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新城发展
FUTURE
HOLDINGS

Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.09 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 Future Land Development Holdings Limited (the “**Company**”) published on February 9, 2017 and February 10, 2017 in relation to the Notes Issue (the “**Announcements**”). Unless otherwise defined, all terms used herein shall have the same meanings as those defined in the Announcements.

The board of directors (“**Board**”) of the Company is pleased to announce that all the conditions precedent under the Purchase Agreement has been fulfilled and the Notes Issue has been completed on February 16, 2017.

Please refer to the attached offering memorandum in relation to the Notes (the “**Offering Memorandum**”), which will be available on the website of the Singapore Exchange Securities Trading Limited.

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 13.09 of the Listing Rules, and not for any other purpose. The Offering Memorandum does not constitute a prospectus, notice, circular, brochure, advertisement or document offering to sell any securities to the public in any jurisdiction, nor is it an invitation or solicitation to the public to make offers to acquire, subscribe for or purchase any securities, nor is it calculated to invite or solicit offers by the public to acquire, 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
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

Hong Kong, February 17, 2017

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.

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NOT FOR DISTRIBUTION IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering memorandum attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Future Land Development Holdings Limited (the “Company”) as a result of such access.

Confirmation of Your Representation: You have accessed the attached offering memorandum on the basis that you have confirmed your representation to the Company and to Deutsche Bank AG, Singapore Branch, Haitong International Securities Company Limited, J.P. Morgan Securities plc, Merrill Lynch International and The Hongkong and Shanghai Banking Corporation Limited (the “Initial Purchasers”) that (1) you consent to delivery of the attached offering memorandum and any amendments or supplements thereto by electronic transmission and agree to the terms set forth herein; (2) (i) you are receiving this offering memorandum outside the United States and, to the extent you purchase the securities described in the attached offering memorandum, you will be doing so pursuant to Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), and (ii) the e-mail address to which the attached offering memorandum has been delivered is not located in the United States (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and (3) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic conditions with respect to your decision to subscribe for or purchase any securities.

The attached offering memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Company, the Initial Purchasers or any person who controls any of them or any of their respective directors, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Company will provide a hard copy version to you upon request.

Restrictions: The attached offering memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling prospective investors an opportunity to consider the purchase of the securities described therein. You are reminded that the information in the attached document is not complete and may be changed. Any investment decision should be made on the basis of a complete final offering memorandum.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. Under no circumstances shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

THE NOTES, THE SUBSIDIARY GUARANTEES AND THE JV SUBSIDIARY GUARANTEES (IF ANY) (EACH AS DEFINED IN THE ATTACHED OFFERING MEMORANDUM) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Company or the Initial Purchasers to subscribe for or purchase any of the securities described therein. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser 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 such Initial Purchasers or such affiliate on behalf of the Company in such jurisdiction.

You are reminded that you have accessed the attached offering memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

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新城發展
FUTURE
HOLDINGS

Future Land Development Holdings Limited

新城發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

US\$350,000,000 5.0% Senior Notes due 2020

Issue Price: 99.656%

Our 5.0% Senior Notes due 2020 (the “Notes”) will bear interest from February 16, 2017 at 5.0% per annum payable semi-annually in arrears on February 16 and August 16 of each year, beginning August 16, 2017. The Notes will mature on February 16, 2020 if not redeemed earlier.

The Notes are general obligations of Future Land Development Holdings Limited (the “Company”), guaranteed by certain of our existing subsidiaries (the “Subsidiary Guarantors”), other than (1) those subsidiaries organized under the laws of the People’s Republic of China (the “PRC”) and (2) certain other subsidiaries specified in the section headed “Description of the Notes” (together, the “Non-Guarantor Subsidiaries”). 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 a subsidiary of the Company may be replaced by a limited-recourse guarantee, or JV Subsidiary Guarantee. We refer to the subsidiaries providing a JV Subsidiary Guarantee as JV Subsidiary Guarantors.

We may at our option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium (as defined herein) as of, plus accrued and unpaid interest, if any, to (but not including) the redemption date. Upon the occurrence of a Change of Control Triggering Event (as defined herein), 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 (but not including) the date of repurchase.

The Notes will be (1) general obligation of the Company, (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, (3) at least *pari passu* in right of payment against the Company with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law), (4) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations described under the caption “Risk Factors – Risks Relating to the Guarantees and the Collateral” and “Description of the Notes – The Subsidiary Guarantees, (5) 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, and (6) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. The Notes and the Subsidiary Guarantees will be secured by the capital stock of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any). 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 the section headed “Risk Factors – Risks Relating to the Guarantees and the Collateral.”

For a more detailed description of the Notes, see the section headed “Description of the Notes” beginning on page 203.

Investing in the Notes involves risks. See the section headed “Risk Factors” beginning on page 23.

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 of the statements made or opinions expressed or reports contained in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

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) (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 February 6, 2017 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.

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 “Securities Act”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law. Accordingly, the Notes are being offered and sold by the Initial Purchasers only outside the United States in compliance with Regulation S under the Securities Act (“Regulation S”). For a description of certain restrictions on resale or transfer, see the section headed “Transfer Restrictions” beginning on page 282.

It is expected that delivery of the Notes will be made on or about February 16, 2017 through the book-entry facilities of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”) against payment therefor in immediately available funds.

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank

Haitong International

J.P. Morgan

BofA Merrill Lynch

HSBC

The date of this offering memorandum is February 9, 2017.

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NOTICE TO INVESTORS

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 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 headed “Transfer Restrictions” below.

No representation or warranty, express or implied, is made by the Initial Purchasers, the Trustee, the Registrar, the Paying Agent, the Transfer Agent, the Collateral Agent, or any of their respective affiliates or advisers as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation, whether as to the past or the future.

Prospective investors in the Notes should rely only on the information contained in the final offering memorandum. 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 Registrar, the Paying Agent, the Transfer Agent, the Collateral Agent, or any person affiliated with them 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 not contained in this offering memorandum 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.

Prospective purchasers are hereby notified that sellers of the Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), may be relying on the exemption from the provisions of Section 5 of the Securities Act. 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 Notes, including the Subsidiary Guarantees, 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. For a description of the restrictions on offers, sales and resales of the Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), and distribution of this offering memorandum, see the sections headed “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, taxation, 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 advisers for legal, business, tax and other advice regarding an investment in the Notes.

We and the Initial Purchasers reserve the right to reject any offer to purchase any Notes, in whole or in part, for any reason, or to sell less than the aggregate principal amount of the Notes offered by this offering memorandum.

In connection with the issue of the Notes, Deutsche Bank AG, Singapore Branch (or its affiliates), as stabilizing manager may, subject to applicable laws and regulations, purchase and sell the Notes in the open market with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the time of delivery. However, there is no obligation on Deutsche Bank AG, Singapore Branch to do so. 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 Deutsche Bank AG, Singapore Branch and not for us or on our behalf.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- our capital expenditure and property development plans;
- our business and operating strategies and our ability to implement such strategies;
- our ability to further develop and manage our projects as planned;
- our capital commitment plans, particularly plans relating to acquisition of land for our property development and the development of our projects;
- our operations and business prospects, including development plans and business opportunities that we may pursue;
- the regulatory environment as well as the general industry outlook for our industry;
- the performance and future developments of the property market in China;
- exchange rate fluctuations and restrictions;
- the general economic trend of the PRC and, in particular, Shanghai;
- the interpretation and implementation of rules and regulations relating to land appreciation tax;
- availability and costs of bank loans and other forms of financing;
- our dividend policy;
- changes in political, economic, legal and social conditions in China, including the policies of the PRC government affecting the regions where we operate that affect land supply, availability and cost of financing and pre-sales, pricing and volume of our property development projects;
- our ability to obtain various permits, proper legal titles or approvals for our projects under development or held for future development; and
- changes in competitive conditions and our ability to compete under these conditions.

In some cases, you can identify forward-looking statements by such terminology as “may,” “will,” “should,” “could,” “would,” “expect,” “intend,” “plan,” “anticipate,” “going forward,” “ought to,” “seek,” “project,” “forecast,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantee of future performance and some of which may not materialize or may change. 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 such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section headed “Risk Factors” in this offering memorandum. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this offering memorandum, whether as a result of new information, future events or otherwise after the date of this offering memorandum.

All forward-looking statements contained in this offering memorandum are qualified by reference to the cautionary statements set forth in this section.

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 Hong Kong. The Cayman Islands, Hong Kong and other jurisdictions have different bodies of securities laws from the United States and protections for investors may differ.

Substantially all of our assets and all of the assets of the Subsidiary Guarantors are located outside the United States. In addition, all of our directors and officers and the Subsidiary Guarantors' directors and officers are nationals or residents of countries other than the United States (principally of the PRC), and all or a substantial portion of such persons' assets are located 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 or such directors and officers or to enforce against us or any of the Subsidiary Guarantors or such directors and officers 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 our and their respective agent to receive service of process with respect to any action brought against us or any Subsidiary Guarantor 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 Subsidiary Guarantor 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.

We have been advised by our Cayman Islands legal adviser, Maples and Calder (Hong Kong) LLP, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state, on the grounds that such provisions are penal in nature. However, in the case of laws that are not penal in nature, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor a liability to pay the sum for which judgment has been given provided that such judgment is final and conclusive, for a liquidated sum, not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands' judgment in respect of the same matter, impeachable on the grounds of fraud, and was not obtained in a manner, and is not a kind the enforcement of which is, contrary to the natural justice or public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We have been advised by our Hong Kong legal adviser, Shearman & Sterling, 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 predicate 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 court is a court of competent jurisdiction, the foreign judgment is for a debt or definite sum of money and is final and conclusive on the merits.

We have also been advised by our PRC legal adviser, Shu Jin Law Firm, that there is uncertainty as to whether the courts of China would (i) enforce judgments of U.S. courts obtained against us, our directors or officers, any Subsidiary Guarantor or JV Subsidiary Guarantor or their directors or officers predicated upon the civil liability provisions of the U.S. federal or state securities laws or (ii) entertain original actions brought in China against us, our directors or officers, any Subsidiary Guarantor or JV Subsidiary Guarantor or their directors or officers predicated upon the U.S. federal or state securities laws.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions that you should consider when reading the information contained herein. All references to “we,” “us,” “our,” “our Company” and “Group” refer to Future Land Development Holdings Limited and, as the context requires, its subsidiaries; all references to “our IPO” mean our initial public offering of our ordinary shares listed on the Hong Kong Stock Exchange in November 2012; all references to “US\$” and “U.S. dollars” are to United States dollars; all references to “RMB”, “CNY” or “Renminbi” are to Renminbi, the official currency of the People’s Republic of China; all references to “PRC” and “China” are to the People’s Republic of China, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan; and all references to “PRC government” or “State” 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.

We record and publish our financial statements in Renminbi. Solely for your convenience, this offering memorandum contains translations of Renminbi amounts into U.S. dollars at specified rates. 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 as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2016, as set forth in the H.10 weekly statistical release of the Federal Reserve Board). All such translations in this offering memorandum are provided solely for your convenience, and we make no representation that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see the section headed “Exchange Rate Information.”

Our financial information is prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which differ in certain respects from generally accepted accounting principles in certain other countries. We have made no attempt to quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between HKFRSs and generally accepted accounting principles in other jurisdictions and how those differences might affect the financial information herein.

Market data, industry forecasts and PRC and property industry statistics in this offering memorandum have been derived from various government and private publications. Although we believe this information to be reliable, it has not been independently verified by us or the Initial Purchasers or their respective directors and advisers. None of us, the Initial Purchasers, or our or its respective directors and advisers makes 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 and should not be unduly relied upon.

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, or GFA, information presented in this offering memorandum represent the site area and GFA of the entire project, including those attributable to the non-controlling interests of our non-wholly owned project companies and those attributable to the other investors of our joint ventures and associates’ project companies.

Totals presented in this offering memorandum may not total correctly because of rounding of numbers. The English names of the PRC entities or organizations in this offering memorandum marked “*” are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

Additional terms used in this offering memorandum are defined below.

“average selling price” or “ASP” . . .	average selling price on a gross basis, unless otherwise stated
“CAGR”	compound annual growth rate
“Chairman Wang”	Mr. Wang Zhenhua (王振華), our founder, director and controlling shareholder
“commodity properties”	residential properties, commercial properties and other buildings that are developed by property developers for the purposes of sale or lease after their completion
“completion certificate”	construction work completion inspection certificate issued by local urban construction bureaus or equivalent authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection (竣工備案表)
“Future Land Holdings”	Future Land Holdings Co., Ltd. (新城控股集團股份有限公司), our subsidiary established on October 10, 1997 with A shares listed on the Shanghai Stock Exchange (Stock Code: 601155)
“GFA”	gross floor area
“Jiangsu Future Land”	Jiangsu Future Land Co., Ltd. (江蘇新城地產股份有限公司), our subsidiary established on October 10, 1997 with B shares listed on the Shanghai Stock Exchange (Stock Code: 900950), which was absorbed and merged by Future Land Holdings by way of share swap and was delisted and deregistered as a legal person on April 13, 2016
“July 2019 Corporate Bonds”	The RMB2,000,000,000 8.9% Corporate Bonds due 2019 of Future Land Holdings issued on July 24, 2014
“July 2019 Notes”	the US\$350,000,000 10.25% Senior Notes due 2019 of the Company issued on July 21, 2014
“land grant contract”	an agreement we and the relevant local government authority enter into after the public tender, auction or listing-for-sale (as applicable), which provides for, among other things, the amount of land grant premium that we should pay for acquiring the land use rights of the relevant land parcel. After we have paid the land grant premium and satisfied any other conditions as set forth in the land grant or land use rights contract, we will obtain a land use rights certificate for the relevant land parcel (國有土地使用權出讓合同)
“land use rights certificate”	a certificate (or certificates as the case may be) of the rights of a party to use a parcel of land (土地使用權證)
“LAT”	land appreciation tax (土地增值稅) as defined in the PRC Provisional Regulations on Land Appreciation Tax of 1994 and its implementation rules

“March 2019 Corporate Bonds I” . .	the RMB1,850,000,000 5.44% Corporate Bonds due 2019 of Future Land Holdings issued on March 30, 2016
“March 2019 Corporate Bonds II” . .	the RMB1,150,000,000 4.76% Corporate Bonds due 2019 of Future Land Holdings issued on March 30, 2016
“November 2017 Notes”	the US\$250,000,000 6.25% Senior Notes due 2017 of the Company issued on November 5, 2015
“November 2018 Corporate Bonds”	the RMB2,000,000,000 6.0% Corporate Bonds due 2018 of Future Land Holdings issued on November 11, 2015
“November 2020 Corporate Bonds”	the RMB3,000,000,000 4.5% Corporate Bonds due 2020 of Future Land Holdings issued on November 4, 2015
“rentable GFA”	in relation to (i) completed property projects, the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for leasing purposes; and (ii) projects where we have obtained pre-sale permits, the leasable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for leasing purposes
“salable GFA”	in relation to (i) completed property projects, the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for sale purposes; and (ii) projects where we have obtained pre-sale permits, the salable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for sales purposes
“total gross floor area” or “total GFA”	the above-ground and underground salable and/or leasable area contained within the external walls of any building at each floor level and the whole thickness of the external walls of the relevant project together with other non-leasable and non-salable area. In general this includes mechanical and electrical services rooms, refuse rooms, water tanks, car parks, lifts and staircases; all site area and GFA information presented in this offering memorandum represent the site area and GFA of the entire project, including those attributable to the non-controlling interests of non-wholly owned project companies included in our consolidated financial statements

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 headed “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision. To understand the terms of the Notes, you should carefully read the section headed “Description of the Notes.”

Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. We were ranked first in terms of overall strength among property developers in Jiangsu Province for 11 consecutive years from 2005 according to the annual rankings published by the Jiangsu Real Estate Association (江蘇省房地產協會).

As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. These projects included approximate 13.2 million sq.m. under development and approximately 8.5 million sq.m. held for future development. As of June 30, 2016, we had land reserves with a total estimated GFA of 25.6 million sq.m., of which 14.4 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a “rapid asset turnover” business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks. For the years ended December 31, 2013, 2014 and 2015, our asset turnover ratio¹ was 0.47, 0.41 and 0.38, respectively. For the six months ended June 30, 2015 and 2016, our asset turnover ratio was 0.31 and 0.24, respectively.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our “FirstHomes” series, “SweetHomes” series, “DreamHomes” series and “PrestigeHomes” series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our “International Plaza” series, “City Plaza” series and “Lifestyle Mall” series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

¹ Asset turnover ratio is calculated by dividing revenue during a given year/period, by the average of total assets at the beginning and the end of the year/period.

Recent Developments

Land Acquisitions and Land Premium Payments after June 30, 2016

In July 2016, we won the bid for the land use rights to a parcel of land in Yangzhou, Jiangsu Province through the listing-for-sale processes. The amount of land premium was approximately RMB823.4 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 161,918 sq.m. and has a total planned GFA of approximately 460,979 sq.m.

In July 2016, we won the bid for the land use rights to a parcel of land in Hongkou District, Shanghai through the listing-for-sale processes. The amount of land premium was approximately RMB3,700.0 million which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 19,960 sq.m. and has a total planned GFA of approximately 82,877 sq.m.

In July 2016, we won the bid for the land use rights to a parcel of land in Rui'an, Wenzhou, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB250.1 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 45,925 sq.m. and has a total planned GFA of approximately 202,427 sq.m.

In August 2016, we obtained the land use rights to several parcels of land in Jurong, Zhenjiang, Jiangsu Province through our acquisition of (i) 100% equity interests in Jiangsu Lanhua Investment and Development Co., Ltd.* (江蘇蘭華投資開發有限公司) (“**Lanhua Investment**”) from Jiangsu Jianjiang Investment and Development Co., Ltd.* (江蘇建江投資開發有限公司) and Jiangsu Lande Digitaland Technology Co., Ltd.* (江蘇蘭德數碼科技有限公司), and (ii) debts of Lanhua Investment held by Jiangsu Xingyuan Trading Co., Ltd.* (江蘇興源貿易有限公司) for a total consideration of approximately RMB184.1 million, of which RMB106.8 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 129,189 sq.m. and have a total planned GFA of approximately 12,968 sq.m.

In September 2016, we won the bid for the land use rights to several parcels of land and the buildings on the land in Baodi District, Tianjin through judicial auction. The amount of land premium was approximately RMB3,740.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 271,197 sq.m. and are planned for residential and commercial uses. The existing buildings on the land parcels has a total GFA of 162,372.33 sq.m., including 22 buildings which are under construction, two public infrastructure projects and civil air-defense project.

In September 2016, we won the bid for the land use rights to a parcel of land in Jiaxing, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB1,059.7 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 59,584 sq.m. and has a total planned GFA of approximately 189,474 sq.m.

In September 2016, we obtained the land use rights to two parcels of land in Suzhou, Jiangsu Province through our acquisition of 100% equity interest in Suzhou Jinshiji Real Estate Development Co., Ltd.* (蘇州金世紀房地產開發有限公司) (“**Suzhou Jinshiji**”) from its shareholders for a consideration of approximately RMB1,015.7 million, of which RMB972.7 million has been paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 191,819 sq.m. and has a total planned GFA of approximately 470,911 sq.m.

In September 2016, we obtained the land use rights of one parcel of land in Wuhan, Hubei Province through our acquisition of 100% equity interest in Wuhan Jiangnan Yinxiang Property Co., Ltd. (武漢江南印象置業有限公司) for a consideration of approximately RMB2,494.1 million, of which RMB1,995.3 million has been paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 102,366 sq.m. and has a total planned GFA of approximately 474,166 sq.m.

In September 2016, we won the bid for the land use rights to several parcels of land in Nanjing, Jiangsu Province through online auction. The amount of land premium was approximately RMB7,390.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 142,500 sq.m. and have a total planned GFA of approximately 479,030 sq.m.

In September 2016, we won the bid for the land use rights to several parcels of land in Kunming, Yunnan Province through online auction. The amount of land premium was approximately RMB581.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 101,861 sq.m. and have a total planned GFA of approximately 486,006 sq.m.

In October 2016, we won the bid for the land use rights to a parcel of land in Suzhou, Jiangsu Province by means of open bidding. The amount of land premium was approximately RMB10,627.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 350,761 sq.m. and has a total planned GFA of approximately 1,757,835 sq.m.

In October 2016, we obtained the land use rights to several parcels of land in Qingdao, Shandong Province through our acquisition of 100% equity interest of several companies from Qingdao Yuanzhou Investment Co., Ltd.* (青島市源洲投資有限公司) for a consideration of approximately RMB1,571.1 million, of which RMB1,094.8 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 809,200 sq.m. and have a total planned GFA of approximately 1,367,951 sq.m.

In November 2016, we won the bid for the land use rights to a parcel of land in Hefei, Anhui Province through auction. The amount of land premium was approximately RMB697.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 58,147 sq.m. and has a total planned GFA of approximately 182,516 sq.m.

In November 2016, we won the bid for the land use rights to a parcel of land in Changzhou, Jiangsu Province through auction. The amount of land premium was approximately RMB408.0 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 24,716 sq.m. and has a total planned GFA of approximately 94,420 sq.m.

In November 2016, we won the bid for the land use rights to a parcel of land in Linyi, Shandong Province through the listing-for-sale processes. The amount of land premium was approximately RMB173.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 91,943 sq.m. and has a total planned GFA of approximately 342,967 sq.m.

In December 2016, we won the bid for the land use rights to four parcels of land in Zhangjiagang City, Suzhou, Jiangsu Province. The amount of land premium was approximately RMB953.7 million, of which RMB189.0 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 219,991 sq.m. and have a total planned GFA of approximately 711,268 sq.m.

In December 2016, we obtained the land use rights to several parcels of land in Qingdao, Shandong Province through our acquisition of 90% equity interest of 7 subsidiaries of Qingdao Urban Construction Investment (Group) Co., Ltd.* (青島城市建設投資(集團)有限責任公司) for a total consideration of RMB4,187.3 million, of which RMB2,929.0 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 144,563 sq.m. and have a total planned GFA of approximately 1,648,646 sq.m.

In December 2016, we won the bid for the land use rights to one parcel of land in Foshan, Guangdong Province through the listing-for-sale processes. The amount of land premium was approximately RMB4,273.5 million, of which RMB2,564.1 million has been paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 144,563 sq.m. and has a total planned GFA of approximately 576,020 sq.m.

In December 2016, we won the bid for the land use rights to several parcels of land in Pinghu, Jiaxing, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB437.2 million, which has been paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 126,537 sq.m. and have a total planned GFA of approximately 424,483 sq.m.

In December 2016, we won the bid for the land use rights to two parcels of land in Taizhou, Jiangsu Province through the listing-for-sale processes. The amount of land premium was approximately RMB603.0 million, which has been paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 172,616 sq.m. and have a total planned GFA of approximately 516,255 sq.m.

In December 2016, we obtained the land use rights to three parcels of land in Jinan, Shandong Province through our acquisition of 25% equity interest of Jinan Shiji Xinjiyuan Property Co., Ltd. (濟南世紀新紀元置業有限公司) for a total consideration of RMB473.3 million, which has yet to be paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 70,700 sq.m. and have a total planned GFA of approximately 268,936 sq.m.

In December 2016, we obtained the land use rights to a parcel of land in Changshu City, Suzhou, Jiangsu Province through our acquisition of 33% equity interest of Changshu Xinbi Real Estate Development Co., Ltd. (常熟新碧房地產開發有限公司) for a total consideration of RMB190.5 million, which has yet to be paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 53,800 sq.m. and has a total planned GFA of approximately 163,288 sq.m.

In December 2016, we obtained the land use rights to a parcel of land in Hangzhou, Zhejiang Province through our acquisition of 25% equity interest of Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司) for a total consideration of RMB662.1 million, which has yet to be paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 46,800 sq.m. and has a total planned GFA of approximately 185,546 sq.m.

Project Cooperation and Disposal

Shanghai Future Land Wanjia Real Estate Co., Ltd.* (上海新城萬嘉房地產有限公司) (“**Future Land Wanjia**”), our wholly-owned subsidiary, and its wholly-owned subsidiary, Shanghai Yulong Real Estate Development Co., Ltd.* (上海禹隆房地產開發有限公司) (“**Yulong Real Estate**”) held the equity interest in a project company for the development of a land parcel in Hongkou District, Shanghai (the “**Hongkou Project Company**”) as to 51% and 49%, respectively. On September 21, 2016, Future Land Wanjia and Yulong Real Estate entered into a joint development agreement with Shanghai Qingmao Property Co., Ltd.* (上海慶茂置業有限公司) (“**Qingmao Property**”), a wholly-owned subsidiary of China Jinmao Holdings Group Limited* (中國金茂控股集團有限公司), pursuant to which Qingmao Property would acquire the entire equity interest in Yulong Real Estate for a consideration of RMB RMB1,813.0 million. The disposal was completed on September 22, 2016. Future Land Wanjia and Qingmao Property (through Yulong Real Estate) currently hold the equity interest in the Hongkou Project Company as to 51% and 49%, respectively, and are jointly developing the land parcel in Hongkou District, Shanghai through Yulong Real Estate.

On November 23, 2016, Suzhou Future Land Chuangjia Property Co., Ltd. (蘇州新城創佳置業有限公司) (“**Suzhou Future Land**”), our wholly-owned subsidiary, and its wholly-owned subsidiary, Suzhou Golden Century Real Estate Co., Ltd.* (蘇州金世紀房地產開發有限公司) (“**Golden Century**”), entered into a cooperation framework agreement with Suzhou Country Garden Real Estate Co., Ltd.* (蘇州碧桂園房地產有限公司) (“**Suzhou Country Garden**”), a wholly-owned subsidiary of Country Garden Holdings Company Limited (碧桂園控股有限公司), pursuant to which Suzhou Country Garden would acquire 50% of the equity interest in Golden Century and 70% of voting rights in the shareholders’ meeting of Golden Century for a consideration of RMB565.0 million. The disposal was completed on November 9, 2016. Suzhou Future Land and Suzhou Country Garden are jointly developing the land parcels in Suzhou, Jiangsu Province through Golden Century.

Investment Activities

On June 22, 2016 and June 29, 2016 respectively, Future Land Holdings Co., Ltd (新城控股集團股份有限公司), a subsidiary of us with its A shares listed on the Shanghai Stock Exchange (“**Future Land Holdings**”), entered into a promoters agreement and a share subscription agreement with Shanghai Red Star Macalline Investment Company Limited* (上海紅星美凱龍投資有限公司), a controlling shareholder of Red Star Macalline Group Corporation Ltd.* (紅星美凱龍家居集團股份有限公司), Changzhou Hualida Garment Group Company Limited* (常州華利達服裝集團有限公司), Xining Weiye Development Company Limited* (西寧偉業房地產開發有限公司), Hongdou Group Company Limited* (紅豆集團有限公司), and Jiangsu Hongdou Industrial Co., Ltd.* (江蘇紅豆實業股份有限公司), a subsidiary of Hongdou Group and Sunrain Holding Group Company Limited* (太陽雨控股集團有限公司) in relation to the establishment of a joint venture company. The business scope of the joint venture company is intended to include life insurance, annuities insurance, health insurance, accident insurance, participating insurance and universal insurance. Pursuant to the relevant agreements, Future Land Holdings agreed to subscribe for 20% of the share capital of the joint venture company with an amount of RMB300.0 million in cash. As at the date of this offering memorandum, we have not paid any share capital.

Our Performance in 2016

For the twelve months ended December 31, 2016, we had contracted sales of approximately RMB65,060 million, representing an increase of 103.8% as compared with the annual accumulated contracted sales in 2015. Accumulated contracted sales area amounted to approximately 5,750,000 sq.m.

Non-Public Issuance of the Domestic Corporate Bonds in the PRC

On August 16, 2016, Future Land Holdings completed the non-public issuance of the first tranche (the “**First Tranche**”) of its domestic corporate bonds of no more than RMB5.0 billion (the “**Corporate Bonds**”). The initial issue size of the First Tranche of the Corporate Bonds is RMB1.0 billion, with an upsize option of RMB1.0 billion, and the actual issue size of the First Tranche of the Corporate Bonds is RMB2.0 billion with a coupon rate of 4.48%. The First Tranche of the Corporate Bonds has a term of five years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the third year.

On September 13, 2016, Future Land Holdings completed the non-public issuance of the second tranche (the “**Second Tranche**”) of the Corporate Bonds. The initial issue size of the Second Tranche of the Corporate Bonds is RMB500.0 million, with upsize option of RMB1.0 billion, and the actual issue size of the Second Tranche of the Corporate Bonds is RMB500.0 million with a coupon rate of 4.80%. The Second Tranche of the Corporate Bonds has a term of seven years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the fifth year.

On October 18, 2016, Future Land Holdings completed the non-public issuance of the third tranche (the “**Third Tranche**”) of the Corporate Bonds. The initial issue size of the Third Tranche of the Corporate Bonds is RMB1.0 billion, with upsize option of RMB1.5 billion, and the actual issue size of the Third Tranche of the Corporate Bonds is RMB2.5 billion with a coupon rate of 4.41%. The Third Tranche of the Corporate Bonds has a term of five years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the third year.

The proceeds from the Corporate Bonds are intended to be used for adjustment of debt structure and replenishment of our cash flow.

Property Services Agreements

Future Land Holdings entered into a property services framework agreement on July 29, 2016 (the “**2016 Property Services Framework Agreement**”) and a property services framework agreement on December 15, 2016 (the “**2017 Property Services Framework Agreement**”) with Tibet Future Land Property Management Services Co., Ltd.* (西藏新城悅物業服務股份有限公司) (“**Future Land Property Services**”) (together, the “**Property Services Framework Agreements**”). Future Land

Property Services used to be an indirect subsidiary of Future Land Holdings until it was acquired by a company ultimately controlled by Mr. Wang Zhenhua, our controlling shareholder, executive director and chairman of our board. Prior to the disposal, Future Land Holdings (through its subsidiaries) entered into 50 services agreements (the “**2016 Existing Services Agreements**”) with Future Land Property Services, pursuant to which Future Land Property Services provides residential property management services, including cleaning, security and maintenance, to various residential development projects of Future Land Holdings. The term for the 2016 Existing Services Agreements is one year from January 1, 2016 to December 31, 2016 and the total consideration for the 2016 Existing Services Agreements is approximately RMB59.0 million.

According to the Property Services Framework Agreements, Future Land Property Services is commissioned to provide various residential property management services including the maintenance, consultancy, inspection and sales agency services in connection with the residential development projects of Future Land Holdings. The annual cap of the service fees under the 2016 Property Services Framework Agreement for the year ended December 31, 2016 shall not exceed RMB175.0 million (including the total consideration for the 2016 Existing Services Agreements of approximately RMB59.0 million) and the annual cap of the service fee under the 2017 Property Services Framework Agreement for the year ending December 31, 2017 shall not exceed RMB199.0 million.

For each development project of Future Land Holdings which requires the residential property management services under the Property Services Framework Agreements, Future Land Holdings and Future Land Property Services will (directly or through their respective subsidiaries) enter into a subsidiary agreement setting out the specific scope of services required and amount of fees payable in conformity with the principles set out in the Property Services Framework Agreements. All transactions contemplated under the Property Services Framework Agreements shall be conducted on normal commercial terms and negotiated on arm’s length basis. It is agreed that the terms offered by Future Land Property Services to Future Land Holdings should not be less favorable than those offered to other parties for similar services.

Adoption of Restricted Share Incentive Scheme by Future Land Holdings

On August 18, 2016, the board of directors of Future Land Holdings conditionally adopted a restricted share incentive scheme (the “**Scheme**”). The number of the restricted shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue if all restricted shares are issued and unlocked as at September 30, 2016. The number of the restricted shares which will be issued under the first tranche grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue if the restricted shares under the First Tranche Grant are issued and unlocked as at September 30, 2016 (the “**First Tranche Grant**”).

After issuing the restricted shares under the Scheme and under the First Tranche Grant, we will hold approximately 67.00% and 67.11%, respectively, of the enlarged A Shares of Future Land Holdings. Our shareholding in Future Land Holdings will be diluted by approximately 1.27% and 1.16%, respectively, as a result of the issue of the restricted shares under the Scheme and under the First Tranche Grant. Financial effects will arise (i) upon the grant day on which restricted shares are granted by Future Land Holdings as share-based payment costs will incur and (ii) upon unlocking of the restricted shares whereby the shareholding of us in Future Land Holdings will be diluted and deemed disposal gain or loss will incur. Upon issue and unlocking of the restricted shares under the First Tranche Grant, Future Land Holdings will still be a subsidiary of us. We do not expect any material financial impact on our assets or liabilities or any material gain or loss recorded directly arising from the issue and unlocking of the restricted shares.

In November 2016, the First Tranche Grant with 38,500,000 A Shares has been granted under the Scheme after completion of all necessary approval processes.

Corporate Information

We are a limited liability company incorporated under the laws of the Cayman Islands. In November 2012, our ordinary shares were listed on the main board of the Hong Kong Stock Exchange (Stock Code: 01030), and our market capitalization was approximately HK\$10,467.3 million as of February 8, 2017. Our subsidiary, Future Land Holdings (Stock Code: 601155), has A shares listed on the SSE.

Corporate Chart

The following chart sets forth our corporate structure as of December 31, 2016.

Chairman Wang	-----	Infinity Fortune
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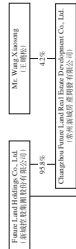
Hua Sheng Trust⁽¹⁾



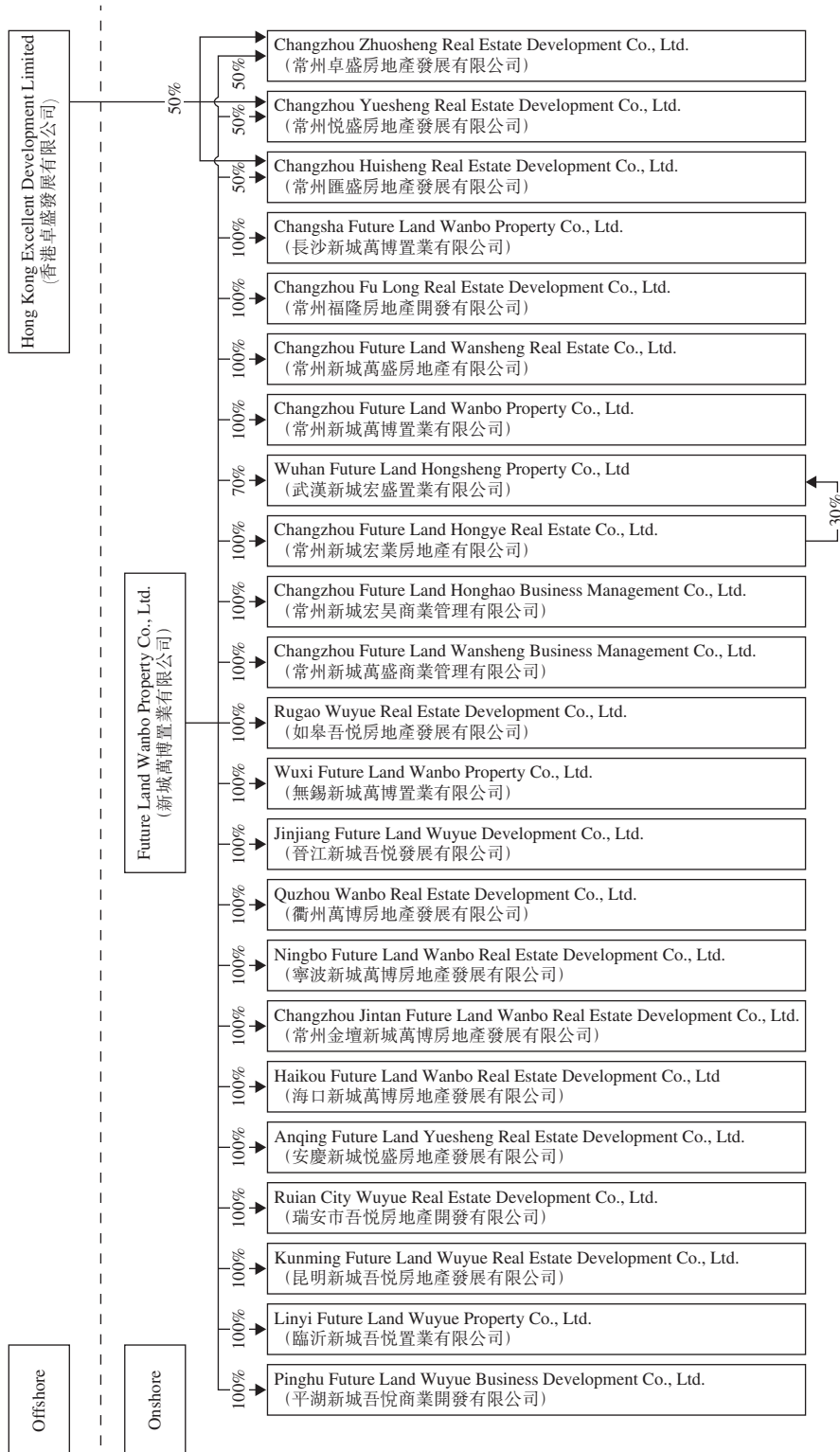
(1) Infinity Fortune is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Chairman Wang, the founder of our Group as settlor and Standard Chartered Trust (Singapore) Limited as trustee in favor of his family members.

