團的合營企業。本集團於武漢當代節能置業持有的餘下60%股權按於出售日期的公允價值確認。

- (f) 根據當代節能置業、北辰與中國建築第二工程局有限公司(「中國建築」)之間日期為2014年7月1日的三方合作開發協議，武漢當代北辰成立，並由當代節能置業、北辰及中國建築各自出資人民幣22,500,000元、人民幣22,500,000元及人民幣5,000,000元。武漢當代北辰於湖北省武漢從事一幅地塊的開發。根據武漢當代北辰的組織章程細則，武漢當代北辰的有關活動需要當代節能置業、北辰及中國建築的一致同意。因此，武漢當代北辰入賬列為本集團的合營企業。
- (g) 根據當代節能置業與淮南市信誼房地產開發有限責任公司(「淮南信誼」)之間日期為2014年6月25日的合作開發協議，安徽摩碼成立，並由當代節能置業及淮南信誼各自出資人民幣51,000,000元及人民幣49,000,000元。安徽摩碼於安徽省合肥從事一幅地塊的開發。根據安徽摩碼的組織章程細則，安徽摩碼的有關活動需要當代節能置業及淮南信誼的一致同意。因此，安徽摩碼入賬列為本集團的合營企業。

19. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

(e) (Continued)

According to aforementioned terms of the Wuhan MGD Agreements, the disposal of 5% equity interests in Wuhan MGD requires mandatory redemption for a fixed amount and contains a contractual obligation to deliver cash at redemption. Therefore, the consideration of RMB10,000,000 is considered as a long term loan of the Group instead of an equity instrument. As a result, the Group held 60% and Ningbo YFZD held 40% equity interests in Wuhan MGD upon completion of the Wuhan MGD Agreements.

Pursuant to the Wuhan MGD Agreements and revised Articles of Association of Wuhan MGD, relevant activities of Wuhan MGD require unanimous consent of the board of directors, which comprise directors appointed by Modern Green Development, Ningbo YFZD and Shenzhen Pingan. The Group therefore lost control over Wuhan MGD, and Wuhan MGD became a joint venture of the Group. The remaining 60% equity interests in Wuhan MGD held by the Group are recognised at fair value at the date of disposal.

- (f) Pursuant to the tri-party cooperative development agreement dated 1 July 2014 entered into between Modern Green Development, North Star, and China Construction Second Engineering Bureau Ltd. 中國建築第二工程局有限公司(“China Construction”), Wuhan MNS was established, in which Modern Green Development, North Star and China Construction each contributed RMB22,500,000, RMB22,500,000 and RMB5,000,000 respectively. Wuhan MNS is engaged in development of a parcel of land in Wuhan, Hubei province. Pursuant to the Articles of Association of Wuhan MNS, relevant activities of Wuhan MNS require unanimous consent of Modern Green Development, North Star and China Construction. Wuhan MNS is therefore accounted for as a joint venture of the Group.
- (g) Pursuant to the cooperative development agreement dated 25 June 2014 entered into between Modern Green Development and Huainan Xinyi Real Estate Development Co., Ltd. (“Huainan Xinyi”), Anhui Moma was established, in which Modern Green Development and Huainan Xinyi each contributed RMB51,000,000 and RMB49,000,000, respectively. Anhui Moma is engaged in development of a parcel of land in Hefei, Anhui province. Pursuant to the Articles of Association of Anhui Moma, relevant activities of Anhui Moma require unanimous consent of Modern Green Development and Huainan Xinyi. Anhui Moma is therefore accounted for as a joint venture of the Group.

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19. 於合營企業的權益 (續)

重大合營企業的財務資料概要

有關本集團重大合營企業的財務資料概要載於下文。下述財務資料概要為該等合營企業根據國際財務報告準則編製的未經審核財務報表所顯示的金額。

該等合營企業以權益法於此等合併財務報表入賬。

北京旭輝當代

流動資產	Current assets
非流動資產	Non-current assets
流動負債	Current liabilities
非流動負債	Non-current liabilities

收益	Revenue
年度虧損	Loss for the year

19. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' unaudited financial statements prepared in accordance with IFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Beijing CIFI Modern

於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
889,378	—
79	—
884,003	—
—	—
截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日 止年度 人民幣千元 Year ended 31 December 2013 RMB'000
—	—
(4,546)	—

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

19. 於合營企業的權益 (續)

重大合營企業的財務資料概要 (續)

北京旭輝當代 (續)

上述財務資料概要與在合併財務報表中
確認於北京旭輝當代的權益賬面值對
賬：

北京旭輝當代的資產淨值
本集團於北京旭輝當代的
擁有權權益的比例
向北京旭輝當代作出貸款
於與北京旭輝當代進行的該等
交易中抵銷本集團分佔的損益

本集團於北京旭輝當代的
權益的賬面值

19. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures
(Continued)

Beijing CIFI Modern (Continued)

Reconciliation of the above summarised financial information
to the carrying amount of the interest in Beijing CIFI Modern
recognised in the consolidated financial statements:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
Net assets of Beijing CIFI Modern		5,454	-
Proportion of the Group's ownership interest in Beijing CIFI Modern		50%	-
Loan to Beijing CIFI Modern		420,670	-
Elimination on the Group's share of profit or loss in those transactions with Beijing CIFI Modern		<u>(10,781)</u>	-
Carrying amount of the Group's interest in Beijing CIFI Modern		<u><u>412,616</u></u>	<u><u>-</u></u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

19. 於合營企業的權益 (續)

重大合營企業的財務資料概要 (續)

南昌摩碼

流動資產	Current assets
非流動資產	Non-current assets
流動負債	Current liabilities
非流動負債	Non-current liabilities

收益	Revenue
年度虧損	Loss for the year

上述財務資料概要與在合併財務報表中
確認於南昌摩碼的權益賬面值對賬：

南昌摩碼的資產淨值	Net assets of Nanchang Moma
本集團於南昌摩碼的擁有權 權益的比例	Proportion of the Group's ownership interest in Nanchang Moma
向南昌摩碼作出貸款	Loan to Nanchang Moma
本集團於南昌摩碼的 權益的賬面值	Carrying amount of the Group's interest in Nanchang Moma

19. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures
(Continued)

Nanchang Moma

於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
1,028,836	—
104,655	—
563,472	—
180,000	—
截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日 止年度 人民幣千元 Year ended 31 December 2013 RMB'000
—	—
(13,144)	—

Reconciliation of the above summarised financial information
to the carrying amount of the interest in Nanchang Moma
recognised in the consolidated financial statements:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
390,019	—
65%	—
29,928	—
283,440	—

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

19. 於合營企業的權益 (續)

重大合營企業的財務資料概要 (續)

香港5

流動資產
非流動資產
流動負債
非流動負債

收益
年度虧損

上述財務資料概要與在合併財務報表中
確認於香港5的權益賬面值對賬：

香港5的負債淨額
本集團於香港5的擁有權
權益的比例
向香港5作出貸款

本集團於香港5的
權益的賬面值

19. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures
(Continued)

HKNo.5

於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
---	---

Current assets	1,480,846	-
Non-current assets	20,946	-
Current liabilities	546,829	-
Non-current liabilities	1,000,000	-

截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日 止年度 人民幣千元 Year ended 31 December 2013 RMB'000
---	---

Revenue	-	-
Loss for the year	(54,296)	-

Reconciliation of the above summarised financial information to
the carrying amount of the interest in HKNo.5 recognised in the
consolidated financial statements:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
-----------------------------------	-----------------------------------

Net liabilities of HKNo.5	(45,037)	-
Proportion of the Group's ownership interest in HKNo.5	51%	-
Loan to HKNo.5	562,207	-

Carrying amount of the Group's interest in HKNo.5	539,238	-
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合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

19. 於合營企業的權益 (續)

重大合營企業的財務資料概要 (續)

武漢當代北辰

流動資產	Current assets
非流動資產	Non-current assets
流動負債	Current liabilities
非流動負債	Non-current liabilities

收益	Revenue
年度虧損	Loss for the year

上述財務資料概要與在合併財務報表中
確認於武漢當代北辰的權益賬面值對
賬：

19. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of material joint ventures
(Continued)

Wuhan MNS

於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
---	---

685,023	–
823	–
637,148	–
–	–

截至2014年 12月31日 止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日 止年度 人民幣千元 Year ended 31 December 2013 RMB'000
---	---

–	–
(1,302)	–

Reconciliation of the above summarised financial information to
the carrying amount of the interest in Wuhan MNS recognised in
the consolidated financial statements:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
-----------------------------------	-----------------------------------

武漢當代北辰的資產淨值	Net assets of Wuhan MNS	48,698	–
本集團於武漢當代北辰的 擁有權權益的比例	Proportion of the Group's ownership interest in Wuhan MNS	45%	–
向武漢當代北辰作出貸款	Loan to Wuhan MNS	277,500	–
於與武漢當代北辰進行的該等 交易中抵銷本集團分佔的損益	Elimination on the Group's share of profit or loss in those transactions with Wuhan MNS	(3,054)	–

本集團於武漢當代北辰的 權益的賬面值	Carrying amount of the Group's interest in Wuhan MNS	296,360	–
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合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

19. 於合營企業的權益 (續)

個別並不重大的合營企業的綜合資料

19. INTERESTS IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that are not individually material

		於2014年 12月31日 人民幣千元 At 31 December 2014 RMB'000	於2013年 12月31日 人民幣千元 At 31 December 2013 RMB'000
本集團分佔該等 合營企業的虧損	The Group's share of loss in these joint ventures	<u><u>(74,029)</u></u>	<u><u>–</u></u>
本集團於該等合營企業的 權益的總賬面值	Aggregate carrying amount of the Group's interests in these joint ventures	<u><u>585,045</u></u>	<u><u>–</u></u>

20. 向僱員作出墊款

向僱員作出的墊款為無抵押，附固定年利率12%並須於2016年6月償還。款項包括向主要管理人員作出的墊款約人民幣10,239,000元。

20. ADVANCES TO EMPLOYEES

Balances represent advances to employees, which are unsecured, carry fixed interest rate at 12% per annum and repayable in June 2016. The balance includes an advance of approximately RMB10,239,000 to a key management personnel.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

21. 可供出售投資

21. AVAILABLE-FOR-SALE INVESTMENTS

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
非上市投資，按成本：	Unlisted investment at cost:		
Cura Investment Management (Shanghai) Co., Ltd. (「Cura Investment」) (附註a)	Cura Investment Management (Shanghai) Co., Ltd. ("Cura Investment") (note a)	33,350	33,350
O + Design International Corporation (「O+ Design」) (附註b)	O + Design International Corporation ("O+ Design") (note b)	986	986
無錫中節控 (附註c)	Wuxi Zhongjiekong (note c)	79,900	—
		114,236	34,336

附註：

- (a) 於2014年12月31日，此投資佔Cura Investment（一家在中國成立從事基金管理的私營實體）股權1.833%（2013年：1.833%）。
- (b) 於2014年12月31日，本集團持有O+ Design 376,450股（2013年：376,450股）每股0.4美元的優先股，O+ Design 為於開曼群島註冊成立的公司。其主要業務為提供節能建築設計服務。
- (c) 於截至2014年12月31日止年度，當代節能置業向無錫中節控出資人民幣79,900,000元，該公司為一家於中國成立的有限責任合夥公司，其主要業務為投資於中國物業發展行業。根據有限合夥協議，當代節能置業為無錫中節控的有限合夥人，對無錫中節控並無控制權或重大影響力。

由於可供出售投資的合理公允價值估計範圍甚大，董事認為不能可靠計量其公允價值，故其於兩報告期末均以成本扣減減值計量。

Notes:

- (a) At 31 December 2014, the investment represents a 1.833% (2013: 1.833%) equity interest in Cura Investment, a private entity established in the PRC which is involved in fund management.
- (b) At 31 December 2014, the Group held 376,450 (2013: 376,450) preferred shares at US\$0.4 each in O+ Design, a company incorporated in the Cayman Islands. Its principal activity is provision of energy-saving building design services.
- (c) During the year ended 31 December 2014, Modern Green Development contributed an amount of RMB79,900,000 to Wuxi Zhongjiekong, a limited liability partnership established in the PRC whose principal activity is investing in property development industry in the PRC. Modern Green Development is a limited partner according to the limited partnership agreement of Wuxi Zhongjiekong, and has neither control nor significant influence over Wuxi Zhongjiekong.

The available-for-sale investments are measured at cost less impairment at the end of both reporting periods because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that its fair value cannot be reliably measured.

22. 就購入土地使用權已付的押金

22. DEPOSITS PAID FOR ACQUISITION OF LAND USE RIGHTS

於2013年12月31日的結餘指本集團就有關購入中國土地的土地使用權的拍賣活動向中國政府支付的押金。於2014年12月31日，本集團已成功投得土地使用權。

The balance as at 31 December 2013 represented deposits paid by the Group to PRC government for auction in relation to acquisition of land use rights for lands situated in the PRC. As at 31 December 2014, the land use rights have been successfully bidden by the Group.