(2) Includes (a) 4,776,000 shares beneficially owned by Mr. Liu Yuanman; (b) 5,000,000 shares beneficially owned by Mr. Lu Zhongming; (c) 12,000,000 shares beneficially owned by Mr. Lv Xiaoping; (d) 6,000,000 shares beneficially owned by Mr. Wang Xiaosong and (e) 300,000 shares beneficially owned by Mr. Chan Wai Kin.

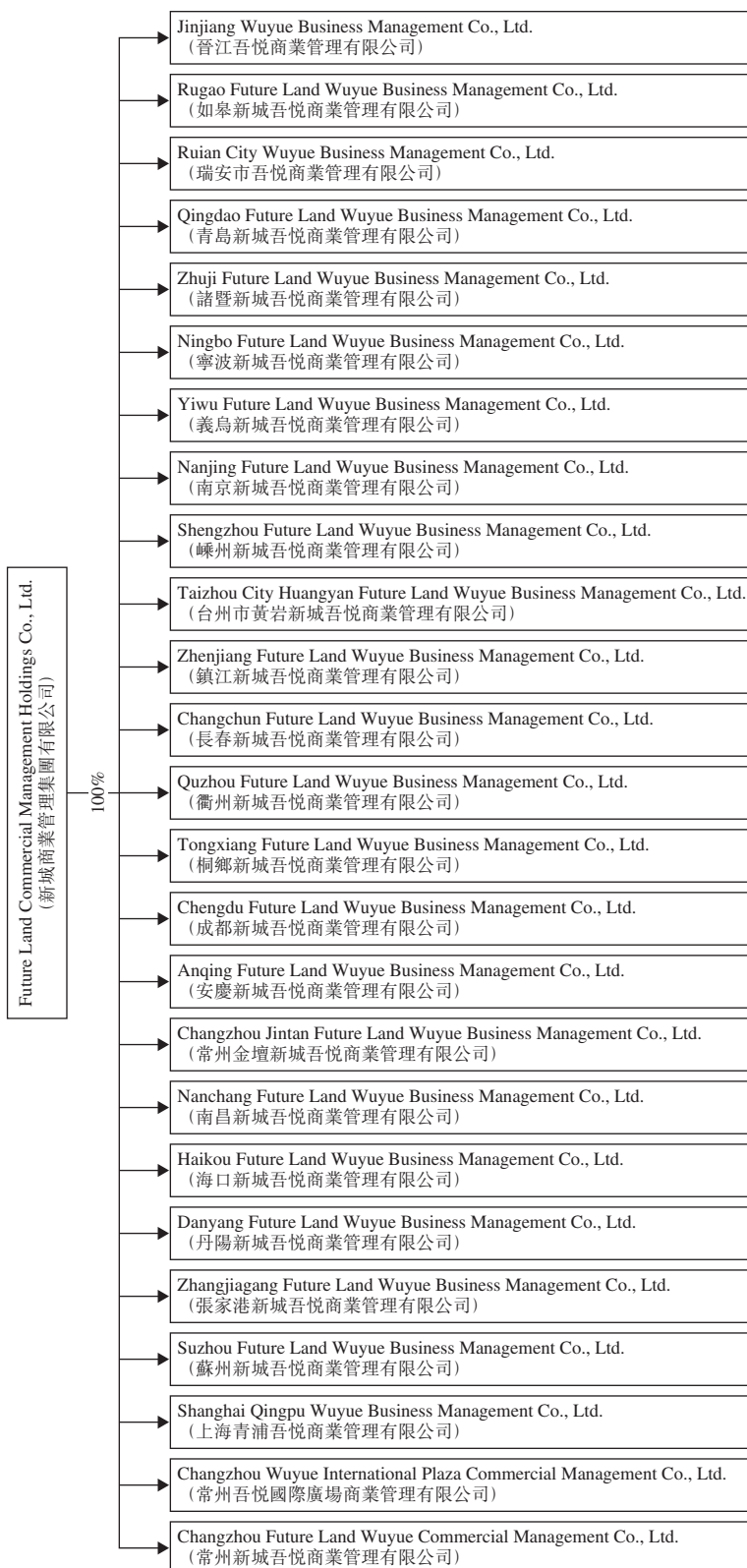
(3)



(4) The following chart sets forth the shareholding structure of the 23 PRC subsidiaries:



(5) The following chart sets forth the shareholding structure of the 25 PRC subsidiaries:



THE OFFERING

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

Issuer	Future Land Development Holdings Limited (the “ Company ”).
Notes Offered	US\$350,000,000 aggregate principal amount of 5.0% Senior Notes due 2020 (the “ Notes ”).
Offering Price	99.656% of the principal amount of the Notes.
Maturity Date	February 16, 2020.
Interest	The Notes will bear interest from and including February 16, 2017 at the rate of 5.0% per annum, payable semi-annually in arrears.
Interest Payment Dates	February 16 and August 16 of each year, commencing August 16, 2017.
Ranking 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 November 2017 Notes, the July 2019 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 Guarantees and the Collateral” and “Description of the Notes – The 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 therefor; 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 Pledgors and subject to certain limitations described under “Risk Factors – Risks Relating to the Guarantees and the Collateral,” the Notes will:

- be entitled to the benefit of a lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement (as defined below) and shared on a *pari passu* basis with (i) holders of the November 2017 Notes, (ii) holders of the July 2019 Notes and (iii) any holders of Permitted *Pari Passu* Secured Indebtedness, if any); 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).

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 consist of all of the Restricted Subsidiaries other than those Restricted Subsidiaries organized under the laws of the PRC and certain other Restricted Subsidiaries as described under “Description of the Notes.”

The initial Subsidiary Guarantors are holding companies that do not have significant operations. See “Risk Factors – Risks Relating to the 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.”

Any Restricted Subsidiary, as defined under “Description of the Notes – Definitions” (other than subsidiaries organized under the laws of the PRC or any Exempted Subsidiary, as defined under “Description of the Notes”), will guarantee the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor promptly upon becoming a Restricted Subsidiary. Notwithstanding the foregoing, the Company may elect to have any Restricted Subsidiary organized outside the PRC not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary, *provided* that, after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30.0% 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 Restricted Subsidiary is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20.0% 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 but excluding Exempted Subsidiaries) do not account for more than 30.0% 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 secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- 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 Pledgors, the Subsidiary Guarantees of each Subsidiary Guarantor Pledgor:

- will be entitled to the benefit of a security interest in the Collateral pledged by such Subsidiary Guarantor Pledgor (subject to any Permitted Liens and the Intercreditor Agreement and shared on a *pari passu* basis with (i) holders of the November 2017 Notes, (ii) holders of the July 2019 Notes and (iii) any holders of 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).

See “Risk Factors – Risks Relating to the Guarantees and the Collateral.”

JV Subsidiary Guarantees

In the case of a Restricted Subsidiary (i) that is established after the Original Issue Date, (ii) that is incorporated in any jurisdiction other than the PRC, (iii) that is not an Offshore Non-Guarantor Subsidiary and (iv) in respect of which the Company or any Restricted Subsidiary (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% and no more than 80.0% of the Capital Stock of such Restricted Subsidiary from an Independent Third Party (and concurrently become a Restricted Subsidiary), the Company may, subject to certain conditions, concurrently with the consummation of such sale or purchase, provide a JV Subsidiary Guarantee 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. See “Description of the Notes – The Subsidiary Guarantees – The JV Subsidiary Guarantees.”

Ranking of JV Subsidiary Guarantees	<p>The JV Subsidiary Guarantee of each JV Subsidiary Guarantor:</p> <ul style="list-style-type: none"> • 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 of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor; • will 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 be limited to the JV Entitlement Amount, and will rank at least <i>pari passu</i> 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	<p>The Company has agreed, for the benefit of the holders of the Notes, to pledge the Capital Stock of the Subsidiary Guarantors owned by the Company in order to secure the obligations of the Company under the Notes and the indenture governing the Notes (the “Indenture”).</p> <p>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.”</p>
Intercreditor Agreement.	<p>On the Original Issue Date, the Trustee will execute a supplement to the Intercreditor Agreement and become a party to the Intercreditor Agreement, at which time the Trustee will become a Secured Party under the Intercreditor Agreement and the Holders will be entitled to the benefit of the pledge of the capital stock by the Subsidiary Guarantors on a <i>pari passu</i> basis with the holders of November 2017 Notes, the holders of July 2019 Notes and the holders of any other Permitted Pari Passu Secured Indebtedness. See “Description of the Notes – Intercreditor Agreement.”</p>

Use of Proceeds	<p>We estimate that the net proceeds from this offering, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately US\$344.5 million. We intend to use the net proceeds to repay certain of our existing indebtedness and for general corporate purpose.</p> <p>Pending application of the net proceeds of this offering, we intend to invest such net proceeds in “Temporary Cash Investments” as defined under “Description of the Notes.”</p> <p>We may adjust our development plans in response to future events and developments, such as changes in general market conditions, the outlook for our industry and the demand for our properties, and our directors may reallocate the use of the proceeds with a view to obtaining the optimal benefit for us.</p>
Optional Redemption	<p>At any time prior to February 16, 2020, 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 (but not including) the redemption date.</p> <p>At any time and from time to time prior to February 16, 2020, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Company in an Equity Offering at a redemption price of 105.0% the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; <i>provided that</i> 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.</p>
Repurchase of Notes Upon a Change of Control Triggering Event.	<p>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 the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the repurchase date.</p>
Redemption for Taxation Reasons.	<p>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 (including any Additional Amounts), if any, to the date fixed by the Company for redemption, if the Company 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.”</p>

Covenants	<p>The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:</p> <ul style="list-style-type: none"> • 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; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; • issue or sell capital stock of Restricted Subsidiaries; • guarantee indebtedness of Restricted Subsidiaries; • enter into transactions with shareholders or affiliates; • create liens; • enter into sale and leaseback transactions; • sell assets; and • effect a consolidation or merger. <p>These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes – Certain Covenants."</p>
Transfer Restrictions	The Notes will not be registered under the U.S. Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "Transfer Restrictions."
Form, Denomination and Registration	The Notes will be issued in fully registered form without interest coupons. The Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and will be deposited with a common depositary and registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry	The Notes will be issued in book-entry form through the facilities of 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 to make delivery of the Notes, against payment in same-day funds on or about February 16, 2017 which the Company expects will be the fifth business day following the date of this offering memorandum referred to as "T+5". You should note that initial trading of the Notes may be affected by the T+5 settlement. See "Plan of Distribution."
Trustee and Paying Agent	The Bank of New York Mellon, London Branch

Registrar and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.	
Collateral Agent	The Bank of New York Mellon	
Listings	Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded in a minimum board lot size of US\$200,000 for so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.	
Governing Law	The Notes and the Indenture 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 Standard and Poor’s Rating Services (“ S&P ”) and BB- by Fitch Ratings Ltd. (“ Fitch ”). 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
	XS 1565437057	156543705

SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

The following summary consolidated statements of income data for the years ended December 31, 2013, 2014 and 2015 and the summary consolidated statements of financial position data as of December 31, 2013, 2014 and 2015 have been derived from, and should be read in conjunction with, our audited consolidated financial statements, included elsewhere in this offering memorandum.

The following summary consolidated financial information as of and for the six months ended June 30, 2015 and 2016 has been derived from, and should be read in conjunction with, our unaudited interim condensed consolidated financial statements, included elsewhere in this offering memorandum. Such unaudited interim condensed consolidated financial information has not been audited by our independent auditor. You should not rely on such unaudited interim condensed consolidated financial information to provide the same quality of information that audited financial information would provide. See “Risk Factors – Risks Relating to our Business – Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2016 included in this offering memorandum has not been audited by our auditor. You should not place undue reliance on such unaudited financial information.” The unaudited interim condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, which we consider necessary for a fair statement of our financial position and operating results for the period presented. Results for interim periods are not indicative of results for the full year.

The financial information has been prepared and presented in accordance with HKFRSs, which differ in certain respects from generally accepted accounting principles in other jurisdictions. You should read the summary financial data below in conjunction with the section headed “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our audited consolidated financial statements and unaudited interim condensed consolidated financial statements that are included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future results.

Summary Consolidated Statements of Income and Other Financial Data

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(Unaudited)	(Unaudited)	(Unaudited)
	(in thousands)					
Revenue	20,771,255	20,718,670	23,835,889	8,803,816	9,302,948	1,399,803
Cost of sales	(16,088,038)	(16,844,627)	(18,979,683)	(7,322,606)	(7,367,700)	(1,108,608)
Gross profit	4,683,217	3,874,043	4,856,206	1,481,210	1,935,248	291,194
Fair value gains on investment properties	37,839	365,994	815,106	282,643	193,162	29,065
Selling and marketing costs	(592,032)	(613,387)	(828,126)	(282,550)	(384,205)	(57,811)
Administrative expenses	(680,028)	(701,787)	(1,035,500)	(443,823)	(508,776)	(76,555)
Other income	151,674	36,903	18,669	10,637	18,389	2,767
Other expenses	(4,152)	(2,405)	(3,885)	(2,325)	(1,030)	(155)
Other gains – net	46,270	105,627	14,153	6,692	175,944	26,474
Operating profit	3,642,788	3,064,988	3,836,623	1,052,484	1,428,732	214,979
Finance costs – net	(394,900)	(135,794)	(514,574)	(66,128)	(242,413)	(36,476)
Share of results of associates	(11,422)	2,849	103,810	65,057	(3,179)	(478)
Share of results of joint ventures	–	(10,195)	(61,905)	(14,606)	(41,631)	(6,264)
Profit before income tax	3,236,466	2,921,848	3,363,954	1,036,807	1,141,509	171,761
Income tax expense	(1,519,329)	(1,242,561)	(1,507,717)	(341,614)	(390,637)	(58,779)
Profit for the year/period	1,717,137	1,679,287	1,856,237	695,193	750,872	112,983
Attribute to:						
Equity holders of the Company	981,262	1,025,721	1,030,890	348,100	490,756	73,843
Non-controlling interests	735,875	653,566	825,347	347,093	260,116	39,139
Other Financial Data						
EBITDA ⁽¹⁾	4,339,993	3,369,884	3,985,807	1,170,025	1,376,194	207,074
EBITDA margin ⁽²⁾	20.9%	16.3%	16.7%	13.3%	14.8%	

- (1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and net gains or losses. EBITDA is not a standard measure under HKFRSs. 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. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating 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. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Summary Consolidated Statements of Financial Position Data

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(Unaudited)				
	(in thousands)				
ASSETS					
Non-current assets					
Property, plant and equipment	116,009	741,152	2,261,413	2,349,671	353,552
Investment properties	3,307,000	5,936,000	10,854,000	11,456,000	1,723,770
Intangible assets	9,836	17,574	36,310	32,724	4,924
Investments in associates	43,468	146,317	300,127	500,948	75,377
Investment in joint ventures	10,000	861,055	2,019,775	3,474,007	522,729
Deferred income tax assets	499,738	499,175	579,813	687,665	103,472
Available-for-sale financial assets	221,187	287,385	337,702	397,630	59,831
Derivative financial instruments	—	—	—	142,774	21,483
Land use rights	367,248	397,659	431,589	430,861	64,831
Other receivables and prepayments	198,538	976,544	169,467	1,140,432	171,599
	4,773,024	9,862,861	16,990,196	20,612,712	3,101,568
Current assets					
Prepayments for leasehold land	3,285,498	3,263,529	6,799,095	1,170,752	176,162
Properties held or under development for sale	28,728,964	29,862,468	32,739,898	38,443,991	5,784,618
Trade and other receivables and prepayments	2,112,831	3,216,397	6,527,190	11,361,744	1,709,587
Restricted cash	886,180	2,618,559	1,283,653	2,040,499	307,031
Cash and cash equivalents	7,411,713	4,817,907	6,478,861	9,204,013	1,384,916
	42,425,186	43,778,860	53,828,697	62,220,999	9,362,314
Total assets	47,198,210	53,641,721	70,818,893	82,833,711	12,463,882
OWNERS' EQUITY					
Capital and reserves attributable to equity holders of the Company					
Issued and fully paid capital	4,617	4,617	4,609	4,609	694
Reserves	6,717,031	7,639,363	8,165,760	8,335,508	1,254,233
	6,721,648	7,643,980	8,170,369	8,340,117	1,254,927
Non-controlling interests	3,876,311	4,707,042	5,292,979	5,108,068	768,604
Total equity	10,597,959	12,351,022	13,463,348	13,448,185	2,023,531
LIABILITIES					
Non-current liabilities					
Borrowings	11,715,075	10,555,452	15,004,889	18,534,377	2,788,844
Long-term payables	—	—	—	35,603	5,357
Deferred income tax liabilities	432,922	686,260	754,670	943,116	141,909
	12,147,997	11,241,712	15,759,559	19,513,096	2,936,110
Current liabilities					
Trade and other payables	10,368,476	12,023,131	20,008,074	20,320,027	3,057,528
Advances from pre-sale of properties	10,235,042	13,164,015	15,928,660	24,015,358	3,613,560
Current income tax liabilities	1,673,306	1,484,495	1,682,585	1,275,903	191,983
Borrowings	2,174,501	3,376,189	3,975,575	3,977,085	598,427
Dividends payable	929	1,157	1,092	284,057	42,742
	24,452,254	30,048,987	41,595,986	49,872,430	7,504,240
Total liabilities	36,600,251	41,290,699	57,355,545	69,385,526	10,440,351
Total equity and liabilities	47,198,210	53,641,721	70,818,893	82,833,711	12,463,882

RISK FACTORS

You should carefully consider the risks and uncertainties described below and all 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, results of operations or the market price of the Notes. If any of the possible events described below actually occurs, 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.

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business; (ii) risks relating of our industry; (iii) risks relating to doing business in the PRC; (iv) risks relating to the Notes and (v) risks relating to the Guarantees and the Collateral.

Risks Relating to Our Business

Our operations are subject to extensive government policies and regulations and, in particular, we are susceptible to changes in policies affecting the PRC property industry and the regions in which we operate.

Our business is subject to extensive governmental regulations and, in particular, we are susceptible to policy changes in the PRC property industry. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property industry.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of measures to discourage speculation and control the growth of the PRC property market. Demand for properties and property prices in China have fluctuated significantly in recent years, and are expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time. For example, as a result of changes in the PRC's economic environment and PRC government's tightening monetary policies, the growth of the PRC real estate market has slowed down with sales volumes or average selling prices decreasing in many major cities in 2014 as compared with the corresponding period in 2013 but has partially recovered in 2015 and 2016. Further restrictive measures adopted by the PRC government on bank loans, trust financing arrangements for real estate development projects and property purchases since April 2010 have had, and may continue to have, a dampening effect on property markets in the PRC.

We cannot assure you that the PRC government will not adopt more stringent industry policies and measures in the future. It is difficult to predict the impact these policies and measures may have on our sales volume and revenue. If we fail to adapt our operations to new policies or measures that may come into effect from time to time, or if our marketing and pricing strategies are not effective, our contracted sales and selling prices may decline, or we may incur additional costs, in which case our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected.

Since 2016, the local governments in various cities in PRC have announced a series of measures designed to stabilize the growth of the property market to a more sustainable level. For example, limit the number of residential home that households with local resident registration are able to purchase; raise down-payment ratio requirement (or even disallowing mortgage), depending on how many residential houses the buyers already own; limit the purchase of residential home by household without local resident registration and in some cases eligibility will be required (such as proving they have paid income tax or made social security contributions up to the requirement); stricter pre-sale management enhancements, such as not allowing developers to sell the projects before getting the pre-sale permit, and ensuring developers closely follow the rules during the pre-sale process; and tighter requirement for land bidding deposit. Such tightening measures were also announced in some of the cities in which we operate, including but not limited to, Shanghai, Nanjing, Suzhou, Hanzhou, Wuhan, Wuxi, Tianjin, Hefei, Jinan and Chengdu. These tightening measures may have adverse and material impacts on our business operations and financial performance.

Our business and prospects are heavily dependent on the performance of the PRC property markets, particularly in various major cities in Jiangsu Province and Shanghai.

We principally develop and sell properties in cities along the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta. As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. Our business continues to be heavily dependent on the property markets in Jiangsu Province and Shanghai. These property markets may be affected by factors in local, regional, national and global markets, including prevailing economic conditions, speculative activities in local markets, demand and supply dynamics in the property market, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital.

In addition, any decline in demand or prices for properties in the cities where we have operations could have a material adverse impact on our cash flows, financial position and results of operations. In particular, property prices and demand for properties in Jiangsu Province and Shanghai have fluctuated significantly in recent years. Further policies implemented by the PRC government on bank loans and trust financing arrangements for real estate development projects since January 2010 have had, and may continue to have, a dampening effect on the property markets in which we operate. Since 2014, regulations and policies for individual housing loan policies have been less stringent in order to stimulate the demands for properties.

We are subject to risks associated with certain covenants or restrictions under our bank borrowings which may adversely affect our business, financial condition and results of operations.

We are subject to certain restrictive covenants in the loan contracts between us and certain banks. Our loan agreements with each of Construction Bank of China, China Minsheng Banking Corp. Ltd., Agricultural Bank of China, Bank of China, PingAn Bank, Bank of East Asia, Huaxia Bank, China CITIC Bank and Xiamen International Bank contain cross-default clauses. If any cross-default occurs, such banks will be entitled to accelerate repayment of all or any part of the loans from such banks and to take action against all or any of the security for such indebtedness. In addition, some of our PRC operating subsidiaries are subject to certain material covenants that restrict them from carrying out any merger, restructuring, spin-off, reduction of registered share capital, material asset transfer, liquidation, change in shareholding or management structure, establishment of any joint venture, issuance of bonds or substantive increase of debt financing without the lenders' written consent. Furthermore, as long as such loans are outstanding, some of our relevant operating subsidiaries may not be able to provide guarantees to any third parties that would impair their ability to repay the relevant loans. We cannot assure you that we will be able to abide by all restrictive covenants and cross-default provisions of any of our loan contracts in the future. Should we fail to abide by these provisions, our lenders may be entitled to accelerate repayment of our loans, in which case our business, financial condition and results of operations will be adversely affected.

We had negative net operating cash flow for the years ended December 31, 2013 and 2015. If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially adversely affected.

For the year ended December 31, 2013 and 2015, we recorded negative net operating cash flow of approximately RMB3,267.8 million and RMB2,376.5 million, respectively. Our negative net operating cash flow was principally attributable to the long-term and capital-intensive nature of property development, our land acquisitions and business expansion during the relevant years. We fund our capital expenditures with internally generated funds and external financing. Negative net operating cash flow would require us to obtain sufficient external financing to meet our financial needs and obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to develop our projects as planned. As a result, our business, financial condition and results of operations may be materially adversely affected. We cannot assure you that we will not experience negative net cash flows in 2016 or in the future.

We may not have adequate financing to fund our future land acquisitions and property developments, and such capital resources may not be available on commercially reasonable terms, or at all.

Property development is capital-intensive, and we expect to continue to incur significant capital expenditures for construction and land acquisition. We finance our property projects primarily through a combination of internally generated funds, including proceeds from pre-sales and sales of our properties, and external financing, such as borrowings from financial institutions comprising China Banking Regulatory Commission (the “CBRC”) licensed commercial banks. Our ability to obtain external financing in the future and the cost of such financing are subject to uncertainties, some of which are beyond our control, including:

- requirements to obtain PRC government approvals necessary for obtaining financing in the domestic or international markets;
- our future results of operations, financial condition and cash flows;
- the condition of the international and domestic financial markets and financing availability thereof;
- changes in the monetary policies of the PRC government with respect to bank interest rates and lending practices; and
- changes in policies regarding regulation and control of the real estate market.

The PRC government has implemented a number of measures to manage money supply growth and credit availability, especially with respect to the property development sector. For example:

- the People’s Bank of China (the “PBOC”) has adjusted the Renminbi deposit reserve ratio several times since 2010;
- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008;
- commercial banks may not grant loans to property developers to pay land premiums; and
- the CBRC has issued guidelines that require at least 25% of the total investment in a property project to be funded by the developer’s own capital.

The above measures and other similar government actions and policy initiatives have limited our ability and flexibility in incurring additional indebtedness to finance our property projects. We cannot assure you that the PRC government will not introduce other initiatives that may further limit our access to capital, or that we will be able to secure adequate financing or renew our existing credit facilities on commercially reasonable terms, or at all.

Our financing costs are subject to changes in interest rates.

We have incurred and expect to continue to incur significant interest expenses relating to our borrowings. Accordingly, changes in interest rates have affected and will continue to affect our financing costs. Because the majority of our borrowings are in Renminbi, the interest rates on our borrowings are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. As of December 31, 2013, 2014 and 2015 and six months ended June 30, 2016, the weighted average effective interest rate on our bank borrowings was 6.85%, 5.71%, 6.51% and 5.30%, respectively. Our interest costs incurred in the years ended December 31, 2013, 2014 and 2015 and six months ended June 30, 2016 were RMB1,209.8 million, RMB1,291.0 million, RMB1,393.2 million and RMB770.0 million (US\$115.9 million) respectively. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby adversely affect our business, financial condition and results of operations.

We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future.

The growth and success of our business depend on our ability to continue to acquire land reserves in desirable locations that are suitable for our projects at commercially reasonable prices. Our ability to acquire land may depend on a variety of factors, such as overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. Our land reserves were primarily acquired in land auctions held by local governments and through the acquisition of property development companies or property development rights from other developers. The availability and price of land sold at auctions depend on factors beyond our control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Furthermore, the rapid development of the cities in Jiangsu Province and Shanghai in recent years has resulted in a shortage in the supply of undeveloped land in desirable locations and increased land acquisition costs, which is one of the largest components of our cost of sales.

We may not successfully manage our growth and expansion.

In recent years, we have diversified our product portfolio by expanding into the development of mixed-use complex projects. For instance, we began developing Wanbo Fashion Mall in Changzhou, Jiangsu Province in 2008 and are currently developing 17 other mixed-use complex projects. In addition to growing our presence in Shanghai, Nanjing, Hangzhou, Wuxi, Suzhou, Nantong, Zhenjiang, Taizhou and Jiaxing in the Yangtze River Delta, we have been expanding our geographic coverage to Changsha in Hunan Province, Wuhan in Hubei Province, Nanchang in Jiangxi Province, Changchun in Jilin Province, Anqing in Anhui Province, Haikou Province, Qingdao and Jinan in Shandong Province and Chengdu in Sichuan Province. We are also expanding into the development and operation of hotels and offices and engaging in commercial leasing. We intend to continue to diversify our business.

Expanding into new business segments and geographical locations involves uncertainties and challenges due to our unfamiliarity with new business segments or local regulatory practices and customs, customer preferences and behavior, the reliability of local contractors and suppliers, business practices, business environments and municipal-planning policies. In addition, expanding our business into new geographical locations would entail competition with developers who have a stronger local presence, greater familiarity with local regulatory and business practices and customs, and stronger ties with local suppliers, contractors and purchasers.

As we may face challenges not previously encountered, we may fail to recognize or properly assess risks or take full advantage of opportunities, or otherwise fail to adequately leverage our past experience to meet challenges encountered in these new activities. We may also have difficulty in promoting and maintaining high occupancy rates and/or rental rates in the investment properties that we are currently developing after these properties are completed and commence operations.

Expanding our business requires significant capital and management resources. We will also need to increase our workforce to match the expansion of our business. We may also face considerable reputational and financial risks if any new sector of our business is mismanaged or does not meet the expectations of our customers. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, necessary government approvals in carrying out our property development and management operations.

The property industry in the PRC is heavily regulated. Property developers must abide by various laws and regulations, including rules stipulated by national and local governments to enforce these laws and regulations. To engage in property development and management operations, we must satisfy certain requirements to obtain (and renew for those relating to on-going operations) various licenses, permits, certificates and approvals, including but not limited to, qualification certificates, land use rights certificates, construction work commencement permits, construction work planning permits, construction land planning permits, pre-sale permits and completion certificates.

We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter other material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

Our results of operations may vary significantly from period to period as we derive our revenue principally from the sale of properties.

We derive the majority of our revenue from the sale of properties that we have developed. Our results of operations may fluctuate in the future due to a combination of factors, including the overall schedule of our property development projects, the level of acceptance of our properties by prospective customers, the timing of the sale of properties that we have developed, our revenue recognition policies and any changes in costs and in expenses, such as land acquisition and construction costs. In addition, our property developments are often developed in multiple phases over the course of several years. Typically, as the overall development approaches completion, the sale prices of the properties in such developments tend to increase because a more marketable property is available to purchasers. Furthermore, according to our accounting policy for revenue recognition, we recognize revenue from the sale and pre-sale of our properties upon delivery to purchasers. Generally, there is a timing difference, typically ranging from one year to one and a half years, between the time we commence pre-sale of properties under development and completion of properties. Because the timing of completion of our properties varies according to our construction timetable, our results of operations may vary significantly from period to period depending on the GFA sold or pre-sold and the timing of completion of the properties we sell. Periods in which we pre-sell a large amount of aggregate GFA, however, may not be periods in which we generate a correspondingly high level of revenue, if the properties pre-sold are not completed and delivered within the same period. The effect of timing of delivery on our operational results is accentuated by the fact that during any particular period of time we can only undertake a limited number of projects due to our substantial capital requirements for land acquisition and construction costs as well as the limited supply of land.

Accordingly, our interim results for a certain period may not be indicative of our performance for that financial year or otherwise comparable to our results in previous periods. In light of the above, period-to-period comparisons of our operating results may not be as meaningful as they would be for a company with a greater proportion of recurring revenues.

Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2016 included in this offering memorandum has not been audited by our auditor. You should not place undue reliance on such unaudited financial information.

Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2016 included in this offering memorandum (together with certain unaudited condensed consolidated financial information for the six months ended June 30, 2015) is derived from our interim report that was released on September 14, 2016, and has not been audited by our independent auditor, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong. Such unaudited financial information included in this offering memorandum is preliminary and subject to potential adjustments. Necessary adjustments to such unaudited interim condensed consolidated financial information may be identified during our audit work for the whole year, and such adjustments could result in significant differences from this preliminary unaudited interim condensed consolidated financial information. You must exercise caution when using the unaudited financial information presented in this offering memorandum to evaluate our financial condition and results of operations. You should not rely on such unaudited interim condensed consolidated financial information to provide the same quality of information that audited financial information would provide.

We rely on third-party contractors to develop our projects.

We engage third-party contractors to carry out various services relating to our property development projects, including design, foundation building, construction, equipment installation, engineering and landscaping. We generally select third-party contractors through a tender process based on their reputation and track record, reliability and financial strength. If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost structure and development schedule of our projects and could have a negative impact on our reputation, credibility, financial position and business operations. In addition, as we are expanding our business into new geographical locations in the PRC, we may have difficulty hiring contractors that meet our quality standards.

We may engage third-party contractors or management companies to manage the daily operations of our hotels and offices. If the performance of our third-party contractors or management companies is not satisfactory to our customers, our investment properties may experience lower occupancy rates, which would lead to a loss of income or have an adverse impact on our reputation. If we are unable to successfully manage our investment properties, our business, financial condition, results of operations and prospects could be materially adversely affected.

We may not be able to complete our development projects on time, or at all.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before they generate positive net cash flow through sales, pre-sales, leasing or rentals. Depending on the type of investment properties and the revenue generated, it may take a year or more after the completion of these properties before we recognize revenue from such projects. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules. The schedules of our project developments depend on a number of factors, including the performance and efficiency of our third-party contractors and our ability to finance construction. Other factors that could adversely affect our project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- changes in relevant regulations and government policies;
- relocation of existing residents and/or demolition of existing constructions;

- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents; and
- errors in judgment on the selection and acquisition criteria for potential sites.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm our reputation as a property developer, lead to loss of or delay in recognizing revenues and lower returns. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. We cannot assure you that we will not experience any significant delays in completing or delivering our projects in the future or that we will not be subject to any liabilities for any such delays.

We may forfeit land to the PRC government if we fail to develop properties in accordance with the terms and timeframe set out in the land grant contracts.

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 grant premium, demolition and resettlement costs and other fees, the designated use of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose a penalty, and order us to forfeit the land. Specifically, under current PRC laws, if we fail to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land of up to 20% of the land grant premium. The relevant PRC land bureau also may confiscate our land use rights without compensation if we fail to commence development within two years from the construction commencement date set forth in the land grant contract, unless the delay in the development is caused by government actions or force majeure. Moreover, if a property developer commences development of the land in accordance with the timeframe stipulated in the land grant contract and the developed GFA on the land is less than one-third of the total proposed GFA of the project or the total invested capital is less than one-fourth of the total investment of the project and the development of the land is suspended for more than one year without government approval, the land may be treated as idle land and subject to risk of forfeiture.

In September 2007, the Ministry of Land and Resources issued a notice to strengthen control over the supply of land by requiring developers to develop land according to the terms of the land grant contracts and restricting the participation of non-compliant developers in land auctions. In January 2008, the State Council issued the Notice on Promoting the Land Saving and Efficient Use (關於促進節約集約用地的通知) (國發[2008]3號) to intensify the enforcement of rules on idle land management. Furthermore, the Ministry of Land and Resources issued the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) (國土資發[2009]106號) in August 2009, which reiterated then existing rules on idle land management. On June 1, 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法) (國土資源部令第53號), which became effective on July 1, 2012.

These measures require the competent land authorities not to accept any application for new land use rights or process any title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of any idle land before the completion of the required rectification procedures. Our business operations are subject to these measures, which may restrict our development plans and materially and adversely affect our results of operations, prospects and financial condition.

The illiquidity of property investments and the lack of alternative use for investment properties could limit our ability to respond to adverse changes in the performance of our properties.

We had investments or held interests in approximately 843,000 sq.m. of investment properties as of June 30, 2016. We expect to increase our investment property portfolio in the future. Any form of real estate investment is illiquid and, as a result, our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We also cannot predict the length of time needed to find purchasers to purchase such investment properties. In addition, we may also need to incur capital expenditure to manage and maintain our properties, or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures would be available when needed, or at all.

Furthermore, aging of investment properties, changes in economic and financial condition or changes in the competitive landscape in the PRC property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties. However, our ability to convert any of our investment properties to alternative use is limited as such conversion requires extensive governmental approvals in the PRC and involves substantial capital expenditures for the purpose of renovation, reconfiguration and refurbishment. We cannot assure you that such approvals and financing can be obtained when needed. These and other factors that impact our ability to respond to adverse changes in the performance of our investment in properties may adversely affect our business, financial condition and results of operations.

The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations.

In accordance with PRC regulations on LAT, companies that receive income from the sale or transfer of land use rights, buildings and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property.

We make provisions for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations from time to time pending settlement of the same with the relevant tax authorities. As we often develop our projects in phases, deductible items for calculation of LAT, such as land costs, are apportioned among such different phases of development. Provisions for LAT are made on our own estimates based on, among others, our own apportionment of deductible expenses which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We believe that our overall provisions for LAT are sufficient. However, given the time gap between the point at which we make provision for and the point at which we settle the full amount of LAT payable, the relevant tax authorities may not necessarily agree with our apportionment of deductible expenses or other bases on which we calculate LAT. Hence, our LAT expenses as recorded in our financial statements of a particular period may require subsequent adjustments. For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, we recorded approximately RMB866.6 million, RMB597.1 million, RMB614.5 million, RMB71.6 million and RMB7.4 million (US\$1.1 million) respectively, as LAT expenses. If we substantially underestimate LAT for a particular period, a payment of the actual LAT assessed and levied on us by the tax authorities could adversely affect our financial results for a subsequent period.

The property development business is subject to claims under statutory quality warranties.

All property developers 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. Generally, we receive quality warranties from our third-party contractors with respect to our property projects. If a significant number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and materially adversely affect our business, financial condition and results of operations.

Our property development schedule may be delayed and our development costs may increase as a result of delayed governmental re-zoning, demolition and resettlement processes.

According to the Regulation on Expropriation and Compensation Related to Buildings on State-owned Land (國有土地上房屋徵收與補償條例) (國務院令第590號), buildings can be expropriated under certain circumstances for public interests but only governmental authorities are permitted to conduct resettlement activities. Real estate developers are prohibited from involvement in the demolition and relocation procedures. If the owners of properties to be demolished are not satisfied with the expropriation decision, they may apply for an administrative review or initiate a lawsuit against the relevant governmental authorities. Compensation for expropriation shall be paid before the resettlement and no less than the market value of similar properties at the time of an expropriation. The occurrence of the foregoing may affect our reputation, increase our costs and delay the pre-sales of the relevant project, which may in turn adversely affect our business, financial position and operational performance.

To the extent demolition and resettlement are required in any of our future property developments, we will be required to compensate existing residents an amount calculated in accordance with local resettlement compensation standards. These local standards may change from time to time without advance notice. If such compensation standards are changed to increase the compensation we are required to pay, our land acquisition costs may increase, which could adversely affect our financial condition and results of operations. In respect of projects in which the resettlement costs are borne by us, if we or the local government fail to reach an agreement over the amount of compensation with any existing owner or resident, any party may apply to the relevant authorities for a ruling on the compensation amount. Dissenting owners and residents may also refuse to relocate. Any administrative process or resistance or refusal to relocate may delay our future project development schedules, and an unfavorable final ruling may result in us paying more than the amount required by the local standards. Any occurrence of the above factors may result in increases in our future development costs, which can adversely affect our cash flows, financial condition and results of operations.

Fluctuations in the price of construction materials and contractors' labor costs could adversely affect our business and financial performance.

The cost of construction materials such as steel as well as labor costs, which constitute a significant portion of our payments to our construction contractors, may fluctuate. Any increase in the cost of construction materials may result in additional costs to us and may lead to future increases in construction contract costs. Construction material costs have fluctuated in recent years. Any increase in the cost of any significant construction materials will adversely impact our overall construction costs, which is generally one of the largest components of our cost of sales. If we cannot pass any or all of the increased costs on to our customers, our profitability will be adversely affected.

If we were unable to successfully retain the services of our current personnel and hire, train and retain senior executives or key personnel, our ability to develop and successfully market our products could be harmed.

The growth and success of our business has depended significantly on certain members of our senior management, in particular, Chairman Wang. Chairman Wang has approximately 27 years of experience in operating and managing enterprises in China and has more than 19 years of experience in leading our business. In addition, several other members of our management have worked for us for many years and have played, and are expected to continue to play, key roles in making major business decisions. If we were to lose the services of Chairman Wang or any of our senior management for any reason, we may not be able to find suitable replacements for them. As competition in the PRC for senior management and key personnel with experience in property development is intense and the pool of qualified candidates is limited, we may not be able to retain the services of key personnel, or hire, train and retain high quality senior executives or key personnel in the future. In addition, if any member of our senior management team or any of our other key personnel were to join a competitor or carry on a competing business, we may lose customers and key professionals and staff members. Furthermore, as our business continues to grow, we will need to recruit and train additional qualified persons. If any of such incidents occurred, our ability to develop and successfully market our products could be harmed and our business and prospects could be adversely affected.

Potential liability for health and environmental problems could result in substantial costs.

We are subject to a variety of laws and regulations concerning the protection of health and the environment. Environmental laws can prohibit or severely restrict property development activities in environmentally sensitive regions or areas. Compliance with health and environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs and can severely restrict project development activities in environmentally sensitive regions or areas.

As required by PRC laws, independent environmental consultants have conducted environmental impact assessments on all of our construction projects, and the environmental impact assessment documents for our projects were approved by the relevant government authorities before commencement of construction. Local authorities may suspend the construction activities of and impose penalties on project companies that commence construction of a project before the approval of the project's environmental impact assessment documents. It is possible that there may be material environmental liabilities of which we are unaware, and which may have a material adverse impact on our business.

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

We may from time to time be involved in disputes with various parties involved in the development and the sale of our properties, including contractors, suppliers, construction companies, original inhabitants who are resettled, business partners and purchasers of our properties. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs and diversion of resources and management's attention from our core business activities. Purchasers of our properties may take legal action against us if our developed properties are perceived to be inconsistent with our representations and warranties made to such purchasers. In addition, we may have compliance issues with regulatory bodies in the course of our operations, in respect of which we may face administrative proceedings and unfavorable decisions that may result in liabilities and cause delays to our property developments. We may be involved in other proceedings or disputes in the future that may have a material adverse effect on our business, financial condition, results of operations or cash flows.

False, inaccurate or negative media reports about us or our projects, whether substantiated or not, may cause harm to our reputation, divert our management's attention and adversely affect our business and results of operations.

The development and future trends in the PRC property industry, including business strategies of major property developers, have been the focus of numerous media reports. We are aware of some inaccurate media reports about us and our projects. The dissemination of such inaccurate or negative media reports or public allegations about us, whether or not substantiated, may adversely harm our reputation and affect public opinion about us and our projects. In addition, such inaccurate or negative media reports may require us to engage in defensive actions, which may divert our management's attention and adversely affect our business and results of operations. We cannot assure you that there will not be any other false, inaccurate or negative media reports about us or our projects in the future. In addition, we do not make any representations as to the appropriateness, accuracy, completeness or reliability of the information in such reports. To the extent that the information in such reports is inconsistent or conflicts with this offering memorandum, you should not rely on such information in making an investment decision and should rely only on the information included in this offering memorandum.

The appraised value of our properties may be different from their actual realizable value and are subject to change.

The appraised value of our properties is based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties and land reserves are based, include that:

- we will develop and complete projects in accordance with our latest development proposals;
- we have obtained or will obtain on a timely basis all approvals from regulators necessary for the development of the projects, absence of delays caused by weather and natural disasters, and the timely completion of demolition and relocation; and

- we have paid all the land premiums and demolition and resettlement costs and obtained all land use rights certificates and transferable land use rights without any obligation to pay additional land premium or demolition and resettlement costs.

Some assumptions used to reach the appraised value of our properties may prove inaccurate. Therefore, the appraised value of our properties should not be taken as their actual realizable value or a forecast of their realizable value. Unforeseeable changes to the development of our property projects as well as national and local economic conditions may affect the market value of our property holdings.

Our operating results include the change in fair value of our investment properties, which may fluctuate significantly over financial periods and may materially and adversely affect our business, financial position and results of operations.

For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, the fair value gains of our investment properties were RMB37.8 million, RMB366.0 million, RMB815.1 million and RMB193.2 million, respectively, accounting for approximately 1.2%, 12.5%, 24.2% and 16.9%, respectively, of our profit before tax in those financial periods. The change in fair value in relation to our investment properties may fluctuate in the future. Our business, financial position and results of operations may be materially and adversely affected by any significant change in the fair value of our investment properties that are completed or under development or any transfer of properties held for sale/under development to investment properties.

Fair value gain of investment properties is an accounting treatment and does not represent any actual cash inflow that the Company is able to receive. It is determined by reference to valuations conducted on the investment properties by independent property valuers using property valuation techniques which involve certain assumptions of prevailing market conditions. Changes to these assumptions may result in changes in the fair value of the investment properties, which in turn may lead to changes in our business, financial position and results of operations. Investors must exercise their own judgment when reviewing such financial statement items.

Our current insurance coverage may not be adequate to cover all risks related to our operations.

Under PRC law, construction companies bear the primary civil liability for personal injuries arising out of their construction work. The owner of a property under construction may also bear liability supplementary to the liability of the construction company if the latter is not able to fully compensate the injured. The owner of the property may also bear civil liability for personal injuries, accidents and death if such personal injuries, accidents or death are caused by the fault of such owner.

In respect of the properties we hold for commercial leasing or investment, we do not have a unified policy of procuring insurance policies for all such properties. While some of our commercial properties are covered by property all-risk, equipment damage and public liability insurance, each of our subsidiaries holding an interest in and/or managing commercial properties is at liberty to adopt its own insurance policy from different insurance companies with different coverage. The level of insurance coverage acquired for each of the commercial properties we own and/or manage may not be adequate to cover all losses. In addition, none of the properties held or managed by us for investment were covered by loss of profits insurance. Furthermore, there are certain types of losses, such as losses due to earthquakes, typhoons, floods, wars and civil disorders, for which insurance is not available on what we believe to be commercially reasonable terms in China. As a result, we have not purchased insurance to cover any such losses.

If we suffer any losses, damages or liabilities in the course of our business operations, we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. Therefore, there may be instances when we will sustain losses, damages and liabilities because of our lack of insurance coverage, which may in turn materially adversely affect our financial condition and results of operations.

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

In accordance with industry practice, banks require us to guarantee mortgage loans taken by purchasers of the properties that we develop. Typically, we guarantee mortgage loans taken out by purchasers up until the time we complete the relevant properties and (i) the property ownership certificates and the mortgage are registered in favor of the mortgagee bank or (ii) the mortgage loans between the mortgagee bank and the purchaser are settled. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers and rely on the credit evaluation conducted by the mortgagee banks on such customers. These are contingent liabilities not recognized in our consolidated statements of financial position.

As of June 30, 2016, our outstanding guarantees in respect of the residential mortgages of our customers amounted to RMB14,381.5 million (US\$2,164.0 million). Should any material default occur and if we were called upon to honor our guarantees, our financial condition and results of operations could be adversely affected.

Certain important decisions regarding Future Land Holdings may require approval by its independent directors and/or the consent of its shareholders' meeting and we cannot assure you that our strategies, policies and objectives will be adopted by the shareholders' meeting.

A substantial part of our business is carried out through Future Land Holdings, whose A shares are listed on the Shanghai Stock Exchange since November 3, 2015 through a restructuring, for details, please refer to “Business – Restructuring”. As of the date of this offering memorandum, Future Land Holdings' issued capital was held as to 68.27% by us and as to 31.73% by other shareholders. Future Land Holdings has historically contributed a significant portion of our Group's total revenue. See “Relationship with Future Land Holdings.”

Although Future Land Holdings is majority owned by us, it is a public company and thus required under relevant PRC laws and regulations to observe the applicable corporate governance rules that require its operations to be conducted independently of its controlling shareholders. Certain important decisions that may materially affect the interests of the A-shareholders of Future Land Holdings as a whole, including but not limited to, any decision to issue new securities of the company, undergo material restructuring of assets, acquire substantial assets, procure overseas listing of material subsidiaries or repurchase shares from shareholders as repayment of any loan extended to such shareholders, require approval of the independent directors and/or the shareholders of Future Land Holdings who are independent from its controlling shareholders, in accordance with the terms of its articles of association. We cannot assure you that the strategies, policies and objectives that we support regarding Future Land Holdings will align with the interests of its independent directors and/or shareholders.

We may not obtain the expected benefits of our restructuring.

We believe our restructuring will provide us with greater access to capital through the A share market, allow us to seek financing on more favorable terms and command a more favorable price earnings ratio. We also believe that combining the two business lines of residential property development and mixed use property development into a single listed vehicle will improve our efficiency and cost savings. However, it is possible that these expected benefits may not be obtained as a result of market conditions or other circumstances. As a result, it is possible that we may incur substantial restructuring costs without realizing the expected benefits.

Risks Relating to Our Industry

The PRC property market is heavily regulated and subject to frequent introduction of new regulations, including further measures by the PRC government to slow down the growth of the property sector, which may adversely affect property developers.

The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. In recent years, the PRC government has introduced a series of regulations and policies designed to generally control the growth of the property market, including, among others:

- strictly enforcing the idle land related laws and regulations;
- restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio of less than certain prescribed percentage; and
- restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.

In particular, the PRC government also introduced the following policies, among others, to specifically control the growth of the residential property market:

- limiting the maximum amount of monthly mortgage and the maximum amount of total monthly debt service payments of an individual borrower;
- imposing a value-added tax levy on the sales proceeds for second-hand transfers subject to the length of holding period and type of properties;
- increasing the minimum amount of down payment of the purchase price of the residential property of a family;
- tightening the availability of individual housing loans in the property market to individuals and their family members with more than one residential property;
- imposing a 20% individual income tax on the gain (deducting all the reasonable expenses on selling the properties) from the sale of second-hand properties; and
- limiting the availability of individual housing provident fund loans for the purchase of second (or more) residential properties by employees and their family members.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of measures to discourage speculation and control the growth of the PRC property market. Demand for properties and property prices in China have fluctuated significantly in recent years, and are expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time. For example, as a result of changes in the PRC's economic environment and PRC government's tightening monetary policies, the growth of the PRC real estate market has slowed down with sales volumes or average selling prices decreasing in many major cities in 2014 as compared with the corresponding period in 2013 but has partially recovered in 2015 and 2016. Further restrictive measures adopted by the PRC government on bank loans for real estate development projects and property purchases since April 2010 have had, and may continue to have, a dampening effect on property markets in the PRC. The performance of the property market and our business will continue to be affected by a number of macroeconomic factors, including the growth of the PRC economy, interest rates, RMB exchange rate and the political, economic and regulatory environment in the PRC.

The PRC property market is volatile.

The PRC property market is volatile and may experience undersupply or oversupply of property units and significant property price fluctuations. Our business depends and will continue to depend on the growth of the economy in the PRC. A significant downturn in the PRC economy could adversely affect the demand for commercial and residential properties.

The PRC central and local governments frequently adjust monetary, fiscal or other economic policies to prevent and curtail the overheating of the economy, which may affect the PRC property market. Such policies may lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of commercial and residential properties, which may materially adversely affect our business and financial condition. We cannot assure you that there will not be overdevelopment in the PRC property markets, which may in turn cause an oversupply of properties that depresses sale prices and rental income, that would result in an undersupply of potential development sites or increases in land acquisition costs in the markets in which we operate. Such effects may adversely affect our business, financial condition and results of operations.

We face intense competition.

The property market in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor where we have operations and we may expand into. Many of our competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than us and may be more sophisticated than us in terms of engineering and technical skills. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to property price decline, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. Moreover, property markets across the PRC are influenced by various other factors, including changes in economic conditions, banking practices and consumer sentiment. If we fail to compete effectively, our business operations and financial condition will suffer.

Risks Relating to Doing Business in the PRC

PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.

The PRC economy differs from the economies of most of the developed countries in many aspects, including:

- political structure;
- the amount and degree of the PRC government involvement and control;
- level of corruption;
- growth rate and degree of development;
- level and control of capital investment and reinvestment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. We cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. For example, the PRC government has in the past implemented a number of measures intended to slow down certain segments of the economy, including the real estate industry, which the government believed to be overheating. These actions, as well as other actions and policies of the PRC government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics.

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. In addition, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of SARS or an outbreak of any other epidemics in China, such as the avian flu or the human swine flu, especially in the cities where we have operations, may result in material disruptions to our property development projects and our sales and marketing efforts, which in turn may adversely affect our financial condition and results of operations.

Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to you.

Our business is conducted in China and is governed by PRC laws and regulations. All of our subsidiaries are located in China and are subject to PRC laws and regulations. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little precedential value and can only be used as a reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since

1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, because 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, sometimes a significant 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 relatively 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 such regulation, we may be subjected to penalties or other enforcement actions by relevant PRC government authorities. Depending on the government agency or how or by whom an application or case is presented to such agency, we may receive a less favorable interpretation of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors, including you.

We may be deemed a PRC resident enterprise under the PRC EIT Law and be subject to PRC taxation on our worldwide income.

Under the PRC Enterprise Income Tax Law (“**PRC EIT Law**”) 《中華人民共和國企業所得稅法》(主席令第63號), which came into effect on January 1, 2008, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and their global income will generally be subject to the uniform 25% Enterprise Income Tax (“**EIT**”) rate. Under the Implementation Rules for the PRC EIT Law, “de facto management bodies” are defined as the 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. In April 2009, the PRC State Administration of Taxation (the “**SAT**”) promulgated a circular to clarify the definition of “de facto management bodies” for enterprises incorporated overseas with controlling shareholders being onshore enterprises or enterprise groups in China. However, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by PRC individual residents, as in our case. Therefore, we may be treated as a PRC resident enterprise for PRC EIT purposes. The tax consequences of such treatment are currently unclear as they will depend on how PRC finance and tax authorities apply or enforce the PRC EIT Law and the Implementation Rules.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC real estate industry contained in this offering memorandum.

Facts, forecasts and other statistics in this offering memorandum relating to China, the PRC economy and the PRC real estate industry have been derived from various official government publications generally believed to be reliable. However, we cannot guarantee the quality or reliability of such materials. They have not been prepared or independently verified by us, the Initial Purchasers or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside China. We have, however, taken reasonable care in the reproduction and/or extraction of the official government publications for the purpose of disclosure in this offering memorandum. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this offering memorandum may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy and the PRC real estate industry contained in this offering memorandum.

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 through our PRC subsidiaries. The Notes will not be guaranteed by any current or future PRC subsidiaries. Our primary assets are ownership interests in our PRC subsidiaries, which are held through the Subsidiary Guarantors and certain 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 distributions of dividends from our subsidiaries.

Creditors, including trade creditors, of Non-Guarantor Subsidiaries and any holders of preferred shares in such entities would have a claim on the Non-Guarantor 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 our Non-Guarantor 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, we had trade and other payables of RMB20,320.0 million (US\$3,057.5 million), outstanding bank borrowings of approximately RMB8,661.8 million (US\$1,303.3 million) and we had provided guarantees of RMB14,381.5 million (US\$2,164.0 million) to PRC banks in respect of the mortgage loans provided by the banks to purchasers of our developed properties. The Notes and the indenture permit us, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) and the Non-Guarantor Subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. 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. See "Risk Relating to the 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." Recovery under a JV Subsidiary Guarantee 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 substantial indebtedness, including that under the July 2019 Notes and the November 2017 Notes, 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. Our outstanding current and non-current borrowings, which include our borrowings from banks, corporate bonds and senior notes were RMB13,889.6 million, RMB13,931.6 million, RMB18,980.5 million and RMB22,511.5 million (US\$3,387.3 million) as of December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, respectively. In addition, as of the date of this offering memorandum, the principal amount of our July 2019 Notes amounted to US\$350.0 million and the principal amount of our November 2017 Notes amounted to US\$250.0 million.

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 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 (including bank borrowings and/or onshore or offshore bond offerings) and contingent liabilities. 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 be able to 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 governing the Notes 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 exceptions to the financial ratio requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We might not be able to meet these ratios. Certain of our existing financing arrangements also impose operating and financial restrictions on our business. See the section headed “Description of Material Indebtedness and Other Obligations.” Such restrictions in the indenture 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 or the general economy. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Notes and other debt.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including these 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.

We may designate members of the Restructuring Group (as defined in “Description of the Notes”) as Unrestricted Subsidiaries under the Indenture if and when we decide to proceed with the Restructuring.

Although we do not have any specific plan yet, we may designate members of the Restructuring Group as Unrestricted Subsidiaries under the Indenture, if and when we consider appropriate, subject to certain conditions, including, among others, that our Board of Directors has determined in good faith that the designation of Unrestricted Subsidiaries is necessary to obtain approval from the relevant stock exchange for the Restructuring. Following such designation:

- interest expenses on Indebtedness (as defined in the Indenture) of such entity will not be included in the calculation of our Consolidated Interest Expense (as defined under “Description of the Notes”), other than such interest expenses on Indebtedness that is Guaranteed and payable by us or a Restricted Subsidiary;
- the net income of the Restructuring Group will not be included in the calculation of our Consolidated Net Income and Consolidated EBITDA under the Indenture except to the extent of the cash actually distributed to us or any Restricted Subsidiary as a dividend or other distribution from the Restructuring Group;
- any Investment by us or any Restricted Subsidiary in the Restructuring Group would need to satisfy the “Limitation on Restricted Payments” covenant; and
- future transactions between us or any Restricted Subsidiary on the one hand and any member of the Restructuring Group on the other will need to comply with the requirements in the “Limitation on Transactions with Shareholders and Affiliates” covenant, except for those that (i) are entered into in connection with the Restructuring, or (ii) are entered into in the ordinary course of business, on fair and reasonable terms and are disclosed in the offering documents issued in connection with the Restructuring, or any amendment, modification, extension or replacement thereof, subject to certain conditions.

As a result of any such designation, the value of assets subject to the restrictive covenants under the Indenture may decrease and the market price and trading of the Notes may be materially affected. Accordingly, you are cautioned as to our intended initial designation of Unrestricted Subsidiaries under the Indenture, notably the subsidiaries within the Restructuring Group, and our ability to designate further Unrestricted Subsidiaries subject to the conditions set forth in the Indenture.

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 currently do not have any substantial business operation, and we do not plan to so in the near future. As a result, 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 obligations. If we are unable to receive dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, we may not be able to meet our obligations under the Notes. The ability of our subsidiaries to pay dividends and to make payments on intercompany loans or advances to their shareholders is subject to, among other things, their distributable earnings and cash flow conditions, restrictions contained in the articles of association and the financing agreements entered into by our subsidiaries and applicable laws. For example, some of our subsidiaries are restricted from distributing dividends until their existing indebtedness is paid off and

they start to generate profit. In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such equity securities would not be available to us to make payments on the Notes. Furthermore, most of our PRC subsidiaries are held through our A-share listed subsidiary, Future Land Holdings. As an A-share listed company, Future Land Holdings is subject to PRC securities laws and the listing rules of Shanghai Stock Exchange, which may place more restrictions on its ability to declare and issue dividends as compared to our non-public PRC subsidiaries. In addition, given that Future Land Holdings is not 100% controlled by us, we will only be entitled to receive a portion of any dividends issued by Future Land Holdings. 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 obligations of the Subsidiary Guarantors or the JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the 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 HKFRSs 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. In practice, our PRC project companies may pay dividends only after they have completed the development of the project (or at least the development of a phase or a stand-alone tower or building), collected payment and completed the required government tax clearance and foreign exchange procedures. In addition, dividends paid by our PRC subsidiaries to their non-PRC parent company 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 arrangements relating to the avoidance of double taxation 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 on Interpretation and Determination of the “Beneficial Owners” Under 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) (國稅函[2009]601號) from SAT dated October 27, 2009, tax treaty benefits are not available to conduit or shell companies without substantive business activities. Therefore, it is unclear whether dividend payments made by our PRC subsidiaries to our Hong Kong subsidiary (which holds the equity interests in our PRC subsidiaries) will qualify for the 5% rate in any particular year. As a result of such restrictions, there could be limitations, including timing limitations, on our ability to receive payments from our PRC subsidiaries to meet our payment obligations under the Notes and the obligations of the Subsidiary Guarantors or the 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, although we currently do not have any offshore shareholder loan to our PRC subsidiaries, we may resort to such offshore lending in the future, rather than equity contributions, to our PRC subsidiaries to finance their operations. In such event, the market interest rates 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 shareholder 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 withholding tax at a rate of 10% (or a lower treaty rate, if any) on our behalf on the interest paid under any shareholder loan. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries (as foreign-invested enterprises in China) must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with the State Administration of Foreign Exchange of the PRC (“SAFE”), as well as any other documents that 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 the JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the JV Subsidiary Guarantees, as the case may be.

Under PRC regulations, we may not be able to transfer to our PRC subsidiaries proceeds from this offering in the form of a loan, which could impair our ability to make timely payments of interest, or even principal, under the Notes.

According to the existing PRC rules and regulations relating to supervision of foreign debt, loans by foreign companies to their subsidiaries in China are considered foreign debt, and such debt must be registered with the relevant local branches of SAFE. In April 2013, the SAFE issued the Administrative Measures for Registration of Foreign Debt (外債登記管理辦法) (匯發[2013]19號) and Guidelines on the Administration of Registration of Foreign Debt (外債登記管理操作指引) (匯發[2013]19號), which provide that (inter alia) (i) the SAFE will not process a foreign debt registration of any foreign invested real estate enterprise which obtained its certificate of authorization and completed the filing procedures with MOFCOM on or after June 1, 2007; (ii) foreign invested real estate enterprises established prior to June 1, 2007 may borrow foreign debt up to an amount not exceeding the difference between its total investment and registered capital; and (iii) a foreign invested real estate enterprise that has not fully paid up its registered capital or obtained land use rights certificates, or the paid-in capital of its development projects is less than 35% of the total investment of such projects is not allowed to borrow foreign debt. Our subsidiary, Wealth Zone Development Holdings Co., Ltd. has been a foreign invested-enterprise since August 2003. Therefore, the proceeds of this offering can be transferred to it as loans. However, the amount of the loans shall not exceed the difference between its total investment and registered capital, and such loans are required to be registered with the relevant local branches of SAFE.

In addition, equity contributions by us and our non-PRC subsidiaries to our PRC subsidiaries will require approvals from the commerce department of the local government or filing with the local branch of SAFE and MOFCOM, which may take considerable time and result in delays in receiving the contribution. This may in turn adversely affect the financial condition of the PRC subsidiaries and cause delays to the developments undertaken by such PRC subsidiaries. We may not be able to obtain the necessary approvals for our PRC subsidiaries at all.

Further, the PRC government may introduce new policies that could further restrict our ability to use funds raised outside China. Therefore, we may not be able to use all or any of the funds that we raise outside China as intended.

Fluctuations in the value of the Renminbi may have a material adverse impact on your investment.

Substantially all of our revenue and expenditures are denominated in Renminbi, while the net proceeds from this offering and any interest we pay on the Notes will be in U.S. dollars. Fluctuations in the exchange rate between the Renminbi and U.S. dollars will affect the relative purchasing power in Renminbi terms of the proceeds from this offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to U.S. dollars would affect our financial results in U.S. dollars terms without giving effect to any underlying change in our business or results of operations. Moreover, because the functional currency of the Company and all of its subsidiaries is the Renminbi, the balance and certain amounts due to related parties denominated in a foreign currency are subject to translation at each reporting date, which could affect our business, financial condition and results of operations. Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. Since July 2005, the Renminbi has not been pegged to the U.S. dollars. In August 2015, the Renminbi experienced a substantial devaluation as a result of adjustments made by the People's Bank of China to the reference Renminbi to U.S. dollar exchange rate. The Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in Renminbi exchange rates and lessen intervention in the foreign exchange market.

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 in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

Interest payable by us to our foreign investors and gain on the sale of our Notes may become subject to withholding taxes under PRC tax laws.

Under the PRC EIT Law, if we are deemed a PRC resident enterprise, the interest payable on the Notes will be considered to be sourced within China. PRC income tax at the rate of 10% will be applicable to such interest payable by us to investors that are “non-resident enterprises” so long as such “non-resident enterprise” investors do not have an establishment or place of business in China or, if there is such establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China. Similarly, any gain realized on the transfer of the Notes by such investors will be subject to a 10% PRC income tax if such gain is regarded as income derived from sources within China. It is uncertain whether we will be considered a PRC “resident enterprise,” so it is unclear whether the interest payable to our foreign investors, or the gain our foreign investors may realize from the transfer of our Notes, would be treated as income sourced within China and be subject to PRC tax. If we are required under the PRC EIT Law to withhold PRC income tax on our interest payable to our foreign shareholders who are “non-resident enterprises,” we will be required to pay such additional amounts as are necessary to ensure receipt by the holder of the full amount which the holder would have received but for such withholding. 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 flows. In addition, if you are required to pay PRC income tax on the transfer of our Notes, the value of your investment in our Notes may be materially and adversely affected. It is unclear whether, if we are considered a PRC “resident enterprise,” holders of our Notes might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

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 as a result of future changes in law.

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 future changes in specified tax law or future changes in the existing official position or the stating of an official position regarding the application or interpretation of such law tax that results in our being required to withhold tax on interest payments due to 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 other local insolvency laws may differ from those of another jurisdiction with which holders of the Notes are familiar.

Because we and some of the Subsidiary Guarantors are incorporated, and the JV Subsidiary Guarantors (if any) may be incorporated, under the laws of the Cayman Islands or Hong Kong, an insolvency proceeding relating to us or any such Subsidiary Guarantor or JV Subsidiary Guarantor, would likely involve Cayman Islands or Hong Kong insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of 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. The 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 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 other jurisdictions with which the holders of the Notes are familiar. You should analyze the risks and uncertainties 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 PRC subsidiaries to obtain and remit sufficient foreign currency to pay dividends to us and, if applicable, to pay interest and principal on shareholder loans. Our PRC subsidiaries must present certain documents to

SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of China, 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 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 withholding tax at a rate of 10% or a lower tax treaty rate, if any, 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 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 governing the Notes, there could be a default under the terms of these agreements or the indenture governing the Notes, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the indenture governing the Notes 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 outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the indenture governing the Notes, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under our other debt agreements, including the indenture governing the Notes. 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.

The Trustee may request the holders of the Notes to provide an indemnity and/or security to its satisfaction.

In certain circumstances, including without limitation giving of notice to the Issuer and taking enforcement steps pursuant to terms of the Notes, the Trustee may, at its sole discretion, request the holders of the Notes to provide an indemnity and/or security to its satisfaction before it takes actions on behalf of the holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security to it, in breach of the terms of the trust deed or the terms of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

We may not be able to repurchase the Notes, the July 2019 Notes and the November 2017 Notes upon a Change of Control Triggering Event.

We must offer to purchase the Notes, the July 2019 Notes and the November 2017 Notes, upon the occurrence of certain types of changes of control at a purchase price equal to 101% of their respective principal amount plus accrued and unpaid interest. See the section headed "Description of the Notes." The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have sufficient available funds at the time of the occurrence of any change of control to make purchases of the outstanding Notes, the July 2019 Notes and the November 2017 Notes. Our failure to make the offer to purchase or to purchase the outstanding Notes and the July 2019 Notes, would constitute an event of default under the Notes, the July 2019 Notes and the November 2017 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 debts were to be accelerated, we may not have sufficient funds to purchase the Notes, the July 2019 Notes and the November 2017 Notes and repay the debt.

In addition, the definition of change of control for purposes of the indentures governing the Notes, the July 2019 Notes and the November 2017 Notes, does not necessarily afford protection for the holders of the Notes, the July 2019 Notes and the November 2017 Notes, in the event of some highly-leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations. These types of transactions could, however, increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of change of control for purposes of the indentures governing the Notes, the July 2019 Notes and the November 2017 Notes, 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, the July 2019 Notes and the November 2017 Notes, and the ability of a holder of the Notes, the July 2019 Notes and the November 2017 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.

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

The indenture governing the Notes 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 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;
- engage in any business other than permitted business;
- 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 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.

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 the section headed “Transfer Restrictions.” If an active trading market does not develop or is sustained, the market price and liquidity of the Notes could be adversely affected.

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

The Notes are expected to be rated B+ by S&P and BB- by Fitch. 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. In addition, we have been assigned a corporate rating of BB- with a positive outlook by Fitch, a corporate rating of BB- with a stable outlook by S&P and a corporate rating of Ba3 with a stable outlook by Moody’s. A rating may not remain for any given period of time and could be lowered or withdrawn entirely by the relevant rating agency. 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 have no obligation to inform holders of the Notes of any such revision, suspension or withdrawal. A reduction, suspension 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 of the Hong Kong Stock Exchange 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 its 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 certain procedural requirements to be completed or approvals to be obtained. 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 (x) any holder (or any affiliate of such holder) of 10% or more of the shares of the Company or (y) 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 covenants, even though they are subject to the independent shareholders’ requirement under the Listing Rules. 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 by 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, proposals for new investments, strategic alliances and acquisitions, changes in interest rates, fluctuations in price for comparable companies, 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.

There may be less publicly available information about us than is available in certain other jurisdictions.

There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In addition, the financial information in this offering memorandum has been prepared in accordance with HKFRSs, which differ in certain respects from generally accepted accounting principles in other jurisdictions, or other GAAPs, which might be material to the financial information contained in this offering memorandum. We have not prepared a reconciliation of our consolidated financial statements and related footnotes between HKFRSs and other GAAPs. In making an investment decision, you must rely upon your own examination of us, the terms of the offering and our financial information. You should consult your own professional advisers for an understanding of the differences between HKFRSs and other GAAPs and how those differences might affect the financial information contained in this offering memorandum.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies 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 Hong Kong. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

Risks Relating to the 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, but none of our current PRC subsidiaries will provide a guarantee of the Notes either upon issuance of the Notes or at any time thereafter. No future subsidiaries that are (i) organized under the laws of PRC, (ii) not permitted by applicable law or regulation to guarantee the Notes or (iii) listed on a nationally recognized securities exchange ((ii) and (iii), collectively, the “**Exempted Subsidiaries**”), will provide a guarantee of the Notes at any time in the future. Moreover, the Collateral will not include the capital stock of our existing or future Offshore Non-Guarantor Subsidiaries. As a result, the Notes will be effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of the PRC subsidiaries, the Exempted Subsidiaries and the Offshore Non-Guarantor Subsidiaries.

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

In addition, a guarantee required to be provided by a subsidiary 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 minority interest in such subsidiary (subject to the satisfaction of certain conditions including a cap on the non-guaranteed portion of the assets of JV Subsidiary Guarantors). Recovery under a JV Subsidiary Guarantee is limited to an amount equal to our proportional interest in the issued share capital of such 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. A Subsidiary Guarantor may also be able to release its Subsidiary Guarantee if we sell or issue no less than 20% of the capital stock of such Subsidiary Guarantor, as long as the consolidated assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors (other than Exempted Subsidiaries) do not account for more than 30.0% of our total assets.

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.

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in the Cayman Islands, Hong Kong and other jurisdictions where future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) may be established, 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:

- 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 the incurrence of such guarantee;
- 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 applicable jurisdiction. 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 properties at a fair valuation or if the present fair salable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debts as they became absolute and matured.

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 guarantor. 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.

In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of the Subsidiary Guarantors or the JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the 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 without rendering the guarantee, as it relates to such Subsidiary Guarantor or JV Subsidiary Guarantor, voidable under such applicable insolvency or fraudulent transfer laws.

If a court voids a Subsidiary Guarantee or JV Subsidiary Guarantee (as the case may be), subordinates such guarantee to other indebtedness of the Subsidiary Guarantor or JV Subsidiary Guarantor (as the case may be) or holds such guarantee 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 (as the case may be), and would solely be creditors of us and any Subsidiary Guarantors or JV Subsidiary Guarantors whose guarantees have not been 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 the 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 Cayman Islands if created within the six months immediately preceding the commencement of a liquidation or, under some circumstances, within a longer period. Pledges of capital stock 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 risk factor headed “– The Subsidiary Guarantees or the JV Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or the JV Subsidiary Guarantees” above.

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.

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

The Collateral will consist only of the capital stock of the 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 Trustee, on behalf of the holders of the Notes, 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 status. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Trustee or holders of the Notes will be able to enforce such 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 its nature, the Collateral, which consists solely of the capital stock of any existing or future Subsidiary Guarantor, is likely to be illiquid and is unlikely to have a readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be salable or, if salable, that there will not be substantial delays in its liquidation.

The Collateral will be shared on a *pari passu* basis by the holders of the Notes, the holders of the July 2019 Notes and the holders of the November 2017 Notes and may be shared on a *pari passu* basis with holders of other indebtedness ranking *pari passu* with the Notes that we may issue in the future. 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 such secured indebtedness. The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors is unlikely to be sufficient to satisfy the obligations of the Company and each of the Subsidiary Guarantor Pledgors under the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors, 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 other *pari passu* indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the indenture.

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

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 governing the Notes, the Collateral will be reduced in value and scope, and holders of the Notes would be subject to increased risks.

USE OF PROCEEDS

We estimate that the net proceeds from this offering, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately US\$344.5 million. We intend to use the net proceeds to repay certain of our existing indebtedness and for general corporate purposes.