23. 遞延稅項

以下為本年度確認的主要遞延稅項資產(負債)及其變動:

23. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the years:

		投資物業		土地增值稅		物業撇銷		業主自用		其他	合計
		保留溢利的 預扣稅	公允價值 變動	稅項虧損	撥備	與銷售成本 的暫時差額	物業重估				
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於2013年1月1日	At 1 January 2013	(17,874)	(102,534)	16,875	209,667	130,659	(25,381)	20,921			232,333
於損益(扣除)計入(附註8)	(Charge) credit to profit or loss (Note 8)	(11,481)	(21,559)	(12,467)	39,761	70,497	12,698	(649)			76,800
於2013年12月31日	At 31 December 2013	(29,355)	(124,093)	4,408	249,428	201,156	(12,683)	20,272			309,133
於損益(扣除)計入(附註8)	(Charge) credit to profit or loss (Note 8)	(17,695)	(49,850)	7,750	53,026	(48,872)	-	18,356			(37,285)
於年度其他全面收入扣除	Charge to other comprehensive income for the year	-	-	-	-	-	(338)	-			(338)
出售附屬公司(附註36)	Disposal of subsidiaries (Note 36)	-	-	(1,448)	-	-	-	-			(1,448)
於2014年12月31日	At 31 December 2014	(47,050)	(173,943)	10,710	302,454	152,284	(13,021)	38,628			270,062

為於合併財務狀況報表內呈報，若干遞延稅項資產及負債已予抵銷。以下為就財務報告而言的遞延稅項結餘分析：

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
遞延稅項資產	Deferred tax assets	317,112	338,488
遞延稅項負債	Deferred tax liabilities	(47,050)	(29,355)
		270,062	309,133

由於不可預測未來溢利來源，故並無就下列未動用稅項虧損確認遞延稅項資產。未確認稅項虧損將於以下年度到期：

No deferred tax asset has been recognised in respect of the following unutilised tax losses due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

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Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

23. 遞延稅項 (續)

23. DEFERRED TAXATION (Continued)

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
將於以下日期到期：	To be expired on:		
2015年12月31日	31 December 2015	5	5
2016年12月31日	31 December 2016	13,205	13,205
2017年12月31日	31 December 2017	12,973	12,981
2018年12月31日	31 December 2018	6,086	6,125
2019年12月31日	31 December 2019	16,426	–
並未確認為遞延稅項資產的 未動用稅項虧損總額	Total unused tax losses not recognised as deferred tax assets	48,695	32,316

根據中國企業所得稅法，由2008年1月1日起，就中國附屬公司賺取溢利所宣派的股息須繳付預扣稅。於2014年12月31日，並未於合併財務報表中就中國附屬公司累計溢利應佔臨時差額人民幣1,881,990,000元（2013年：人民幣1,174,203,000元）作出遞延稅項撥備，因為本集團能控制撥回臨時差額的時間，臨時差額有可能將無法於可見將來撥回。

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB1,881,990,000 (2013: RMB1,174,203,000) as at 31 December 2014, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

24. 存貨

24. INVENTORIES

存貨為原材料、耗材及其他。

The inventories are raw materials, consumables and others.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

25. 發展中待售物業

25. PROPERTIES UNDER DEVELOPMENT FOR SALE

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
成本	COST		
年初	At the beginning of the year	2,936,051	3,570,940
添置	Additions	3,780,618	1,527,477
於建設工程動工後轉撥 自預付租賃款項	Transfer from prepaid lease payment upon commencement of construction work	2,380,367	-
竣工後轉撥至持作銷售物業	Transfer to properties held for sale upon completion	(1,949,847)	(2,029,764)
轉撥至物業、廠房及設備	Transfer to property, plant and equipment	-	(33,856)
收購一家附屬公司(附註35)	Acquisition of a subsidiary (Note 35)	143,059	-
出售附屬公司(附註36)	Disposal of subsidiaries (Note 36)	(3,076,565)	(98,746)
年終	At the end of the year	4,213,683	2,936,051

發展中物業均位於中國，租期介乎40年至70年之間。

The properties under development are located in the PRC with lease terms ranging from 40 to 70 years.

於2014年12月31日，本集團已抵押人民幣1,223,378,000元(2013年：人民幣390,675,000元)的發展中待售物業，以擔保本集團獲授的若干銀行及其他融資(載於附註37)。

The Group had pledged properties under development for sale of RMB1,223,378,000 (2013: RMB390,675,000) at 31 December 2014 to secure certain banking and other facilities granted to the Group as set out in Note 37.

於2014年12月31日，賬面值為人民幣953,688,000元(2013年：人民幣1,571,790,000元)的發展中待售物業預期將於報告期末起十二個月後竣工。

As at 31 December 2014, properties under development for sale with carrying value of RMB953,688,000 (2013: RMB1,571,790,000) are expected to be completed after twelve months from the end of the reporting period.

26. 持作銷售物業

26. PROPERTIES HELD FOR SALE

本集團的持作銷售物業均以成本列賬且均位於中國。

The Group's properties held for sale are stated at cost and situated in the PRC.

於2014年12月31日，本集團已抵押人民幣137,352,000元(2013年：人民幣319,197,000元)的持作銷售物業，以擔保本集團獲授的若干銀行融資(載於附註37)。

As at 31 December 2014, properties held for sale of RMB137,352,000 (2013: RMB319,197,000) are pledged to secure certain banking facilities granted to the Group as set out in Note 37.

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Notes to the Consolidated Financial Statements

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27. 貿易及其他應收款、押金及預付款

貿易應收款主要包括應收租金及物業銷售應收款。根據租賃協議，租戶將不會獲授信貸期，租金須預先進行結算。有關已售物業的代價乃根據相關買賣協議條款支付，通常於自協議之日起計45日內支付。

27. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly are rental receivable and receivable from sales of properties. Pursuant to the lease agreements, rental payment is required to be settled in advance with no credit period being granted to the tenants. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
貿易應收款，扣除撥備	74,560	15,892
向建築材料供應商作出墊款 (附註a)	53,182	65,262
其他應收款項，扣除撥備	248,588	77,205
預付土地增值稅及營業稅	322,911	304,556
客戶獲提供住房公積金貸款的 擔保存款(附註b)	9,218	4,775
	708,459	467,690

附註：

- (a) 於2014年12月31日，向供應商作出墊款人民幣5,580,000元(2013年12月31日：零)已減值及悉數計提撥備，原因是交易對手已清盤，而本集團並無對此結餘持有任何抵押品。
- (b) 客戶獲提供住房公積金貸款的擔保存款指存放於住房公積金管理中心(負責經營及管理住房公積金的國有機構)的金額，以擔保客戶所獲提供住房公積金貸款，且當客戶獲得物業個人所有權證後將退還予本集團。

Notes:

- (a) As at 31 December 2014, advance to a supplier of RMB5,580,000 (31 December 2013: Nil) was impaired and fully provided because the counterparty was liquidated and the Group does not hold any collateral over this balance.
- (b) Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

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截至2014年12月31日止年度 For the year ended 31 December 2014

27. 貿易及其他應收款、押金及預付款 (續)

以下為於各報告期末按應收租金及物業銷售應收款的到期日(與其各自的收益確認日期相若)所作貿易應收款的賬齡分析:

1年以下 Less than 1 year

於報告期末,全部上述貿易應收款均為逾期應收租金及已售物業應收款,惟並無減值。本集團並無就該等結餘而持有任何抵押品。

貿易應收款的呆賬撥備變動如下:

年初 At the beginning of the year
於年內撥備 Provided during the year

年終 At the end of the year

其他應收款項的呆賬撥備變動如下:

年初 At the beginning of the year
於年內撥備 Provided during the year

年終 At the end of the year

27. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The following is an aged analysis of trade receivables based on due date for rental receivables and receivable from sales of properties, which approximated the respective revenue recognition dates, at the end of each of the reporting period:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
74,560	15,892

All of the above trade receivables are overdue rental receivables and receivable from properties sold but not impaired at the end of the reporting period. The Group does not hold any collateral over these balances.

Movements in the allowance for doubtful debts on trade receivables are set out as follows:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
8,045	8,045
697	-
8,742	8,045

Movements in the allowance for doubtful debts on other receivables are set out as follows:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
14,800	14,190
-	610
14,800	14,800

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28. 受限制現金／銀行結餘及現金

28. RESTRICTED CASH/BANK BALANCES AND CASH

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
向客戶提供按揭貸款的擔保存款 (附註a)	Guarantee deposits for mortgage loans provided to customers (note a)	47,843	112,381
建設預售物業的擔保存款 (附註b)	Guarantee deposits for construction of pre-sold properties (note b)	155,759	13,549
銀行借款的擔保存款 (附註c)	Guarantee deposits for bank borrowings (note c)	942,395	—
受限制現金結餘	Balance of restricted cash	<u>1,145,997</u>	<u>125,930</u>

附註：

Notes:

(a) 向客戶提供按揭貸款的擔保存款指存放於銀行的受限制現金，以擔保提供予客戶的按揭擔保且當客戶獲得物業個人所有權證後將被解除。

(a) Guarantee deposits for mortgage loans provided to customers represent restricted cash placed with the banks to secure the mortgage guarantees provided to customers and will be released upon customers obtaining the property individual ownership certificate.

(b) 根據中國地方國有土地資源管理局頒佈的有關文件，本集團的若干物業發展公司須存放若干數額的預售物業所得款項，作為建設物業的擔保存款。該存款僅可於獲得中國地方國有土地資源管理局批准後用於支付有關項目的建設費用及購買建築材料的費用。該擔保存款會根據有關預售物業的完成階段予以解除。

(b) In accordance with relevant documents issued by the PRC local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place the proceeds received from pre-sale of properties as guarantee deposits for construction of properties. The deposits can only be used to pay for construction fees and purchase of construction materials of the relevant projects when approvals are obtained from the PRC local State-Owned Land and Resource Bureau. Such guarantee deposits will be released according to the completion stage of the related pre-sold properties.

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Notes to the Consolidated Financial Statements

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28. 受限制現金／銀行結餘及現金 (續)

- (c) 年內，本集團取得若干銀行借款並以已抵押存款作擔保。

銀行存款及手頭現金
減：受限制現金

Cash at bank and in hand
Less: Restricted cash

銀行結餘及現金包括本集團持有的現金及原到期期限為三個月或以下的短期存款。

於2014年12月31日，浮息存款的年利率為0.35%（2013年：0.35%）。

於2014年12月31日的銀行結餘及現金主要以人民幣計值，人民幣於國際市場為不可自由兌換貨幣。人民幣的匯率由中國政府釐定，將資金匯出中國須受中國政府實施之外匯管制措施所限。

28. RESTRICTED CASH/BANK BALANCES AND CASH (Continued)

- (c) During the year, the Group obtained certain bank borrowings secured by pledged deposits.

2014年 人民幣千元	2013年 人民幣千元
2014 RMB'000	2013 RMB'000
3,943,938	2,869,509
<u>(1,145,997)</u>	<u>(125,930)</u>
<u>2,797,941</u>	<u>2,743,579</u>

Bank balances and cash comprise cash and short-term deposits held by the Group with an original maturity of three months or less.

The deposits carry variable rates of 0.35% (2013: 0.35%) per annum as at 31 December 2014.

Bank balances and cash at 31 December 2014 were mainly denominated in RMB which is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

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29. 貿易及其他應付款、已收押金及應計費用

29. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
貿易應付款	Trade payables	462,216	338,660
應計建設支出	Accrued expenditure on construction	519,658	581,338
其他應付款項	Other payables	224,748	163,078
其他應付稅項	Other tax payables	139,199	216,281
應付工資	Accrued payroll	36,987	48,807
已收押金及物業銷售預收款	Deposits received and receipt in advance from property sales	3,835,135	3,570,342
其他應計費用	Other accrued charges	23,963	7,878
應付股息	Dividend payable	701	270
優先票據應計利息	Accrued interest on senior notes	112,188	-
因收購綏中長龍而 應付當時股東的款項 (附註)	Amount due to then shareholder arising from acquisition of Suizhong Changlong (note)	131,952	-
		5,486,747	4,926,654

附註：

該款項乃無抵押、免息及須按要求償還。

貿易應付款及應計建設支出包括建設成本及其他項目相關開支，乃根據本集團計量的項目進度支付。本集團已制定財務風險管理政策，以確保所有應付款項於信貸期限內償還（如有）。

Note:

The amount is unsecured, non-interest bearing and repayable on demand.

Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe, if any.

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29. 貿易及其他應付款、已收押金及應計費用 (續)

以下為於報告期末，貿易應付款按發票日期的賬齡分析：

29. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Continued)

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

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
1年內	Less than 1 year	381,178	220,248
1至2年	1-2 years	55,760	51,598
2至3年	2-3 years	723	47,245
超過3年	Over 3 years	24,555	19,569
		<u>462,216</u>	<u>338,660</u>

30. 應付稅項

30. TAXATION PAYABLE

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
應付土地增值稅	LAT payable	1,330,118	1,113,423
應付所得稅	Income tax payable	387,200	340,083
		<u>1,717,318</u>	<u>1,453,506</u>

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31. 銀行及其他借貸

31. BANK AND OTHER BORROWINGS

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
銀行貸款，有抵押	Bank loans, secured	1,480,217	864,110
其他貸款，有抵押	Other loans, secured	315,000	390,000
		1,795,217	1,254,110
借貸須於以下期限內償還：		The borrowings are repayable:	
		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
1年內或按要求	Within one year or on demand	1,314,317	256,910
多於1年，但不超過2年	More than one year, but not exceeding two years	365,900	827,200
多於2年，但不超過5年	More than two years, but not exceeding five years	115,000	60,000
超過5年	More than five years	-	110,000
		1,795,217	1,254,110
減：流動負債下1年內到期款項	Less: Amount due within one year shown under current liabilities	(1,314,317)	(256,910)
1年後到期款項	Amount due after one year	480,900	997,200
		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
借貸分析（按貨幣劃分）	Analysis of borrowings by currency		
— 以人民幣計值	— Denominated in RMB	1,658,900	1,234,600
— 以港元計值	— Denominated in HK\$	136,317	-
— 以美元計值	— Denominated in US\$	-	19,510
		1,795,217	1,254,110

31. 銀行及其他借貸 (續)

於報告期末的若干銀行及其他貸款乃以附註37所載的抵押資產作擔保。

於2014年12月31日的借貸包括浮息借貸人民幣980,217,000元(2013年:人民幣864,110,000元), 年利率介乎1.54%至8%(2013年:2.84%至9.53%), 本集團因而承受現金流量利率風險。其餘借貸為定息借貸, 於2014年12月31日的實際年利率介乎2.59%至10%(2013年:10%至12.8%), 本集團因而承受公允價值利率風險。

32. 優先票據

31. BANK AND OTHER BORROWINGS (Continued)

Certain bank and other loans as at the end of the reporting period were secured by the pledge of assets as set out in Note 37.

Borrowings include RMB980,217,000 (2013: RMB864,110,000) variable rate borrowings which carry interest ranging from 1.54% to 8% (2013: 2.84% to 9.53%) per annum at 31 December 2014, and exposed the Group to cash flow interest rate risk. The remaining borrowings are arranged at fixed rate, the effective interest rate ranged from 2.59% to 10% (2013: 10% to 12.8%) per annum at 31 December 2014, and exposed the Group to fair value interest rate risk.

32. SENIOR NOTES

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
於期初的賬面值	Carrying amount at the beginning of the period	904,753	-
發行日所得款項淨額	Net proceeds on the date of issue	1,819,134	891,952
匯兌收益	Exchange gain	(4,469)	(6,955)
利息開支	Interest expenses	180,586	20,425
已付利息	Interest paid	(187,984)	(669)
於12月31日的賬面值	Carrying amount at December 31	<u>2,712,020</u>	<u>904,753</u>

(a) 2013年美元票據

於2013年11月4日, 本公司按本金額99.561%向公眾發行總面值150,000,000美元(約人民幣921,705,000元)有擔保優先定息票據(「2013年美元票據」), 固定年利率為13.875%, 須每半年支付, 至2018年11月4日須按面值悉數償還。

(a) 2013 USD Notes

On 4 November 2013, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$150,000,000 (approximately RMB921,705,000) (the "2013 USD Notes"), at 99.561% of the principal amount of the 2013 USD Notes, which carry fixed interest of 13.875% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 4 November 2018.

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32. 優先票據 (續)

(a) 2013年美元票據 (續)

2013年美元票據於新加坡證券交易所有限公司(「新交所」)上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2016年11月4日前，本公司可隨時選擇贖回全部(而非部分)2013年美元票據，贖回價相等於2013年美元票據本金額100%另加適用溢價(界定為：(1)該等優先票據本金額的1%及(2)相等於本金額及累計至2016年11月4日的相關利息(按相等於經調整公債利率加100個基點折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

於2016年11月4日前，本公司可隨時贖回最多本金額35%的2013年美元票據，贖回價為2013年美元票據本金額113.875%加累計至贖回日期(但不含當日)的應計及未付利息(如有)，以銷售其若干種類股本所得款項支付，惟須受若干條件規限。

32. SENIOR NOTES (Continued)

(a) 2013 USD Notes (Continued)

The 2013 USD Notes are listed on the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange"), are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 4 November 2016, the Company may at its option redeem the 2013 USD Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2013 USD Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to 4 November 2016 discounted at a rate equal to an adjusted treasury rate plus 100 basis points over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 4 November 2016, the Company may redeem up to 35% of the principal amount of the 2013 USD Notes at a redemption price of 113.875% of the principal amount of the 2013 USD Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

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32. 優先票據 (續)

32. SENIOR NOTES (Continued)

(a) 2013年美元票據 (續)

(a) 2013 USD Notes (Continued)

於2016年11月4日或之後，本公司可隨時及不時贖回全部或部分2013年美元票據，贖回價為等同下列本金額百分比，另加累計至贖回日期（但不含當日）的應計及未付利息（如有）（倘於下文所示各年的11月4日開始的12個月內贖回）。

At any time and from time to time on or after 4 November 2016, the Company may redeem the 2013 USD Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 4 November of each of the years indicated below.

期間	Period	贖回價 Redemption Price
2016年	2016	106.93750%
2017年	2017	103.46875%

董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

In the opinion of the Directors, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

2013年美元票據賬面淨值列值時已扣除發行開支共4,292,000美元（約人民幣26,375,000元），而2013年美元票據的實際年利率為14.83%。

The net carrying amount of the 2013 USD Notes is stated net of issue expenses totalling US\$4,292,000 (approximately RMB26,375,000) and the effective interest rate of the 2013 USD Notes is 14.83% per annum.

經參照新交所報價，2013年美元票據於2014年12月31日的公允價值約為145,047,000美元（約人民幣887,543,000元），乃按第二層級公允價值計量。

The fair value of the 2013 USD Notes at 31 December 2014 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately US\$145,047,000 (approximately RMB887,543,000), which is measured at fair value hierarchy of Level 2.

(b) 2014年人民幣票據

(b) 2014 CNY Notes

於2014年1月22日，本公司按本金額100%向公眾發行總面值人民幣1,100,000,000元有擔保優先定息票據（「2014年人民幣票據」），固定年利率為11%，須每半年支付，至2017年1月22日須按面值悉數償還。

On 22 January 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of RMB1,100,000,000 (the "2014 CNY Notes"), at 100% of the principal amount of the 2014 CNY Notes, which carry fixed interest of 11% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 22 January 2017.

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32. 優先票據 (續)

(b) 2014年人民幣票據 (續)

2014年人民幣票據於新交所上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2017年1月22日前，本公司可隨時選擇贖回全部(而非部分)2014年人民幣票據，贖回價相等於2014年人民幣票據本金額100%另加適用溢價(界定為：(1)該等優先票據本金額的1%及(2)相等於本金額及累計至該等優先票據到期日的相關利息(按相等於年率2%折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

此外，於2017年1月22日前，本公司可隨時贖回最多本金額35%的2014年人民幣票據，贖回價為2014年人民幣票據本金額111%加至贖回日期(但不含當日)的應計及未付利息(如有)，以銷售其若干種類股本所得款項支付，惟須受若干條件規限。

董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

2014年人民幣票據賬面淨值列值時已扣除發行開支共人民幣26,310,000元，而2014年人民幣票據的實際年利率為11.97%。

32. SENIOR NOTES (Continued)

(b) 2014 CNY Notes (Continued)

The 2014 CNY Notes are listed on the Singapore Stock Exchange, are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 22 January 2017, the Company may at its option redeem the 2014 CNY Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2014 CNY Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to maturity date of such senior notes discounted at a rate equal to 2% per annum over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, at any time prior to 22 January 2017, the Company may redeem up to 35% of the principal amount of the 2014 CNY Notes at a redemption price of 111% of the principal amount of the 2014 CNY Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

In the opinion of the Directors, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

The net carrying amount of the 2014 CNY Notes is stated net of issue expenses totalling RMB26,310,000 and the effective interest rate of the 2014 CNY Notes is 11.97% per annum.

32. 優先票據 (續)

(b) 2014年人民幣票據 (續)

經參照新交所報價，2014年人民幣票據於2014年12月31日的公允價值約為人民幣1,031,239,000元，乃按第二層級公允價值計量。

(c) 2014年美元票據

於2014年7月31日，本公司按本金額99.101%向公眾發行總面值125,000,000美元(約人民幣770,588,000元)有擔保優先定息票據(「2014年美元票據」)，固定年利率為12.75%，須每半年支付，至2019年7月31日須按面值悉數償還。

2014年美元票據於新交所上市，屬當代置業(中國)有限公司的優先債券，由本公司現有若干附屬公司(根據中國法律成立的公司除外)擔保。倘以資產價值作為抵押，則有關擔保的履行次序實際上不及各擔保人的其他有抵押責任優先。

於2017年7月31日前，本公司可隨時選擇贖回全部(而非部分)2014年美元票據，贖回價相等於2014年美元票據本金額100%另加適用溢價(界定為，(1)該等優先票據本金額的1%及(2)相等於本金額及累計至2017年7月31日的相關利息(按相等於經調整公債利率加100個基點折現)超過本金額的金額之較高者)，連同直至(但不包括)贖回日期的應計及未付利息(如有)。

32. SENIOR NOTES (Continued)

(b) 2014 CNY Notes (Continued)

The fair value of the 2014 CNY Notes at 31 December 2014 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately RMB1,031,239,000, which is measured at fair value hierarchy of Level 2.

(c) 2014 USD Notes

On 31 July 2014, the Company issued guaranteed senior fixed rate notes to the public with aggregate nominal value of US\$125,000,000 (approximately RMB770,588,000) (the "2014 USD Notes"), at 99.101% of the principal amount of the 2014 USD Notes, which carry fixed interest of 12.75% per annum (interest payable semi-annually in arrears) and will be fully repayable at par by 31 July 2019.

The 2014 USD Notes are listed on the Singapore Stock Exchange, are senior obligations of Modern Land (China) Co., Limited, guaranteed by certain of the Company's existing subsidiaries other than those established under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

At any time prior to 31 July 2017, the Company may at its option redeem the 2014 USD Notes, in whole but not in part, at a price equal to 100% of the principal amount of the 2014 USD Notes plus the applicable premium (which defined as to the greater of (1) 1% of the principal amount of such senior notes and (2) the excess of the amount equivalent to the principal amount and related interest up to 31 July 2017 discounted at a rate equal to an adjusted treasury rate plus 100 basis points over the principal amount), as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

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32. 優先票據 (續)

(c) 2014年美元票據 (續)

於2017年7月31日前，本公司可隨時贖回最多本金額35%的2014年美元票據，贖回價為2014年美元票據本金額112.75%加累計至贖回日期(但不含當日)的應計及未付利息(如有)，以銷售其若干種類股本所得款項支付，惟須受若干條件規限。

於2017年7月31日或之後，本公司可隨時及不時贖回全部或部分2014年美元票據，贖回價為等同下列本金額百分比，另加累計至贖回日期(但不含當日)的應計及未付利息(如有)(倘於下文所示各年的7月31日開始的12個月內贖回)。

期間

2017年
2018年

董事認為，提早贖回的購股權的公允價值於初次確認及報告期末時極低。

2014年美元票據賬面淨值列值時已扣除發行開支共2,955,000美元(約人民幣18,226,000元)，而2014年美元票據的實際年利率為13.67%。

經參照新交所報價，2014年美元票據於2014年12月31日的公允價值約為114,806,000美元(約人民幣702,498,000元)，乃按第二層級公允價值計量。

32. SENIOR NOTES (Continued)

(c) 2014 USD Notes (Continued)

At any time prior to 31 July 2017, the Company may redeem up to 35% of the principal amount of the 2014 USD Notes at a redemption price of 112.75% of the principal amount of the 2014 USD Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time and from time to time on or after 31 July 2017, the Company may redeem the 2014 USD Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 31 July of each of the years indicated below.

Period

2017
2018

贖回價

Redemption Price

106.3750%
103.1875%

In the opinion of the Directors, the fair value of the early redemption options is insignificant at initial recognition and the end of the reporting period.

The net carrying amount of the 2014 USD Notes is stated net of issue expenses totalling US\$2,955,000 (approximately RMB18,226,000) and the effective interest rate of the 2014 USD Notes is 13.67% per annum.

The fair value of the 2014 USD Notes at 31 December 2014 with reference to the quoted market price available on the Singapore Stock Exchange amounted to approximately US\$114,806,000 (approximately RMB702,498,000), which is measured at fair value hierarchy of Level 2.

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33. 股本

33. SHARE CAPITAL

		股份數目 千股 Number of shares '000	金額 千美元 Amount USD'000	相當於 人民幣千元 Equivalent to RMB'000
每股面值0.01美元的普通股	Ordinary shares of US\$0.01 each			
法定：	Authorised:			
於2013年1月1日 (附註a)	At 1 January 2013 (note a)	50	50	342
於2013年6月14日分拆	Sub-division on 14 June 2013	4,950	-	-
於2013年6月14日增加 (附註a)	Increase on 14 June 2013 (note a)	<u>1,995,000</u>	<u>19,950</u>	<u>122,912</u>
於2013年12月31日及 2014年12月31日	At 31 December 2013 and 31 December 2014	<u><u>2,000,000</u></u>	<u><u>20,000</u></u>	<u><u>123,254</u></u>
已發行及繳足：	Issued and fully paid:			
於2013年1月1日	At 1 January 2013	50	50	342
於2013年6月14日分拆	Sub-division on 14 June 2013	4,950	-	-
全球發售所發行股份 (附註b)	Issue of shares by global offering (note b)	400,000	4,000	24,653
資本化發行 (附註a)	Issued by capitalisation (note a)	<u>1,195,000</u>	<u>11,950</u>	<u>73,615</u>
於2013年12月31日及 2014年12月31日	At 31 December 2013 and 31 December 2014	<u><u>1,600,000</u></u>	<u><u>16,000</u></u>	<u><u>98,610</u></u>

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33. 股本 (續)

附註：

- (a) 本公司原先註冊成立時，法定股本為50,000美元，分為50,000股普通股，每股1.00美元。

根據本公司股東於2013年6月14日通過的書面決議，本公司法定股本中每股面值1.00美元的普通股分拆為100股普通股，每股面值0.01美元，而本公司的法定股本由50,000美元增至20,000,000美元，經額外增加1,995,000,000股後分為2,000,000,000股；而本公司根據香港公開發售及全球發售發行400,000,000股後，股本溢價賬有所進賬，董事獲授權以本公司股本溢價賬中11,950,000美元按面值繳足本公司1,195,000,000股股份，將之資本化。

- (b) 於2013年7月，本公司首次公開發售，於香港公開發售並全球發售，發行400,000,000股股份，每股0.01美元，發售價為每股1.49港元。本公司年內所發行股份，全部於所有方面彼此享有同等地位。

34. 退休福利計劃

根據相關中國法律及法規，本公司的中國附屬公司須參加一項由地方市政府管理的定額供款退休計劃。本集團的中國實體向該計劃供款以為僱員的退休福利提供資金，而該等供款金額乃按經當地市政府同意的僱員平均薪金的一定百分比計算。就退休福利計劃而言，本集團的主要責任是根據計劃作出規定供款。

33. SHARE CAPITAL (Continued)

Notes:

- (a) The Company was originally incorporated with an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each.

Pursuant to the resolutions in writing of the shareholders of the Company passed on 14 June 2013, each ordinary share with a nominal value of US\$1.00 in the Company's authorised share capital was sub-divided into 100 ordinary shares with a nominal value of US\$0.01 each and the authorised share capital of the Company was increased from US\$50,000 to US\$20,000,000 divided into 2,000,000,000 shares by the creation of an additional 1,995,000,000 shares; and conditional on the share premium account of the Company being credited as a result of the issue of 400,000,000 shares by the Company pursuant to the Hong Kong public offering and global offering, the Directors were authorised to capitalise an amount of US\$11,950,000 standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par 1,195,000,000 shares of the Company.