Pending application of the net proceeds of this offering, we intend to invest such net proceeds in “Temporary Cash Investments” as defined under the section headed “Description of the Notes.”

We may adjust our development plans in response to future events and developments, such as changes in general market conditions, the outlook for our industry and the demand for our properties, and our directors may reallocate the use of the proceeds with a view to obtaining the optimal benefit for us.

EXCHANGE RATE INFORMATION

Since 1994, the PBOC has set and published a daily base exchange rate with reference primarily to the supply and demand of Renminbi in the market during the previous day. 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. The PBOC has authorized the China Foreign Exchange Trading Centre to announce the Renminbi's closing price each day, and that rate serves as the midpoint of the next day's trading band. In 2007, the PBOC widened the daily trading band of the Renminbi against the U.S. dollar from 0.3% to 0.5%. On June 20, 2010, the PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate and on April 16, 2012, the band was expanded to 1.0 per cent. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from July 21, 2005 to December 31, 2013. On March 17, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. PBOC authorized the China Foreign Exchange Trading Centre, effective since January 4, 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the business day. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the Renminbi 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 Renminbi 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. Since October 2016, the Renminbi against the U.S. dollar continued to depreciate. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

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 H.10 weekly statistical release of the Federal Reserve Board:

Period	Noon Buying Rate			
	End	Average ⁽¹⁾	High	Low
		(RMB per US\$1.00)		
2012	6.2301	6.2990	6.2221	6.3879
2013	6.0537	6.1412	6.0537	6.2438
2014	6.2046	6.1704	6.0402	6.2591
2015	6.4778	6.2827	6.1870	6.4896
2016	6.9430	6.6388	6.4480	6.9580
September	6.6685	6.6702	6.6600	6.6790
October	6.7735	6.7303	6.6685	6.7819
November	6.8837	6.8402	6.7534	6.9195
December	6.9430	6.9198	6.8771	6.9580
2017				
January	6.8768	6.8907	6.8360	6.9575
February (through February 3)	6.8650	6.8729	6.8650	6.8768

(1) Annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated cash and cash equivalents, current borrowings and total capitalization as of June 30, 2016:

- on an actual basis; and
- on an adjusted basis to give effect to the issuance of the Notes and receipt of the net proceeds for this offering after deducting the underwriting discounts and commissions and other estimated expenses of this offering payable by us.

	As of June 30, 2016			
	Actual		As Adjusted	
	RMB	US\$ ⁽¹⁾ (unaudited, in millions)	RMB	US\$ ⁽¹⁾
Cash and cash equivalents ⁽²⁾	9,204.0	1,384.9	11,493.8	1,729.4
Current borrowings				
Bank borrowings				
– due within one year	2,120.5	319.1	2,120.5	319.1
March 2019 Corporate Bonds II	1,141.6	171.8	1,141.6	171.8
Non-current borrowings				
Bank borrowings				
– due after one year	6,541.3	984.3	6,541.3	984.3
July 2019 Notes	2,281.7	343.3	2,281.7	343.3
November 2017 Notes	1,632.0	245.6	1,632.0	245.6
The Notes to be issued ⁽³⁾	–	–	2,289.8	344.5
July 2019 Corporate Bonds	1,992.1	299.7	1,992.1	299.7
November 2020 Corporate Bonds	2,982.1	448.7	2,982.1	448.7
November 2018 Corporate Bonds	1,986.8	299.0	1,986.8	299.0
March 2019 Corporate Bonds I	1,833.3	275.9	1,833.3	275.9
Total non-current borrowings	19,249.3	2,896.4	21,539.1	3,241.0
Total equity	13,448.2	2,023.4	13,448.2	2,023.5
Total capitalization ⁽⁴⁾	32,697.5	4,919.8	34,987.3	5,264.5

(1) All translations from Renminbi into U.S. dollars, and vice versa, were made at the rate of RMB6.6459 to US\$1.00, which was the noon buying rate as certified for custom purposes by the H.10 weekly statistical release of the Federal Reserve Board for cable transfers for Renminbi on June 30, 2016.

(2) Cash and cash equivalents excludes restricted cash of RMB2,040.5 million as of June 30, 2016.

(3) In accordance with HKFRSs, the Notes should be recorded at their fair value upon initial recognition, which may be substantially different from the aggregate principal amount of the Notes.

(4) Total capitalization is calculated as total non-current borrowings plus total equity.

Since June 30, 2016, we had repaid RMB6,177.3 million bank borrowings and had incurred additional bank borrowings in the amount of RMB5,925.0 million, up to September 30, 2016. On August 16, 2016, the First Tranche of Corporate Bonds with a principal amount of RMB2 billion was issued at the coupon rate of 4.48%. On September 13, 2016, the Second Tranche of the Corporate Bonds with a principal amount of RMB500 million was issued at the coupon rate of 4.80%. On October 18, 2016, the Third Tranche of the Corporate Bonds with a principal amount of RMB2.5 billion was issued at the coupon rate of 4.41%. See “Business – Recent Developments – Non-Public Offering of the Domestic Corporate Bonds in the PRC.”

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

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary consolidated statements of income data for the years ended December 31, 2013, 2014 and 2015 and the summary consolidated statements of financial position data as of December 31, 2013, 2014 and 2015 have been derived from, and should be read in conjunction with, our audited consolidated financial statements, included elsewhere in this offering memorandum.

The following summary consolidated financial information as of and for the six months ended June 30, 2015 and 2016 has been derived from, and should be read in conjunction with, our unaudited interim condensed consolidated financial statements, included elsewhere in this offering memorandum. Such unaudited interim condensed consolidated financial information has not been audited by our independent auditor. You should not rely on such unaudited interim condensed consolidated financial information to provide the same quality of information that audited financial information would provide. See “Risk Factors – Risks Relating to our Business – Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2016 included in this offering memorandum has not been audited by our auditor. You should not place undue reliance on such unaudited financial information.” The unaudited interim condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the period presented. Results for interim periods are not indicative of results for the full year.

The financial information has been prepared and presented in accordance with HKFRSs, which differ in certain respects from generally accepted accounting principles in other jurisdictions. You should read the summary financial data below in conjunction with the section headed “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our audited consolidated financial statements and unaudited interim condensed consolidated financial statements that are included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future results.

Selected Consolidated Statements of Income and Other Financial Data

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(Unaudited)	(Unaudited)	(Unaudited)
	(in thousands)					
Revenue	20,771,255	20,718,670	23,835,889	8,803,816	9,302,948	1,399,803
Cost of sales	(16,088,038)	(16,844,627)	(18,979,683)	(7,322,606)	(7,367,700)	(1,108,608)
Gross profit	4,683,217	3,874,043	4,856,206	1,481,210	1,935,248	291,194
Fair value gains on						
investment properties . . .	37,839	365,994	815,106	282,643	193,162	29,065
Selling and marketing costs .	(592,032)	(613,387)	(828,126)	(282,550)	(384,205)	(57,811)
Administrative expenses . . .	(680,028)	(701,787)	(1,035,500)	(443,823)	(508,776)	(76,555)
Other income	151,674	36,903	18,669	10,637	18,389	2,767
Other expenses	(4,152)	(2,405)	(3,885)	(2,325)	(1,030)	(155)
Other gains – net	46,270	105,627	14,153	6,692	175,944	26,474
Operating profit	3,642,788	3,064,988	3,836,623	1,052,484	1,428,732	214,979
Finance costs – net	(394,900)	(135,794)	(514,574)	(66,128)	(242,413)	(36,476)
Share of results of						
associates	(11,422)	2,849	103,810	65,057	(3,179)	(478)
Share of results of joint						
ventures	–	(10,195)	(61,905)	(14,606)	(41,631)	(6,264)
Profit before income tax . .	3,236,466	2,921,848	3,363,954	1,036,807	1,141,509	171,761
Income tax expense	(1,519,329)	(1,242,561)	(1,507,717)	(341,614)	(390,637)	(58,779)
Profit for the year/period . .	1,717,137	1,679,287	1,856,237	695,193	750,872	112,983
Attribute to:						
Equity holders of the						
Company	981,262	1,025,721	1,030,890	348,100	490,756	73,843
Non-controlling interests . . .	735,875	653,566	825,347	347,093	260,116	39,139
Other Financial Data						
EBITDA ⁽¹⁾	4,339,993	3,369,884	3,985,807	1,170,025	1,376,194	207,074
EBITDA margin ⁽²⁾	20.9%	16.3%	16.7%	13.3%	14.8%	

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- (1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and net gains or losses. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company's ability to service and incur debts. 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. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating 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. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the indenture governing the Notes. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Selected Consolidated Statements of Financial Position Data

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(Unaudited)				
	(in thousands)				
ASSETS					
Non-current assets					
Property, plant and equipment . . .	116,009	741,152	2,261,413	2,349,671	353,552
Investment properties	3,307,000	5,936,000	10,854,000	11,456,000	1,723,770
Intangible assets	9,836	17,574	36,310	32,724	4,924
Investments in associates	43,468	146,317	300,127	500,948	75,377
Investment in joint ventures	10,000	861,055	2,019,775	3,474,007	522,729
Deferred income tax assets	499,738	499,175	579,813	687,665	103,472
Available-for-sale financial assets	221,187	287,385	337,702	397,630	59,831
Derivative financial instruments . .	—	—	—	142,774	21,483
Land use rights	367,248	397,659	431,589	430,861	64,831
Other receivables and prepayments	198,538	976,544	169,467	1,140,432	171,599
	4,773,024	9,862,861	16,990,196	20,612,712	3,101,568
Current assets					
Prepayments for leasehold land . .	3,285,498	3,263,529	6,799,095	1,170,752	176,162
Properties held or under development for sale	28,728,964	29,862,468	32,739,898	38,443,991	5,784,618
Trade and other receivables and prepayments	2,112,831	3,216,397	6,527,190	11,361,744	1,709,587
Restricted cash	886,180	2,618,559	1,283,653	2,040,499	307,031
Cash and cash equivalents	7,411,713	4,817,907	6,478,861	9,204,013	1,384,916
	42,425,186	43,778,860	53,828,697	62,220,999	9,362,314
Total assets	47,198,210	53,641,721	70,818,893	82,833,711	12,463,882
OWNERS' EQUITY					
Capital and reserves attributable to equity holders of the Company					
Issued and fully paid capital	4,617	4,617	4,609	4,609	694
Reserves	6,717,031	7,639,363	8,165,760	8,335,508	1,254,233
	6,721,648	7,643,980	8,170,369	8,340,117	1,254,927
Non-controlling interests	3,876,311	4,707,042	5,292,979	5,108,068	768,604
Total equity	10,597,959	12,351,022	13,463,348	13,448,185	2,023,531
LIABILITIES					
Non-current liabilities					
Borrowings	11,715,075	10,555,452	15,004,889	18,534,377	2,788,844
Long-term payables	—	—	—	35,603	5,357
Deferred income tax liabilities . . .	432,922	686,260	754,670	943,116	141,909
	12,147,997	11,241,712	15,759,559	19,513,096	2,936,110
Current liabilities					
Trade and other payables	10,368,476	12,023,131	20,008,074	20,320,027	3,057,528
Advances from pre-sale of properties	10,235,042	13,164,015	15,928,660	24,015,358	3,613,560
Current income tax liabilities . . .	1,673,306	1,484,495	1,682,585	1,275,903	191,983
Borrowings	2,174,501	3,376,189	3,975,575	3,977,085	598,427
Dividends payable	929	1,157	1,092	284,057	42,742
	24,452,254	30,048,987	41,595,986	49,872,430	7,504,240
Total liabilities	36,600,251	41,290,699	57,355,545	69,385,526	10,440,351
Total equity and liabilities	47,198,210	53,641,721	70,818,893	82,833,711	12,463,882

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements as of and for the year ended December 31, 2013, 2014 and 2015 and our condensed consolidated financial statements as of and for the six month ended June 30, 2015 and 2016, and in each case, the related notes thereto included elsewhere in this offering memorandum. The financial information included in our consolidated financial statements as of and for the year ended December 31, 2013, 2014 and 2015 and the condensed consolidated financial statements as of and for the six month ended June 30, 2015 and 2016 have been prepared in accordance with HKFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. For the purpose of this section unless the context otherwise requires references to 2013, 2014 and 2015 refer to our financial year ended December 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors” in this offering memorandum.

Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. We were ranked first in terms of overall strength among property developers in Jiangsu Province for 11 consecutive years from 2005 according to the annual rankings published by the Jiangsu Real Estate Association (江蘇省房地產協會).

As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. These projects included approximate 13.2 million sq.m. under development and approximately 8.5 million sq.m. held for future development. As of June 30, 2016, we had land reserves with a total estimated GFA of 25.6 million sq.m., of which 14.4 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a “rapid asset turnover” business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks. For the years ended December 31, 2013, 2014 and 2015, our asset turnover ratio¹ was 0.47, 0.41 and 0.38, respectively. For the six months ended June 30, 2015 and 2016, our asset turnover ratio was 0.31 and 0.24, respectively.

¹ Asset turnover ratio is calculated by dividing revenue during a given year/period, by the average of total assets at the beginning and the end of the year/period.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our “FirstHomes” series, “SweetHomes” series, “DreamHomes” series and “PrestigeHomes” series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our “International Plaza” series, “City Plaza” series and “Lifestyle Mall” series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

Principal Factors Affecting our Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including those set forth below.

Macroeconomy of PRC and Regulatory Measures for the Property Sector in China

Substantially all of our revenue has been generated from the commercial and residential property markets in the PRC. The conditions of the commercial and residential property markets in the PRC are significantly impacted by governmental policies and regulations.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of measures to discourage speculation and control the growth of the PRC property market. Demand for properties and property prices in China have fluctuated significantly in recent years, and is expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time. For example, as a result of changes in the PRC’s economic environment and PRC government’s tightening monetary policies, the growth of the PRC real estate market has slowed down with sales volumes or average selling prices decreasing in many major cities in 2014 as compared with the corresponding period in 2013 but has partially recovered in 2015 and 2016. Further restrictive measures adopted by the PRC government on bank loans for real estate development projects and property purchases since April 2010 have had, and may continue to have, a dampening effect on property markets in the PRC. The performance of the property market and our business will continue to be affected by a number of macroeconomic factors, including the growth of the PRC economy, interest rates, RMB exchange rate and the political, economic and regulatory environment in the PRC.

Our business and results of operations may be affected by governmental policies and regulations in the PRC relating to property development, including those that have (i) increased taxes on title transfers and property ownership, (ii) increased down payment requirements for residential mortgages, (iii) tightened credit on financing and mortgage loans and (iv) restricted multiple home ownership and investments in residential property outside one’s province of residence.

Ability to Acquire Suitable Land for Future Development

Our growth will depend in large part on our ability to acquire quality land at prices that can yield reasonable returns. In recent years, we have expanded our business geographically. Based on our current development plans, we have sufficient land reserves for development for the next three to five years. As the PRC economy continues to grow and demand for commercial and residential properties remains relatively strong, we expect competition among developers for land reserves suitable for property development to intensify nationwide and in the cities in which we operate. In addition, the public tender, auction and listing-for-sale practices for granting state-owned land use rights are also likely to increase competition for development land and land acquisition costs. See “Risk Factors – Risks Relating to Our Business – We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future.”

Access to Capital and Cost of Financing

Bank and other borrowings are important sources of funding for our property developments. As of December 31, 2013, 2014 and 2015 and June 30, 2016, our outstanding current and non-current bank loans amounted to RMB10,822.5 million, RMB7,172.1 million, RMB5,352.4 million and RMB8,661.8 million (US\$1,303.3 million), respectively. The interest rates of our bank loans and other borrowings are affected by the benchmark interest rates published by the PBOC, which are in turn affected by the general economic conditions in China and the PRC government's monetary policies. Therefore, any increase in the benchmark interest rates will increase the interest costs for our property developments. Our access to capital and cost of financing are also affected by restrictions imposed from time to time by the PRC government and by financial institutions on bank lending for property development. Additionally, an increase in the demand for loans may increase interest rates, resulting in additional interest costs for us, especially in newly raised loans. See "Risk Factors – Risks Relating to Our Business – We may not have adequate financing to fund our future land acquisitions and property developments, and such capital resources may not be available on commercially reasonable terms, or at all."

Product Mix of Our Properties

We derive substantially all of our revenue from the sale of residential and commercial properties. Over the years, we have developed and introduced various products to the market, including large-scale residential properties and mixed-use complexes, which consist of high-end residential flats, retail properties and other properties. Our results of operations and cash flows generated from operating activities may vary from period to period depending on our sales strategy, the types of properties sold and delivered and the average selling prices of these properties. In addition, our results of operations and cash flows generated from operating activities may also vary depending on prevailing market conditions when we sell our properties. The cash flows generated from our investment properties depend on local rental rates, which in turn depend on local supply and demand conditions, as well as the type of property being developed.

Timing of Property Development

The number of property projects that we undertake during any particular period is primarily limited by the substantial capital requirements for land acquisitions and construction, as well as land supply. In addition, the development of property projects may take many months or even years before the commencement of pre-sale or completion and delivery. No revenue is recognized with respect to a property project until it has been completed, sold and delivered to the customers. In addition, as market demand fluctuates, the revenue we recognize in a particular period may also depend on market conditions at the expected completion and delivery time of a particular project. Moreover, delays in construction, regulatory approval and other processes can adversely affect the timetable of our projects. Given the foregoing limitations, timing differences and uncertainties, our results of operations have fluctuated in the past and are likely to continue to fluctuate in the future. To mitigate these fluctuations, we seek to strategically schedule projects so they will be staggered at different stages of development during any particular period.

Land and Construction Costs

Our results of operations are affected by land and construction costs. Land and construction costs constitute the largest items in our cost of sales. Over the years, land premiums have generally been on the rise in China. It is expected that land premiums will continue to rise as the PRC economy continues to grow and demolition and resettlement costs continue to increase. Under our standard construction contracts, we are responsible for key construction materials such as steel and bear any increases in material costs after a contract is entered into. Furthermore, prolonged increases in the price of construction materials will prompt contractors to change their fee quotes for new contracts, thus increasing our cost of sales and overall project cost. If we cannot sell our properties at prices sufficient to cover all our increased costs, we will not be able to achieve our target profit margins, and our profitability will be adversely impacted.

LAT

Our property developments are subject to LAT with respect to the appreciated value of the related land and improvements on such land. LAT applies to both domestic and foreign investors in real estate development in China, and is levied at progressive rates ranging from 30% to 60% of the appreciation of land value. In 2013, 2014 and 2015 and the six months ended June 30, 2016, we recorded total LAT expenses of RMB866.6 million, RMB597.1 million, RMB614.5 million and RMB7.4 million (US\$1.1 million) respectively, in our consolidated statements of income. Provisions for LAT are made upon recognition of revenue. As of the date of this offering memorandum, we have made all prepayments and/or full provisions for LAT in compliance with the relevant LAT laws and regulations in China as interpreted and enforced by the relevant local tax authorities. However, we cannot assure you that the relevant tax authorities will agree to the basis on which we have calculated our LAT liabilities for provision purposes, or that such provisions will be sufficient to cover all LAT obligations that tax authorities may ultimately impose on us. Our financial condition and results of operations may be materially adversely affected if our LAT liabilities as calculated by the relevant tax authorities are substantially higher than our provisions. See “Risk Factors – Risks Relating to Our Business – The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations.”

Fair Value of Investment Properties

We have designated certain completed properties and properties under development as investment properties, as we intend to hold these properties on a long-term basis for rental income and capital appreciation. Our investment properties are recorded as non-current assets in our consolidated statements of financial position at fair value as of each balance sheet date as determined by independent valuations. Gains or losses arising from changes in the fair value of our investment properties are accounted for as gains or losses upon revaluation in our consolidated statements of income, which may have a substantial effect on our profits. The valuation of property involves the exercise of professional judgment and requires the use of certain bases and assumptions. The fair value of our investment properties may have been higher or lower if a different set of bases or assumptions were to be used. In addition, upward revaluation adjustments reflect unrealized capital gains on our investment properties as of the relevant balance sheet dates and do not generate any cash inflow for our operations or potential dividend distributions to our shareholders. The amounts of fair value adjustments have been changed and may continue to change based on property market conditions in China and our portfolio of investment properties. In 2013, 2014, 2015 and the six months ended June 30, 2016, we recorded fair value gains of RMB37.8 million, RMB366.0 million, RMB815.1 million and RMB193.2 million (US\$29.1 million) respectively. We recognized substantial gains from fair value changes in our investment properties in 2014 and 2015, but we cannot assure you that similar levels of fair value gains can be achieved in the future.

Critical Accounting Policies

Some of our accounting policies require subjective or complex judgments by our management, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Certain accounting estimates are particularly sensitive because of their significance to our consolidated financial statements. We review our estimates and underlying assumptions on an ongoing basis. We set forth below those accounting policies that we believe are the most critical to our consolidated financial statements.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group’s activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognized as follows:

- (a) Revenue from sales of properties is recognized when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to their respective purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured.

Deposits and installments received on properties sold prior to the date of revenue recognition are recorded as “advances from pre-sales of properties” in the consolidated statement of financial position under current liabilities.

- (b) Rental income from properties being let under operating leases is recognized on a straight line basis over the lease terms.
- (c) Revenue from services is recognized when services have been provided, total amount of revenue and costs can be estimated reliably and the collectibility of the related receivables is reasonably assured.
- (d) Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, we reduce the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.
- (e) Dividend income is recognized when the right to receive payment is established.

Investment Properties

Properties that we do not occupy and hold for long-term rental yields or capital appreciation, or both, are classified as investment properties. Properties that are currently being constructed or developed for future use as investment properties are also classified as investment properties and stated at fair value. An investment property is measured initially at cost, including related transaction costs and, where applicable, borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices and is adjusted, as necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, we use alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

Properties Held or Under Development for Sale

Properties held or under development for sale are included in current assets at the lower of cost and net realizable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalized borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realizable value is based on estimated selling price in the ordinary course of business as determined by management with reference to prevailing market conditions, less further costs expected to be incurred before completion and expected selling and marketing costs.

Borrowings Costs

Borrowing costs are capitalized if they are directly attributable to the development of properties for sale or the acquisition, construction or production of other qualifying assets. Capitalization of borrowing costs commences when the activities to prepare the assets commence and expenditure and borrowing costs are incurred, and capitalization ceases when the assets are substantially completed or ready for their intended use. Other borrowing costs are expensed in the period they are incurred.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected

to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Joint Arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. We have assessed the nature of our joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize our share of the post-acquisition profits or losses and movements in other comprehensive income. When our share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of our net investment in the joint venture), we do not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between us and our joint ventures are eliminated to the extent of our interests in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by us.

Certain Income Statement Items

Revenue

We derive our revenue primarily from sales of properties and, to a lesser extent, property management, rental income and other property-related services. The following table sets forth our revenue by revenue source for the years/periods indicated.

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
	(in thousands)					
Revenue						
Sales of properties	20,421,811	20,216,114	22,972,751	8,458,463	8,699,465	1,308,997
Property management . .	182,501	282,889	391,526	168,122	279,656	42,079
Rental income	102,356	127,830	171,951	76,262	131,377	19,768
Others	64,587	91,837	299,661	100,969	192,450	28,958
Total	20,771,255	20,718,670	23,835,889	8,803,816	9,302,948	1,399,802

As we derive substantially all of our revenue from sales of properties, our results of operations for a given period are dependent upon the amount of total GFA delivered, the location and type of properties we completed and delivered during such period, market conditions and the contracted sales prices of our properties.

Our average selling price per sq.m. sold was RMB8,251, RMB8,518, RMB8,153 and RMB10,366 for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, respectively.

Cost of Sales

Cost of sales consists primarily of the costs we incur directly in relation to our property development activities as well as our leasing and property management operations. Cost of sales includes construction costs, land use rights costs, business tax (before May 1, 2016) and surcharges, capitalized interest and other business costs.

- *Construction costs.* These represent costs for the design and construction of a property project and consist primarily of fees paid to our contractors, including those responsible for civil engineering, construction, landscaping, equipment installation and interior decoration, as well as infrastructure construction costs and design costs. Our construction costs are affected by a number of factors such as the cost of construction materials, the location and type of properties being constructed and investments in ancillary facilities.
- *Land use rights costs.* These represent costs relating to acquisition of the rights to occupy, use and develop land, including land grant fees, demolition and resettlement costs, and other land related taxes. These costs for a project are influenced by a number of factors, including the location of the underlying property, market conditions, the project's plot ratios, the designated use of the underlying property, our method of acquisition and changes in PRC regulations.
- *Business tax and surcharges.* Before comprehensively implementing the pilot program of replacing business tax with valued-added tax which came into force on May 1, 2016, our operating subsidiaries in the PRC are subject to business tax (before May 1, 2016) on their revenues and surcharges. Sales of properties are subject to a 5% business tax (before May 1, 2016). Surcharges vary by city.
- *Capitalized interest.* We capitalize a portion of our borrowing costs to the extent that such costs are directly attributable to the development of a particular project. Costs that are not directly attributable to the development of a project are expensed and recorded as finance costs in our consolidated statements of income and therefore fluctuations in the amount of our borrowing costs that can be capitalized from period to period will affect our finance costs.
- *Other costs.* We incur other business costs primarily in relation to our leasing and property management operations, including a 5% business tax (before May 1, 2016) on the leasing of investment properties and the provision of property management services before May 1, 2016.

Our development costs, which consist of construction costs, land use rights costs and capitalized interest, were RMB14,642.8 million, RMB15,043.3 million, RMB17,020.8 million and RMB6,514.2 million (US\$980.2 million) in 2013, 2014 and 2015 and the six months ended June 30, 2016.

Our accrual of provision for properties held (or under development) for sale represents the impairment charge we made in connection with certain properties held (or under development) for sale. For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, our accrual of provision for properties held (or under development) for sale charged into our consolidated statements of income was RMB79.6 million, RMB382.2 million, RMB242.5 million and nil, respectively. Upon recognition of the sales of properties in the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016 for which impairment provision had been made previously, we reversed impairment provision of RMB160.8 million, RMB61.3 million, RMB206.3 million and RMB207.2 million (US\$31.2 million) in the years ended December 31, 2013, 2014 and 2015 and six months ended June 30, 2016, respectively, and credited to cost of sales.

The following table sets forth information relating to our cost of sales for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2013		2014		2015		2015		2016			
	(RMB)	(%)	(RMB)	(%)	(RMB)	(%)	(RMB)	(%)	(RMB)	(US\$)	(%)	
							(unaudited)		(unaudited)	(unaudited)		
(in thousands)												
Development Costs												
Construction costs . . .	9,101,315	56.6	8,637,339	51.3	9,802,580	51.6	3,565,865	48.7	3,260,224	490,562	44.3	
Land use rights costs	4,770,651	29.7	5,658,544	33.6	6,389,041	33.7	2,643,508	36.1	3,000,132	451,426	40.7	
Capitalized interest	770,865	4.8	747,398	4.4	829,161	4.4	313,592	4.3	253,886	38,202	3.4	
	14,642,831	91.0	15,043,281	89.3	17,020,782	89.7	6,522,965	89.1	6,514,242	980,190	88.4	
Accrual of provision for properties held for sale	79,588	0.5	382,231	2.3	242,495	1.3	98,537	1.3	–	–	–	
Other expenses	199,313	1.2	249,557	1.5	387,912	2.0	207,492	5.4	377,913	56,864	5.1	
	278,901	1.7	631,788	3.8	630,407	3.3	306,029	4.1	377,913	56,864	5.1	
Business tax and surcharges	1,166,306	7.2	1,169,558	6.9	1,328,494	7.0	493,612	6.8	475,545	71,555	6.5	
Total	16,088,038	100.0	16,844,627	100.0	18,979,683	100.0	7,322,606	100.0	7,367,700	1,108,608	100.0	
Total GFA delivered (sq.m.)	2,475,098		2,373,281		2,817,869		942,620		839,209	–		
Average cost per sq.m. sold (RMB) ⁽¹⁾	5,916		6,339		6,040		6,920		7,762	1,189		
Average selling price per sq.m. sold (RMB) ⁽¹⁾	8,251		8,518		8,153		8,973		10,366	1,560		
Average cost as % of average selling price	71.7		74.4		74.0%		77.1		76.2	–		

(1) Average cost per sq.m. sold refers to the average cost of our property sales (excluding our leasing and property management operations) and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for a year/period by the total GFA delivered in that year/period. The average selling price per sq.m. sold refers to the average selling price of GFA delivered and recognized as sales during the year/period.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. Our gross profit for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016 was RMB4,683.2 million, RMB3,874.0 million, RMB4,856.2 million and RMB1,935.2 million (US\$291.2 million), respectively. Our gross profit margin for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016 was 22.4%, 18.7%, 20.4% and 20.8%, respectively.

We incurred significant interest expenses in relation to our bank borrowings, corporate bonds and senior notes. Our capitalized interests included in cost of sales were approximately RMB770.9 million, RMB747.4 million, RMB829.2 million and RMB253.9 million (US\$38.2 million) for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, respectively. Most of our interest expenses have been or will be capitalized as properties under development rather than being recorded as expenses in our income statement upon their incurrence. Such capitalized interest expenses will be recorded as expenses in our consolidated income statements as a portion of cost of sales upon the sale of the relevant properties. Accordingly, such capitalized interest expenses may adversely affect our gross profit margin upon recognition of the sale of the relevant properties in future periods.

Fair Value Gains on Investment Properties

We develop and hold certain of our commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. Our investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in our investment property value is recognized as fair value gains or losses in our consolidated statements of income. The fair value gains on investment properties for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016 were RMB37.8 million, RMB366.0 million, RMB815.1 million and RMB193.2 million (US\$29.1 million), respectively.

Selling and Marketing Costs

Selling and marketing costs consist primarily of advertising and publicity expenses, sales commissions, including commissions in relation to our outsourced marketing activities, selling and marketing staff costs, expenses relating to exhibitions and trade fairs and other expenses relating to sales of our properties, including advertisements on television and in newspapers, magazines, and on billboards.

The following table sets forth our selling and marketing costs for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
				(in thousands)		
Selling and marketing costs						
Sales commission	151,057	111,145	115,980	40,464	27,576	4,149
Advertising and publicity costs	309,961	284,686	370,356	132,218	130,979	19,708
Staff costs	37,850	93,605	181,166	79,719	129,109	19,427
Others	93,164	123,951	160,624	30,149	96,541	14,527
Total	592,032	613,387	828,126	282,550	384,205	57,811

Administrative Expenses

Administrative expenses consist primarily of administrative staff costs, depreciation, traveling expenses, rental payments, entertainment expenses and other office expenses. The following table sets forth our administrative expenses for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
	(in thousands)					
Administrative expenses						
Depreciation of property, plant and equipment . .	19,453	20,837	42,619	16,208	54,912	8,263
Amortization of intangible assets	2,418	4,610	7,112	3,390	15,585	2,345
Bank charges	18,610	27,289	31,306	12,801	25,585	3,850
Staff costs	407,296	435,595	578,301	253,089	207,006	31,148
Entertainment expenses . .	72,568	58,426	69,234	27,977	29,810	4,485
Stamp duty and other taxes	56,295	38,642	56,663	25,021	50,331	7,573
Professional fees ⁽¹⁾	6,714	19,549	43,742	30,128	48,907	7,359
Auditors' remuneration for annual audit and interim review	3,200	3,200	2,400	1,200	1,200	181
Rental expenses	36,820	28,524	35,259	21,911	16,274	2,449
Traveling expenses	27,805	37,123	67,094	24,640	38,619	5,811
Others	28,849	27,992	101,771	27,458	20,547	3,092
Total	680,028	701,787	1,035,500	443,823	508,776	76,555

(1) Professional fees represent the fees paid to our auditor, legal advisers and property valuer and other professional parties, mainly in connection with our restructuring in the PRC and the offerings of the July 2019 Notes, the November 2017 Notes, the July 2019 Corporate Bonds, the November 2018 Corporate Bonds, the November 2020 Corporate Bonds, the March 2019 Corporate Bonds I and the March 2019 Corporate Bonds II. Such professional fees also include certain fees paid to our auditor, legal advisers and other professional parties who had provided professional services to us in our ordinary course of business that are not associated with the foregoing.

Other Income/Other Expenses/Other Net Gains or Losses

Our other income, other expenses and other net gains or losses primarily consist of government grants, fair value gains upon transfer of properties held for sale to investment properties, compensation for the return of land use rights, cancellation of property sales contracts or relating to law suits, dividend income, donations and expenses relating to third-party services.

Finance Costs – Net

Our finance costs primarily consist of interest expenses on bank loans, corporate bonds and senior notes less capitalized interest net of finance income. Interest on borrowings relating to project development is capitalized to the extent it is directly attributable to a particular project and used to finance the development of that project. Because the development period for a project does not necessarily coincide with the interest payment period of the relevant loan, not all of the interest costs related to a project can be capitalized. As a result, our finance costs fluctuate from period to period depending on the amount of interest costs that are capitalized within the reporting period.

Our interest expenses (including capitalized interest expenses) incurred in the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016 were RMB1,209.8 million, RMB1,291.0 million, RMB1,393.2 million and RMB770.0 million (US\$115.9 million), respectively.

Income Tax Expense

Our income tax expense for a given period includes provisions made for LAT, PRC corporate income tax and deferred income tax (including PRC withholding tax) during the year. For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, our effective corporate income tax rate⁽¹⁾ was 27.5%, 27.8%, 32.5% and 33.8%, respectively.