- (b) In July 2013, 400,000,000 shares of US\$0.01 each were issued pursuant to the initial public offering of the Company by way of Hong Kong public offering and global offering at a price of HK\$1.49 per share. All the shares which were issued by the Company during the year rank pari passu with each other in all respects.

34. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated by the local municipal government. The Group entities in the PRC contribute funds which are calculated on a certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. The principal obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

35. 收購附屬公司

根據當代節能置業與當代建設投資管理有限公司(「當代建設」, 一家由本公司股東兼董事張雷先生所控制的公司)於2013年12月8日訂立的協議, 當代節能置業以代價約人民幣137,424,000元收購北京當代摩碼投資管理有限公司(「當代摩碼」, 持有綏中長龍100%股權)的全部股權, 同時承讓未償還股東貸款約人民幣127,424,000元。是次收購已於截至2014年12月31日止年度完成。

根據當代節能置業與杭州華勤投資管理有限公司於2014年10月15日訂立的協議, 當代節能置業以代價約人民幣35,000,000元收購上海鈺景(持有上海盛銘35%股權)的全部股權, 同時承讓未償還股東貸款人民幣25,000,000元。是次收購已於截至2014年12月31日止年度完成。

於收購日期當代摩碼、綏中長龍及上海鈺景的資產淨值如下:

35. ACQUISITION OF SUBSIDIARIES

Pursuant to the agreement dated 8 December 2013 entered between Modern Green Development and Modern Construction Investment Management Co., Ltd. 當代建設投資管理有限公司(“Modern Construction”), a company controlled by Mr. Zhang Lei, the shareholder and director of the Company, Modern Green Development acquired the entire equity interests in Beijing Modern MOMA Investment Management Co., Ltd. 北京當代摩碼投資管理有限公司(“Modern Moma”) which held 100% equity interests in Suizhong Changlong, together with the assignment of the outstanding shareholder loan of approximately RMB127,424,000, in consideration amounted to approximately RMB137,424,000. The acquisition was completed during the year ended 31 December 2014.

Pursuant to the agreement dated 15 October 2014 entered between Modern Green Development and Hangzhou Huaqin Investment Management Co., Ltd. 杭州華勤投資管理有限公司, Modern Green Development acquired the entire equity interests in Shanghai Yujing which held 35% equity interests in Shanghai Shengming, together with the assignment of the outstanding shareholder loan of RMB25,000,000, in consideration amounted to approximately RMB35,000,000. The acquisition was completed during the year ended 31 December 2014.

The net assets of Modern Moma, Suizhong Changlong and Shanghai Yujing at the date of acquisition are as follows:

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35. 收購附屬公司 (續)

35. ACQUISITION OF SUBSIDIARIES (Continued)

	當代摩碼 綏中長龍 人民幣千元	上海鈺景 人民幣千元	合計 人民幣千元	
	Modern Moma Suizhong Changlong RMB'000	Shanghai Yujing RMB'000	Total RMB'000	
於收購日期收購的 資產及確認的負債：	Assets acquired and liabilities recognised at the date of acquisition:			
物業、廠房及設備	Property, plant and equipment	201	–	201
預付租賃款項	Prepaid lease payment	136,642	–	136,642
於合營企業的權益	Interest in a joint venture	–	35,005	35,005
發展中待售物業	Properties under development for sale	143,059	–	143,059
其他應付款及預付款	Other receivables and prepayment	4,035	127,750	131,785
銀行結餘及現金	Bank balances and cash	1,341	98	1,439
應付當時股東款項	Amounts due to then shareholder	(127,424)	(25,000)	(152,424)
其他應付款	Other payables	(147,854)	(127,853)	(275,707)
收購的資產淨值	Net assets acquired	10,000	10,000	20,000
轉讓債務	Assignment of debt	127,424	25,000	152,424
以現金支付的總代價	Total consideration satisfied by cash	<u>(137,424)</u>	<u>(35,000)</u>	<u>(172,424)</u>
收購產生的淨現金流出：	Net cash outflow arising on acquisition:			
已付現金	Cash paid	(137,424)	(35,000)	(172,424)
已收購銀行結餘及現金	Bank balances and cash acquired	1,341	98	1,439
		<u>(136,083)</u>	<u>(34,902)</u>	<u>(170,985)</u>

截至2014年12月31日止年度，已收購的附屬公司並無為本集團作出任何重大業績貢獻。

The subsidiaries acquired did not contribute any significant results to the Group for the year ended 31 December 2014.

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36. 出售附屬公司

於2014年3月31日，本集團出售南昌摩碼及南昌新建兩間附屬公司35%股權，代價依次為人民幣140,000,000元及人民幣80,500,000元（詳情載於附註19）。

於2014年8月31日，本集團出售附屬公司武漢當代節能置業40%股權，代價為人民幣80,000,000元（詳情載於附註19）。

於2014年9月30日，因向長城發行普通股產生的視作出售，本集團失去對香港5的控制權（詳情載於附註19）。

於2013年3月25日，當代節能置業與當代建設訂立股份轉讓協議，以代價人民幣10,000,000元出售於附屬公司當代摩碼的全部股權，而當代摩碼持有綏中長龍的全部股權。

36. DISPOSALS OF SUBSIDIARIES

On 31 March 2014, the Group disposed of 35% equity interests in two subsidiaries, Nanchang Moma and Nanchang Xinjian at considerations of RMB140,000,000 and RMB80,500,000 respectively (details are set out in Note 19).

On 31 August 2014, the Group disposed of 40% equity interests in a subsidiary, Wuhan MGD at a consideration of RMB80,000,000 (details are set out in Note 19).

On 30 September 2014, the Group lost control over HKNo.5, as a result of deemed disposal arose from an issue of ordinary shares to Great Wall (details are set out in Note 19).

On 25 March, 2013, Modern Green Development entered into a share transfer agreement with Modern Construction to dispose of 100% equity interests in a subsidiary, Modern Moma, which held 100% equity interests in Suizhong Changlong at a consideration of RMB10,000,000.

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:		
物業、廠房及設備	Property, plant and equipment	1,639	-
遞延稅項資產	Deferred tax assets	1,448	-
預付租賃款項	Prepaid lease payment	-	146,652
發展中待售物業	Property under development for sale	3,076,565	98,746
其他應收款及預付款	Other receivables and prepayments	1,072,296	-
應收本集團款項	Amounts due from the Group	35,857	-
銀行結餘及現金	Bank balances and cash	37,743	217
貿易及其他應付款	Trade and other payables	(1,060,991)	(135,549)
應付本集團款項	Amounts due to the Group	<u>(2,363,841)</u>	<u>(100,424)</u>
出售的資產淨值	Net assets disposed of	<u>800,716</u>	<u>9,642</u>

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36. 出售附屬公司 (續)

36. DISPOSALS OF SUBSIDIARIES (Continued)

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
已收代價：	Consideration received:		
已收現金	Cash received	300,500	10,000
已收代價總額	Total consideration received	<u>300,500</u>	<u>10,000</u>
出售附屬公司的收益：	Gain on disposal of subsidiaries:		
現金代價	Cash consideration	300,500	10,000
出售的資產淨值	Net assets disposed of	(800,716)	(9,642)
本集團剩餘權益 (分類為於合營企業權益)	The Group's remaining interests and classified as interests in joint ventures	<u>531,730</u>	-
出售附屬公司及重新計量剩餘權益 (分類為於合營企業權益) 收益	Gain on disposal of subsidiaries and re- measurement of remaining interests classified as interests in joint ventures	<u>31,514</u>	<u>358</u>
出售產生的現金流入淨額：	Net cash inflow arising on disposal:		
現金代價	Cash consideration	300,500	10,000
減：出售的銀行結餘及現金	Less: bank balances and cash disposed of	<u>(37,743)</u>	<u>(217)</u>
		<u>262,757</u>	<u>9,783</u>

截至2013年12月31日止年度，向本公司股東控制的公司出售附屬公司所產生收益的人民幣358,000元已於權益確認。

During the year ended 31 December 2013, a gain amounted to RMB358,000 on disposal of subsidiaries to a company controlled by a shareholder of the Company was recognised in equity.

所售附屬公司對本集團截至2014年12月31日止年度收益、溢利及現金流量的貢獻並不重大。

The subsidiaries disposed of did not have significant contribution to the Group's revenue, profits and cash flow during the year ended 31 December 2014.

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37. 抵押資產

於報告期末已抵押以下資產，作為本集團獲授的若干銀行及其他融資以及所售物業買家獲授按揭貸款的擔保：

37. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group and mortgage loans granted to buyers of sold properties at the end of reporting period:

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
投資物業	388,556	195,194
預付租賃款項	-	777,923
發展中物業	1,223,378	390,675
持作銷售物業	137,352	319,197
物業、廠房及設備	369,384	117,355
銀行存款	1,145,997	125,930
客戶獲提供住房公積金 貸款的擔保存款	9,218	4,775
	3,273,885	1,931,049

38. 資本及其他承擔

於報告期末，本集團有以下承擔：

38. CAPITAL AND OTHER COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
已訂約但未於綜合財務 報表中作出撥備：		
– 有關發展中物業的支出	1,210,143	1,515,033
– 有關物業、廠房及 設備的支出	591	18,547
– 有關收購土地使用權的支出	-	1,276,221
– 有關收購附屬公司的支出	-	10,000
	1,210,734	2,819,801

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39. 或然負債

本集團就若干銀行授出的按揭融資提供擔保，該等按揭融資涉及由本集團物業買家所訂立的按揭貸款。根據擔保的條款，倘該等買家拖欠按揭款項，本集團須負責向銀行償還買家結欠的按揭貸款連同其應計利息及任何罰款。屆時，本集團有權接管有關物業的法定所有權。擔保期限由相關按揭貸款授出日期起計，並於買家取得個別房產證後結束。董事認為，按初始確認，擔保合約的公允價值屬微不足道。此外，於本報告期間末，概未為擔保合約確認撥備，原因是違約風險低。

於報告期間末的未償還擔保金額如下：

39. CONTINGENT LIABILITIES

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate. In the opinion of the Directors, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

The amounts of the outstanding guarantees at the end of the reporting period are as follows:

	2014年	2013年
	人民幣千元	人民幣千元
	2014	2013
	RMB'000	RMB'000
按揭擔保	<u>2,680,397</u>	<u>2,128,391</u>
Mortgage guarantees		

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39. 或然負債 (續)

於2013年2月，當代節能置業及山西當代紅華房地產開發有限公司(本公司的間接全資附屬公司，「山西當代紅華房地產」)因本集團規劃中服務式公寓的管理服務而捲入了與一家專門從事酒店住宅及服務式公寓管理的香港酒店管理集團(「酒店管理集團」)的仲裁程序。2015年2月，仲裁程序已因應當代節能置業、山西當代紅華房地產及酒店管理集團的要求暫停進行，因為有關糾紛正通過其他途徑解決。本公司管理層已根據最新資料重新評估本集團承擔索賠支付的可能性並評估整體情況，並認為該法律訴訟程序的最終結果不會對本集團的財務狀況造成重大不利影響，故於2014年12月31日並無作出撥備。

40. 經營租賃承擔

本集團作為出租人

於截至2014年12月31日止年度確認的物業租金收入約為人民幣36,488,000元(2013年：人民幣34,560,000元)。本集團持作出租用途的物業於一年至二十年內均已以固定租金承諾租賃的租戶。

39. CONTINGENT LIABILITIES (Continued)

In February 2013, Modern Green Development and Shanxi Modern Green Real Estate Development Co., Ltd. 山西當代紅華房地產開發有限公司 (an indirect owned subsidiary of the Company, "Shanxi Modern Green Real Estate") were involved in arbitration proceedings with a Hong Kong based hotel management group (the "Hotel Management Group") specialising in the management of hotel residences and serviced apartments in relation to management services of the Group's planned serviced apartments. In February 2015, the arbitration proceedings were suspended at the request of Modern Green Development, Shanxi Modern Green Real Estate and the Hotel Management Group as the disputes were being resolved by other means. The management of the Company has re-assessed the likelihood of claim payment borne by the Group and evaluated overall situations based on latest information, and is of the view that the ultimate outcome of this legal proceedings will not have a material adverse effect on the financial position of the Group, with no provision was made as at 31 December 2014.

40. OPERATING LEASE COMMITMENT

The Group as a lessor

Property rental income recognised during the year ended 31 December 2014 amounted to approximately RMB36,488,000 (2013: RMB34,560,000). The properties held by the Group for rental purpose have committed tenants from one year to twenty years with fixed rental.

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40. 經營租賃承擔 (續)

於報告期末，本集團已與租戶就以下未來最低租賃款項訂約：

一年內	Within one year
第二年至第五年（包括首尾兩年）	In the second to fifth year inclusive
五年後	After five years

40. OPERATING LEASE COMMITMENT (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments as follows:

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
27,019	32,467
53,555	67,748
37,673	35,195
118,247	135,410

41. 以股份付款的交易

根據本公司於2013年6月14日採納的購股權計劃（「購股權計劃」），本公司董事會（「董事會」）可向合資格僱員授出購股權以認購本公司股份，作為彼等對本集團的貢獻或潛在貢獻的激勵或獎勵。

於2014年12月31日，根據計劃可供發行的證券總數連同其佔已發行股本的比例為已發行股份的10%，相當於160,000,000股股份。於截至授出日期止任何12個月期間，於計劃下每名參與者的最高權益不得超過於授出日期已發行股份的1%，相當於16,000,000股股份。購股權的行使價至少須為下列的較高者：(a)於授出日期聯交所每日報價表所報股份官方收市價；(b)於緊接授出日期前5個營業日聯交所每日報價表所報股份官方平均收市價；及(c)股份面值。

41. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the share option scheme (the "Share Option Scheme") adopted by the Company on 14 June 2013, the board of directors of the Company (the "Board") may grant options to eligible employees to subscribe for shares in the Company, as incentives or rewards for their contribution or potential contribution to the Group.

The total number of securities available for issue under the scheme together with the percentage of the issued share capital that it represents is 10% of outstanding shares, representing 160,000,000 Shares as of 31 December 2014. The maximum entitlement of each participant under the scheme in any 12 month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant, representing 16,000,000 shares. The exercise price of the options shall be at least the higher of:(a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant; (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the 5 Business Days immediately preceding the date of grant; and (c) the nominal value of a share.

41. 以股份付款的交易 (續)

於2014年9月4日，本公司向八名僱員授出合共25,700,000份購股權以認購合共25,700,000股本公司股份，相當於本公司於授出日期已發行股份約1.61%。已授出購股權詳情如下：

本集團於截至2014年12月31日止年度就本公司授出的購股權計劃下購股權確認總開支人民幣1,275,000元(2013年：無)。

41. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)

On 4 September 2014, the Company granted an aggregate of 25,700,000 options to eight Employees to subscribe for an aggregate of 25,700,000 shares in the Company, representing approximately 1.61% of the shares issued by the Company as at the date of grant. The details of the options granted are as follows:

The Group recognised total expense of RMB1,275,000 (2013: nil) for the year ended 31 December 2014 in relation to share options under the Share Option Scheme granted by the Company.

	購股權數目 Number of options	歸屬期 Vesting period	購股權合約期 Contractual life of options
於2014年9月3日授予董事的購股權 Share options granted to directors On 3 September 2014	13,900,000	授出日期至2015年9月3日期間25%	2年
		25% from the date of grant to 3 September 2015	2 years
		授出日期至2016年9月3日期間25%	3年
		25% from the date of grant to 3 September 2016	3 years
		授出日期至2017年9月3日期間25%	4年
於2014年9月3日授予僱員的購股權 Share options granted to employees On September 3, 2014	11,800,000	授出日期至2015年9月3日期間25%	2年
		25% from the date of grant to 3 September 2015	2 years
		授出日期至2016年9月3日期間25%	3年
		25% from the date of grant to 3 September 2016	3 years
		授出日期至2017年9月3日期間25%	4年
		授出日期至2017年9月3日期間25%	4 years
		授出日期至2018年9月3日期間25%	5年
		25% from the date of grant to 3 September 2018	5 years
購股權總數 Total share options	<u>25,700,000</u>		

於2014年12月31日可行使 Exercisable at 31 December 2014	-
於2015年12月31日可行使 Exercisable at 31 December 2015	6,425,000

合資格僱員須符合本公司設定的若干財務指標條件才可行使購股權。

The exercise of the Share Options by the eligible employees is conditional upon the fulfilment of certain financial indicators as set out by the Company.

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41. 以股份付款的交易 (續)

本公司根據購股權計劃向董事及其他僱員授出認購股份的購股權，詳情如下：

41. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

The Company granted options to subscribe shares to directors and other employees under the Share Option Scheme with the following details:

	授出日期 Date of Grant	可行使股份的最高數目 Maximum Exercisable Shares					授出 股份總數 Total shares granted
		於2015年 9月3日 at 3 September 2015	於2016年 9月3日 at 3 September 2016	於2017年 9月3日 at 3 September 2017	於2018年 9月3日 at 3 September 2018	於2019年 9月3日 at 3 September 2019	
董事 Directors	2014年9月4日 4 September 2014	Nil	3,475,000	3,475,000	3,475,000	3,475,000	13,900,000
僱員 Employees	2014年9月4日 4 September 2014	Nil	2,950,000	2,950,000	2,950,000	2,950,000	11,800,000
			<u>6,425,000</u>	<u>6,425,000</u>	<u>6,425,000</u>	<u>6,425,000</u>	<u>25,700,000</u>

購股權的公允價值按二項式模型計算。模型的輸入數據如下：

The fair values of the share options were calculated using the binominal model. The inputs into the model were as follows:

	購股權歸屬日期 Share option vesting date			
	2015年9月4日 4 September 2015	2016年9月4日 4 September 2016	2017年9月4日 4 September 2017	2018年9月4日 4 September 2018
授出日期 Date of grant	2014年9月4日 4 September 2014	2014年9月4日 4 September 2014	2014年9月4日 4 September 2014	2014年9月4日 4 September 2014
股份於授出日期的價格： Share price at the date of grant:	1.19港元 HK\$1.19	1.19港元 HK\$1.19	1.19港元 HK\$1.19	1.19港元 HK\$1.19
行使價 Strike Price	1.26港元 HK\$1.26	1.26港元 HK\$1.26	1.26港元 HK\$1.26	1.26港元 HK\$1.26
波幅 Volatility	50%	52%	53%	54%
購股權年期(年) Life of the option (year)	2	3	4	5
無風險利率 Risk-free rate of interest	0.42%	0.77%	1.04%	1.27%
股息率 Dividend Yield	9.5%	9.5%	9.5%	9.5%
認購期權價值(千港元) Call option value (HK\$'000)	1,341	1,562	1,672	1,719

由於本公司的交易記錄尚短，歷史波幅根據於有關期間與購股權預計年期匹配的可資比較公司的歷史股價變動計算。

Due to short trading history of the Company, the historical volatility is based on historical share price movement of comparable companies in the relevant periods matching expected life of the share option.

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42. 關聯方結餘及交易

(a) 於報告期末，本集團應收下列關聯方的款項及詳情載列如下：

42. RELATED PARTY BALANCES AND TRANSACTIONS

(a) At the end of the reporting period, the Group has amounts receivable from the following related parties and the details are set out below:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
張雷先生控制的公司	Companies controlled by Mr. Zhang Lei		
江西第一物業服務有限公司* (「江西第一物業」)	Jiangxi First Estate Service Co., Ltd.* (「Jiangxi First Estate」)	463	-
聯營公司	Associate		
北京當代北辰	Beijing MNS	355,000	-
合營企業	Joint ventures		
南昌摩碼	Nanchang Moma	179	-
合營企業的附屬公司	Subsidiary of a joint venture		
湖南當代綠建	Hunan Modern Green	148,752	-
非貿易結餘總額 (附註i)	Total non-trade balance (note i)	<u>504,394</u>	<u>-</u>
張雷先生控制的公司	Company controlled by Mr. Zhang Lei		
第一物業服務(北京)有限公司* (「北京第一物業」)	First Estate Service (Beijing) Co., Ltd.* (「Beijing First Estate」)	1,137	-
湖南第一物業服務有限公司* (「湖南第一物業」)	Hunan First Estate Service Co., Ltd.* (「Hunan First Estate」)	1,931	-
聯營公司	Associate		
北京當代北辰	Beijing MNS	7,867	-

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42. 關聯方結餘及交易 (續)

(a) (續)

合營企業
安徽摩碼
北京旭輝當代
香港5
武漢當代北辰

貿易結餘總額 (附註ii)

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) (Continued)

Joint ventures

Anhui Moma
Beijing CIFI Modern
HKNo.5
Wuhan MNS

Total trade balance (note ii)

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
19,163	—
21,469	—
10,606	—
6,786	—
68,959	—
573,353	—

* 在中國經營的公司的英文名稱僅供參考，並未登記。

附註：

(i) 於2014年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。

(ii) 於2014年12月31日關聯方貿易應收款屬無抵押、免息及須於要求時償還，按發票日期（與收益確認日期相若）賬齡為一年。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

Notes:

(i) Balances at 31 December 2014 are of non-trade nature, unsecured, interest free and repayable on demand.

(ii) Trade receivables from related parties at 31 December 2014 are unsecured, interest free and repayable on demand, with aged within a year based on invoice date which approximated the revenue recognition date.

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42. 關聯方結餘及交易 (續)

(b) 於報告期末，本集團應付下列關聯方的款項及詳情載列如下：

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) At the end of the reporting period, the Group has amounts payable to the following related parties and the details are set out below:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
合營企業	Joint ventures		
南昌摩碼	Nanchang Moma	47,226	-
南昌新建	Nanchang Xinjian	30,717	-
安徽摩碼	Anhui Moma	94,404	-
合營企業的附屬公司	Subsidiaries of a joint venture		
湖南當代綠建	Hunan Modern Green	67	-
湖南當代摩碼	Hunan Modern Moma	10,538	-
		<hr/>	<hr/>
非貿易結餘總額 (附註i)	Total non-trade balances (note i)	182,952	-
		<hr/>	<hr/>
張雷先生控制的公司	Companies controlled by Mr. Zhang Lei		
北京通正設施設備有限公司* (「北京通正」)	Beijing Tongzheng Equipment Maintenance Co., Ltd.* ("Beijing Tongzheng")	1,759	643
第一摩碼設施設備維護(北京)有限公司* (「第一摩碼設施設備」)	First Moma Equipment Maintenance (Beijing) Co., Ltd.* ("First Moma Equipment")	32	-
北京第一物業	Beijing First Estate	-	11,907
當代天啟技術(北京)有限公司*	Modern Enlightenment Technology (Beijing) Co., Ltd.*	116	116
當代投資集團有限公司* (「當代投資集團」)	Modern Investment Group Co., Ltd.* ("Modern Group")	1,324	1,324
		<hr/>	<hr/>
貿易結餘總額 (附註ii)	Total trade balance (note ii)	3,231	13,990
		<hr/>	<hr/>
		186,183	13,990

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

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42. 關聯方結餘及交易 (續)

(b) (續)

附註：

- (i) 於2014年12月31日結餘屬非貿易性質、無抵押、免息及須於要求時償還。
- (ii) 應付關聯方的貿易應付款屬無抵押、免息及須於要求時償還。以下為於各報告期末，按發票日期呈列的貿易性質的應付關聯方款項的賬齡分析：

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) (Continued)

Notes:

- (i) Balances at 31 December 2014 are of non-trade nature, unsecured, interest free and repayable on demand.
- (ii) Trade payables to related parties are unsecured, interest free and repayable on demand. The following is an aged analysis of amounts due to related parties of trade nature based on invoice date at the end of each reporting period:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
少於1年	Less than 1 year	1,791	12,550
1至2年	1-2 years	-	1,324
2至3年	2-3 years	1,324	-
3年以上	More than 3 years	116	116
		<u>3,231</u>	<u>13,990</u>

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42. 關聯方結餘及交易 (續)

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) 本年度，本集團與其關聯方進行以下交易：

(c) During the year, the Group entered into the following transactions with its related parties:

關聯方名稱	交易性質	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
Name of related party	Nature of transaction		
張雷先生控制的公司			
Companies controlled by Mr. Zhang Lei			
北京第一物業 Beijing First Estate	租金收入 Rental income	801	757
	物業管理服務費 Property management services expenses	22,938	25,911
北京通正 Beijing Tongzheng	物業管理服務費 Property management services expenses	4,563	2,505
北京摩碼幼教科技運營有限公司* (「北京摩碼幼教」) Beijing Moma Preschool Education Technology Operations Co., Ltd.* ("Beijing Moma Preschool")	租金收入 Rental income	254	254
第一摩碼商業運營管理(北京)有限公司* (前稱當代勝地商業運營管理 (北京)有限公司) First Moma Commercial Operation Management (Beijing) Co., Ltd.* (formerly known as Modern Resort Business Operation Management (Beijing) Co., Ltd.*)	租金收入 Rental income	-	136
	房地產代理服務費 Real estate agency services expenses	-	1,790
第一摩碼聯行房地產經紀(北京)有限公司* (前稱通正聯行房地產經紀(北京)有限公司*) First Moma Real Estate Brokerage (Beijing) Co., Ltd.* (formerly known as Tong Zheng Lian Hang Real Estate Brokerage (Beijing) Co., Ltd.*)	房地產代理服務費 Real estate agency services expenses	-	3,169
湖南第一物業 Hunan First Estate	物業管理服務費 Property management services expenses	9,880	7,542

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42. 關聯方結餘及交易 (續)

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) (續)

(c) (Continued)

關聯方名稱	交易性質	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
Name of related party	Nature of transaction		
第一物業服務湖北有限公司* Hubei First Property Service Co., Ltd.*	物業管理服務費 Property management service expenses	3,304	1,883
江西第一物業 Jiangxi First Estate	物業管理服務費 Property management services expenses	3,714	3,771
摩碼會俱樂部管理 (北京) 有限公司* Moma Club Management (Beijing) Co., Ltd.*	租金收入 Rental income	-	720
	物業管理服務費 Property management services expenses	1,081	1,538
當代建設 Modern Construction	利息支出 Interest expense	485	-
當代投資集團 Modern Group	利息支出 Interest expense	696	-
山西第一物業服務有限公司* Shanxi First Estate Service Co., Ltd.*	物業管理服務費 Property management services expenses	10,309	10,768
第一摩碼設施設備 First Moma Equipment	物業管理服務費 Property management services expenses	46	-
聯營公司			
Associate			
北京當代北辰 Beijing MNS	利息收入 Interest income	7,867	-
合營企業			
Joint ventures			
安徽摩碼 Anhui Moma	提供技術專門知識所得收入 Income from provision of technical know-how	1,510	-
	利息收入 Interest income	28,655	-
北京旭輝當代 Beijing CIFI Modern	提供技術專門知識所得收入 Income from provision of technical know-how	803	-
	利息收入 Interest income	21,348	-
上海盛銘 Shanghai Shengming	利息收入 Interest income	3,873	-
香港5 HKNo.5	物業管理服務費 Property management services expenses	10,606	-
武漢當代北辰 Wuhan MNS	利息收入 Interest income	6,786	-

* 在中國經營的公司的英文名稱僅供參考，並未登記。

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

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42. 關聯方結餘及交易 (續)

(c) (續)

有關向一名關聯方出售附屬公司的詳情披露於附註36。

截至2010年12月31日止年度，本集團當代節能置業的一名僱員根據當代節能置業與該僱員於2010年11月29日訂立的協議使用北京當代城市房地產開發的一項市場價值為人民幣4,071,000元的物業，該項物業的業權將於該僱員完成其10年服務年期後轉讓予該僱員。截至2014年12月31日止年度，本集團已將該交易確認為員工成本及來自股東所控制公司的供款，金額為人民幣407,000元（2013年：人民幣407,000元）。

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) (Continued)

Details of disposal of subsidiaries to a related party are disclosed in Note 36.