The following table sets forth our income tax expense for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
				(in thousands)		
Current income tax						
LAT.	866,582	597,135	614,529	71,579	7,448	1,121
PRC corporate income tax . . .	761,242	398,275	902,166	301,476	270,417	40,689
	1,627,824	995,410	1,516,695	373,055	277,865	41,810
Deferred income tax.	(108,495)	247,151	(8,978)	(31,441)	112,772	16,969
Total income tax charged						
for the year.	1,519,329	1,242,561	1,507,717	341,614	390,637	58,779

(1) Our effective corporate income tax rate is calculated as:

$$\text{Effective corporate income tax rate} = \frac{\text{PRC corporate income tax} + \text{Deferred income tax}}{\text{Profit before income tax} - \text{PRC land appreciation tax}} \times 100$$

Review of Historical Operating Results

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Revenue

Our revenue increased by RMB499.1 million (US\$75.1 million), or 5.7%, from RMB8,803.8 million in the six months ended June 30, 2015 to RMB9,302.9 million (US\$1,399.8 million) in the six months ended June 30, 2016. This increase was primarily driven by a 2.9% increase in revenue from property sales from RMB8,458.5 million in the six months ended June 30, 2015 to RMB8,699.7 million (US\$1,309.0 million) in the six months of June 30, 2016, a 72.3% increase in rental income from RMB76.3 million in the six months ended June 30, 2015 to RMB131.4 million (US\$19.8 million) in the six months ended June 30, 2016, and a 66.34% increase in revenue from property management from RMB168.1 million in the six months ended June 30, 2015 to RMB279.7 million (US\$42.1 million) in the six months ended June 30, 2016. The following table sets forth certain revenue information relating to the main properties we delivered and recognized as sales during the periods indicated:

Project	Location	Six months ended June 30,							
		2015				2016			
		Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/ sq.m.)		(RMB million)	(sq.m.)	(RMB/ sq.m.)	
Future Royal Fame (水雲間)	Shanghai	–	–	–	–	1,050.6	32,193.5	32,633.9	12.1%
Future Mangrove Bay (香城紅樹灣)	Suzhou	1,280.0	159,331	8,034	15.1%	976.8	95,642.1	10,070.0	11.2%
Fragrant Jade (香溢瓏庭)	Shanghai	–	–	–	–	938.5	45,931.0	20,432.9	10.8%
Fragrant Metropolitan (香溢薈苑)	Shanghai	–	–	–	–	881.6	49,320.8	17,874.9	10.1%
Leisure Land (西溪逸境)	Hangzhou	–	–	–	–	818.7	50,388.6	15,771.7	9.4%
Future Land Golden County A (新城金郡A)	Shanghai	5.7	850.4	7,648.2	0.1%	799.9	51,718.0	15,221.8	9.2%
Up Town (新城尚東雅苑) . . .	Wuxi	15.5	3,085.1	5,030.3	0.2%	397.3	39,194.4	10,064.4	4.6%
Future France (香溢紫郡)	Nantong	–	–	–	–	349.6	69,326.6	5,043.1	4.0%
Danyang Injoy Plaza (丹陽吾悅廣場) . . .	Zhenjiang	–	–	–	–	328.0	26,956.6	12,135.1	3.8%
Zhangjiagang Injoy Plaza (張家港吾悅廣場) . .	Suzhou	94.8	3,890.1	24,359.6	1.1%	326.8	42,773.2	7,550.1	3.8%
Wujiang Injoy Plaza (Phase I) (吳江吾悅廣場(一期))	Suzhou	–	–	–	–	268.9	27,300.1	9,701.7	3.1%
YOHO City (悠活城)	Changzhou	–	–	–	–	152.9	31,807.4	4,754.7	1.8%
In Spring Live (春天里)	Changzhou	460.5	79,940	5,761	5.4%	146.0	21,779.9	6,322.9	1.7%
Whispering Hills (山語院)	Hangzhou	–	–	–	–	120.2	18,410.7	6,529.2	1.4%
Future Land Emporium (新城帝景)	Changzhou	496.4	56,109	8,847	5.9%	122.9	11,625.1	9,846.9	1.4%

Six months ended June 30,									
Project	Location	2015				2016			
		Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/ sq.m.)		(RMB million)	(sq.m.)	(RMB/ sq.m.)	
Future France (香溢紫郡)	Nanjing	1,963.2	203,789	9,634	23.2%	107.8	10,026.6	9,927.9	1.2%
Fragrant View (香溢璟庭)	Shanghai	591.0	33,439	17,673	7.0%	104.7	5,154.7	17,299.9	1.2%
Exalted Uptown (新城尚上城)	Zhenjiang	233.3	43,898	5,438	2.8%	77.1	18,531.3	4,158.8	0.9%
Fragrant Legend (香溢瀾橋)	Changzhou	175.5	34,461	5,093	2.1%	85.8	8,558.5	7,926.2	1.0%
Injoy Plaza (吾悅廣場) .	Changzhou	166.2	21,806	7,622	2.0%	53.2	10,266.4	4,685.1	0.6%
Fragrant Legend (香溢瀾庭)	Shanghai	135.8	8,469	16,035	1.6%	44.3	2,029.4	19,972.2	0.5%
Garden House (馥華里)	Shanghai	690.1	43,627	15,819	8.2%	49.9	2,547.4	15,802.8	0.6%
Injoy International Plaza (吾悅國際廣場) . . .	Changzhou	251.5	12,917	19,474	3.0%	2.5	570.9	4,333.6	0.0%
Changsha International Metropolis (長沙國際花都) . . .	Changsha	157.8	43,227	3,650	1.9%	11.1	1,073.6	3,836.2	0.1%
Legend Mansion (新城公館)	Suzhou	535.8	50,000	10,715	6.3%	–	–	–	–
Future France (香溢紫郡)	Suzhou	373.9	53,127	7,038	4.4%	–	–	–	–
Petrus Hacienda (森蘭碧翠園)	Shanghai	154.8	5,302	29,187	1.8%	–	–	–	–
Total		7,781.8	857,267.6	6,788.3	92.0%	8,215.1	673,126.8	11,984.7	94.4%

Cost of Sales

Our cost of sales slightly increased by RMB45.1 million, or 0.6%, from RMB7,322.6 million in the six months ended June 30, 2015 to RMB7,367.7 million (US\$1,108.6 million) in the six months ended June 30, 2016. This increase was primarily due to a 13.5% increase in land use rights costs from RMB2,643.5 million in the six months ended June 30, 2015 to RMB3,000.1 million (US\$451.4 million) in the six months ended June 30, 2016. Our average cost per sq.m. sold increased by RMB957.6, or 12.3%, from RMB7,768 in the six months ended June 30, 2015 to RMB8,725.6 in the six months ended June 30, 2016 primarily due to the increase in sales of properties in Shanghai which typically have higher land use rights costs.

Gross Profit

As a result of the foregoing, our gross profit increased by RMB454.0 million, or 30.7%, from RMB1,481.2 million in the six months ended June 30, 2015 to RMB1,935.2 million (US\$291.2 million) in the six months ended June 30, 2016. Our overall gross profit margin increased from 16.8% in the six months ended June 30, 2015 to 20.8% in the six months ended June 30, 2016 primarily due to the changes in the composition of recognized projects and an increase in the average selling prices of properties delivered and recognized as sales.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties decreased by RMB89.4 million, or 31.6%, from RMB282.6 million in the six months ended June 30, 2015 to RMB193.2 million (US\$29.1 million) in the six months ended June 30, 2016. This decrease in gains on investment properties was primarily because our newly developed investment properties decreased in the six months ended June 30, 2016.

Selling and Marketing Costs

Our selling and marketing costs increased by RMB101.6 million, or 36.0%, from RMB282.6 million in the six months ended June 30, 2015 to RMB384.2 million (US\$57.8 million) in the six months ended June 30, 2016, primarily attributable to the expansion of our marketing team during the six months ended June 30, 2016.

Administrative Expenses

Our administrative expenses increased by RMB65.0 million, or 14.6%, from RMB443.8 million in the six months ended June 30, 2015 to RMB508.8 million (US\$76.6 million) in the six months ended June 30, 2016. The increase was primarily due to an increase in staff costs resulting from an increase in our staff headcount and remuneration in the six months ended June 30, 2016.

Finance Costs – Net

Our net finance costs increased by RMB176.3 million, or 266.6%, from RMB66.1 million in the six months ended June 30, 2015 to RMB242.4 million (US\$36.5 million) in the six months ended June 30, 2016. This increase was primarily due to an increase in net foreign exchange loss.

Income Tax Expense

Our income tax expense increased by RMB49.0 million, or 14.4%, from RMB341.6 million in the six months ended June 30, 2015 to RMB390.6 million (US\$58.8 million) in the six months ended June 30, 2016. The increase was primarily due to the increase in our PRC land appreciation tax and corporate income tax in the six months ended June 30, 2016 as a result of the increase in our properties delivered, which leads to more revenue and profit being recognized during the same period.

Profit for the Year/Period

As a result of the foregoing, our profit increased by RMB55.7 million, or 8.0%, from RMB695.2 million in the six months ended June 30, 2015 to RMB750.9 million (US\$113.0 million) the six months ended June 30, 2016. Our net profit margin increased to 8.1% in the six months ended June 30, 2016 from 7.9% in the six months ended June 30, 2015 primarily due to the increase in gains on investment properties.

Year ended December 31, 2015 compared to year ended December 31, 2014

Revenue

Our revenue increased by RMB3,117.2 million, or 15.0%, from RMB20,718.7 million in 2014 to RMB23,835.9 million (US\$3,586.6 million) in 2015. This increase was primarily due to the increase of 13.6% in revenue from property sales from RMB20,216.1 million in 2014 to RMB22,972.8 million (US\$3,456.7 million) in 2015, which was in turn driven by a 18.8% increase in our total GFA delivered from 2,373,281 sq.m. in 2014 to 2,817,869 sq.m. in 2015, partially offset by a 4.3% decrease in our ASP from RMB8,518 per sq.m. in 2014 to RMB8,153 per sq.m. in 2015. The decrease in ASP in 2015 was primarily due to a lower percentage of property sales contributed by properties in Shanghai, which have higher selling prices. The following table sets forth certain revenue information relating to the main properties we delivered and recognized as sales during the years indicated:

Project	Location	Year ended December 31,							
		2014				2015			
		Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/sq.m.)		(RMB million)	(sq.m.)	(RMB/sq.m.)	
Future France (香溢紫郡)	Nanjing	1,987.6	234,312	8,483	9.8%	2,369.3	234,174	10,009	10.3%
Longwan Garden (龍灣花園)	Nanjing	–	–	–	–	1,845.1	112,492	16,402	8.0%
Wujiang Injoy Plaza (吳江吾悅廣場) . .	Suzhou	1,170.0	140,558	8,324	5.8%	1,732.4	203,161	8,320	7.5%
Legend Mansion (新城公館)	Suzhou	531.8	48,132.0	11,048.3	2.6%	1,662.0	148,739	10,950	7.2%
Danyang Injoy Plaza (丹陽吾悅廣場) . .	Zhenjiang	–	–	–	–	1,731.5	233,713	6,686	7.5%
Zhangjiagang Injoy Plaza (張家港吾悅廣場)	Suzhou	–	–	–	–	1,525.9	150,844	9,740	6.6%
Future Mangrove Bay (新城紅樹灣) . . .	Suzhou	313.1	34,860.6	8,980.1	1.5%	1,428.8	168,418	8,343	6.2%
In Spring Live (春天里)	Changzhou	437.1	63,194.2	6,916.7	2.2%	920.3	156,701	5,857	4.0%
Garden House (新城馥華里) . . .	Shanghai	409.4	22,251.0	18,397.2	2.0%	885.8	52,969	16,274	3.9%
Future Land Emporium (新城帝景)	Changzhou	754.4	63,432.7	11,369.4	3.7%	842.7	83,928	9,854	3.7%
Fragrant View (新城香溢環庭) . .	Shanghai	517.5	30,968.1	16,712.2	2.6%	792.0	42,958	18,436	3.4%
Beautiful Harbour (昆山新城柏麗灣)	Suzhou	–	–	–	–	731.8	105,092	6,937	3.2%
Whispering Hills (山語院)	Hangzhou	–	–	–	–	681.1	100,944	6,680	3.0%
Future France (香溢紫郡)	Changzhou	823.9	143,504	5,742	4.1%	680.3	124,704	5,401	3.0%
Future Success (香溢俊園)	Changzhou	683.5	93,673	7,296	3.4%	570.8	81,906	6,942	2.5%
Injoy Plaza (吾悅廣場)	Changzhou	53.8	3,713.3	14,493.8	0.3%	593.7	80,837	7,241	2.6%

Year ended December 31,									
Project	Location	2014				2015			
		Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/sq.m.)		(RMB million)	(sq.m.)	(RMB/sq.m.)	
Fragrant Legend (香溢瀾橋)	Changzhou	1,166.0	172,864	6,745	5.8%	410.3	61,233	6,465	1.8%
Fragrant Legend (香溢瀾亭)	Shanghai	1,012.1	50,030	20,230	5.0%	237.6	10,910	20,212	1.0%
Fragrant Legend (香溢瀾橋)	Suzhou	1,372.9	146,418	9,377	6.8%	152.3	15,059	9,602	0.7%
Bright Green Land (昱翠灣)	Shanghai	1,179.8	78,553	15,019	5.8%	99.8	7,277	13,716	0.4%
Future France (香溢紫郡)	Wuxi	1,147.1	153,491	7,474	5.7%	169.3	20,250	8,248	0.7%
Future Consequence (香悦半島)	Changzhou	868.1	109,732	7,911	4.3%	90.9	6,469	13,296	0.4%
Petrus Hacienda (碧翠園)	Shanghai	810.7	36,298	22,334	4.0%	181.7	5,826	30,849	0.8%
Gorgeous Mansion (憶華里)	Shanghai	810.2	26,045	31,110	4.0%	34.7	1,326	25,891	0.2%
Wuhan in Spring Live (武漢春天里) . . .	Wuhan	534.9	72,528	7,391	2.6%	8.9	203	7,269	0.0%
Future France (香溢紫郡)	Suzhou	696.3	95,065	7,324	3.4%	—	—	—	—
Total		17,280.2	1,890,381.9	9,523.3	85.5%	20,379.0	2,294,061.0	9,037.0	88.7%

Cost of Sales

Our cost of sales increased by RMB2,135.1 million, or 12.7%, from RMB16,844.6 million in 2014 to RMB18,979.7 million (US\$2,855.8 million) in 2015. This increase was primary due to an increase in our total GFA delivered from from 2,373,281 sq.m. in 2014 to 2,817,869 sq.m. in 2015, partially offset by a decrease in average cost per sq.m. sold from RMB6,339 in 2014 to RMB6,040 in 2015. The decrease in average cost per sq.m. sold in 2015 was primarily due to the decrease in sales of properties in Shanghai which typically have higher land use rights costs.

Gross Profit

As a result of the foregoing, our gross profit increased by RMB982.2 million, or 25.4%, from RMB3,874.0 million in 2014 to RMB4,856.2 million (US\$730.7 million) in 2015. Our overall gross profit margin increased from 18.7% in 2014 to 20.4% in 2015, primarily attribute to the decrease in unit cost for 2015.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties increased by RMB449.1 million, or 122.7%, from RMB366.0 million in 2014 to RMB815.1 million (US\$122.6 million) in 2015. This increase in gains on investment properties was primarily because our newly developed investment properties increased in 2015.

Selling and Marketing Costs

Our selling and marketing costs increased by RMB214.7 million, or 35.0%, from RMB613.4 million in 2014 to RMB828.1 million (US\$124.6 million) in 2015, primarily due to an increase in marketing expenses incurred as we launched more projects for pre-sale in 2015.

Administrative Expenses

Our administrative expenses increased by RMB333.7 million, or 47.5%, from RMB701.8 million in 2014 to RMB1,035.5 million (US\$155.8 million) in 2015. The increase was primarily due to an increase in staff costs resulting from an increase in our staff headcount in 2015.

Finance Costs – Net

Our net finance costs increased by RMB378.8 million, or 278.9%, from RMB135.8 million in 2014 to RMB514.6 million (US\$77.4 million) in 2015. This increase was primarily due to the interest expense arising from newly issued bonds and unrealized foreign exchange losses due to the depreciation of Renminbi in 2015. See “Description of Other Material Indebtedness.”

Income Tax Expense

Our income tax expense increased by RMB265.2 million, or 21.3%, from RMB1,242.6 million in 2014 to RMB1,507.7 million (US\$226.9 million) in 2015. The increase was primarily due to the increase in the profit from property development business and fair value gains on investment properties in 2015.

Profit for the Year

As a result of the foregoing, our profit increased by RMB177.0 million, or 10.5%, from RMB1,679.3 million in 2014 to RMB1,856.2 (US\$279.3 million) in 2015. Our net profit margin decreased to 7.8% in 2015 from 8.1% in 2014.

Year ended December 31, 2014 compared to year ended December 31, 2013

Revenue

Our revenue decreased by RMB52.6 million, or 0.3%, from RMB20,771.3 million in 2013 to RMB20,718.7 million (US\$3,341.7 million) in 2014. This decrease was primarily due to the decrease in revenue from property sales from RMB20,421.8 million in 2013 to RMB20,216.1 million (US\$3,252.0 million) in 2014, which was in turn driven by a 4.1% decrease in our total GFA delivered from 2,475,098 sq.m. in 2013 to 2,373,281 sq.m. in 2014, partially offset by a 3.2% increase in our ASP from RMB8,251 per sq.m. in 2013 to RMB8,518 per sq.m. in 2014. The increase in ASP in 2014 was primarily due to a higher percentage of property sales contributed by high-end properties, which have higher selling prices. The following table sets forth certain revenue information relating to the main properties we delivered and recognized as sales during the years indicated:

Project	Location	Year ended December 31,							
		2013				2014			
		Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/sq.m.)		(RMB million)	(sq.m.)	(RMB/sq.m.)	
Future France (香港紫郡)	Nanjing	–	–	–	–	1,987.6	234,312	8,483	9.8%
Fragrant Legend (香港瀾橋)	Suzhou	–	–	–	–	1,372.9	146,418	9,377	6.8%
Bright Green Land (昱翠灣)	Shanghai	–	–	–	–	1,179.8	78,553	15,019	5.8%
Wujiang Injoy Plaza (吳江吾悅廣場) . . .	Suzhou	–	–	–	–	1,170.0	140,558	8,324	5.8%
Fragrant Legend (香港瀾橋)	Changzhou	1,284.8	193,388	6,643	6.3%	1,166.0	172,864	6,745	5.8%

		Year ended December 31,							
		2013				2014			
Project	Location	Revenue	GFA	ASP	Percentage of total property sales	Revenue	GFA	ASP	Percentage of total property sales
		(RMB million)	(sq.m.)	(RMB/sq.m.)		(RMB million)	(sq.m.)	(RMB/sq.m.)	
Future France (香溢紫峻)	Wuxi	–	–	–	–	1,147.1	153,491	7,474	5.7%
Fragrant Legend (香溢瀾亭)	Shanghai	–	–	–	–	1,012.1	50,030	20,230	5.1%
Future Consequence (香悦半島)	Changzhou	1,385.9	186,700	7,423	6.8%	868.1	109,732	7,911	4.3%
Future France (香溢紫郡)	Changzhou	1,095.5	187,363	5,847	5.4%	823.9	143,504	5,742	4.1%
Petrus Hacienda (碧翠園)	Shanghai	2,228.1	79,293	28,099	10.9%	810.7	36,298	22,334	4.0%
Gorgeous Mansion (憶華里)	Shanghai	–	–	–	–	810.2	26,045	31,110	4.0%
Future Land Emporium (新城帝景)	Changzhou	–	–	–	–	754.4	70,759	10,662	3.7%
Future France (香溢紫郡)	Suzhou	–	–	–	–	696.3	95,065	7,324	3.4%
Future Success (香溢俊園)	Changzhou	–	–	–	–	683.5	93,673	7,296	3.4%
Wuhan in Spring Live (武漢春天里)	Wuhan	678.0	86,319	7,855	3.3%	534.9	72,528	7,391	2.6%
Park View International Community (上海金郡) ⁽²⁾	Shanghai	1,790.5	137,035	13,066	8.8%	–	–	–	–
Changsha International Metropolis (長沙國際花都)	Changsha	1,190.0	311,166	3,827	5.8%	–	–	–	–
Future Land Golden County (蘇州新城金郡)	Suzhou	1,067.5	133,949	7,969	5.2%	–	–	–	–
Up Town (尚東雅園)	Wuxi	952.0	124,235	7,663	4.7%	–	–	–	–
Future Land Golden County (新城金郡)	Changzhou	894.5	74,250	12,047	4.4%	–	–	–	–
Xincheng Future Town (新城域)	Changzhou	818.4	151,209	5,413	4.0%	–	–	–	–
Future Capital (新城首府)	Changzhou	787.2	72,887	10,801	3.9%	–	–	–	–
Future Royal Bay (御景灣)	Changzhou	784.4	93,551	8,385	3.8%	–	–	–	–
Park View Ivy (新城金郡常春藤)	Shanghai	661.3	36,838	17,953	3.2%	–	–	–	–
Exalted Uptown (尚上城)	Shanghai	624.1	58,264	10,712	3.1%	–	–	–	–
Total		16,243.1	1,926,447	8,432	79.5%	15,017.5	1,623,830	9,249	74.3%

(1) Includes Park View International Community A and Park View International Community B.

Cost of Sales

Our cost of sales increased by RMB756.6 million, or 4.7%, from RMB16,088.0 million in 2013 to RMB16,844.6 million (US\$2,716.9 million) in 2014. This increase was primarily due to an increase in average cost per sq.m. sold from RMB5,916 in 2013 to RMB6,339 in 2014. The increase in average cost per sq.m. sold in 2014 was primarily due to the increase in sales of high-end properties which typically have higher construction costs compared with low-end properties.

Gross Profit

As a result of the foregoing, our gross profit decreased by RMB809.2 million, or 17.3%, from RMB4,683.2 million in 2013 to RMB3,874.0 million (US\$624.8 million) in 2014. Our overall gross profit margin decreased from 22.5% in 2013 to 18.7% in 2014, primarily because a larger percentage of sales were contributed by properties with higher gross profit margins.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties increased by RMB328.2 million, or 867.2%, from RMB37.8 million in 2013 to RMB366.0 million (US\$59.0 million) in 2014. This increase in gains on investment properties was primarily because our newly developed investment properties increased in 2014.

Selling and Marketing Costs

Our selling and marketing costs increased by RMB21.4 million, or 3.6%, from RMB592.0 million in 2013 to RMB613.4 million, primarily due to an increase in our advertising and publicity activities as we launched more projects for pre-sale in 2014.

Administrative Expenses

Our administrative expenses increased by RMB21.8 million, or 3.2%, from RMB680.0 million in 2013 to RMB701.8 million (US\$113.2 million) in 2014. The increase was primarily due to an increase in staff costs resulting from an increase in our staff headcount in 2014.

Finance Costs – Net

Our net finance costs decreased by RMB259.1 million, or 65.6%, from RMB394.9 million in 2013 to RMB135.8 million (US\$21.9 million) in 2014. This decrease was primarily due to the increase in capitalized interest of senior notes in 2014. See “Description of Other Material Indebtedness.”

Income Tax Expense

Our income tax expense decreased by RMB276.8 million, or 18.2%, from RMB1,519.3 million in 2013 to RMB1,242.6 million (US\$200.4 million) in 2014. The decrease was primarily due to the decrease in our profit from property development in 2014.

Profit for the Year

As a result of the foregoing, our profit decreased by RMB37.9 million, or 2.2%, from RMB1,717.1 million in 2013 to RMB1,679.3 million (US\$270.9 million) in 2014. Our net profit margin decreased to 8.1% in 2014 from 8.3% in 2013.

Liquidity and Capital Resources

Overview

We operate in a capital-intensive industry, and our primary use for cash is to pay for land acquisition costs, construction costs and finance costs and to fund our working capital. To date, we have primarily financed our working capital, capital expenditure and other capital requirements through proceeds from our IPO and the offering of the July 2019 Corporate Bonds, the July 2019 Notes, the November 2017 Notes, the November 2020 Corporate Bonds, the November 2018 Corporate Bonds and the March 2019 Corporate Bonds I and II, borrowings from financial institutions, proceeds from the pre-sales and sales of properties and income generated from our property management services and investment properties. Going forward, we believe our liquidity requirements will be satisfied using a combination of bank loans, cash generated from operating activities, proceeds from the offering of the Notes and other funds raised from the capital markets from time to time.

Cash Flows

The following table sets forth a summary of our consolidated statement of cash flows for the years indicated:

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
	(in thousands)					
Selected cash flow statement data						
Net cash generated from/						
(used in) operating activities . .	(3,267,849)	2,468,545	(2,376,460)	(585,897)	3,323,542	500,089
Net cash (used in)/						
generated from investing						
activities	155,842	(3,062,807)	(2,001,766)	(1,843,354)	(3,539,162)	(532,533)
Net cash generated from/						
(used in) financing activities . .	5,725,253	(1,986,478)	6,047,211	2,025,965	2,939,823	442,351
Net increase/(decrease) in						
cash and cash equivalents	2,613,246	(2,580,740)	1,668,985	(403,286)	2,724,203	409,907
Cash and cash equivalents at						
beginning of the year/period . .	4,852,130	7,411,713	4,817,907	4,817,907	6,478,861	974,866
Cash and cash equivalents at						
end of the year/period.	7,411,713	4,817,907	6,478,861	4,423,022	9,204,013	1,384,916

Net cash generated from/(used in) or used in operating activities

We generate our cash from operating activities primarily from proceeds received from pre-sales and sales of our properties and rental income. Our cash used in operating activities is primarily for our property development activities and land acquisitions.

Our net cash flow generated from operating activities reflects our profit before income tax, as adjusted for non-cash items, such as fair value gains on investment properties, finance costs and accrual or reversal of provisions for properties held for sale, and the effects of changes in working capital, such as increases or decreases in payments for properties held or under development for sale, advances from pre-sale of properties, prepayments for leasehold land and trade and other receivables or payables.

In the six months ended June 30, 2016, we had net cash generated from operating activities of RMB3,323.5 million (US\$500.1 million), consists of cash generated from operations of RMB4,885.3 million (US\$735.1 million), partially offset by (i) PRC income tax paid of RMB829.0 million (US\$124.7 million), (ii) interest paid of RMB521.5 million (US\$78.5 million) and (iii) PRC LAT in the amount of RMB211.2 million (US\$31.8 million).

In 2015, we had net cash used in operating activities of RMB2,376.5 million, primarily due to (i) interest paid of RMB1,263.4 million, (ii) PRC income tax paid of RMB750.7 million and (iii) PRC LAT of RMB664.6 million, partially offset by cash generated from operations of RMB302.3 million.

In 2014, we had net cash generated from operating activities of RMB2,468.5 million, primarily due to (i) net operating cash flow before working capital changes of RMB2,969.4 million, (ii) advances from pre-sale of properties of RMB2,929.0 million and (iii) an increase in trade and other payables of RMB1,659.1 million due to increased construction costs, salary and income tax expense. Cash generated from operating activities was partially offset by (i) a decrease in properties held or under development for sale by RMB1,915.5 million, (ii) an increase in trade and other receivables and prepayments of RMB858.4 million and (iii) payments of interest, PRC income tax and PRC land appreciation tax in the amount of RMB2,444.6 million.

In 2013, we had net cash used in operating activities of RMB3,267.8 million, primarily due to (i) net operating cash flow before working capital changes of RMB3,519.1 million, (ii) an increase in properties held or under development for sale of RMB3,509.1 million due to increased construction costs and land use rights costs, (iii) a decrease in advances from pre-sale of properties of RMB1,428.8 million and (iv) payments of interest and PRC income tax and PRC land appreciation tax of RMB2,349.1 million, partially offset by a decrease in prepayments of leasehold land of RMB1,028.3 million.

See “Risk Factors – We had negative net operating cash flow for the years ended December 31, 2013 and 2015. If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially adversely affected.” for further information relating to the risks associated with our negative net operating cash flow.

Net cash (used in)/generated from investing activities

In the six months ended June 30, 2016, we had net cash used in investing activities of RMB3,539.2 million (US\$532.5 million), primarily due to (i) fundings to related parties/other investors of joint ventures of RMB9,580.6 million (US\$1,441.6 million); (ii) investments in joint ventures of RMB2,475.6 million (US\$372.5 million) and (iii) additions of investment properties of RMB1,333.6 million (US\$200.7 million), partially offset by fundings received from related parties/other investors of joint ventures of RMB9,088.2 million (US\$1,367.5 million) and disposal of subsidiaries of RMB1,297.2 million (US\$195.2 million).

In 2015, we had net cash used in investing activities of RMB2,001.8 million, primarily due to (i) fundings to related parties/other investors of joint ventures of RMB8,915.8 million, (ii) additions of investment properties of RMB2,391.5 million, (iii) investments in joint ventures of RMB1,220.6 million and (iv) additions of property, plant and equipment and repayments for non-current assets of RMB1,051.5 million, partially offset by fundings received from related parties of RMB11,676.0 million.

In 2014, we had net cash used in investing activities of RMB3,062.8 million, primarily due to (i) additions of investment properties of RMB1,130.1 million, (ii) additions of property, plant and equipment and prepayments for non-current assets of RMB1,096.4 million and (iii) investments in joint ventures of RMB861.3 million, partially offset by interest received of RMB119.2 million.

In 2013, we had net cash provided by investing activities of RMB155.8 million, primarily due to (i) cash inflow of RMB175.0 million in connection with the capital reduction from an associate and (ii) interest received from our bank balances in the amount of RMB121.8 million, partially offset by cash outflow in connection with our additions of investment properties of RMB163.6 million and acquisition of available-for-sale financial assets of RMB40.0 million, consisting of our 5.26% equity interest in Shanghai Wuling Investment Management Limited Partnership and 2.72% equity interest in Gefei Assets Management Limited Partnership.

Net cash generated from/(used in) financing activities

In the six months ended June 30, 2016, we had a net cash generated from financing activities of RMB2,939.8 million (US\$442.3 million), which consisted primarily of (i) proceeds from issuance of corporate bonds of RMB2,969.9 million (US\$446.9 million) and (ii) proceeds from borrowings of RMB5,114.2 million (US\$769.5 million), partially offset by (i) redemption of senior notes of RMB2,867.3 million (US\$431.4 million) and (ii) repayment of borrowings of RMB1,811.1 million (US\$272.5 million).

In 2015, we had net cash generated from financing activities of RMB6,047.2 million, which consisted primarily of (i) proceeds from borrowing of RMB9,098.6 million and (ii) proceeds from issuance of corporate bonds and senior notes of RMB6,477.8 million, partially offset by repayments of borrowings of RMB10,918.8 million.

In 2014, we had net cash used in financing activities of RMB1,986.5 million, which consisted primarily of (i) repayments of borrowings of RMB14,246.5 million and (ii) an increase in restricted cash relating to financing activities of RMB1,839.9 million, partially offset by (i) proceeds from borrowings of RMB10,204.1 million, (ii) proceeds from issuance of senior notes of RMB2,100.4 million and (iii) proceeds from issuance of July 2019 Corporate Bonds of RMB1,978.5 million.

In 2013, we had net cash generated from financing activities of RMB5,725.3 million, which consisted primarily of proceeds from borrowings of RMB15,652.9 million and proceeds from issuance of senior notes of RMB2,691.5 million, partially offset by the repayment of borrowings of RMB14,006.7 million.

Net Current Assets Position

The following table sets forth our assets and liabilities as of the balance sheet dates indicated:

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)				
Current assets					
Prepayments for leasehold					
land	3,285,498	3,263,529	6,799,095	1,170,752	176,162
Properties held or under					
development for sale	28,728,964	29,862,468	32,739,898	38,443,991	5,784,618
Trade and other receivables					
and prepayments	2,112,831	3,216,397	6,527,190	11,361,744	1,709,587
Restricted cash	886,180	2,618,559	1,283,653	2,040,499	307,031
Cash and cash equivalents ..	7,411,713	4,817,907	6,478,861	9,204,013	1,384,916
Total current assets	42,425,186	43,778,860	53,828,697	62,220,999	9,362,314
Current liabilities					
Trade and other payables ..	10,368,476	12,023,131	20,008,074	20,320,027	3,057,528
Advances from pre-sale of					
properties	10,235,042	13,164,015	15,928,660	24,015,358	3,613,560
Current income tax					
liabilities	1,673,306	1,484,495	1,682,585	1,275,903	191,983
Borrowings	2,174,501	3,376,189	3,975,575	3,977,085	598,427
Dividends payable	929	1,157	1,092	284,057	42,742
Total current liabilities	24,452,254	30,048,987	41,595,986	49,872,430	7,504,240
Net current assets	17,972,932	13,729,873	12,232,711	12,348,569	1,858,074

As of June 30, 2016, our net current assets of RMB12,348.6 million (US\$1,858.1 million), consisted of RMB62,221.0 million (US\$9,362.3 million) of current assets and RMB49,872.4 million (US\$7,504.2 million) of current liabilities, which represented an increase of approximately RMB115.9 million from our net current assets of RMB12,232.7 million as of December 31, 2015. The increase in net current assets was primarily attributable to an increase in trade and other receivables and prepayments, an increase in properties held or under development for sale and an increase in cash and cash equivalents, which were partially offset by an increase in advances from pre-sale of properties and a decrease in prepayments for leasehold land.

Contractual Obligations

As of June 30, 2016, our total capital commitments in connection with our property development activities amounted to RMB16,556.4 million (US\$2,491.2 million).

The following table sets forth our property development expenditures contracted but not provided for as of the dates indicated:

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(unaudited)				
	(in thousands)				
Property development expenditure contracted but not provided for	11,748,357	13,819,049	19,166,565	16,556,413	2,491,222
Committed acquisition of equipment	—	—	—	51,200	7,704

The following table sets forth our operating lease commitments for rental expenses as of the dates indicated:

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(unaudited)				
	(in thousands)				
Within 1 year	12,234	22,007	17,989	20,152	3,032
1 to 5 years	24,306	42,039	40,448	37,839	5,694
Over 5 years	25,908	33,846	26,882	23,117	3,478
	62,448	97,892	85,319	81,108	12,204

We intend to fund our capital and lease commitments principally from bank financings and proceeds from sales and pre-sales of our developed properties.

Indebtedness

Bank and Other Borrowings

The following table sets forth our outstanding borrowings as of the dates indicated:

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)				
Current borrowings					
Bank borrowings	643,042	2,184,389	481,000	2,120,465	319,064
March 2019 Corporate Bonds II	—	—	—	1,141,620	171,778
Current portion of long-term borrowings	1,531,459	1,191,800	3,494,575	715,000	107,585
Total current borrowings . .	2,174,501	3,376,189	3,975,575	3,977,085	598,427
Non-current borrowings					
Bank borrowings	10,179,459	4,987,700	4,871,367	6,541,328	984,265
January 2018 Notes	1,189,147	1,199,712	1,363,656	—	—
April 2016 Notes	1,477,928	1,486,844	1,496,719	—	—
July 2019 Notes	—	2,091,577	2,229,185	2,281,708	343,326
November 2017 Notes	—	—	1,589,524	1,632,022	245,568
July 2019 Corporate Bonds . .	—	1,981,419	1,988,410	1,992,127	299,753
November 2020 Corporate Bonds	—	—	2,978,474	2,982,087	448,711
November 2018 Corporate Bonds	—	—	1,982,129	1,986,767	298,946
March 2019 Corporate Bonds I	—	—	—	1,833,338	275,860
Non-current, unsecured and borrowed from a bank	400,000	—	—	—	—
	13,246,534	11,747,252	18,499,464	19,249,377	2,896,429
Less: Current portion of long-term borrowings	(1,531,459)	(1,191,800)	(3,494,575)	(715,000)	(107,585)
Total non-current borrowings	11,715,075	10,555,452	15,004,889	18,534,377	2,788,844
Total current and non-current borrowings . .	13,889,576	13,931,641	18,980,464	22,511,462	3,387,271

Since 2009, we have been funding our development costs (including land premium) with internal resources and bank borrowings, as well as the July 2019 Notes, the November 2017 Notes, the July 2019 Corporate Bonds, the November 2020 Corporate Bonds, the November 2018 Corporate Bonds and March 2019 Corporate Bonds I and II.

Our outstanding current and non-current borrowings, which include our borrowings from banks, corporate bonds and senior notes were RMB13,889.6 million, RMB13,931.6 million, RMB18,980.5 million and RMB22,511.5 million (US\$3,387.3 million) as of December 31, 2013, 2014 and 2015 and June 30, 2016, respectively. Our current and non-current borrowings increased during the three years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, primarily due to an increase in construction activities during such periods and a shift in our product mix to an increasing proportion of higher end products, which were more capital intensive.

As of June 30, 2016, we had unutilized banking facilities of approximately RMB45,659.9 million (US\$6.870.4 million). Provided that we obtain all necessary permits and licenses for development of our relevant projects as required by the banks and that the funding will be used for the relevant project for which we have applied for the funding, the use of the unutilized banking facilities generally will not be restricted. These conditions are customary for the banks to provide banking facilities to property developers in China.

The following table sets forth the maturity profile of our non-current borrowings as of the dates indicated:

	As at December 31,			As at June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	
	(in thousands)				
Between 1 and 2 years	4,043,500	2,632,744	7,276,492	2,797,837	420,987
Between 2 and 5 years	6,931,575	7,682,708	7,211,209	15,061,228	2,266,244
Over 5 years	740,000	240,000	517,188	675,313	101,613
	11,715,075	10,555,452	15,004,889	18,534,377	2,788,844

All of our bank borrowings are secured by one or a combination of the following methods: pledges of land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of our subsidiaries, bank deposits and guarantees by our subsidiaries. Our bank borrowings are from major commercial banks, which are independent third parties. As of December 31, 2013, 2014 and 2015 and June 30, 2016, the weighted average effective interest rate on our bank borrowings was 6.85%, 5.71%, 6.51% and 5.30%, respectively.

As a result of these borrowings, our operations are subject to a wide range of customary restrictive covenants. For further information, see the sections headed “Risk Factors – Risks Relating to Our Business – We are subject to risks associated with certain covenants or restrictions under our bank borrowings which may adversely affect our business, financial condition and results of operations.”

Financial Guarantees and Contingent Liabilities

We make arrangements with various PRC banks to provide mortgage facilities to purchasers of our pre-sold properties. In accordance with market practice, we are required to provide guarantees to these banks in respect of mortgages provided to such purchasers. Guarantees for mortgages on pre-sold residential properties are generally discharged when: (i) the property ownership certificates are registered in favor of the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers, whichever occurs first. If a purchaser defaults on the mortgage loan, we are typically required to repurchase the underlying property to pay off the mortgage loan. If we fail to do so, the mortgagee banks will auction the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, we do not conduct independent credit checks on our purchasers but rely on the credit checks conducted by the mortgagee banks. As of December 31, 2013, 2014 and 2015 and June 30, 2016, our outstanding guarantees for mortgage loans of the purchasers of our pre-sold properties were approximately RMB2,980.7 million, RMB4,478.6 million, RMB5,376.1 million and RMB14,381.5 million (US\$2,164.0 million), respectively. Our general policy is that for purchasers utilizing mortgage loans, if purchasers default on subsequent payments after the down payment, we reserve our rights to seize the full amount of the down payment, unless we are able to resell the property at a price not less than the original amount at which we sold the property to such defaulting purchasers, and that the resale proceeds are sufficient to cover our enforcement costs. Financial guarantees are contingent liabilities not recognized in our financial statements.

The following table sets forth our financial guarantees as of the dates indicated:

	As of December 31,			As of June 30,	
	2013	2014	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
	(unaudited)				
	(in thousands)				
Guarantees in respect of mortgage facilities for certain purchasers of our properties	2,980,716	4,478,635	5,376,137	14,381,492	2,163,965

Except as disclosed in “Contractual Obligations” and “– Indebtedness” above, we did not have outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding as of June 30, 2016.

Qualitative and Quantitative Disclosure about Market Risk

We are exposed to various types of market risks, including credit risk, interest rate risk, and liquidity risk.

Credit Risk

We have no significant concentrations of credit risk. The carrying amounts of bank deposits, and trade and other receivables included in the consolidated statements of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have policies in place to ensure that sales of properties are made to buyers with appropriate financial strength and with the appropriate percentage of down payment. In addition, we reserve the right to cancel the sales contract in the event that the buyers default in payment and put the underlying properties back to the market for re-sale. The credit risk from sales of properties is therefore limited. Other receivables mainly comprise receivables from related parties and deposits made in the ordinary course of business. We closely monitor these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

Interest Rate Risk

Our interest rate risk relates primarily to our fixed-rate borrowings and variable-rate borrowings. Borrowings at fixed-rates expose us to fair value interest rate risk and borrowings at variable rates expose us to cash flow interest rate risk. We currently have not entered into interest rate swaps to hedge against our exposure to changes in fair values of our borrowings. It is our policy to maintain an appropriate level between our fixed-rate and variable rate borrowings so as to balance the fair value and cash flow interest rate risk.

In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debt. Fluctuations in interest rates can also lead to significant fluctuations in the fair value of our debt obligations.

We currently do not use any derivative instruments to manage our interest rate risk. To the extent we decide to do so in the future, there can be no assurance that any future hedging activities will protect us from fluctuations in interest rates.

Liquidity Risk

The capital-intensive nature of our business exposes us to liquidity risk. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our capital commitments. To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. In doing so, our management monitors capital on the basis of the gearing ratio to ensure adequate undrawn banking facilities and monitors the utilization of borrowings to ensure compliance with loan covenants. We also continue to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of our properties or other resources of funding which we consider appropriate.

Off-Balance Sheet Arrangements

Except for the contingent liabilities disclosed, we have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging services with us.

Non-GAAP Financial Measures

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

- finance costs, including capitalized interest under cost of sales;
- income tax expense;
- fair value gains on investment properties;
- other gains-net;
- depreciation; and
- amortization.

EBITDA is not a standard measure under HKFRSs or generally accepted accounting principles in other jurisdictions. 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 of companies with similar operating results. Therefore, we believe the investor community commonly use this type of financial measure to assess the operating performance of companies in our market sector.

You should not consider our definition of EBITDA in isolation or construe it as an alternative to profit for the year/period or as an indicator of operating performance or any other standard measure under HKFRSs or generally accepted accounting principles in other jurisdictions. Our definition of EBITDA does not account for taxes and other non-operating cash expenses. Our EBITDA measures may not be comparable to similarly titled measures used by other companies.

The following table reconciles our profit for the year under HKFRSs to our definition of EBITDA for the years and periods indicated.

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
				(unaudited)	(unaudited)	(unaudited)
				(in thousands)		
Revenue	20,771,255	20,718,670	23,835,889	8,803,816	9,302,948	1,399,803
Profit for the year/period . . .	1,717,137	1,679,287	1,856,237	695,193	750,872	112,983
Adjustments:						
Finance costs (including capitalized interest under cost of sales)	1,165,765	883,192	1,343,735	379,720	496,299	74,677
Income tax expense	1,519,329	1,242,561	1,507,717	341,614	390,637	58,779
Fair value gains on investment properties	(37,839)	(365,994)	(815,106)	(282,643)	(193,162)	(29,065)
Other gains – net	(46,270)	(105,627)	(14,153)	(6,692)	(175,944)	(26,474)
Depreciation	19,453	31,855	100,265	39,443	91,907	13,829
Amortization	2,418	4,610	7,112	3,390	15,585	2,345
EBITDA ⁽¹⁾	4,339,993	3,369,884	3,985,807	1,170,025	1,376,194	207,074
EBITDA margin ⁽²⁾	20.9%	16.3%	16.7%	13.3%	14.8%	

(1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and net gains or losses. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company's ability to service and incur debts. 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. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating 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. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.

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

Recent Accounting Announcements

The following are new amendment and improvements of HKFRSs adopted by us during the six months ended June 30, 2016.

- HKFRS 14 “Regulatory Deferral Accounts”
- Amendment to HKAS 27 on equity method in separate financial statements
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operations
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortization
- Annual improvements 2014, affecting the following 4 standards: HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, HKFRS 7 “Financial Instruments: Disclosures”, HKAS 19 “Employee Benefits” and HKAS 34 “Interim Financial Reporting”
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception
- Amendments to HKAS 1 on disclosure initiative

The adoption of the above new standard, amendments and improvements starting from January 1, 2016 did not give rise to any significant impact on our results of operations and financial position for the six months ended June 30, 2016.

We have not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective for the financial year ended on December 31, 2016.

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various government publications, market data provider and other independent third-party sources. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by us or any other party involved in the offering of the Notes and no representation is given as its accuracy. Accordingly, such information should not be unduly relied upon.

Overview of the PRC Economy

From 2008 to 2015, China's real GDP grew at a CAGR of approximately 11.6%, making it one of the fastest growing major economies in the world. Amid the global financial crisis, China achieved an annual real GDP growth of 9.6% in 2008 and maintained positive economic growth throughout the crisis. China was among the first countries to recover from the global financial crisis. In February 2011, it overtook Japan to become the world's second largest economy. China's economic growth slowed in 2012 due to various factors, including the European debt crises and weaker global demand for exports. The Chinese Academy estimated that China's real GDP grew 6.7% in 2016 and 6.5% in 2017.

Overall Economic Growth

In the past decade, China's nominal GDP has increased from RMB31,874 billion in 2008 to RMB68,551 billion in 2015, representing a CAGR of approximately 16.8%. Over the same period, China's nominal GDP per capita increased at a CAGR of 11.1% from RMB23,912 in 2008 to RMB49,992 in 2015, demonstrating a significant increase in the purchasing power of the PRC population. The table below sets out selected economic statistics of China for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008-2015 CAGR
Nominal GDP									
(RMB billion)	31,874	34,505	40,714	47,958	53,287	58,320	64,397	68,551	11.6%
Real GDP growth rate									
(%)	9.6%	9.2%	10.4%	9.3%	7.8%	7.7%	7.3%	6.9%	N/A
Nominal GDP per capita									
(RMB)	23,912	25,963	30,567	36,018	39,544	43,320	47,203	49,992	11.1%
Fixed asset investment									
(RMB billion)	17,283	22,460	25,168	31,149	37,469	44,629	51,702	56,200	18.3%
Fixed asset investment growth (%)	25.9%	30.0%	12.1%	23.8%	20.3%	19.1%	15.8%	8.7%	N/A

Source: National Bureau of Statistics

Urbanization

Strong economic growth has encouraged the rapid urbanization and population growth in certain cities in China. The urbanization rate in China has increased significantly from 45.7% in 2008 to 56.1% in 2015. The table below sets out China's urbanization rate for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008-2015 CAGR
Urban population									
(million)	607	622	666	691	712	731	749	771	3.5%
Total population (million)	1,328	1,335	1,371	1,347	1,354	1,360.7	1,368	1,375	0.5%
Urbanization rate (%)	45.7%	46.6%	49.7%	51.3%	52.6%	53.7%	54.8%	56.1%	N/A

Source: National Bureau of Statistics

Disposable Income

The strong growth of the PRC economy has contributed to the rise in disposable income in China. Per capita disposable income of urban households grew steadily between 2008 and 2015 at a CAGR of 10.2%. The table below sets out the per capita disposable income of urban households over the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008-2015 CAGR
Per capita disposable income of urban households (RMB) . . .	15,781	17,175	19,109	21,810	24,565	26,467	28,844	31,195	10.2%

Source: National Bureau of Statistics

The cities in which our existing and planned property developments and investments are situated also experienced significant GDP growth. The tables below set out certain economic statistics of these cities for the periods indicated.

	2008		2009		2010		2011		2012		2013		2014		2015	
	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate	Nominal GDP	Normal growth rate
	RMB bn		RMB bn		RMB bn		RMB bn		RMB bn		RMB bn		RMB bn		RMB bn	
China	31,874	18.7%	34,505	8.3%	40,714	18.0%	47,958	17.8%	53,287	11.1%	58,320	9.4%	64,397	10.4%	68,551	6.9%
Changzhou . .	227	18.4%	252	11.2%	304	20.8%	358	17.6%	397	10.9%	436	9.8%	490	12.4%	527	7.6%
Shanghai . . .	1,407	12.6%	1,505	6.9%	1,717	14.1%	1,920	11.8%	2,010	4.7%	2,160	7.5%	2,356	9.1%	2,496	5.9%
Nanjing . . .	381	14.2%	423	10.9%	501	18.4%	615	22.6%	720	17.2%	801	11.3%	882	10.1%	972	10.2%
Wuxi	446	15.0%	499	11.9%	579	16.1%	688	18.8%	757	10.0%	807	6.6%	821	1.7%	852	3.7%
Suzhou . . .	708	21.0%	774	9.4%	923	19.2%	1,050	13.8%	1,201	14.4%	1,300	8.2%	1,376	5.9%	1,450	5.4%
Changsha . .	330	27.9%	374	13.5%	455	21.4%	562	23.6%	640	13.9%	715	11.8%	782	9.4%	851	8.8%
Wuhan	396	26.0%	462	16.7%	557	20.5%	676	21.4%	800	18.5%	905	13.1%	1,007	11.2%	1,091	8.3%
Zhenjiang . .	149	18.3%	167	12.2%	199	18.9%	231	16.2%	263	13.8%	293	11.3%	325	11.0%	350	7.7%

Source: National Bureau of Statistics

Per capita disposable income of urban households (RMB)

	2008		2009		2010		2011		2012		2013		2014		2015	
	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate	Nominal GDP per capita	Normal growth rate
	RMB		RMB		RMB		RMB		RMB		RMB		RMB		RMB	
China	23,912	17.6%	25,963	8.6%	30,567	17.7%	36,018	17.8%	39,544	9.8%	43,320	9.5%	46,629	7.6%	49,992	5.9%
Changzhou . .	51,746	16.4%	56,890	9.9%	67,327	18.3%	77,473	15.1%	85,036	9.8%	92,994	9.4%	104,423	12.3%	112,221	7.5%
Shanghai . . .	66,932	7.9%	69,164	3.3%	76,074	10.0%	82,560	8.5%	85,000	3.0%	90,100	6.0%	93,700	4.0%	103,000	9.9%
Nanjing . . .	50,855	13.1%	55,290	8.7%	79,390	17.7%	76,263	19.1%	88,523	16.1%	98,011	10.7%	107,545	9.7%	118,171	9.9%
Wuxi	73,733	12.4%	81,146	10.1%	92,166	13.6%	107,400	16.5%	117,400	9.3%	124,600	6.1%	126,400	1.4%	130,900	3.6%
Suzhou . . .	74,670	10.8%	83,696	12.1%	93,043	11.2%	102,129	9.8%	114,029	11.7%	120,000	5.2%	130,000	8.3%	136,300	4.8%
Changsha . .	50,336	26.7%	56,620	12.5%	66,443	17.3%	79,530	19.7%	89,903	13.0%	99,570	10.8%	107,683	8.1%	115,443	7.2%
Wuhan	44,290	24.5%	51,144	15.5%	58,961	15.3%	68,315	15.9%	N/A	N/A	89,000	12.0%	97,403	9.4%	104,132	6.9%
Zhenjiang . .	49,235	17.7%	54,732	11.2%	64,281	17.4%	73,947	15.0%	83,636	13.1%	92,626	10.7%	102,651	10.8%	110,351	7.5%

Source: National Bureau of Statistics

Per capita disposable income of urban households (RMB)								
	2008	2009	2010	2011	2012	2013	2014	2015
China	15,781	17,175	19,109	21,810	24,565	26,467	28,844	31,195
Changzhou	21,592	23,751	26,269	29,829	33,587	36,946	39,483	42,710
Shanghai	26,675	28,838	31,838	36,230	40,188	43,851	47,710	52,962
Nanjing	23,123	25,504	28,312	32,200	36,322	39,881	42,568	46,104
Wuxi	23,605	25,027	27,750	31,638	35,663	38,999	41,731	45,129
Suzhou	23,867	26,320	29,219	33,070	39,079	41,143	46,677	50,400
Changsha	18,282	20,864	23,347	26,451	30,288	33,662	36,821	39,961
Wuhan	16,712	18,385	20,806	23,738	27,061	29,821	33,270	36,436
Zhenjiang	19,044	20,949	23,075	26,637	30,045	32,977	35,752	38,666

Source: National Bureau of Statistics

Overview of the PRC Property Market

Between 2008 and 2015

Favorable economic conditions in the PRC have contributed to the strong growth of the PRC property market. From 2008 to 2015, investment in real estate development in China increased at a CAGR of 17.4%, and the total GFA of commodity properties sold increased at a CAGR of 10.0%. The table below sets out certain information about the PRC property market over the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total real estate investment (RMB billion)	3,120	3,624	4,826	6,180	7,180	8,601	9,504	9,598	17.4%
Total GFA under construction (million sq.m.)	2,833	3,204	4,054	5,068	5,734	6,656	7,265	7,357	14.6%
Total GFA sold (million sq.m.)	660	948	1,048	1,094	1,113	1,306	1,206	1,285	10.0%
Residential properties									
Total real estate investment (RMB billion)	2,244	2,561	3,404	4,432	4,937	5,895	6,435	6,460	16.3%
Total GFA under construction (million sq.m.)	2,229	2,153	3,148	3,877	4,290	4,863	5,151	5,116	12.6%
Total GFA sold (million sq.m.)	593	862	934	965	985	1,157	1,052	1,124	9.6%

Source: National Bureau of Statistics

Prices for real estate in the PRC experienced steady growth between 2007 and 2014, with the average price of commodity properties growing at a CAGR of 7.3% over the same period. The table below sets out average property prices in the PRC over the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Average price of commodity properties (RMB per sq.m.)	3,800	4,681	5,032	5,357	5,791	6,237	6,324	6,793	8.7%
Average price of residential properties (RMB per sq.m.)	3,576	4,459	4,725	4,993	5,430	5,850	5,932	6,472	8.8%

Source: National Bureau of Statistics

Recent Developments in the PRC Property Market

The PRC property market generally improved in the first half of 2016, as a result of the easing of mortgage policies and a series of interest rate cuts since September 30, 2014. According to a report issued by the National Bureau of Statistics, the total GFA sold and property sales in China in the first half of 2016 increased by 27.9% and 42.1%, respectively, compared to the same period in 2015. According to the 70-city property price index released by the National Bureau of Statistics, in 2016, the PRC government took measures to discourage speculation in the residential property market and to increase the supply of affordable housing rather than high-end residential properties. In response to concerns over the scale of the increase in property investment, the PRC government introduced policies and measures to restrict such increase.

Regulatory Milestones of the PRC Property Industry

From time to time, the PRC government has taken actions to tighten its control over the property market. In particular, the PRC government has taken measures to discourage speculation in the residential property market and to increase the supply of affordable housing. The table below sets out the key regulatory milestones of the PRC property industry, including major policies and measures implemented by the PRC government since 2008:

2008 The State Council issued Notice on Promoting the Land Saving and Intensive Use (國務院關於促進節約集約用地的通知) (國發[2008]3號) on January 3, 2008, which provided for stricter supervision on land development and regulation of idle land.

In October 2008, the PBOC reduced the minimum down payment requirement to 20% of the purchase price of the underlying property and the minimum mortgage loan interest rate to 70% of the PBOC benchmark interest rate for the purchase of a principal residence with a total GFA less than 90 sq.m.

On October 22, 2008, the State Council, the Ministry of Finance and the SAT jointly announced the decision to reduce the tax expenses of property transactions.

In October 2008, the CBRC issued regulatory notices to restrict trust financing companies from providing trust loans, in form or in nature, to (i) property projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits; (ii) property developers that had not been issued with Class 2 qualification certificates by the relevant competent construction authorities; (iii) property projects of which less than 30% of the total investments are funded by the property developers' own capital (except for affordable housing and commodity apartments, of which 20% of the total investment shall be funded by the developer's own capital); and (iv) property developers for payment of land premium or for working capital purposes.

2010 On March 8, 2010, the Ministry of Land and Resources instituted measures aimed at ensuring sufficient land supply for government-subsidized residential property.

On April 17, 2010, the State Council announced its decision to implement diverse credit policies for different types of purchases.

On September 21, 2010, the Ministry of Land and Resources and the MOHURD instituted measures to require relevant governmental authorities to (i) strengthen the management of the annual plan for land supply and residential property construction; (ii) accelerate the approval process for land supply and construction for residential properties; (iii) strengthen the management of land grants for residential properties; (iv) strengthen the supervision on land supply and construction of residential properties; and (v) strengthen the supervision and investigation of illegal conduct.

On September 29, 2010, the PBOC and the CBRC issued the Notice on the Improvement of Diversified Residential 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) (銀發[2010]275號) to require, among other things, all commercial banks to suspend (i) the extension of loans to individuals for purchase of third or subsequent residences and (ii) the extension of loans to non-local residents who cannot provide certificates evidencing payment of local taxes or social insurance for more than one year. For the purchase of a primary residence, the minimum down payment was increased to 30% of the purchase price of the underlying property.

On September 29, 2010, the Ministry of Finance, the SAT and the MOHURD issued the Notice on Adjustment of Preferential Policies for Deed Tax and Individual Income Tax for Real Estate Transactions (財政部、國家稅務總局關於住房和城鄉建設部關於調整房地產交易環節契稅個人所得稅優惠政策的通知) (財稅[2010]94號) to curb transfers by individuals of residential properties purchased within one year through the levying of individual income tax.

On December 19, 2010, the Ministry of Land and Resources promulgated the Circular on Issues Pertaining to the Strengthened Implementation of Real Estate Land Use Regulatory Policies and the Healthy Development of the Property Market (關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知) (國土資發[2010]204號) to further regulate the granting of land use rights for real estate development and tighten regulation of idle land.

On November 4, 2010, the MOHURD and SAFE issued the Notice on Further Standardization of the Administration of Housing Purchase by Foreign Entities and Individuals (關於進一步規範境外機構和個人購房管理的通知) (建房[2010]186號) to further restrict foreign individuals from purchasing property in the PRC.

2011

In January 2011, the State Council issued a notice to further restrict property purchases and strengthen regulations on land transfers, property development projects and idle land. Among other things, the notice (i) increased the minimum down payment for the purchase of a second home from 50% to 60%; (ii) required local governmental authorities to take steps to expand the coverage of low-income housing by increasing supply of low-income housing through construction, redevelopment, purchases and long-term leases and to build 10 million units of low-income housing in 2011; (iii) increased the minimum down payment from 20% to 30% for the purchase of the first residential property of a family if the underlying property has a unit GFA of 90 sq.m. or more; (iv) required that if a property developer failed to obtain the relevant construction permits and failed to commence construction within two years from the designation of land for property development, the relevant land use rights granted be forfeited and an idle land penalty be imposed; (v) prohibited the transfers of land or a property development project 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; and (vi) prohibited 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 from purchasing additional residential properties in their local district.

In March 2011, the MOHURD released the Notice on Inspection in respect of Standardized Management of Low-Income Housing Security Policy, requesting all local government authorities to fully understand the importance and long-term nature of the standardized management of low-income housing security policy, continue adopting effective measures, implement management accountability, improve management standards, and set up a comprehensive scientific, orderly, efficient, open and transparent management system.

In July 2011, MOHURD issued the Notice on Relevant Issues Relating to Enhanced Implementation of Real Estate Control Policies (關於進一步落實房地產調控政策有關問題的函) to enhance the implementation of purchase restrictions in second-tier and third-tier cities and to increase the number of cities subject to property purchase restrictions. This notice set out five criteria and encouraged local governments to, subject to local market conditions, implement property purchase restrictions if three or more of the following criteria are met: (i) prices of new residential units in the relevant city recorded year-on-year increase or recorded month-on-month increase during the six months ended June 30, 2011 according to information provided by the National Bureau of Statistics; (ii) the average price of new residential units in the relevant city in June 2011 had been higher than or closed to the maximum average price of residential units pre-determined by the relevant authorities; (iii) the sales volume of new commodity properties in the relevant city increased significantly from January 2011 to June 2011, as compared with the same period in past year; (iv) the relevant city is located close to major city(ies) with property purchase restrictions implemented and the proportion of non-local purchasers of properties in such city remained high; and (v) state-wide restrictive policies in real estate market had not been fully implemented in the relevant city which resulted in continued and significant increase in property prices and dissatisfaction of local residents.

In addition, the PRC government plans to build 36 million units of low-income housing during its “Twelfth Five-year” period. Through large-scale and nationwide development of low-income housing, it is expected that by the end of the “Twelfth Five-year” period, the coverage of low-income housing in urban cities and counties will reach 20% or above nationwide.

- 2012 On June 1, 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法) (國土資源部令第53號), which became effective on July 1, 2012. Under these measures, if any land parcel constitutes “idle land” due to government-related acts, the holder of the relevant land use rights are required to explain to the relevant municipality or county-level land administrative department(s) the reasons for the land becoming idle, consult the relevant government authorities and rectify the situation accordingly. The means of rectification include but are not limited to the extension of the period permitted for commencing development, the adjustment of the land use and planning conditions or the substitution of the relevant idle land parcels with other land parcels.
- 2013 On February 26, 2013, the General Office of the State Council promulgated the Notice on Continuing Adjustment and Control of Property Markets (關於繼續做好房地產市場調控工作的通知) (國辦發[2013]17號), which reiterated the importance of controlling property prices and promoting the healthy development of the PRC property market. The notice mandated provincial governments to increase the effectiveness of regulations designed to achieve national property control policies. Key goals are to (i) fine tune existing measures to control property prices, (ii) curb property speculation, (iii) increase the supply of commodity housing, (iv) accelerate the development of affordable housing projects, and (v) manage the market expectation of the property industry and strengthen the credit management of property developers.
- 2014 On September 30, 2014, the PBOC loosened mortgage restrictions. In easing mortgage restrictions, the PBOC announced that purchasers of second home can be considered as first-time buyers and can make down payments of 30%. Previously, such home buyers either wouldn't qualify for a housing loan or would have to make a minimum 60% down payment. Banks can also offer as much as a 30% discount on benchmark rates for mortgages. To qualify, the home buyers have to pay off any existing mortgage debt from their first purchases.

- 2015 On March 30, 2015, the PBOC, MOHURD and CBRC jointly issued the Notice on Matters Concerning Personal Housing Loan Policies (關於個人住房貸款政策有關問題的通知), according to which, for a household which already owns one or more residential properties and has not paid off the relevant mortgage, the minimum down payment ratio when purchasing an additional property is adjusted to 40%. For the first-time buyers of ordinary residential property who apply for housing accumulation fund loans, the minimum down payment ratio is 20%, and for those already own one or more residential properties and have paid off the relevant mortgage, when applying for additional housing accumulation fund loans to buy the another ordinary residential property, the minimum down payment ratio is 30%.
- On September 14, 2015, the State Council issued a Notice on Adjusting and Perfecting the Capital Ratio of Fixed Assets Investment Project (《國務院關於調整和完善固定資產投資項目資本金制度的通知》(國發[2015]51號)), the Notice provides that the minimum capital requirements for affordable housing and ordinary commodity apartment are 20%, and the minimum capital requirement for other real estate development projects is 25%. These regulation apply to both domestic and foreign investment projects.
- On September 30, 2015, the PBOC and CBRC jointly issued the Notice on Matters Concerning Further Improvement of Differentiated Housing Credit Policies (關於進一步完善差別化住房信貸政策有關問題的通知), which adjusted the minimum down payment ratio to 25% for the first-time buyers of ordinary residential property living in cities not subject to purchase restrictions when applying for mortgages.
- 2016 On February 1, 2016, the PBOC and CBRC jointly issued the Notice on Issues Concerning Adjusting the Individual Housing Loan Policies (《中國人民銀行,中國銀行業監督管理委員會關於調整個人住房貸款政策有關問題的通知》) which provides that in cities where restrictions on purchase of residential property are not being implemented, the minimum down payment ratio for a personal housing commercial loan obtained by a household for purchasing its first ordinary residential property is, in principle, 25% of the property price, which can be adjusted down by 5% by local authorities. For existing residential property household owners who have not fully repaid previous loan and are obtaining further personal housing commercial loan to purchase an additional ordinary residential property for the purpose of improving living conditions, the minimum down payment ratio shall be not less than 30% which is lower than the previous requirement of not less than 40%. From September 30, 2016 to date, Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Zhengzhou, Wuxi, Hefei, Wuhan, Nanjing, Foshan Dongguan, Fuzhou, Huizhou, Hangzhou and other cities have issued new property market control policies, including restoring or strengthening the restrictions on purchases of residential properties and tightening credit policy.

Over the years, land premiums have generally been on the rise in China. It is widely expected that land premiums will continue to rise as the PRC economy continues to develop and demolition and resettlement costs continue to increase.

Overview of the Yangtze River Delta

The Yangtze River Delta region is one of the most affluent regions in China. It is also widely regarded as the largest regional economy as well as the economic zone in China with the greatest development potential. It is located in the eastern part of China covering the Jiangsu Province, Zhejiang Province and Shanghai, which together account for approximately 1.0% of China's total land area, 11.6% of China's total population and approximately 20.4% of China's total GDP in 2015. The table below sets out the nominal GDP of China and other key economic zones in China for the periods indicated.

	Nominal GDP (in RMB billion)								2008-2015 CAGR
	2008	2009	2010	2011	2012	2013	2014	2015	
China.	31,874	34,505	40,714	47,958	53,287	58,320	63,404	68,551	11.6%
Yangtze River Delta Region ¹	6,651	7,249	8,530	10,062	10,891	11,833	12,880	13,797	11.0%
Pearl River Delta Region ²	2,995	3,215	3,739	4,372	4,785	5,306	5,780	5,952	10.3%
Beijing-Tianjin Metropolitan Region ³	1,783	1,967	2,289	2,756	3,069	3,387	3,705	3,955	12.1%
Chengdu-Chongqing Economic Zone ⁴	974	1,103	1,345	1,681	1,960	2,177	2,432	2,652	15.4%

Source: National Bureau of Statistics, bureau of statistics of the respective cities

- (1) Yangtze River Delta Region includes Shanghai, Jiangsu Province and Zhejiang Province.
- (2) Pearl River Delta Region includes Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Foshan, Zhaoqing, Jiangmen and Huizhou.
- (3) Beijing-Tianjin Metropolitan Region includes Beijing and Tianjin.
- (4) Chengdu-Chongqing Economic Zone includes Chengdu and Chongqing.

The Yangtze River Delta region has become one of the most prosperous economic zones in China. In June 2010, the State Council issued the “Regional Development Outlook of the Yangtze River Delta” (長江三角洲地區區域規劃綱要), pursuant to which the Yangtze River Delta has been positioned to become the most competitive international, economic, financial, trade and logistics center of China. Acting as the engine of development, Shanghai, situated at the heart of the Yangtze River Delta, has been consolidating resources and competitive strengths from cities in six nearby regions to form an enhanced and consolidated economic development zone of the Shanghai-Nanjing Economic Corridor. The six nearby regions include the “Shanghai-Nanjing-Hangzhou Development Zones” (滬寧滬杭沿綫發展帶), the “Yangtze Riverside Development Zone” (沿江發展帶), “Hangzhou Bayside Development Zone” (沿灣發展帶), “Coastal Development Zone” (沿海發展帶), “Nanjing-Huzhou-Hangzhou Development Zone” (寧湖杭發展帶) and the “Taihu Ecological Tourism Area” (沿湖生態服務帶). As a result of the vibrant economic development in the Yangtze River Delta, major cities along the Shanghai-Nanjing Economic Corridor are widely recognized as leading cities in the PRC property market.

Overview of Selected Key Cities

Changzhou

Overview

Changzhou is one of the major manufacturing bases in the Yangtze River Delta, the third largest economy in Jiangsu Province in terms of GDP and one of the most prosperous regions in China. Changzhou is situated in the southern part of Jiangsu Province and at the heart of the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta region, bordering Wuxi to the east, Taihu Lake to the south, Nanjing to the west and the Yangtze River to the north. The city had a total population of approximately 4.7 million at the end of 2015. It covers an area of approximately 4,385 sq.km. According to China Research Society of Urban Development (中國城市發展研究會), Changzhou ranked tenth on the Table of the Most Affluent Sub-provincial Level Cities of China (全國地級市富裕指數排名) and ranked third among the most affluent cities in Jiangsu Province in 2014.

Since the establishment of a state-level high-tech development zone in Xinbei District in 1992, Changzhou's government has been putting increasing emphasis on developing high-tech industries in the city.

Changzhou has a well-developed transportation infrastructure. In addition to the Beijing-Shanghai High Speed Railway, it is connected to Shanghai and Nanjing by the Shanghai-Nanjing Inter-city High Speed Railway (滬寧城際高鐵). The table below sets out selected economic statistics of Changzhou for the periods indicated.

	Nominal GDP (in RMB billion)								2008-2015 CAGR
	2008	2009	2010	2011	2012	2013	2014	2015	
Nominal GDP (RMB billion)	227	252	304	358	397	436	490	527	12.8%
Real GDP growth rate . . .	12.4%	11.7%	13.1%	12.2%	11.5%	9.8%	10.1%	9.2%	N/A
Nominal GDP per capita (RMB)	51,746	56,890	67,327	77,473	85,036	92,994	104,423	112,221	11.7%
Per capita disposable income for urban households	21,592	23,751	26,269	29,829	33,587	36,946	39,483	42,710	10.2%
Real estate investment (RMB billion)	31	31	45	57	60	68	68	51	7.4%

Source: National Bureau of Statistics, Changzhou Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Changzhou for the periods indicated.

	2007	2008	2009	2010	2011	2012	2013	2007-2013 CAGR
Commodity properties								
Total GFA completed (million sq.m.) . .	6.0	6.9	7.5	7.3	6.5	N/A	N/A	N/A
Total GFA sold (million sq.m.)	5.8	5.0	9.2	9.2	6.6	7.6	8.8	7.1%
Sales revenue (RMB billion)	22.9	22.0	44.6	55.3	48.5	51.5	59.1	17.1%
Average price (RMB per sq.m.)	3,944	4,363	4,831	6,041	N/A	N/A	6,742	9.3%
Residential properties								
Total GFA completed (million sq.m.) . .	4.9	5.4	5.5	4.9	N/A	N/A	N/A	N/A
Total GFA sold (million sq.m.)	5.1	4.3	8.0	7.8	5.4	6.7	7.7	7.1%
Sales revenue (RMB billion)	19.4	17.5	35.7	44.5	36.9	43.3	50.6	17.3%
Average price (RMB per sq.m.)	3,765	4,111	4,448	5,735	6,853	6,516	6,575	9.7%
Commercial properties								
Total GFA completed (million sq.m.) . .	0.6	0.82	1.25	1.2	N/A	N/A	N/A	N/A
Total GFA sold (million sq.m.)	0.45	0.62	0.86	1.0	N/A	N/A	N/A	N/A
Sales revenue (RMB billion)	2.8	3.9	7.1	8.6	N/A	N/A	N/A	N/A

Source: National Bureau of Statistics, Changzhou Statistics Bureau

Overview of Jintan – a county level city in Changzhou

Jintan city, a county-level city within Changzhou, is one of the fastest growing cities in the PRC in terms of economic development. Located at the center of the Nanjing-Shanghai-Hangzhou triangle area, adjacent to Nanjing and Zhenjiang, Jintan covers an area of approximately 975 sq.km. and has a population of 0.55 million at the end of 2014. According to the National Bureau of Statistics, Jintan's nominal GDP increased from RMB18.2 billion in 2006 to RMB52.5 billion in 2015, representing a CAGR of approximately 12.5%. Jintan's nominal GDP per capita increased at a CAGR of 12.3% from RMB33,008 in 2006 to RMB94,090 in 2015.

According to the National Bureau of Statistics, sales revenue of commodity properties increased at a CAGR of 25.0% from RMB1.3 billion in 2006 to RMB3.1 billion in 2014, while the average commodity property price increased from RMB2,391 per sq.m. to RMB3,531 per sq.m., at a CAGR of 10.2%, during the same period. Total GFA of commodity properties sold increased from approximately 0.5 million sq.m. in 2006 to approximately 0.9 million sq.m. in 2010, representing a CAGR of 13.4%.

Local restrictive measures

Changzhou (including Jintan) has no additional local purchase restrictions in place. The General Office of Changzhou government issued the Opinion on Further Improvement of the Control in Real Estate Market (關於進一步做好房地產市場調控工作的意見) on February 28, 2011. In 2016, the local government of Changzhou took actions to help the real estate market having a health growth.

Shanghai

Overview

Shanghai is the most important financial and trading center in China as well as one of the fastest growing financial capitals in the world. Shanghai is situated at the heart of the Shanghai-Nanjing Economic Corridor. It is one of the four municipalities in China, covering an area of approximately 7,037 sq.km., and had a total population of approximately 24.2 million at the end of 2015. Shanghai's population ranked third among all cities in China, after Beijing and Chongqing. It hosted the World Expo in 2010 and is the location of choice for a large number of multi-national corporations seeking to establish headquarters in China.

Shanghai is also China's most important industrial base and transportation hub and has one of the world's busiest ports. It is an integral part of both railway and expressway networks in Eastern China. In addition to the Beijing-Shanghai Railway, Shanghai is connected by the Shanghai-Nanjing Expressway and the Shanghai-Hangzhou Expressway, which allow quick access from Shanghai to other major economically developed cities in the Yangtze River Delta region. Shanghai is served by two international airports, the Hongqiao International Airport and the Pudong International Airport, with both offering domestic and international flights. Its three major harbors and container ports, including Wai Gao Qiao Free Trade Zone (外高橋保稅區), Wu Song Pier (吳淞碼頭) and Yangshan Deep Water Harbour (洋山深水港), further strengthen Shanghai's competitive strengths as the nation's trading and logistics center.

The table below sets out key economic statistics of Shanghai for the periods indicated, which demonstrates an increase in earnings of the population in the city.