During the year ended 31 December 2010, an employee of Modern Green Development of the Group used the property developed by Beijing Modern City Real Estate pursuant to the agreement dated 29 November 2010 entered into between Modern Green Development and the employee, with market value amounted to RMB4,071,000, the title of the property will be transferred to the employee upon his completion of the service period of 10 years. The Group recognised this transaction as staff cost and contribution from a company controlled by the shareholder amounted to RMB407,000 for the year ended 31 December 2014 (2013: RMB407,000).

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42. 關聯方結餘及交易 (續)

- (d) 以下為於報告期末，載於附註40以本集團為出租人的來自關聯方未來最低租賃款項：

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) At the end of the reporting period, the future minimum lease payment from related parties whereby the Group acts as a lessor and included in Note 40 is as follows:

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
北京第一物業	Beijing First Estate		
一年內	Within one year	801	933
第二年至第五年 (包括首尾兩年)	In the second to fifth year inclusive	200	1,056
		<u>1,001</u>	<u>1,989</u>
北京摩碼幼教	Beijing Moma Preschool		
一年內	Within one year	241	241
第二年至第五年 (包括首尾兩年)	In the second to fifth year inclusive	60	302
		<u>301</u>	<u>543</u>

除來自北京摩碼幼教的租金收入外，北京當代房地產開發有限公司（「北京當代」）已與北京摩碼幼教於2009年8月6日訂立租賃協議，租賃若干物業以經營幼兒園，由2011年9月21日起 至2029年8月31日止為期20年，前三年免租，自租賃協議第四年起由雙方協定租金。

In addition to rental income from Beijing Moma Preschool, Beijing Modern Real Estate Development Co., Ltd. 北京當代房地產開發有限公司 (“Beijing Modern”) has entered into a tenancy agreement with Beijing Moma Preschool dated 6 August 2009, to lease certain properties for operation of preschool for a term of 20 years commencing from 21 September 2011 to 31 August 2029, with a rent free for the first three years and at a rent to be negotiated commencing from the fourth year term of the lease agreement.

42. 關聯方結餘及交易 (續)

(e) 與關鍵管理人員進行的交易

向關鍵管理人員銷售物業

關鍵管理人員薪酬(為本年度支付予董事的酬金)的詳情載於附註10。

42. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(e) Transaction with key management

Sale of a property to a key management personnel

The details of remuneration of key management personnel, representing emolument of the Directors paid during the year are set out in Note 10.

2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
<u>13,208</u>	<u>—</u>

43. 資本風險管理

本集團管理其資本以確保本集團的實體能持續經營，同時透過優化債務及股本結餘為股東帶來最大回報。本集團的整體策略保持與過往年度不變。

本集團的資本架構包括淨債務，由附註31及32所披露的借貸及優先票據扣除銀行結餘及現金以及本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)後所得。本公司的資本架構由銀行結餘及現金及本公司擁有人應佔權益(包括已發行股本及儲備)構成。

董事定期審閱資本架構。作為該審閱的一部分，董事考慮資本成本及與各類資本有關的風險，並採取適當措施平衡其整體資本架構。

43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings and senior notes disclosed in Notes 31 and 32, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits. The capital structure of the Company consists of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance its overall capital structure.

合併財務報表附註

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截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具

44. FINANCIAL INSTRUMENTS

(a) 金融工具類別

(a) Categories of financial instruments

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
本集團	The Group		
金融資產	Financial assets		
貸款及應收款項 (包括銀行結餘及現金)	Loans and receivables (including bank balances and cash)	6,442,031	2,967,381
可供出售投資	Available-for-sale investments	114,236	34,336
金融負債	Financial liabilities		
按攤銷成本計量的負債	Liabilities measured at amortised cost	6,168,846	2,674,861
本公司	The Company		
金融資產	Financial assets		
貸款及應收款項 (包括銀行結餘及現金)	Loans and receivables (including bank balances and cash)	672,179	583,106
金融負債	Financial Liabilities		
按攤銷成本計量的負債	Liabilities measured at amortised cost	2,829,294	937,511

(b) 金融風險管理目標及政策

(b) Financial risk management objectives and policies

本集團的主要金融工具包括貿易及其他應收款、應收關聯方款項、受限制現金、銀行結餘及現金、貿易及其他應付款、應付關聯方款項、銀行及其他借貸以及優先票據。該等金融工具的詳情載於各相應附註。與該等金融工具相關的風險及減低該等風險的政策載於下文。本集團管理層對該等風險進行管理及監控以確保能適時有效地採取適當措施。

The Group's major financial instruments include trade and other receivables, amounts due from related parties, restricted cash, bank balances and cash, trade and other payables, amounts due to related parties, bank and other borrowings and senior notes. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

合併財務報表附註

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截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

本公司的主要金融工具包括應收附屬公司款項、銀行結餘及現金、銀行借款、優先票據、應付附屬公司款項、貿易及其他應付款項及應付股息。本公司管理層認為與該等金融工具有關的風險很小且將對該等風險進行管理及監控以確保出現該等風險時能適時有效地採取適當措施。

市場風險

本集團的業務主要承受利率及外幣匯率變動及其他價格變動的市場風險 (見下文)。

本集團於本年度承受的市場風險或其管理及計量該等風險的方法概無重大變動。

(1) 利率風險

由於銀行結餘及存款、受限制現金及銀行借貸 (按現行存款利率及中國人民銀行所報利率及倫敦銀行同業拆息計算的浮息計息) 的現行市場利率出現波動，故本集團須承受現金流量利率風險。

本集團的公允價值利率風險主要與其他定息借貸及優先票據有關。本集團現時並無利用任何衍生工具合約對沖其承受的利率風險。然而，管理層於有需要時將考慮對沖重大利率風險。

本集團須承受與金融負債有關的利率風險，詳情載於本附註流動資金風險管理一節。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

The Company's major financial instruments include amounts due from subsidiaries, bank balances and cash, bank borrowing, senior notes, amount due to a subsidiary, trade and other payables, and dividend payable. The management of the Company considers that the risk associated with these financial instruments is minimal and will manage and monitor the exposures to ensure appropriate measures are implemented on a timely and effectively manner, should the risk exists.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates risks and other price risk (see below).

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

(1) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and deposits, restricted cash and bank borrowings which carry at prevailing deposit interest rates and variable rate based on the interest rates quoted by the People's Bank of China and London Interbank Offered Rate.

The Group's fair value interest rate risk relates primarily to its fixed rate other borrowings and senior notes. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

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44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(1) 利率風險 (續)

利率敏感度

以下敏感度分析乃根據各報告期末的銀行結餘及存款、受限制現金及浮息銀行借貸利率風險以及財政年度開始時的規定改變(於整個年度保持不變)而釐定。公司內部向關鍵管理人員匯報利率風險時會以升跌20個基點(就浮息銀行借貸而言)及升跌10個基點(就銀行結餘及存款以及受限制現金而言)為基準，即管理層分別評估銀行借貸、銀行結餘及存款以及受限制現金利率的合理可能變動。

倘利率上升/下降20個基點(就浮息銀行借貸而言)，而所有其他變數維持不變，則本集團截至2014年12月31日止年度的溢利(扣除利息資本化影響)將減少/增加約人民幣1,245,000元(2013年：人民幣909,000元)。

倘利率上升/下降10個基點(就銀行結餘及存款以及受限制現金而言)，而所有其他變數維持不變，則本集團截至2014年12月31日止年度的溢利將增加/減少約人民幣2,958,000元(2013年：人民幣2,152,000元)。

敏感度分析不代表報告期末的風險，故並不反映年內風險。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(1) Interest rate risk (Continued)

Interest rate sensitivity

The sensitivity analysis below has been prepared based on the exposure to interest rates on bank balances and deposits, restricted cash and variable rate bank borrowings at the end of each reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 20 basis points increase or decrease for variable rate bank borrowings and a 10 basis points increase or decrease for bank balances and deposits and restricted cash are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rate in respect of bank borrowings, bank balances and deposits and restricted cash, respectively.

If interest rates had been increased/decreased by 20 basis points in respect of variable rate bank borrowings and all other variables were held constant, the Group's profit (net of interest capitalisation effect) would decrease/increase by approximately RMB1,245,000 (2013: RMB909,000) for the year ended 31 December 2014.

If interest rates had been increased/decreased by 10 basis points in respect of bank balances and deposits and restricted cash and all other variables were held constant, the Group's profit would increase/decrease by approximately RMB2,958,000 (2013: RMB2,152,000) for the year ended 31 December 2014.

The sensitivity analysis is not representative as the exposure at the end of the reporting period does not reflect the exposure during the year.

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截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(2) 價格風險

本集團因其可供出售投資而承受股本價格風險。於2014年12月31日，管理層認為本集團承受的股本價格波動風險極微。因此，並無呈列敏感度分析。

(3) 外匯風險

集團實體的功能貨幣為人民幣，大多數交易均以人民幣計值。本集團海外業務的交易（如購買持作日後發展的土地）及若干已產生的開支均以外幣計值。以外幣計值的若干銀行結餘及銀行借款，以及以美元發行的優先票據令本集團承受貨幣風險。

本集團以外幣計值的貨幣資產及貨幣負債於各報告期末的賬面值如下：

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(2) Price risk

The Group is exposed to equity price risks through its available-for-sale investments. At 31 December 2014, the management considers that the Group's exposure to fluctuation in equity price is minimal. Accordingly, no sensitivity analysis is presented.

(3) Foreign currency risk

The functional currency of the group entities is RMB in which most of the transactions are denominated. Foreign currencies denominated transactions arise from the Group's overseas operation, such as purchases of land held for further development and certain expenses incurred. Certain bank balances and bank borrowings are denominated in foreign currencies, while senior notes are issued in US\$ and expose the Group to currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		資產		負債	
		Assets		Liabilities	
		於12月31日		於12月31日	
		At 31 December		At 31 December	
		2014年	2013年	2014年	2013年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		2014	2013	2014	2013
		RMB'000	RMB'000	RMB'000	RMB'000
美元	US\$	84,873	279,901	1,682,725	934,045
港元	HK\$	2,487	31,999	136,317	-
		87,360	311,900	1,819,042	934,045

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截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(3) 外匯風險 (續)

於各報告期末，本公司以外幣計值的貨幣資產及貨幣負債之賬面值如下：

美元	US\$
港元	HK\$

本集團及本公司目前並無外幣對沖政策，但管理層監控外匯風險，並將於需要時考慮對沖重大外匯風險。

下表詳列於所有其他變數保持不變情況下本集團及本公司對各種外幣兌人民幣匯率的5%的合理可能變動的敏感度。5%為向主要管理人員內部匯報外匯風險時採用的敏感度利率，反映管理層對外匯匯率的合理可能變動的評估。敏感度分析僅包括以外幣計值的未到期貨幣項目，並於各報告期末就外幣匯率的5%變動調整其換算。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(3) Foreign currency risk (Continued)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

資產 Assets		負債 Liabilities	
於12月31日 At 31 December		於12月31日 At 31 December	
2014年 2014	2013年 2013	2014年 2014	2013年 2013
人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
81,463	277,937	1,682,725	934,045
1,755	31,702	-	-

The Group and the Company currently do not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following tables detail the Group's and the Company's sensitivity to a reasonably possible change of 5% in exchange rate of each foreign currency against RMB while all other variables are held constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates.

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44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(3) 外匯風險 (續)

本集團貨幣風險的敏感度分析如下：

年度稅後溢利增加(減少)

- 若人民幣兌美元減值
- 若人民幣兌港元減值
- 若人民幣兌美元升值
- 若人民幣兌港元升值

下表載列本公司貨幣風險的敏感度詳情：

年度稅後溢利增加(減少)

- 若人民幣兌美元減值
- 若人民幣兌港元減值
- 若人民幣兌美元升值
- 若人民幣兌港元升值

由於美元優先票據分別於2013年11月及2014年7月發行，本集團及本公司人民幣兌美元的貨幣風險敏感度分析不代表本集團及本公司截至2014年12月31日止年度的風險。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(3) Foreign currency risk (Continued)

An analysis of sensitivity to currency risk for the Group is as follows:

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
Increase (decrease) in post-tax profit for the year		
– if RMB weakens against US\$	(79,893)	(32,707)
– if RMB weakens against HK\$	(6,691)	1,600
– if RMB strengthens against US\$	79,893	32,707
– if RMB strengthens against HK\$	6,691	(1,600)

The following table details the Company's sensitivity to currency risk:

	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
Increase (decrease) in post-tax profit for the year		
– if RMB weakens against US\$	(80,063)	(32,805)
– if RMB weakens against HK\$	88	1,585
– if RMB strengthens against US\$	80,063	32,805
– if RMB strengthens against HK\$	(88)	(1,585)

The currency risk sensitivity analysis for RMB against US\$ for the Group and the Company are not representative of the exposure for the Group and the Company for the year ended 31 December 2014, as the US\$ Senior Notes were issued in November 2013 and July 2014 respectively.

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44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險管理

於2014年12月31日，本集團因對手方未能履行責任及本集團所提供財務擔保而承受並將導致本集團產生財務虧損的最大信貸風險，乃產生自合併財務狀況報表內所列各已確認金融資產的賬面值，以及附註39所披露的或然負債金額。為將信貸風險降至最低，已執行監管程序以確保採取跟進行動收回過期債務。此外，本集團於各報告期末定期審閱每項個別貿易及其他應收款及應收關聯方款項的可收回金額。呈列於合併財務狀況報表中的金額乃經扣除呆壞賬撥備，並由本集團管理層基於過往經驗及其對現時經濟環境的評估來估計。

本集團貿易應收款的信貸風險並無重大集中，所承受之風險分散於多個交易對手及客戶。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management

At 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities disclosed in Note 39. In order to minimise the credit risk, monitoring procedures are carried out to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade and other receivables and amounts due from related parties at each of the end of the reporting period. The amounts presented in the consolidated statement of financial position are net of allowances for bad and doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The Group has no significant concentration of credit risk on trade receivables, with exposure spread over a number of counterparties and customers.

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險管理 (續)

就已預售但未完成發展的物業而言，本集團通常就客戶為購買物業籌集資金所借入按揭貸款而向銀行提供擔保，擔保金額最高為個別物業購買價的70%。如果買方於擔保期間未能償還按揭，則持有按揭的銀行可要求本集團償還未償還貸款及任何有關應計利息。在此等情況下，本集團可沒收已收銷售押金並重新銷售再生物業。因此，管理層認為本集團所提供擔保引致的任何虧損均有可能收回。管理層認為，由於該等融資以物業作擔保，而物業的市價高於擔保金額，故提供予物業買方的金融擔保所承受的信貸風險有限。就此而言，董事認為，本集團的信貸風險已顯著降低。

由於對手方均為國際信貸評級機構給予高信貸評級的銀行或中國的國有銀行，故流動資金信貸風險有限。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management (Continued)

For properties that are pre-sold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and resell the reprocessed properties. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee by the Group. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market price of the properties is higher than the guaranteed amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理

本集團的目標乃透過使用借貸維持資金連續性與靈活性之間的平衡。董事嚴密監察流動資金狀況，並預期會有足夠資金來源來為本集團的項目及營運提供融資。

下表詳列本集團非衍生金融負債的剩餘合約到期日。該表按本集團可能須付款的最早日期的金融負債未貼現現金流量編製，表中包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現金額以報告期末的利率得出。倘利率變動有別於報告期末釐定的利率估計，則須對以下就非衍生浮息金融負債計入的金額作出變動。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings. The Directors closely monitor the liquidity position and expect to have adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The amounts included below for non-derivative variable rate financial liabilities is subject to changes if changes in interest rates differ to those estimates of interest rates determined at the end of the reporting period.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理 (續)

		加權平均 實際利率 %	按要求償還 或少於1年 人民幣千元	1至3年 人民幣千元	超過3年 人民幣千元	未貼現現金 流量總額 人民幣千元	賬面值 人民幣千元
		Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-3 years RMB'000	Over 3 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	- 11.55	1,661,609 1,080,675	- 1,851,221	- 2,005,120	1,661,609 4,937,016	1,661,609 3,527,020
浮息工具	Variable interest rate instruments	3.64	731,373	337,349	89,562	1,158,284	980,217
財務擔保合約	Financial guarantee contracts	-	2,680,397	-	-	2,680,397	-
於2014年12月31日	At 31 December 2014		<u>6,154,054</u>	<u>2,188,570</u>	<u>2,094,682</u>	<u>10,437,306</u>	<u>6,168,846</u>
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	- 13.81	515,998 157,209	- 812,343	- 1,057,528	515,998 2,027,080	515,998 1,294,753
浮息工具	Variable interest rate instruments	5.31	310,694	500,089	170,723	981,506	864,110
財務擔保合約	Financial guarantee contracts	-	2,128,391	-	-	2,128,391	-
於2013年12月31日	At 31 December 2013		<u>3,112,292</u>	<u>1,312,432</u>	<u>1,228,251</u>	<u>5,652,975</u>	<u>2,674,861</u>

上文就財務擔保合約計入的金額為倘擔保的對手方索回該金額，本集團根據安排可能被要求就全數擔保金額償付的最高金額。根據於報告期末的預期，本集團認為可能並無金額須根據安排予以支付。然而，上述估計將視乎對手方根據擔保提出申索的可能性而有變，而提出申索的可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損的可能性。

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

44. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險管理 (續)

下表詳列本公司非衍生金融負債的剩餘合約到期日。

		加權平均 實際利率 %	按要求償還 或少於1年 人民幣千元	1至3年 人民幣千元	超過3年 人民幣千元	未貼現現金 流量總額 人民幣千元	賬面值 人民幣千元
		Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-3 years RMB'000	Over 3 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	117,274	-	-	117,274	117,274
		10.29	345,873	1,731,247	2,005,120	4,082,240	2,712,020
於2014年12月31日	At 31 December 2014		<u>463,147</u>	<u>1,731,247</u>	<u>2,005,120</u>	<u>4,199,514</u>	<u>2,829,294</u>
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	13,248	-	-	13,248	13,248
浮息工具	Variable interest rate instruments	14.83	112,609	401,667	1,057,528	1,571,804	904,753
		2.84	20,019	-	-	20,019	19,510
於2013年12月31日	At 31 December 2013		<u>145,876</u>	<u>401,667</u>	<u>1,057,528</u>	<u>1,605,071</u>	<u>937,511</u>

(c) 公允價值

金融資產及金融負債的公允價值根據以貼現現金流量分析為基準的公認定價模式所釐定。

董事認為，於各報告期末，於本公司財務狀況報表及合併財務狀況報表內以攤銷成本列賬的金融資產及金融負債的賬面值與其相應的公允價值相若。

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities.

		加權平均 實際利率 %	按要求償還 或少於1年 人民幣千元	1至3年 人民幣千元	超過3年 人民幣千元	未貼現現金 流量總額 人民幣千元	賬面值 人民幣千元
		Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-3 years RMB'000	Over 3 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	117,274	-	-	117,274	117,274
		10.29	345,873	1,731,247	2,005,120	4,082,240	2,712,020
於2014年12月31日	At 31 December 2014		<u>463,147</u>	<u>1,731,247</u>	<u>2,005,120</u>	<u>4,199,514</u>	<u>2,829,294</u>
不計息 定息工具	Non-interest bearing Fixed interest rate instruments	-	13,248	-	-	13,248	13,248
浮息工具	Variable interest rate instruments	14.83	112,609	401,667	1,057,528	1,571,804	904,753
		2.84	20,019	-	-	20,019	19,510
於2013年12月31日	At 31 December 2013		<u>145,876</u>	<u>401,667</u>	<u>1,057,528</u>	<u>1,605,071</u>	<u>937,511</u>

(c) Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Company's statement of financial position and consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

45. 本公司的財務資料

(a) 本公司的財務狀況：

45. FINANCIAL INFORMATION OF THE COMPANY

(a) Financial information of the financial position of the Company:

		附註	2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
		Notes		
非流動資產	Non-current assets			
於附屬公司的投資	Investments in subsidiaries	45(c)	1,713,821	750,926
於合營企業的權益	Interest in joint ventures		941,967	-
			<u>2,655,788</u>	<u>750,926</u>
流動資產	Current assets			
預付款及其他應收款	Prepayments and other receivables		1,856	-
應收附屬公司款項	Amounts due from subsidiaries	45(d)	4,127	5,688
應收關聯方款項	Amount due from a related party		10,606	-
銀行結餘及現金	Bank balances and cash		93,383	577,418
			<u>109,972</u>	<u>583,106</u>
流動負債	Current liabilities			
應計費用及其他應付款	Accrued charges and other payables		115,368	11,882
應付附屬公司款項	Amounts due to subsidiaries	45(d)	612	1,096
應付關聯方款項	Amounts due to related parties		593	-
應付股息	Dividend payable		701	270
於一年內到期的銀行借款	Bank borrowing due within one year	45(e)	-	19,510
			<u>117,274</u>	<u>32,758</u>
流動(負債)資產淨額	Net current (liabilities) assets		<u>(7,302)</u>	550,348
總資產減流動負債	Total assets less current liabilities		<u>2,648,486</u>	<u>1,301,274</u>
股本及儲備	Capital and reserves			
股本	Share capital		98,610	98,610
儲備	Reserves		(162,144)	297,911
權益總額	Total equity		<u>(63,534)</u>	<u>396,521</u>
非流動負債	Non-current liabilities			
優先票據	Senior notes		2,712,020	904,753
			<u>2,648,486</u>	<u>1,301,274</u>

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

45. 本公司的財務資料 (續)

45. FINANCIAL INFORMATION OF THE COMPANY

(Continued)

(b) 本公司股本及儲備變動：

(b) Movement of capital and reserves of the Company:

		股本 人民幣千元 Share capital RMB'000	股份溢價 人民幣千元 Share premium RMB'000	購股權儲備 人民幣千元 Share option reserve RMB'000	累計虧損 人民幣千元 Accumulated losses RMB'000	總計 人民幣千元 Total RMB'000
於2013年1月1日	At 1 January 2013	342	-	-	(108)	234
股份資本化發行	Capitalisation issue of shares	73,615	(73,615)	-	-	-
與上市相關的股份發行	Issuance of shares in connection with listing	24,653	448,698	-	-	473,351
發行股份開支	Share issue expenses	-	(16,105)	-	-	(16,105)
年度虧損	Loss for the year	-	-	-	(41,974)	(41,974)
股息	Dividend	-	(18,985)	-	-	(18,985)
於2013年12月31日	At 31 December 2013	98,610	339,993	-	(42,082)	396,521
僱員購股權計劃	Employee share option scheme	-	-	1,275	-	1,275
年度虧損	Loss for the year	-	-	-	(324,170)	(324,170)
股息	Dividend	-	(137,160)	-	-	(137,160)
於2014年12月31日	At 31 December 2014	<u>98,610</u>	<u>202,833</u>	<u>1,275</u>	<u>(366,252)</u>	<u>(63,534)</u>

(c) 於附屬公司的投資

(c) Investment in subsidiaries

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
非上市股份，按成本	Unlisted shares, at cost	917	409,500
視作向附屬公司注資	Deemed capital contribution to subsidiaries	1,712,904	341,426
		<u>1,713,821</u>	<u>750,926</u>

(d) 應收(付)附屬公司款項

(d) Amounts due from (to) subsidiaries

應收(付)附屬公司款項屬無抵押、免息及須於要求時償還。

The amounts due from (to) subsidiaries are unsecured, interest-free and repayable on demand.

合併財務報表附註

Notes to the Consolidated Financial Statements

截至2014年12月31日止年度 For the year ended 31 December 2014

45. 本公司的財務資料 (續)

(e) 銀行借款

於2013年10月，本公司自銀行借得浮息短期貸款3,200,000美元，利率為2.6%另加倫敦銀行同業拆息。貸款由本公司附屬公司以按金抵押，已於2014年清償。

46. 主要附屬公司詳情

46(a) 本公司於2014年及2013年12月31日主要附屬公司詳情如下：

公司名稱	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	2014年	2013年	法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務
Name of Company		2014	2013		Principal activities
直接附屬公司 Direct subsidiaries					
宏業科技有限公司	英屬處女群島 2007年1月23日	100%	100%	法定股本50,000美元 已發行及繳足股本1美元	投資控股
Great Trade Technology Ltd.	BVI 23 January 2007	100%	100%	Authorised US\$50,000 Issued and fully paid US\$1	Investment holding
間接附屬公司 Indirect subsidiaries					
久運發展有限公司	香港 2007年12月28日	100%	100%	法定股本10,000港元 已發行及繳足股本10,000港元	投資控股
Jiu Yun Development Co., Ltd.	Hong Kong 28 December 2007	100%	100%	Authorised HK\$10,000 Issued and fully paid HK\$10,000	Investment holding

45. FINANCIAL INFORMATION OF THE COMPANY (Continued)

(e) Bank borrowing

In October 2013, the Company borrowed from a bank a variable rate short-term loan of US\$3,200,000 at interest rate of 2.6% plus quoted London Interbank Offered Rate. The loan was secured by a deposit placed by a subsidiary of the Company and was fully repaid in 2014.

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

46(a) Particulars of the Company's principal subsidiaries at 31 December 2014 and 2013 are as follow:

本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December					
公司名稱	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	2014年	2013年	法定股本／註冊資本及 已發行及繳足／實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務
Name of Company		2014	2013		Principal activities
直接附屬公司 Direct subsidiaries					
宏業科技有限公司	英屬處女群島 2007年1月23日	100%	100%	法定股本50,000美元 已發行及繳足股本1美元	投資控股
Great Trade Technology Ltd.	BVI 23 January 2007	100%	100%	Authorised US\$50,000 Issued and fully paid US\$1	Investment holding
間接附屬公司 Indirect subsidiaries					
久運發展有限公司	香港 2007年12月28日	100%	100%	法定股本10,000港元 已發行及繳足股本10,000港元	投資控股
Jiu Yun Development Co., Ltd.	Hong Kong 28 December 2007	100%	100%	Authorised HK\$10,000 Issued and fully paid HK\$10,000	Investment holding

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Notes to the Consolidated Financial Statements

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46. 主要附屬公司詳情 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務 Principal activities
		2014年 2014	2013年 2013		
當代摩碼工程項目管理(北京)有限公司* (附註ii) Modern Moma Project Management (Beijing) Co., Ltd.* (note ii)	中國 2005年9月29日 PRC 29 September 2005	100%	100%	註冊資本人民幣5,000,000元 實繳股本人民幣5,000,000元 Registered RMB5,000,000 Paid up capital RMB5,000,000	項目管理及諮詢 Project management and consulting
北京綠建工程項目管理有限公司* (附註i) Beijing Green Project Management Co., Ltd.* (note i)	中國 2011年2月15日 PRC 15 February 2011	100%	100%	註冊資本人民幣20,000,000元 實繳股本人民幣20,000,000元 Registered RMB20,000,000 Paid up capital RMB20,000,000	建築項目管理 Construction project management
北京綠建動力商業運營管理有限公司* (附註i) Beijing Green Power Commercial Operation Management Co., Ltd.* (note i)	中國 2013年4月22日 PRC 22 April 2013	100%	100%	註冊資本人民幣1,000,000元 實繳股本人民幣1,000,000元 Registered RMB1,000,000 Paid up capital RMB1,000,000	物業發展相關服務 Property development related services
當代綠色* (附註i) Modern Green Industrial* (note i)	中國 2006年6月30日 PRC 30 June 2006	100%	100%	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	投資管理及諮詢 Investment management and consulting
當代節能置業* (附註i) Modern Green Development* (note i)	中國 2000年9月21日 PRC 21 September 2000	100%	100%	註冊資本人民幣800,000,000元 實繳股本人民幣800,000,000元 Registered RMB800,000,000 Paid up capital RMB800,000,000	物業發展、投資及酒店經營 Property development, investment and hotel operation
北京澳新紀元房地產開發有限公司* (附註i) Beijing Aoxinjiyuan Real Estate Development Co., Ltd.* (note i)	中國 2002年5月30日 PRC 30 May 2002	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	物業發展 Property development