	2008	2009	2010	2011	2012	2013	2014	2015	2008-2015 CAGR
Nominal GDP									
(RMB billion)	1,407	1,505	1,717	1,920	2,010	2,160	2,356	2,496	8.5%
Real GDP growth rate . . .	9.7%	8.2%	10.3%	8.2%	7.5%	7.5%	7.0%	6.9%	N/A
Nominal GDP per capita									
(RMB)	66,932	69,164	76,074	82,560	85,000	90,100	93,700	103,000	6.4%
Per capita disposable									
income for urban									
households (RMB) . . .	26,675	28,838	31,838	36,230	40,188	43,851	47,710	52,962	10.3%
Real estate investment									
(RMB billion)	137	146	198	217	238	282	321	347	14.2%

Source: Shanghai Bureau of Statistics

Property market

The table below sets out key statistics related to the property market in Shanghai for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total GFA completed									
(million sq.m.)	24.8	21.0	19.4	22.4	23.1	22.5	23.1	26.5	1.0%
Total GFA sold									
(million sq.m.)	23.0	33.7	20.6	17.7	19.0	24	20.8	24.3	0.8%
Sales revenue									
(RMB billion)	189.5	433.0	296.0	256.9	266.9	391.2	350.0	509.3	15.2%
Average price									
(RMB per sq.m.)	8,255	12,840	14,400	14,503	14,061	16,300	16,787	20,949	14.2%
Residential properties									
Total GFA completed									
(million sq.m.)	17.6	15.1	14.0	15.5	16.1	14.3	15.4	N/A	N/A
Total GFA sold									
(million sq.m.)	19.7	29.3	16.9	14.7	15.9	20.2	17.8	20.1	0.3%
Sales revenue									
(RMB billion)	160.8	362.0	240.0	198.2	220.9	326.4	292.3	432.0	15.2%
Average price									
(RMB per sq.m.)	8,182	12,364	14,213	13,448	13,870	16,192	16,415	21,501	14.8%
Commercial properties									
Total GFA completed									
(million sq.m.)	2.2	2.0	1.8	2.3	1.8	2.5	2.1	N/A	N/A
Total GFA sold									
(million sq.m.)	1.2	1.3	1.3	1.0	1.2	1.2	1.0	N/A	N/A
Sales revenue									
(RMB billion)	7.8	19.3	19.8	18.2	19.5	22.5	22.6	N/A	N/A

Source: National Bureau of Statistics, Shanghai Statistics Bureau

Local restrictive measures

On January 31, 2011, the General Office of the Shanghai government issued the Opinion on Implementing the General Office of the State Council's Notice on Further Improvement of Control in the Real Estate Market (關於本市貫徹國務院辦公廳關於進一步做好房地產市場調控工作的通知的實施意見) (滬府辦發[2011]6號). In addition to the nationwide purchase restrictions issued by the State Council, this opinion provides the following purchase restrictions:

- Local resident families that own one housing unit are allowed to purchase only one additional housing unit (whether newly built or second-hand);
- Sales of properties to local resident families that own two housing units or more are prohibited;
- Non-local resident families that own one housing unit and can provide local tax clearance certificates or local social insurance payment certificates for one year or above within the two years prior to the purchase date are allowed to purchase only one additional housing unit (whether newly built or second-hand); and
- Sales of properties to non-local resident families that cannot provide local tax clearance certificates or local social insurance payment certificates for one year or above within two years prior to the purchase date or to non-local resident families that own two housing units or more are prohibited.

On March 30, 2013, the General Office of the Shanghai government issued the Opinion on Implementing the Notice on Continuing Adjustment and Control of the Property Market promulgated by the General Office of the State Council (關於本市貫徹國務院辦公廳關於繼續做好房地產市場調控工作的通知的實施意見) (滬府辦發[2013]20號). This opinion provides further restrictions:

- prohibiting loans to individuals that own two or more residential properties for the purchase of third (or more) residential properties;
- imposing a 20% individual income tax on gains from the sale of second-hand properties;
- continuing to steadily implement residential property tax reform;
- increasing the ordinary commodity housing land supply. For development projects of which small-to-medium size units account for more than 70% of the total units, financial institutions, on the condition of complying with their credit terms, must give priority to support the development of such projects.

In addition to purchase restrictions, the local tax authorities of Shanghai also require prepayment of LAT by the property developers upon receipt of sale and pre-sale proceeds from property development projects. Such amount of LAT pre-payable by property developers to the Shanghai tax authorities ranges between 2% to 5%, depending on the price and the location of the relevant properties.

In 2016, a series of measures for control on real estate market had been issued in Shanghai. On March 25, 2016, the Shanghai government issued the Opinions on Further Improvement and Protection of the Housing Market in Shanghai for Stable and Healthy Development of the Real Estate Market (《關於進一步完善本市住房市場體系和保障體系促進房地產市場平穩健康發展的若干意見》), which provides that households who are not Shanghai residents shall have paid individual income tax and social insurance for no less than five years, while a household with one residential property shall make down payment for the purchase of the second residential property of no less than 50% of the total purchase price, and that the purchasers shall undertake that they are making down payment with their own fund.

On October 8, 2016, the Shanghai Municipal Commission of Housing and Urban-Rural Development and Shanghai Municipal Administration of Planning and Land Resources jointly issued Shanghai's Six Measures. Shanghai Municipal Commission of Housing and Urban-Rural Development and Shanghai Municipal Administration of Planning and Land Resources jointly issued the Opinions on Further Enhancing the Supervision of the Real Estate Market in Shanghai in Promoting the Steady and Healthy Development of the Real Estate Market (《關於進一步加強本市房地產市場監管促進房地產市場平穩健康發展的意見》) (the “**Opinion**”), which provides that the regulation and enforcement on the real estate market shall be strengthened on strict implementation of the Opinions on Further Improvement and Protection of the Housing Market in Shanghai in Promoting the Steady and Healthy Development of the Real Estate Market (the “**Shanghai Six Measures**”) so as to regulate the real estate market and prevent overly high level of housing price in ensuring steady and healthy development of the real estate market in Shanghai.

On November 28, 2016, the Shanghai Municipal Commission of Housing and Urban-Rural Development, Shanghai branch of the People's Bank of China and Shanghai Bureau of CBRC jointly issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market and Further Improving the Differential Housing Credit Policies (《關於促進本市房地產市場平穩健康有序發展進一步完善差別化住房信貸政策的通知》) (滬建房管聯[2016]1062號). On the same day, Shanghai Municipal Housing Provident Fund Management Committee issued the Notice on the Adjustment of Housing Provident Fund Personal Loans Policy, which announces stringent implementation of differential housing credit policies for commercial banks and provident fund. It is another key measure for control on real estate market following Shanghai Nine Measures and Shanghai Six Measures. The notice provides that the household intends to purchase the first residential property (i.e. the household has no residential property in Shanghai and has no record for loans in respect of commercial houses or housing provident funds) and apply for personal commercial housing loan shall make down payment for the purchase of the first residential property of no less than 35% of the total purchase price. Household with one resident house in Shanghai or household with no residential property but has record of loans

in respect of residential house (including record for commercial houses or housing provident fund) and intends to apply for personal commercial housing loan for purchasing ordinary residential house shall make down payment of no less than 50% of the total purchase price. Household intends to purchase non-ordinary residential house shall make down payment of no less than 70% of the total purchase price.

Shanghai Municipal Housing Provident Fund Management Committee has also issued the Notice on the Adjustment of Housing Provident Fund Personal Loans Policy in Shanghai, which announces (1) stringent implementation of differential housing credit policies by raising the down payment by upgraders for ordinary commodity house and non-ordinary commodity house to 50% and 70% of the total purchase price, respectively, raising the loan interest for ordinary commodity house by 10%, reducing the maximum loan amount to RMB100,000 for ordinary commodity house and cease to grant loans to working household which had borrowings for provident fund for twice, on the differential policy for first residential property and second residential property; (2) the equality, sustainability and risk controllability of the provident fund system, as the multiplier for maximum amount of loan against the balance of the borrower's provident account will be decreased from 40 times to 30 times. The notice also announces stringent implementation of the ratio for determining loan repayment capacity that the percentage of repayment to monthly wages shall be reduced to not exceeding 40%, and a set of standardized measure for upgraders will be adopted.

Nanjing

Overview

Nanjing, the capital of Jiangsu Province, is an important industrial base in China.

Nanjing is situated in the western end of the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta region. Nanjing borders Yangzhou to the northeast, Zhenjiang to the east and Changzhou to the southeast. As the second largest financial center in the Eastern China region after Shanghai, Nanjing had a total population of approximately 8.2 million at the end of 2015 and covers an area of approximately 6,598 sq.km.

Key industries in Nanjing include electronics, automobiles, petrochemical, iron and steel, and power. Nanjing has the second largest manufacturing capacity in the electronics industry and the petro-chemical industry, and the third largest automobile manufacturing capacity among all cities in China. It is one of the major scientific and educational centers in China and boasts some of the most prominent educational institutions in the region. According to the National Bureau of Statistics, Nanjing ranked sixth among the top 100 PRC cities in terms of competitiveness (中國城市綜合實力百強城市).

The table below sets out key economic statistics of Nanjing for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Nominal GDP									
(RMB billion)	381	423	501	615	720	801	882	972	14.3%
Real GDP growth rate . . .	12.1%	11.5%	13.1%	12.0%	11.7%	N/A	10.1%	9.3%	N/A
Nominal GDP per capita									
(RMB)	50,858	55,290	63,771	76,263	88,525	98,011	107,545	118,171	12.8%
Per capita disposable									
income for urban									
households (RMB) . . .	23,123	25,504	28,312	32,200	36,322	39,881	42,568	46,104	10.4%
Real estate investment									
(RMB billion)	51	60	75	87	102	112	113	143	15.9%

Source: National Bureau of Statistics, Nanjing Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Nanjing for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total GFA completed									
(million sq.m.)	10.6	15.2	10.4	11.7	17.0	10.4	9.7	N/A	N/A
Total GFA sold									
(million sq.m.)	7.0	11.9	8.2	7.7	9.5	12.2	N/A	15.4	11.9%
Sales revenue									
(RMB billion)	35.9	85.3	78.7	71.5	96.1	140.5	N/A	177.3	25.6%
Average price									
(RMB per sq.m.)	5,109	7,185	9,565	9,310	10,116	11,495	N/A	11,489	12.3%
Residential properties									
Total GFA completed									
(million sq.m.)	8.9	12.3	7.4	8.6	13.6	14.2	15.4	N/A	N/A
Total GFA sold									
(million sq.m.)	6.6	11.1	7.5	6.8	8.8	11.4	N/A	14.3	11.7%
Sales revenue									
(RMB billion)	31.7	76.8	69.6	57.3	84.8	126.6	N/A	160.9	26.1%
Average price									
(RMB per sq.m.)	4,808	6,893	9,227	8,415	9,675	11,078	N/A	11,260	12.9%
Commercial properties									
Total GFA completed									
(million sq.m.)	0.7	1.3	1.2	1.1	1.1	0.8	0.6	N/A	N/A
Total GFA sold									
(million sq.m.)	0.2	0.4	0.4	0.4	0.3	0.4	0.4	N/A	N/A
Sales revenue									
(RMB billion)	2.0	5.1	6.6	5.8	5.2	8.6	7.1	N/A	N/A

Source: National Bureau of Statistics, Nanjing Statistics Bureau

Local restrictive measures

In 2016, a series of measures for control on real estate market had been promulgated in Nanjing.

On September 26, 2016, the Nanjing government issued the housing restriction policy for purchasing houses in core areas, which became effective on September 26, 2016. The policy clearly provides that households who are not residents of Nanjing and having one or more residential houses in the core area of Nanjing shall not be allowed to purchase second new commodity house and second-hand house; purchasers who are residents of Nanjing and having two or more residential houses shall not be allowed to purchase another new commodity house. The government has adopted differential measures to meet different needs of housing, maintain strong demand for housing and the demand of upgraders, and curb speculation in the real estate market. The Nanjing government issued the Notice on Further Strengthening the Control on the Real Estate Market in Nanjing on October 5, 2016, which emphasized the strengthened control on real estate markets in core areas (excluding Liuhe, Lishui and Gaochun areas).

The details are as follows: (i) households that are not residents of Nanjing shall produce supporting documents in relation to payment of individual income tax or social insurance (urban social insurance) for at least one year within 2 years from the date of purchase; (ii) adult single (including those divorced) with household registration in Nanjing may only purchase one residential house. Meanwhile, the policy provides for strengthened implementation of differential housing credit policies, which include the following measures: (x) down payment for first residential house shall be no less than 30% of the total purchase price; (y) household with record of home loan but has no residential house when applying for home loan and household with 1 residential house but has no record for home loan or has the loan settled when applying for personal commercial housing loan shall make down payment of no less than 50% of the total purchase price for ordinary residential house; (z) household with 1 residential house and loan unsettled when applying for personal commercial housing loan shall make down payment of no less than 80% of the total purchase price for ordinary residential house. No personal commercial housing loan shall be granted to household with two or more residential houses.

Wuxi

Overview

Wuxi is an internationally renowned industrial base in China and the second largest economy in Jiangsu Province in terms of GDP. Wuxi borders Changzhou to the west and Suzhou to the east. It is the second largest economy in the Jiangsu Province in terms of GDP, had a total population of approximately 6.5 million at the end of 2014 and covers an area of approximately 4,627 sq.km.

Wuxi has a number of large industrial parks designed to promote the high-tech industry, including Wuxi-Singapore Industrial Park and Taihu New Town Science and Education Industrial Park. Because of its strong economic growth in recent years, Wuxi is often referred to as “Little Shanghai”. According to the National Bureau of Statistics, Wuxi was ranked fourteenth among all cities in China by GDP in 2015.

The table below sets out key economic statistics of Wuxi for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Nominal GDP									
(RMB billion)	446	499	579	688	757	807	821	852	9.7%
Real GDP growth rate . . .	12.4%	11.6%	13.2%	11.6%	10.1%	6.6%	8.2%	7.1%	N/A
Nominal GDP per capita									
(RMB)	73,733	81,146	92,166	107,400	117,400	124,600	126,400	130,900	7.4%
Per capita disposable									
income for urban									
households (RMB) . . .	23,605	25,027	27,750	31,638	35,663	38,999	41,731	45,129	8.5%
Real estate investment									
(RMB billion)	45	46	61	88	97	113	127	99	11.9%

Source: National Bureau of Statistics, Wuxi Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Wuxi for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2007- 2014 CAGR
Commodity properties									
Total GFA completed (million sq.m.)	7.1	7.2	12.1	9.4	8.3	11.5	9.6	11.8	7.5%
Total GFA sold (million sq.m.)	5.4	11.1	10.5	6.6	9.3	9.1	8.6	9.9	9.0%
Sales revenue (RMB billion)	28.9	66.6	81.1	57.2	77.7	71.6	65.1	77.6	15.2%
Average price (RMB per sq.m.)	5,375	5,997	7,765	8,663	8,385	7,868	7,550	7,866	5.6%
Residential properties									
Total GFA completed (million sq.m.)	5.9	5.5	9.3	7.1	N/A	N/A	N/A	N/A	N/A
Total GFA sold (million sq.m.)	4.6	9.8	8.8	5.3	7.8	7.8	N/A	N/A	N/A
Sales revenue (RMB billion)	23.3	57.1	65.7	43.1	60.7	58.2	N/A	N/A	N/A
Average price (RMB per sq.m.)	5,096	5,858	7,462	8,065	N/A	7,448	N/A	N/A	N/A
Commercial properties									
Total GFA completed (million sq.m.)	0.7	1.1	1.7	1.2	1.3	1.4	N/A	N/A	N/A
Total GFA sold (million sq.m.)	0.6	1.1	1.3	1.0	0.9	0.8	N/A	N/A	N/A
Sales revenue (RMB billion)	4.7	8.3	12.5	11.3	12.7	9.2	N/A	N/A	N/A

Source: National Bureau of Statistics, Wuxi Statistics Bureau

Local restrictive measures

In 2016, a series of measures for control on Real Estate Market had been promulgated in Wuxi. For further development of the supply-side structural reform, to be in line with the requirements of control by the State on real estate markets in different regions and cities, and with reference to the conditions of the real estate market in Wuxi, the Wuxi Municipal Government established a leading team for adjustments to the real estate market on October 2, 2016. The heads of the Municipal Government act as the leader and the deputy leader of the team. The team comprises personnel from different regions and departments. Meanwhile, as part of its efforts in promoting the steady and healthy development of the real estate market of Wuxi, the Wuxi Municipal Government has issued the Opinions on Further Promoting the Steady and Healthy Development of the Real Estate, which contains fourteen points.

On October 20, 2016, Wuxi Bureau of Housing and Urban-Rural Development and Wuxi Municipal Finance Bureau jointly issued the Notice on Granting subsidies for purchasing decorated commodity house and commercial house/office accommodation, which provides the rules for criteria, scope and funding of subsidies and the related procedures. The Notice include, among others, a subsidy at an amount equals to 20% of the deed tax on the purchase price shall be granted by the municipal government to the purchasers for decorated new commodity house with the price for decoration incorporated in the purchase price.

Suzhou

Overview

Suzhou, a major city in the Shanghai-Nanjing Economic Corridor, is one of the few stops on the Beijing-Shanghai High Speed Railway. Situated in the southern part of Jiangsu Province, Suzhou is located 80 kilometers from downtown Shanghai. It had a total population of approximately 10.6 million at the end of 2015 and covers an area of approximately 8,488 sq.km.

According to the China Institute of City Competitiveness, Suzhou ranked seventh in terms of competitiveness among all cities and ranked first among all sub-provincial cities in China in 2015. In terms of GDP, Suzhou ranked seventh among all cities in China after Shanghai, Beijing, Guangzhou, Shenzhen, Tianjin and Chongqing.

Suzhou is home to a number of state-level development zones including the China-Singapore Suzhou Industrial Park (中國-新加坡蘇州工業園區), Kunshan Economic Technical Development Zone (昆山經濟技術開發區), Changshu Economic Technical Development Zone (常熟經濟技術開發區), Wujiang Economic Technical Development Zone (吳江經濟技術開發區), and several state-level hi-tech industrial zones including Suzhou Industry Park (蘇州高新區) and Kunshan Industry Park (昆山高新區). Suzhou is also a famous tourism city with a strong reputation for its ancient Chinese gardens.

The table below sets out key economic statistics of Suzhou for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Nominal GDP									
(RMB billion)	708	774	923	1,050	1,201	1,300	1,376	1,450	10.8%
Real GDP growth rate . . .	13.2%	11.5%	13.3%	12.0%	14.4%	8.2%	8.3%	7.5%	N/A
Nominal GDP per capita									
(RMB)	74,670	83,696	94,043	N/A	114,029	120,000	130,000	136,300	9.0%
Per capita disposable									
income for urban									
households (RMB) . . .	23,867	26,320	29,219	33,070	39,079	41,143	46,677	50,400	11.3%
Real estate investment									
(RMB billion)	72	72	94	122	126	148	176	187	14.6%

Source: National Bureau of Statistics, Suzhou Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Suzhou for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total GFA completed									
(million sq.m.)	14.8	18.8	17.7	15.1	18.3	16.9	15.3	16.5	1.6%
Total GFA sold									
(million sq.m.)	10.1	23.5	15.1	12.1	14.6	18.8	16.0	21.3	11.2%
Sales revenue									
(RMB billion)	57.3	150.7	124.8	109.1	133.6	50.6	N/A	N/A	N/A
Average price									
(RMB per sq.m.)	5,692	6,423	8,243	9,013	N/A	2,691	N/A	N/A	N/A
Residential properties									
Total GFA completed									
(million sq.m.)	11.3	14.1	12.2	11.0	13.9	N/A	N/A	N/A	N/A
Total GFA sold									
(million sq.m.)	8.3	20.1	11.8	9.8	12.6	16.3	14.5	19.5	13.0%
Sales revenue									
(RMB billion)	45.9	127.4	97.2	88.8	113.4	154.8	N/A	N/A	N/A
Average price									
(RMB per sq.m.)	5,533	6,331	8,213	9,028	N/A	9,499	N/A	N/A	N/A
Commercial properties									
Total GFA completed									
(million sq.m.)	2.0	2.3	2.8	2.6	2.2	2.1	N/A	N/A	N/A
Total GFA sold									
(million sq.m.)	1.4	2.0	2.3	2.1	1.5	1.7	N/A	N/A	N/A
Sales revenue									
(RMB billion)	9.7	15.9	20.8	19.6	16.6	19.9	N/A	N/A	N/A

Source: National Bureau of Statistics, Suzhou Statistics Bureau

Local restrictive measures

In 2016, a series of measures for control on real estate market had been promulgated in Suzhou. On March 18, 2016, in face of overly high price of houses in Suzhou, the Suzhou government considered and approved the Opinion on Promoting the Steady and Healthy Development of the Real Estate Market (the “**Ten Measures for the Real Estate Market**”). The policy provides that the selling prices shall be made known to the public and increase in prices for March, June and December shall be reported.

On May 18, 2016, the Suzhou government issued a circular which requires for caps for ten land parcels launched for bidding. The circular provides that any bidding with a price exceeding the caps shall be void and the land shall not be transferred.

On August 11, 2016, the Suzhou government announced the new policy, including: (i) households that are not residents in Suzhou shall not be restricted in purchasing first house; households buying the second house shall produce supporting documents in relation to payment of individual income tax or social insurance (urban social insurance) for at least one year within 2 years from the date of purchase; (ii) down payment increased from 40% to 50% of the total purchase price for household with first house and loan unsettled when applying for home loan for second house in Suzhou (excluding Wujiang area); (iii) the deposit before land bidding shall be increased from 20% to 30% of the bidding price, the down payment shall be increased from 50% to 60% of the bidding price or above and the time period for paying the land premium shall be reduced to 3 months.

On October 3, 2016, the Suzhou government issued the Opinions on Further Strengthening the Control on the Real Estate Market in Suzhou, which provides the rules for land bidding, restrictions on purchase and loans, price management and regulation on the market on the Fifteen Measures to further measure the market to health growth.

Changsha

Overview

Changsha is the capital city of Hunan Province in south-central China. Situated on the lower reaches of Xiang River, a branch of the Yangtze River, Changsha covers an area of 11,819 sq.km. As at the end of 2015, the city had a population of approximately 7.4 million.

Changsha is the center of the Changsha-Zhuzhou-Xiangtan Region (長株潭城市群), which comprises the cities of Changsha, Zhuzhou and Xiangtan. The region covers an area of approximately 28,000 sq.km. and had a population of approximately 14.3 million at the end of 2015. The GDP of Changsha-Zhuzhou-Xiangtan Region reached RMB1,254.8 billion for the year ended December 31, 2015, representing 43% of the total GDP of Hunan Province during the same period. The Changsha-Zhuzhou-Xiangtan Region is home to three State-level development zones and two State-level industrial parks.

While Changsha is renowned for its media and cultural industries, it is also an important commercial city in south-central China and has been branded as the “Metropolis of Construction Machinery of the PRC” (中國工程機械之都). With its well-developed economy and competitive investment environment, Changsha was commended and recognized by KPMG in its “Research Report on The Investment Environment of Changsha” (長沙投資環境研究報告2009) issued in April 2009. Changsha was ranked thirteenth by GDP among all cities in China in 2015.

The table below sets out selected economic statistics of Changsha for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Nominal GDP									
(RMB billion)	330	374	455	562	640	715	782	851	14.5%
Real GDP growth rate . . .	15.5%	14.7%	15.5%	14.5%	130%	11.8%	10.5%	9.9%	N/A
Nominal GDP per capita									
(RMB)	50,336	56,620	66,443	79,530	89,903	99,570	107,683	115,443	12.6%
Per capita disposable									
income for urban									
households (RMB) . . .	18,282	20,864	23,347	26,451	30,288	33,662	40,256	36,826	11.8%
Real estate investment									
(RMB billion)	47	50	68	89	103	115	131	100	11.4%

Source: National Bureau of Statistics, Changsha Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Changsha for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total GFA completed									
(million sq.m.)	7.5	13.1	13.9	14.4	14.0	14.0	14.1	N/A	N/A
Total GFA sold									
(million sq.m.)	8.2	14.1	16.8	15.0	15.3	18.4	15.2	19.0	12.8%
Sales revenue									
(RMB billion)	27.3	51.3	74.2	88.2	93.2	116.0	92.9	111.7	22.3%
Average price									
(RMB per sq.m.)	3,288	3,648	4,418	5,894	6,101	6,304	6,115	5,862	8.6%
Residential properties									
Total GFA completed									
(million sq.m.)	6.4	11.0	11.6	11.6	11.3	10.7	10.4	N/A	N/A
Total GFA sold									
(million sq.m.)	8.0	13.6	16.2	13.9	13.9	16.4	N/A	16.8	11.2%
Sales revenue									
(RMB billion)	24.6	48.0	70.2	76.4	77.6	94.7	72.6	N/A	N/A
Average price									
(RMB per sq.m.)	3,201	3,533	4,322	5,516	5,603	5,759	N/A	N/A	N/A
Commercial properties									
Total GFA completed									
(million sq.m.)	0.6	0.7	0.7	1.0	1.2	1.1	1.5	N/A	N/A
Total GFA sold									
(million sq.m.)	0.4	0.3	0.3	0.5	0.7	0.9	1.2	N/A	N/A
Sales revenue									
(RMB billion)	2.2	2.4	3.1	7.1	9.6	11.9	14.2	N/A	N/A

Source: National Bureau of Statistics, Changsha Statistics Bureau

Local restrictive measures

On November 25, 2016, as directed by Yi Lianhong, the member of the CPC Provincial Committee and the Secretary of CPC Municipal Committee, Chen Zehui, the deputy mayor, convened a special meeting with heads from all regions at county or municipal level and relevant departments on the steady and healthy development of the real estate market of Changsha.

In recent years, the Changsha government has attached great importance to the achievement of steady and healthy development of real estate market as requested by the central government, and have relentlessly implemented multi-pronged measures for remarkable results. In general, these measures are effective and useful in keeping the stable and healthy development of the market. The Changsha government has implemented seven measure, including: stringent examination on home price, stringent control on pre-sale and on-line execution, conduct specific audit, strengthened regulation on funding, curbing speculation in the real estate market, increase effective supply and discover malpractice within the companies.

Wuhan

Overview

Wuhan is one of the largest cities in China and an important center for economy, trade, finance, transportation and information technology in China. It is the capital of Hubei province, situated in the middle of the province. The city had a total population of approximately 10.6 million at the end of 2015. It covers an area of approximately 8,494 sq.km.

Situated at the heart of central China, Wuhan has been a transportation hub between northern and southern China and the coastal cities and western China. It is connected by Wuhan-Guangzhou High Speed Railway, Hefei-Wuhan Passenger Railway and Zhengzhou-Wuhan High Speed Railway, which allowed quick access to key cities including Hefei, Guangzhou, Nanjing, Wuhan and Chengdu.

Key industries in Wuhan include optic-electronic, automobile manufacturing, steel manufacturing, pharmaceutical industry, biological engineering and new materials industry. Domestic trade and retail industries are also strong in Wuhan.

The table below sets out key economic statistics of Wuhan for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Nominal GDP									
(RMB billion)	396	462	557	676	800	905	1,007	1,091	15.6%
Real GDP growth rate . . .	15.1%	13.7%	14.7%	12.5%	11.4%	13.1%	9.7%	8.8%	N/A
Nominal GDP per capita									
(RMB)	44,290	51,144	58,961	68,315	N/A	89,000	97,403	104,132	13.0%
Per capita disposable									
income for urban									
households (RMB) . . .	16,712	18,385	20,806	23,738	27,061	29,821	33,270	36,436	11.8%
Real estate investment									
(RMB billion)	56	78	102	127	157	191	235	258	24.4%

Source: National Bureau of Statistics of China, Wuhan Statistics Bureau

Property market

The table below sets out key statistics related to the property market in Wuhan for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2015	2008- 2015 CAGR
Commodity properties									
Total GFA completed									
(million sq.m.)	8.7	9.5	9.0	10.6	10.5	6.8	7.7	N/A	N/A
Total GFA sold									
(million sq.m.)	7.3	10.9	12.1	13.2	15.8	20.0	22.7	26.3	20.1%
Sales revenue									
(RMB billion)	35.0	57.9	69.6	95.6	115.8	116.0	92.9	224.8	30.4%
Average price									
(RMB per sq.m.)	4,781	5,329	5,746	7,222	N/A	5,815	4,086	8,556	8.7%
Residential properties									
Total GFA completed									
(million sq.m.)	7.7	8.2	7.3	9.2	9.0	5.3	6.5	N/A	N/A
Total GFA sold									
(million sq.m.)	6.8	10.4	11.0	11.7	13.9	17.5	19.8	N/A	N/A
Sales revenue									
(RMB billion)	32.0	54.1	60.8	79.1	95.9	126.7	146.4	N/A	N/A
Average price									
(RMB per sq.m.)	4,681	5,199	5,550	6,768	6,895	7,238	7,399	N/A	N/A
Commercial properties									
Total GFA completed									
(million sq.m.)	0.4	0.4	1.0	0.7	0.9	0.6	0.5	N/A	N/A
Total GFA sold									
(million sq.m.)	0.2	0.3	0.5	0.9	0.7	1.2	1.6	N/A	N/A
Sales revenue									
(RMB billion)	1.7	2.9	5.9	11.5	9.7	17.2	23.4	N/A	N/A

Source: National Bureau of Statistics, Wuhan Statistics Bureau

Local restrictive measures

On 18 July 2014, Wuhan government eased house purchase restrictions:

- The house purchase restrictions will not apply to houses that exceed 140 sq.m.;
- The two years' record of paying tax and social insurance payment has been reduced to payment record covering the past year.

In 2016, a series of measurements for control on real estate market have been promulgated in Wuhan.

- On September 1, 2016, the Wuhan government issued restrictions on housing loan, pursuant to which, Wuhan resident intends to purchase second or more new residential properties in core areas shall make a down payment of 40% instead of 30% of the total purchase price.
- On October 3, 2016, the Wuhan government issued the restriction on lending and purchase in core area of Wuhan, pursuant to which Wuhan residents intends to purchase first residential house and apply for personal commercial housing loan shall make a down payment of no less than 25% of the total purchase price. Those intend to purchase second house shall make a down payment of no less than 50% of the total purchase price. No personal commercial housing loan shall be granted to those intend to purchase third or other houses. Household that is not resident in Wuhan shall make a down payment of no less than 25% of the total purchase price for the first house. No personal commercial housing loan shall be granted to those intend to purchase second house. These purchasers shall not be allowed to purchase third or other house. On October 6, 2016, the minimum down payment was increased to 30% from 25% of the total purchase price.
- On November 15, 2016, the policy of restriction on lending and purchase has been further tightened that residents in Wuhan shall not be allowed to purchase third house. Purchasers who are not residents in Wuhan shall pay social insurance and individual income tax for 2 years and shall not be allowed to purchase second house in Wuhan.
- On December 21, 2016, the Department of Housing Management of Wuhan issued a notice, which announced an extension of restriction on purchase of houses to other regions. It is the fourth one in 2016 for measures of control on real estate market issued by the Wuhan Municipal Government. The extended scope included seven core areas, Scenic Area in Donghu, Wuhan Economic Development Zone (excluding Hannan) and Wuhan-Donghu New Technology Development Zone, which have been included in the scope before the extension, and Dong Xi Hu district, Jiangxia district and part of Huangbe district, which are included in the scope after the extension. Wuhan residents shall make down payment of no less than 50% for second house and shall not be allowed to purchase third house within the core areas. Purchasers who are not residents in Wuhan shall produce supporting documents in relation to payment of social insurance or individual income tax for consecutive 2 year before the date of purchase and shall not be allowed to purchase second house.

The following chart sets forth our corporate structure as of December 31, 2016



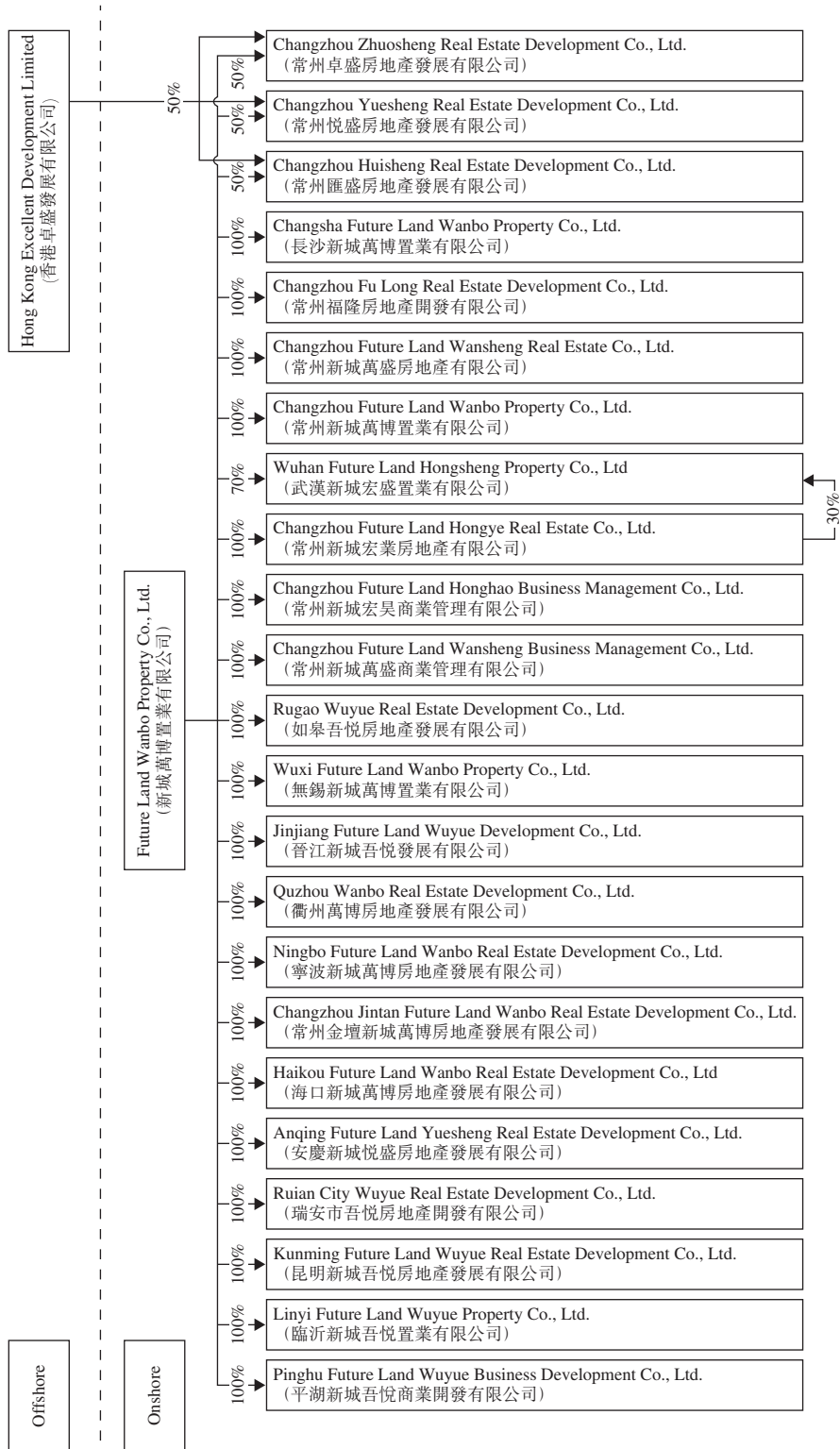
(1) Infinity Fortune is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Chairman Wang, the founder of our Group as settlor and Standard Chartered Trust (Singapore) Limited as trustee in favor of his family members.

(2) Includes (a) 4,776,000 shares beneficially owned by Mr. Liu Yuanman; (b) 5,000,000 shares beneficially owned by Mr. Lu Zhongming; (c) 12,000,000 shares beneficially owned by Mr. Lv Xiaoping; (d) 6,000,000 shares beneficially owned by Mr. Wang Xiaosong and (e) 300,000 shares beneficially owned by Mr. Chan Wai Kin.