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46. 主要附屬公司詳情 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

公司名稱 Name of Company	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務 Principal activities
		2014年 2014	2013年 2013		
北京當代 (附註i) Beijing Modern (note i)	中國 2000年2月15日 PRC 15 February 2000	100%	100%	註冊資本人民幣60,000,000元 實繳股本人民幣60,000,000元 Registered RMB60,000,000 Paid up capital RMB60,000,000	物業發展及投資 Property development and investment
當代滬浦拉斯科技(北京)有限公司* (「當代滬浦拉斯」) (附註iii) Modern Oupulasi Technology (Beijing) Co., Ltd.* ("Modern Oupulasi") (note iii)	中國 2011年4月19日 PRC 19 April 2011	55%	55%	註冊資本人民幣3,000,000元 實繳股本人民幣3,000,000元 Registered RMB3,000,000 Paid up capital RMB3,000,000	技術開發及諮詢 Technology development and consulting
北京東君房地產開發 有限公司* (附註i) Beijing Dongjun Real Estate Development Co., Ltd.* (note i)	中國 2001年11月13日 PRC 13 November 2001	100%	100%	註冊資本人民幣569,000,000元 實繳股本人民幣569,000,000元 Registered RMB569,000,000 Paid up capital RMB569,000,000	物業發展 Property development
新動力(北京)建築科技 有限公司* (附註i) New Power (Beijing) Architectural Technology Co., Ltd.* (note i)	中國 2006年3月22日 PRC 22 March 2006	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	技術開發及諮詢 Technology development and consulting
山西當代紅華置業 有限公司* (附註i) Shanxi Modern Green Development Co., Ltd.* (note i)	中國 2007年8月16日 PRC 16 August 2007	100%	100%	註冊資本人民幣190,000,000元 實繳股本人民幣190,000,000元 Registered RMB190,000,000 Paid up capital RMB190,000,000	物業發展 Property development
山西當代紅華房地產 (附註i) Shanxi Modern Green Real Estate (note i)	中國 2007年8月16日 PRC 16 August 2007	100%	100%	註冊資本人民幣150,000,000元 實繳股本人民幣150,000,000元 Registered RMB150,000,000 Paid up capital RMB150,000,000	物業發展 Property development

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46. 主要附屬公司詳情 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務 Principal activities
		2014年 2014	2013年 2013		
當代置業(湖南) 有限公司* (附註i) Hunan Modern Green Development Co., Ltd.* (note i)	中國 2005年9月14日 PRC 14 September 2005	100%	100%	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	物業發展 Property development
江西當代節能置業 有限公司* (附註i) Jiangxi Modern Green Development Co., Ltd.* (note i)	中國 2009年12月22日 PRC 22 December 2009	100%	100%	註冊資本人民幣180,000,000元 實繳股本人民幣180,000,000元 Registered RMB180,000,000 Paid up capital RMB180,000,000	物業發展 Property development
九江摩碼置業 有限公司* (附註i) Jiujiang Moma Development Co., Ltd.* (note i)	中國 2010年12月22日 PRC 22 December 2010	100%	100%	註冊資本人民幣140,000,000元 實繳股本人民幣140,000,000元 Registered RMB140,000,000 Paid up capital RMB140,000,000	物業發展 Property development
湖北萬星置業 有限公司* (附註i) Hubei Wanxing Development Co., Ltd.* (note i)	中國 2010年1月27日 PRC 27 January 2010	100%	100%	註冊資本人民幣100,000,000元 實繳股本人民幣100,000,000元 Registered RMB100,000,000 Paid up capital RMB100,000,000	物業發展 Property development
九江當代綠建置業 有限公司* (附註ii) Jiujiang Modern Green Development Co. Ltd.* (note ii)	中國 2014年2月18日 PRC 18 February 2014	100%	不適用 N/A	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元 Registered RMB30,000,000 Paid up capital RMB30,000,000	物業發展 Property development
當代摩碼 (附註i) Modern Moma (note i)	中國 2011年1月11日 PRC 11 January 2011	100%	0%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股 Investment holding
綏中長龍 (附註i) Suizhong Changlong (note i)	中國 2008年1月28日 PRC 28 January 2008	100%	0%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	物業發展 Property development

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截至2014年12月31日止年度 For the year ended 31 December 2014

46. 主要附屬公司詳情 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

公司名稱 Name of Company	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務 Principal activities
		2014年 2014	2013年 2013		
武漢綠建節能置業 有限公司* (附註ii) Wuhan Green Development Co., Ltd.* (note ii)	中國 2014年3月12日 PRC 12 March 2014	99.02%	不適用 N/A	註冊資本人民幣50,000,000元 實繳股本人民幣50,000,000元 Registered RMB50,000,000 Paid up capital RMB50,000,000	物業發展 Property development
北京綠色春天股權投資基金 (有限合夥)* (「綠色基金」) Beijing Green Spring Equity Investment Fund, LLP* ("Green Fund")	中國 2014年4月17日 PRC 17 April 2014	53.75%	不適用 N/A	註冊資本人民幣800,000,000元 實繳股本人民幣800,000,000元 Registered RMB800,000,000 Paid up capital RMB800,000,000	投資管理及諮詢 Investment management and consulting
北京當代摩碼置業 有限公司* (附註i) Beijing Modern Moma Development Co., Ltd.* (note i)	中國 2014年1月8日 PRC 8 January 2014	53.75%	不適用 N/A	註冊資本人民幣200,000,000元 實繳股本人民幣200,000,000元 Registered RMB200,000,000 Paid up capital RMB200,000,000	物業發展 Property development
上海鈺景* (附註i) Shanghai Yujing* (note i)	中國 2013年10月23日 PRC 23 October 2013	100%	0%	註冊資本人民幣10,000,000元 實繳股本人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	投資控股 Investment holding
當代品業(北京)房地產經紀 有限公司* (附註i) Modern Pinye (Beijing) Real Estate Brokerage Co., Ltd.* (note i)	中國 2014年10月9日 PRC 9 October 2014	100%	不適用 N/A	註冊資本人民幣100,000元 實繳股本人民幣100,000元 Registered RMB100,000 Paid up capital RMB100,000	房地產經紀服務 Real estate brokerage services
美國當代綠色(休斯頓) 控股有限公司 America Modern Green Development (Houston), LLC	美國德克薩斯州 2012年10月15日 Texas, US 15 October 2012	100%	100%	100%已發行及發行在外股東權益， 總出資額為100美元 100% of issued and outstanding membership interest in consideration at an aggregate contribution of US\$100	物業發展 Property development

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46. 主要附屬公司詳情 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

公司名稱 Name of Company	註冊成立/ 成立地點及日期 Place and date of incorporation/ establishment	本集團應佔股權 Equity interest attributable to the Group 於12月31日 At 31 December		法定股本/註冊資本及 已發行及繳足/實繳股本 Authorised/registered and issued and fully paid/ paid-up capital	主要業務 Principal activities
		2014年 2014	2013年 2013		
Crown Point Regional Center, LLC	美國德克薩斯州 2010年3月31日	100%	100%	法定股本100美元 實繳股本100美元	投資移民服務
Crown Point Regional Center, LLC	Texas, US 31 March 2010	100%	100%	Authorized USD100 Paid up capital USD100	Investment immigration services
北京當代綠色投資基金管理 有限公司* (「當代綠色基金管理」)(附註i)	中國 2013年12月3日	100%	100%	註冊資本人民幣30,000,000元 實繳股本人民幣30,000,000元	投資控股
Beijing Modern Green Investment Fund Management Co., Ltd.* (“Modern Green Fund Management”) (note i)	PRC 3 December 2013	100%	100%	Registered RMB30,000,000 Paid up capital RMB30,000,000	Investment holding

附註：

- (i) 該等公司均為中國有限公司。
- (ii) 該等公司均為全外資公司。
- (iii) 當代滬浦拉斯為一家中外合資公司。

* 在中國經營的公司的英文名稱僅供參考，並未登記。

上表載列董事認為對本集團業績或資產構成重大影響之附屬公司。董事認為，若詳述其他附屬公司，將導致所提供之資料過於冗長。

Notes:

- (i) These companies are PRC limited liability companies.
- (ii) These companies are wholly foreign-owned companies.
- (iii) Modern Oupulasi is a sino-foreign joint venture company.

* The English names of the companies which operate in the PRC are for reference only and have not been registered.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

46. 主要附屬公司詳情 (續)

46(b) 擁有重大非控股權益的非全資附屬公司詳情

下表列示擁有重大非控股權益的本集團非全資附屬公司詳情：

附屬公司名稱	註冊成立及 主要營業地點	非控股權益持有的 股權及投票權比例		分配至非控股權益的溢利		累計非控股權益	
		2014年	2013年	2014年	2013年	2014年	2013年
Name of subsidiary	Place of incorporation and principal place of business	Proportion of equity interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
綠色基金 Green Fund	中國 PRC	附註 note	不適用 N/A	20,375	不適用 N/A	369,616	不適用 N/A

附註：於2014年6月12日，本公司間接全資附屬公司當代綠色基金管理及其當代節能置業與民生加銀資產管理有限公司（「民生加銀資產」）訂立入夥協議以及經修訂及重列的有限合夥協議（「投資協議」）。根據投資協議，各訂約方同意（其中包括）民生加銀資產將以認購為數人民幣370,000,000元之優先單位之方式向綠色基金作出投資，並成為綠色基金之優先級有限合夥人。

根據投資協議，並考慮綠色基金之法律形式，當代綠色基金管理為普通合夥人，並對綠色基金擁有控制權。因此，綠色基金以本集團附屬公司列賬，而由民生加銀資產持有之優先單位以非控股權益列賬。

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

46(b) Details of a non-wholly owned subsidiary that have material non-controlling interest

The table below shows details of a non-wholly-owned subsidiary of the Group that have material non-controlling interest:

附屬公司名稱	註冊成立及 主要營業地點	非控股權益持有的 股權及投票權比例		分配至非控股權益的溢利		累計非控股權益	
		2014年	2013年	2014年	2013年	2014年	2013年
Name of subsidiary	Place of incorporation and principal place of business	Proportion of equity interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
綠色基金 Green Fund	中國 PRC	附註 note	不適用 N/A	20,375	不適用 N/A	369,616	不適用 N/A

Note: On 12 June 2014, Modern Green Fund Management, an indirect wholly-owned subsidiary of the Company, and Modern Green Development entered into a partnership admission agreement and an amended and restated limited partnership agreement (the "Investment Agreements") with Minsheng Royal Asset Management Co., Ltd. ("MRAM"). Pursuant to the Investment Agreements, the parties agreed that, among others, MRAM invested in Green Fund by way of subscription for the senior units in the amount of RMB370,000,000 and become a senior limited partner in Green Fund.

Pursuant to the Investment Agreements, and taking into account of the legal form of Green Fund, Modern Green Fund Management is the general partner and has control over Green Fund. Therefore Green Fund is accounted for as a subsidiary of the Group and the senior units held by MRAM is accounted for as non-controlling interests.

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46. 主要附屬公司詳情 (續)

46(b) 擁有重大非控股權益的非全資附屬公司詳情 (續)

有關擁有重大非控股權益的本集團附屬公司的財務資料概要載列如下。以下的財務資料概要代表集團內公司間對銷前的金額。

綠色基金

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

46(b) Details of a non-wholly owned subsidiary that have material non-controlling interest (Continued)

Summarised financial information in respect of a Group's subsidiary that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Green Fund

		2014年 人民幣千元 2014 RMB'000	2013年 人民幣千元 2013 RMB'000
流動資產	Current assets	<u>612,898</u>	<u>–</u>
非流動資產	Non-current assets	<u>199,171</u>	<u>–</u>
流動負債	Current liabilities	<u>10,489</u>	<u>–</u>
權益總額	Total equity	<u>801,580</u>	<u>–</u>

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46. 主要附屬公司詳情 (續)

46(b) 擁有重大非控股權益的非全資附屬公司詳情 (續)

綠色基金 (續)

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

46(b) Details of a non-wholly owned subsidiary that have material non-controlling interest (Continued)

Green Fund (Continued)

		截至2014年 12月31日止年度 人民幣千元 Year ended 31 December 2014 RMB'000	截至2013年 12月31日止年度 人民幣千元 Year ended 31 December 2013 RMB'000
收益	Revenue	<u>31,162</u>	<u>—</u>
開支	Expenses	<u>(8,379)</u>	<u>—</u>
年度溢利	Profit for the year	<u>22,783</u>	<u>—</u>
經營活動的現金流出淨額	Net cash outflow from operating activities	<u>(793,268)</u>	<u>—</u>
融資活動的現金流入淨額	Net cash inflow from financing activities	<u>800,000</u>	<u>—</u>
現金流入淨額	Net cash inflow	<u>6,732</u>	<u>—</u>

REGISTERED OFFICES

Registered Office	Corporate Headquarters	Place of Business in Hong Kong
Floor 4, Willow House Cricket Square P.O. Box 2804 Grand Cayman KY1-1112 Cayman Islands	No. 1, Xiangheyuan Road Dongcheng District Beijing PRC	505 ICBC Tower 3 Garden Road Central Hong Kong

TRUSTEE AND COLLATERAL AGENT

Citicorp International Limited
39/F, Champion Tower
3 Garden Road
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For the years ended December 31,
2013, 2014 and 2015

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For the six months ended
June 30, 2016

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