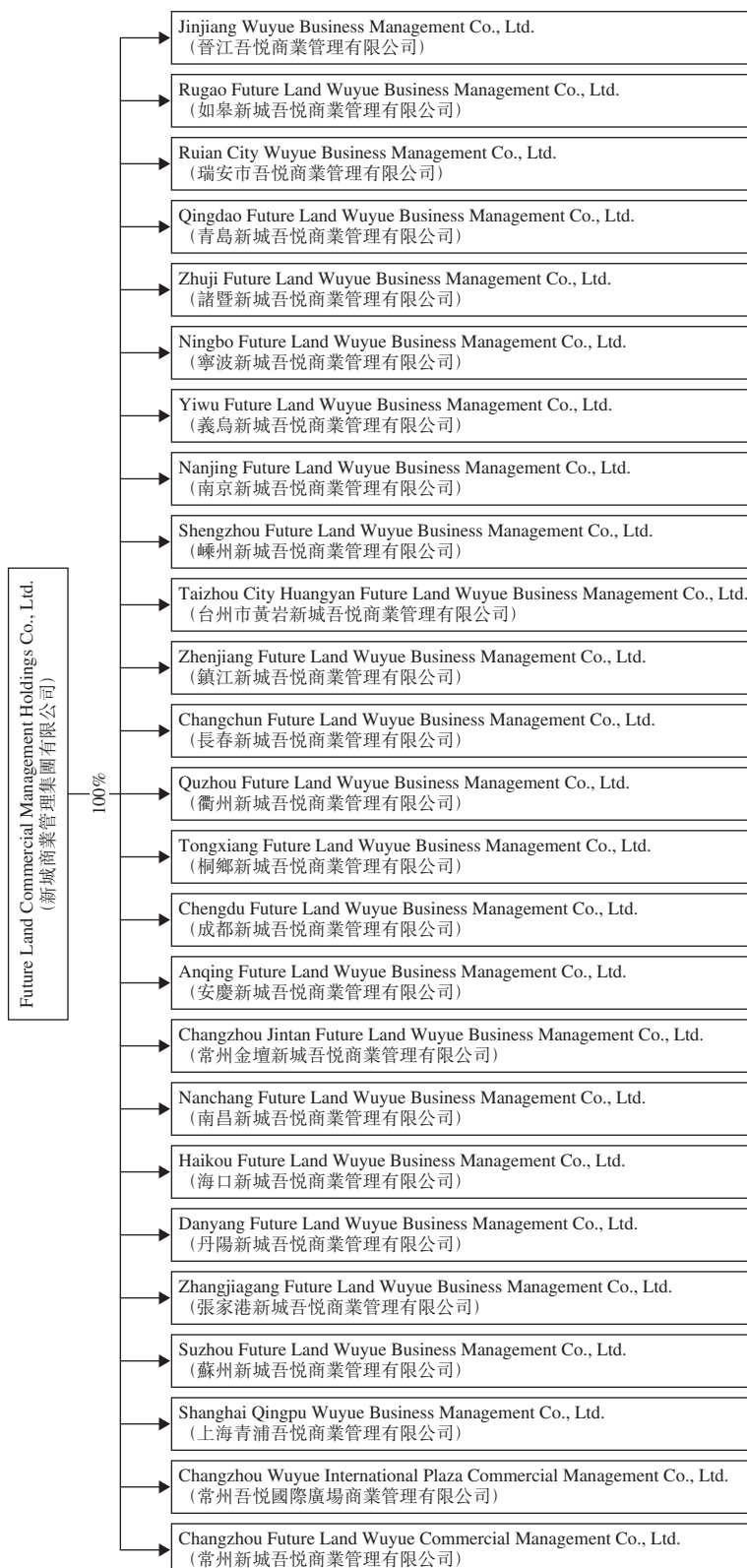
(3)



(4) The following chart sets forth the shareholding structure of the 23 PRC subsidiaries:



(5) The following chart sets forth the shareholding structure of the 25 PRC subsidiaries:



BUSINESS

Business Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. We were ranked first in terms of overall strength among property developers in Jiangsu Province for 11 consecutive years from 2005 according to the annual rankings published by the Jiangsu Real Estate Association (江蘇省房地產協會).

As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. These projects included approximate 13.2 million sq.m. under development and approximately 8.5 million sq.m. held for future development. As of June 30, 2016, we had land reserves with a total estimated GFA of 25.6 million sq.m., of which 14.4 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a “rapid asset turnover” business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks. For the years ended December 31, 2013, 2014 and 2015, our asset turnover ratio was 0.47, 0.41 and 0.38, respectively. For the six months ended June 30, 2015 and 2016, our asset turnover ratio was 0.31 and 0.24, respectively.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our “FirstHomes” series, “SweetHomes” series, “DreamHomes” series and “PrestigeHomes” series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our “International Plaza” series, “City Plaza” series and “Lifestyle Mall” series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

Our Competitive Strengths

One of the leading property developers in the Yangtze River Delta

We are a leading property developer in the Yangtze River Delta, a fast-growing region in the PRC. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. In 2015, we were ranked as the No. 1 real estate developer in Jiangsu Province by Jiangsu Real Estate Industry Federation (江蘇省房地產業協會), in terms of comprehensive strength. According to a report by the China Index Academy, we were ranked as one of the top three property developers in Jiangsu Province and among the top ten in Shanghai in 2012, 2013 and 2014 in terms of contracted sales. We were ranked first among the property developers in Jiangsu Province and among the top ten in Shanghai in 2014 in terms of contracted GFA. We were ranked as the No. 1 real estate developer in Jiangsu

Province in 2014 by Jiangsu Real Estate Industry Federation (江蘇省房地產協會), in terms of comprehensive strength. We were ranked first in terms of overall strength among property developers in Jiangsu Province for 11 consecutive years from 2005 according to the annual rankings published by the Jiangsu Real Estate Association (江蘇省房地產協會). We were also ranked first among the “Top 10 Valuable Real Estate Brands in Eastern China” (中國華東房地產公司品牌價值TOP10) from 2007 to 2014 and ranked 18th among the “2014 Top 100 China Real Estate Enterprises” (2014年中國房地產百強企業), according to the Top 10 China Real Estate Research Group¹ (中國房地產TOP10研究組). Our market-leading position, profitability, and growth potential received further recognition in 2011, as we were named by the China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產協會) and China Real Estate Evaluation Center (中國房地產測評中心) as one of the “Top 20 Real Estate Development Enterprises in China” (中國房地產開發企業20強) and “Top 20 Valuable Real Estate Development Brands in China” (中國房地產開發企業品牌價值20強). We were ranked among the top ten real estate developers in the PRC in terms of development potential by the China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2014.

We have a proven track record of developing quality residential properties in Jiangsu Province and in the Yangtze River Delta. As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. Leveraging on our premium brand, strong execution capabilities, rapid asset turnover model and property development experience, we have successfully expanded into other cities including Shanghai, Nanjing, Hangzhou, Wuxi, Suzhou, Nantong, Zhenjiang, Taizhou, Jiaxing, Ningbo, Shaoxing, Jintan, Quzhou and Jinhua in the Yangtze River Delta, Changsha in Hunan Province, Wuhan in Hubei Province, Nanchang in Jiangxi Province, Changchun in Jilin Province, Anqing in Anhui Province, Haikou in Hainan Province, Qingdao and Jinan in Shandong Province, Chengdu in Sichuan Province, Quanzhou in Fujian Province and Tianjin. We believe our strong track record is attributable to our execution capabilities and our ability to identify cities and regions with high growth potential.

Our rapid asset turnover model and standardized development process enable us to maximize our investment returns and improve our operating cash flows

We believe our rapid asset turnover, which we achieve by applying our standardized process for property development, is one of the key factors to our success. Our rapid asset turnover enables us to maximize our investment returns and improve operating cash flows by shortening our property development cycle. We have established a standardized development process for developing property with the use of standardized procedures, components and units since 2005. We established our own architectural design institute in 2007 and possess in-house architectural expertise. Our standardized development process is designed with our customers’ needs and satisfaction in mind and covers the full spectrum of our business operations, including site selection, procurement, property design, construction and quality control, aesthetics, interior design and customer service. As a result, we have been able to efficiently replicate our property projects and consistently deliver high quality properties across various market segments in affluent cities along the Shanghai-Nanjing Economic Corridor. For instance, we acquired the land parcel for the Wujiang Injoy Plaza (吳江吾悅廣場) in May 2013 and commenced pre-sales and generated cash receipts approximately five months after land acquisition. For the years ended December 31, 2013, 2014 and 2015, our asset turnover ratio was 0.47, 0.41 and 0.38, respectively, which we believe was competitive in the PRC property industry. For the six months ended June 30, 2015 and 2016, our asset turnover ratio was 0.31 and 0.24, respectively.

¹ The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) is a research team jointly established by the Enterprise Research Institute of the Development Research Centre of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Research Institute (中國指數研究院).

We were ranked fourth in terms of operating efficiency² among the top 500 property developers in China according to the “China Property Development Enterprise 500” (中國房地產開發企業500強) issued jointly by the China Real Estate Research Association (中國房地產研究會), China Real Estate Association (中國房地產協會) and China Real Estate Appraisal Centre (中國房地產測評中心) in 2012.

As a result of our standardized development process and operating efficiency, we have the ability to develop projects rapidly, which enhances our profitability and growth potential. In 2015, we were ranked as the No. 1 real estate developer in Jiangsu Province by Jiangsu Real Estate Industry Federation (江蘇省房地產協會), in terms of comprehensive strength. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. In 2014, we were ranked as the No. 1 real estate developer in Jiangsu Province by Jiangsu Real Estate Industry Federation (江蘇省房地產協會), in terms of comprehensive strength. In 2013, we were ranked top 10 among “China Top 100 Real Estate Developers” (中國房地產百強企業), in terms of both consistency and efficiency potential by the Top 10 China Real Estate Research Group (中國房地產 TOP10研究組). Going forward, we believe our rapid asset turnover model for property development will allow us to efficiently allocate our capital and resources and develop new projects in a timely manner.

Diversified product portfolio with a strategic focus on middle class customers in the PRC

We offer a wide range of residential properties that target the specific preferences and needs of middle class customers. We believe that there is significant demand in our markets for high quality residential properties, and such demand will continue to increase, as the purchasing power of middle class customers continues to grow in the future.

Our in-depth knowledge of local markets enables us to offer residential property products to targeted segments within our middle class consumer base. We develop and sell a variety of residential properties, including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses. Our residential properties are divided into four series, namely, our “FirstHomes” series, “SweetHomes” series, “DreamHomes” series and “PrestigeHomes” series, to target different customer groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. These residential property series are designed to meet the evolving needs of middle class customers as their disposable income increases. We believe our focus on middle class customers has enabled us to capitalize on the large population and strong purchasing power of this customer group, and we believe our diversified product offerings have allowed us to penetrate into different segments within our target group of middle class customers.

To further diversify our product portfolio, we started developing commercial properties in 2008. We develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, high-end residential properties and other ancillary facilities through three mixed-use complex project series, namely, our “International Plaza” series, “City Plaza” series and “Lifestyle Mall” series, to meet the needs and preferences of customers in different types of locations, including central business districts and emerging business districts. We hold some of our commercial properties in prime locations for long-term investment and sell the remaining portion. In addition to generating recurring rental income, we are also able to enjoy potential capital appreciation from our commercial properties over the long term.

² “China Property Development Enterprise 500” (中國房地產開發企業500強) ranks property developers by operating efficiency based on their operating cycle, inventory cycle, inventory turnover, payable turnover, asset turnover, current asset turnover and fixed asset turnover.

Strategically located land reserves, which we believe provide strong support for continued growth

Over the years, we have acquired land reserves in selected cities to establish a platform to support our continued growth. The majority of our land reserves are sizeable and concentrated in major cities along the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta. These cities are located close to, and have easy access to, major roads and railway networks, including the Shanghai-Nanjing Expressway, Shanghai-Nanjing Inter-city High Speed Railway and Beijing-Shanghai High Speed Railway, which increase the value and marketability of these properties. As of June 30, 2016, we had land reserves with a total estimated GFA of 25.6 million sq.m., of which 14.4 million sq.m. are attributed to our Group's interests.

Our markets are in affluent second and third-tier cities in the Yangtze River Delta, where competition is less intense than first-tier cities in China. This has enabled and will continue to enable us to capitalize on the strong economic development and significant demand in these local real estate markets. Furthermore, some of our markets are not subject to local policy and regulation restrictions.

Highly skilled and experienced management team with a strong commitment to high corporate governance standards

We have a highly experienced and driven senior management team with proven execution capability. The key members of our management team have knowledge and experience that have enabled them to manage and oversee the operation and growth of our business. Our team's collective knowledge, broad experience and strong execution capability were recognized in 2011 by China Real Estate Research Association (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Appraisal Centre (中國房地產測評中心), which collectively ranked us fourth as measured by operational efficiency in the "China Property Development Enterprise 500" event (2011年中國房地產開發企業500強), a significant national award event for PRC real estate developers. We were also ranked 18th among the "2014 Top 100 China Real Estate Enterprises" (2014年中國房地產百強企業), according to the Top 10 China Real Estate Research Group (中國房地產 TOP10 研究組). We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. In 2015, we were ranked as the No. 1 real estate developer in Jiangsu Province by Jiangsu Real Estate Industry Federation (江蘇省房地產業協會), in terms of comprehensive strength.

Our founder, Chairman Wang, has 23 years of experience in the PRC real estate industry. Other members of our management team are also highly experienced in the real estate development industry, with an average of over ten years of relevant experience. We believe our management team's experience, together with their strong commitment to high corporate governance standards, will help us to achieve sustainable long-term growth and to maximize the value of our business.

Our Business Strategies

Our goal is to become one of the most competitive and profitable property developers in the PRC committed to achieving sustainable growth, adhering to high corporate and managerial standards and maximizing shareholders' returns. We plan to implement the following strategies to achieve our goal.

Continue to strengthen our leadership position in the Yangtze River Delta region

We intend to strengthen our leadership position in the Yangtze River Delta region and benefit from its economic growth. Leveraging our in-depth understanding of the local markets and our experience in property development, we plan to continue to apply our standardized development process to our product offerings to enhance our reputation and brand awareness. Our strong execution capabilities, combined with our scalable business model, provide a solid base from which to expand quickly in the local markets, and to acquire and develop new projects in an efficient manner. In addition to our primary regional focus in cities such as Changzhou, Shanghai, Nanjing, Wuxi and Suzhou, we intend to expand into other cities that have high growth potential in the Yangtze River Delta region, including Zhenjiang, Hangzhou and Nantong. We will continue to adopt a prudent and disciplined approach when selecting target cities for expansion, taking into account timing and market conditions to ensure our financial performance and liquidity.

Focus on increasing quality land reserves at competitive prices

We plan to continue to increase our land reserves at competitive prices to sustain our continued growth. In the six months ended June 30, 2016, we acquired 14 parcels of land with a total GFA excluding underground floor area of approximately 2,748,821 sq.m. at an average cost of approximately RMB2,777.9 per sq.m. We plan to continue to maintain our product positioning and optimize our product offerings, taking into account factors such as project location, access to public transportation and surrounding infrastructure, to enhance the value of the land reserves. We intend to continue to acquire quality land reserves for our residential property development projects through our A-share listed subsidiary, Future Land Holdings. At the same time, we also intend to strategically select high quality sites in the Yangtze River Delta region and other areas with high economic growth potential that are suitable for developing large, mixed-use complexes and integrated residential properties. We believe that our well recognized brand name and experience in developing property projects will continue to allow us to identify opportunities to acquire land reserves in prime locations for both our residential and mixed-use complex projects.

Increase customer satisfaction by improving property management services and enhancing our brand recognition

We believe our provision of property management services will help increase the property value, brand recognition and customer satisfaction of our projects. We intend to continue to expand the scope of services of our property management business and to improve our service quality. To offer an effective communication platform with our customers, we have established the “Future Land Community” (新城會), through which our own project development team and management team can maintain close contact with our customers, understand their needs and spending preferences, as well as encourage them to make purchase recommendations and refer friends and family. In addition, we plan to further improve our property management business by increasing the number of our property management staff and updating our property management service policies and guidelines. We have engaged The Gallup Organization to conduct a customer satisfaction survey and collect customer feedback to guide our efforts to improve our property management services.

Diversify our project portfolio by further expanding our commercial property development operations

Building upon our strength in residential properties, we have developed mixed-use complex projects comprising offices, retail stores, serviced apartments and other ancillary facilities, which we offer primarily for sale or hold for long-term investment. We believe demand for commercial properties will continue to increase as economic activity grows in China. We intend to further increase our presence in the commercial property market. We believe that the commercial properties that we hold will generate sustainable rental income, thereby enhancing the stability of our revenue streams and diversifying the risk we face in the residential property market.

Attract, retain and motivate talented personnel through systematic training programs and competitive remuneration packages

We are committed to building a professional and highly specialized team with strong execution capabilities that shares and approves of our values, vision and corporate culture. We believe our success and future growth strategies depend on our ability to attract and retain talented professionals with experience and growth potential.

We offer systemic and comprehensive training programs to our employees and sponsor many of our senior management personnel to take courses from business schools in China to improve their leadership skills. We plan to continue to offer competitive remuneration packages to attract and retain talented professionals. We will offer our employees a wide range of performance incentives, including bonuses and share-based incentives, to align our employees’ interests with ours and to foster a higher level of recognition and approval of our corporate value and culture.

Restructuring

In 2015, we completed a restructuring which involved two principal operating subsidiaries, namely (i) Jiangsu Future Land, our subsidiary established on October 10, 1997 with B-shares listed on the Shanghai Stock Exchange (Stock Code: 900950) since 2001; and (ii) Future Land Holdings, our wholly-owned subsidiary and directly held 58.86% of Jiangsu Future Land prior to the restructuring. Pursuant to the restructuring, Future Land Holdings issued A Shares to all shareholders of Jiangsu Future Land (other than Future Land Holdings) and absorbed and merged Jiangsu Future Land by way of share swap. Upon completion of the absorption and merger through the share swap, Future Land Holdings became the subsisting company and Jiangsu Future Land was delisted and deregistered as a legal person on April 13, 2016. The A shares of Future Land Holdings (Stock Code: 601155) were listed on the SSE on December 4, 2015.

Recent Developments

Land Acquisitions and Land Premium Payments after June 30, 2016

In July 2016, we won the bid for the land use rights to a parcel of land in Yangzhou, Jiangsu Province through the listing-for-sale processes. The amount of land premium was approximately RMB823.4 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 161,918 sq.m. and has a total planned GFA of approximately 460,979 sq.m..

In July 2016, we won the bid for the land use rights to a parcel of land in Hongkou District, Shanghai through the listing-for-sale processes. The amount of land premium was approximately RMB3,700.0 million which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 19,960 sq.m. and has a total planned GFA of approximately 82,877 sq.m..

In July 2016, we won the bid for the land use rights to a parcel of land in Rui'an, Wenzhou, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB250.1 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 45,925 sq.m. and has a total planned GFA of approximately 202,427 sq.m..

In August 2016, we obtained the land use rights to several parcels of land in Jurong, Zhenjiang, Jiangsu Province through our acquisition of (i) 100% equity interests in Jiangsu Lanhua Investment and Development Co., Ltd.* (江蘇蘭華投資開發有限公司) (“**Lanhua Investment**”) from Jiangsu Jianjiang Investment and Development Co., Ltd.* (江蘇建江投資開發有限公司) and Jiangsu Lande Digitaland Technology Co., Ltd.* (江蘇蘭德數碼科技有限公司), and (ii) debts of Lanhua Investment held by Jiangsu Xingyuan Trading Co., Ltd.* (江蘇興源貿易有限公司) for a total consideration of approximately RMB184.1 million, of which RMB106.8 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 129,189 sq.m. and have a total planned GFA of approximately 12,968 sq.m..

In September 2016, we won the bid for the land use rights to several parcels of land and the buildings on the land in Baodi District, Tianjin through judicial auction. The amount of land premium was approximately RMB3,740.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 271,197 sq.m. and are planned for residential and commercial uses. The existing buildings on the land parcels has a total GFA of 162,372.33 sq.m., including 22 buildings which are under construction, two public infrastructure projects and civil air-defense project.

In September 2016, we won the bid for the land use rights to a parcel of land in Jiaxing, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB1,059.7 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 59,584 sq.m. and has a total planned GFA of approximately 189,474 sq.m..

In September 2016, we obtained the land use rights to two parcels of land in Suzhou, Jiangsu Province through our acquisition of 100% equity interest in Suzhou Jinshiji Real Estate Development Co., Ltd.* (蘇州金世紀房地產開發有限公司) (“**Suzhou Jinshiji**”) from its shareholders for a consideration of approximately RMB1,015.7 million, of which RMB972.7 million has been paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 191,819 sq.m. and has a total planned GFA of approximately 470,911 sq.m..

In September 2016, we obtained the land use rights of one parcel of land in Wuhan, Hubei Province through our acquisition of 100% equity interest in Wuhan Jiangnan Yinxiang Property Co., Ltd. (武漢江南印象置業有限公司) for a consideration of approximately RMB2,494.1 million, of which RMB1,995.3 million has been paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 102,366 sq.m. and has a total planned GFA of approximately 474,166 sq.m..

In September 2016, we won the bid for the land use rights to several parcels of land in Nanjing, Jiangsu Province through online auction. The amount of land premium was approximately RMB7,390.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 142,500 sq.m. and have a total planned GFA of approximately 479,030 sq.m..

In September 2016, we won the bid for the land use rights to several parcels of land in Kunming, Yunnan Province through online auction. The amount of land premium was approximately RMB581.0 million, which has been fully paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 101,861 sq.m. and have a total planned GFA of approximately 486,006 sq.m..

In October 2016, we won the bid for the land use rights to a parcel of land in Suzhou, Jiangsu Province by means of open bidding. The amount of land premium was approximately RMB10,627.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 350,761 sq.m. and has a total planned GFA of approximately 1,757,835 sq.m..

In October 2016, we obtained the land use rights to several parcels of land in Qingdao, Shandong Province through our acquisition of 100% equity interest of several companies from Qingdao Yuanzhou Investment Co., Ltd.* (青島市源洲投資有限公司) for a consideration of approximately RMB1,571.1 million, of which RMB1,094.8 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 809,200 sq.m. and have a total planned GFA of approximately 1,367,951 sq.m..

In November 2016, we won the bid for the land use rights to a parcel of land in Hefei, Anhui Province through auction. The amount of land premium was approximately RMB697.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 58,147 sq.m. and has a total planned GFA of approximately 182,516 sq.m..

In November 2016, we won the bid for the land use rights to a parcel of land in Changzhou, Jiangsu Province through auction. The amount of land premium was approximately RMB408.0 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 24,716 sq.m. and has a total planned GFA of approximately 94,420 sq.m..

In November 2016, we won the bid for the land use rights to a parcel of land in Linyi, Shandong Province through the listing-for-sale processes. The amount of land premium was approximately RMB173.8 million, which has been fully paid as of the date of this offering memorandum. The land parcel occupies an aggregate site area of 91,943 sq.m. and has a total planned GFA of approximately 342,967 sq.m..

In December 2016, we won the bid for the land use rights to four parcels of land in Zhangjiagang City, Suzhou, Jiangsu Province. The amount of land premium was approximately RMB953.7 million, of which RMB189.0 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 219,991 sq.m. and have a total planned GFA of approximately 711,268 sq.m..

In December 2016, we obtained the land use rights to several parcels of land in Qingdao, Shandong Province through our acquisition of 90% equity interest of 7 subsidiaries of Qingdao Urban Construction Investment (Group) Co., Ltd.* (青島城市建設投資(集團)有限責任公司) for a total consideration of RMB4,187.3 million, of which RMB2,929.0 million has been paid as of the date of this offering memorandum. The land parcels occupy an aggregate site area of 144,563 sq.m. and have a total planned GFA of approximately 1,648,646 sq.m..

In December 2016, we won the bid for the land use rights to one parcel of land in Foshan, Guangdong Province through the listing-for-sale processes. The amount of land premium was approximately RMB4,273.5 million, of which RMB2,564.1 million has been paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 144,563 sq.m. and has a total planned GFA of approximately 576,020 sq.m..

In December 2016, we won the bid for the land use rights to several parcels of land in Pinghu, Jiaxing, Zhejiang Province through the listing-for-sale processes. The amount of land premium was approximately RMB437.2 million, which has been paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 126,537 sq.m. and have a total planned GFA of approximately 424,483 sq.m..

In December 2016, we won the bid for the land use rights to two parcels of land in Taizhou, Jiangsu Province through the listing-for-sale processes. The amount of land premium was approximately RMB603.0 million, which has been paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 172,616 sq.m. and have a total planned GFA of approximately 516,255 sq.m..

In December 2016, we obtained the land use rights to three parcels of land in Jinan, Shandong Province through our acquisition of 25% equity interest of Jinan Shiji Xinjiyuan Property Co., Ltd. (濟南世紀新紀元置業有限公司) for a total consideration of RMB473.3 million, which has yet to be paid as the date of this offering memorandum. The land parcels occupy an aggregate site area of 70,700 sq.m. and have a total planned GFA of approximately 268,936 sq.m..

In December 2016, we obtained the land use rights to a parcel of land in Changshu City, Suzhou, Jiangsu Province through our acquisition of 33% equity interest of Changshu Xinbi Real Estate Development Co., Ltd. (常熟新碧房地產開發有限公司) for a total consideration of RMB190.5 million, which has yet to be paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 53,800 sq.m. and has a total planned GFA of approximately 163,288 sq.m..

In December 2016, we obtained the land use rights to a parcel of land in Hangzhou, Zhejiang Province through our acquisition of 25% equity interest of Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司) for a total consideration of RMB662.1 million, which has yet to be paid as the date of this offering memorandum. The land parcel occupies an aggregate site area of 46,800 sq.m. and has a total planned GFA of approximately 185,546 sq.m..

Project Cooperation and Disposal

Shanghai Future Land Wanjia Real Estate Co., Ltd.* (上海新城萬嘉房地產有限公司) (“**Future Land Wanjia**”), our wholly-owned subsidiary, and its wholly-owned subsidiary, Shanghai Yulong Real Estate Development Co., Ltd.* (上海禹隆房地產開發有限公司) (“**Yulong Real Estate**”) held the equity interest in a project company for the development of a land parcel in Hongkou District, Shanghai (the “**Hongkou Project Company**”) as to 51% and 49%, respectively. On September 21, 2016, Future Land Wanjia and Yulong Real Estate entered into a joint development agreement with Shanghai Qingmao Property Co., Ltd.* (上海慶茂置業有限公司) (“**Qingmao Property**”), a wholly-owned subsidiary of China Jinmao Holdings Group Limited* (中國金茂控股集團有限公司), pursuant to which Qingmao Property would acquire the entire equity interest in Yulong Real Estate for a consideration of RMB RMB1,813.0 million. The disposal was completed on September 22, 2016. Future Land Wanjia and Qingmao Property (through Yulong Real Estate) currently hold the equity interest in the Hongkou Project Company as to 51% and 49%, respectively, and are jointly developing the land parcel in Hongkou District, Shanghai through Yulong Real Estate.

On November 23, 2016, Suzhou Future Land Chuangjia Property Co., Ltd. (蘇州新城創佳置業有限公司) (“**Suzhou Future Land**”), our wholly-owned subsidiary, and its wholly-owned subsidiary, Suzhou Golden Century Real Estate Co., Ltd.* (蘇州金世紀房地產開發有限公司) (“**Golden Century**”), entered into a cooperation framework agreement with Suzhou Country Garden Real Estate Co., Ltd.* (蘇州碧桂園房地產有限公司) (“**Suzhou Country Garden**”), a wholly-owned subsidiary of Country Garden Holdings Company Limited (碧桂園控股有限公司), pursuant to which Suzhou Country Garden would acquire 50% of the equity interest in Golden Century and 70% of voting rights in the shareholders’ meeting of Golden Century for a consideration of RMB565.0 million. The disposal was completed on November 9, 2016. Suzhou Future Land and Suzhou Country Garden are jointly developing the land parcels in Suzhou, Jiangsu Province through Golden Century.

Investment Activities

On June 22, 2016 and June 29, 2016 respectively, Future Land Holdings Co., Ltd (新城控股集團股份有限公司), a subsidiary of ours with its A shares listed on the Shanghai Stock Exchange (“**Future Land Holdings**”), entered into a promoters agreement and a share subscription agreement with Shanghai Red Star Macalline Investment Company Limited* (上海紅星美凱龍投資有限公司), a controlling shareholder of Red Star Macalline Group Corporation Ltd.* (紅星美凱龍家居集團股份有限公司), Changzhou Hualida Garment Group Company Limited* (常州華利達服裝集團有限公司), Xining Weiye Development Company Limited* (西寧偉業房地產開發有限公司), Hongdou Group Company Limited* (紅豆集團有限公司), and Jiangsu Hongdou Industrial Co., Ltd.* (江蘇紅豆實業股份有限公司), a subsidiary of Hongdou Group and Sunrain Holding Group Company Limited* (太陽雨控股集團有限公司) in relation to the establishment of a joint venture company. The business scope of the joint venture company is intended to include life insurance, annuities insurance, health insurance, accident insurance, participating insurance and universal insurance. Pursuant to the relevant agreements, Future Land Holdings agreed to subscribe for 20% of the share capital of the joint venture company with an amount of RMB300.0 million in cash. As at the date of this offering memorandum, we have not paid any share capital.

Our Performance in 2016

For the twelve months ended December 31, 2016, we had contracted sales of approximately RMB65,060 million, representing an increase of 103.8% as compared with the annual accumulated contracted sales in 2015. Accumulated contracted sales area amounted to approximately 5,750,000 sq.m.

Non-Public Issuance of the Domestic Corporate Bonds in the PRC

On August 16, 2016, Future Land Holdings completed the non-public issuance of the first tranche (the “**First Tranche**”) of its domestic corporate bonds of no more than RMB5.0 billion (the “**Corporate Bonds**”). The initial issue size of the First Tranche of the Corporate Bonds is RMB1.0 billion, with an upsize option of RMB1.0 billion, and the actual issue size of the First Tranche of the Corporate Bonds is RMB2.0 billion with a coupon rate of 4.48%. The First Tranche of the Corporate Bonds has a term of five years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the third year.

On September 13, 2016, Future Land Holdings completed the non-public issuance of the second tranche (the “**Second Tranche**”) of the Corporate Bonds. The initial issue size of the Second Tranche of the Corporate Bonds is RMB500.0 million, with upsize option of RMB1.0 billion, and the actual issue size of the Second Tranche of the Corporate Bonds is RMB500.0 million with a coupon rate of 4.80%. The Second Tranche of the Corporate Bonds has a term of seven years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the fifth year.

On October 18, 2016, Future Land Holdings completed the non-public issuance of the third tranche (the “**Third Tranche**”) of the Corporate Bonds. The initial issue size of the Third Tranche of the Corporate Bonds is RMB1.0 billion, with upsize option of RMB1.5 billion, and the actual issue size of the Third Tranche of the Corporate Bonds is RMB2.5 billion with a coupon rate of 4.41%. The Third Tranche of the Corporate Bonds has a term of five years with an option for Future Land Holdings to adjust the coupon rate and a put option for the investors at the end of the third year.

The proceeds from the Corporate Bonds are intended to be used for adjustment of debt structure and replenishment of our cash flow.

Property Services Agreements

Future Land Holdings entered into a property services framework agreement on July 29, 2016 (the “**2016 Property Services Framework Agreement**”) and a property services framework agreement on December 15, 2016 (the “**2017 Property Services Framework Agreement**”) with Tibet Future Land Property Management Services Co., Ltd.* (西藏新城悦物業服務股份有限公司) (“**Future Land Property Services**”) (together, the “**Property Services Framework Agreements**”). Future Land Property Services used to be an indirect subsidiary of Future Land Holdings until it was acquired by a company ultimately controlled by Mr. Wang Zhenhua, our controlling shareholder, executive director and chairman of our board. Prior to the disposal, Future Land Holdings (through its subsidiaries) entered into 50 services agreements (the “**2016 Existing Services Agreements**”) with Future Land Property Services, pursuant to which Future Land Property Services provides residential property management services, including cleaning, security and maintenance, to various residential development projects of Future Land Holdings. The term for the 2016 Existing Services Agreements is one year from January 1, 2016 to December 31, 2016 and the total consideration for the 2016 Existing Services Agreements is approximately RMB59.0 million.

According to the Property Services Framework Agreements, Future Land Property Services is commissioned to provide various residential property management services including the maintenance, consultancy, inspection and sales agency services in connection with the residential development projects of Future Land Holdings. The annual cap of the service fees under the 2016 Property Services Framework Agreement for the year ended December 31, 2016 shall not exceed RMB175.0 million (including the total consideration for the 2016 Existing Services Agreements of approximately RMB59.0 million) and the annual cap of the service fee under the 2017 Property Services Framework Agreement for the year ending December 31, 2017 shall not exceed RMB199.0 million.

For each development project of Future Land Holdings which requires the residential property management services under the Property Services Framework Agreements, Future Land Holdings and Future Land Property Services will (directly or through their respective subsidiaries) enter into a subsidiary agreement setting out the specific scope of services required and amount of fees payable in conformity with the principles set out in the Property Services Framework Agreements. All transactions contemplated under the Property Services Framework Agreements shall be conducted on normal commercial terms and negotiated on arm’s length basis. It is agreed that the terms offered by Future Land Property Services to Future Land Holdings should not be less favorable than those offered to other parties for similar services.

Adoption of Restricted Share Incentive Scheme by Future Land Holdings

On August 18, 2016, the board of directors of Future Land Holdings conditionally adopted a restricted share incentive scheme (the “**Scheme**”). The number of the restricted shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue if all restricted shares are issued and unlocked as at September 30, 2016. The number of the restricted shares which will be issued under the first tranche grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue if the restricted shares under the First Tranche Grant are issued and unlocked as at September 30, 2016 (the “**First Tranche Grant**”).

After issuing the restricted shares under the Scheme and under the First Tranche Grant, we will hold approximately 67.00% and 67.11%, respectively, of the enlarged A Shares of Future Land Holdings. Our shareholding in Future Land Holdings will be diluted by approximately 1.27% and 1.16%, respectively, as a result of the issue of the restricted shares under the Scheme and under the First Tranche Grant. Financial effects will arise (i) upon the grant day on which restricted shares are granted by Future Land Holdings as share-based payment costs will incur and (ii) upon unlocking of the restricted shares whereby the shareholding of us in Future Land Holdings will be diluted and deemed disposal gain or loss will incur. Upon issue and unlocking of the restricted shares under the First Tranche Grant, Future Land Holdings will still be a subsidiary of us. We do not expect any material financial impact on our assets or liabilities or any material gain or loss recorded directly arising from the issue and unlocking of the restricted shares.

Our Business

Overview of Our Projects

As of June 30, 2016, we had 141 real estate projects in 26 major cities in the PRC, of which 82 were under development and/or held for future development. These projects included approximately 13.2 million sq.m. under development and approximately 8.5 million sq.m. held for future development. As of June 30, 2016, we had land reserves with a total estimated GFA of 25.6 million sq.m., of which 14.4 million sq.m. are attributed to our Group's interests.

From December 31, 2015 to June 30, 2016, we also acquired and developed certain land parcels with a total GFA of 2,748,821 sq.m. through entering into land use rights contracts with the relevant local authorities and acquiring shares in an independent third party. We develop and sell a variety of residential properties, including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses. We develop mixed-use complexes for sale and retain a portion for leasing and long-term investment.

The following table sets out the geographic breakdown of our contracted sales during the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2013		2014		2015		2015		2016	
	Contracted sales	% of total contracted sales	Contracted sales	% of total contracted sales	Contracted sales	% of total contracted sales	Contracted sales	% of total contracted sales	Contracted sales	% of total contracted sales
	(RMB million)		(RMB million)		(RMB million)		(RMB million)		(RMB million)	
Changzhou . . .	5,753.9	28.4%	5,235.5	21.7%	3,724.4	11.9%	1,841.4	16.3%	1,700.9	6.2%
Shanghai	5,665.0	28.0%	6,511.5	27.0%	5,095.5	16.3%	1,895.8	16.7%	2,305.3	8.4%
Nanjing	2,201.8	10.9%	3,809.0	15.8%	5,532.5	17.7%	2,260.7	20.0%	4,334.2	15.8%
Suzhou	3,818.2	18.8%	4,827.4	20.0%	6,598.5	21.1%	2,841.2	25.1%	6,129.8	22.3%
Wuxi	1,458.1	7.2%	824.3	3.4%	425.7	1.4%	205.0	1.8%	603.6	2.2%
Changsha	598.3	3.0%	431.0	1.8%	348.8	1.1%	200.6	1.8%	152.9	0.6%
Wuhan.	721.8	3.6%	370.3	1.5%	373.4	1.2%	–	–	762.5	2.8%
Zhenjiang . . .	27.6	0.1%	1,210.2	5.0%	1,290.8	4.1%	656.5	5.8%	1,259.8	4.6%
Hangzhou. . . .	–	–	701.6	2.9%	1,277.5	4.1%	490.9	4.3%	1,339.8	4.9%
Nantong.	–	–	176.0	0.7%	326.4	1.0%	93.6	0.8%	316.5	1.2%
Nanchang. . . .	–	–	–	–	1,022.0	3.3%	437.3	3.9%	387.1	1.4%
Changchun . . .	–	–	–	–	746.1	2.4%	256.3	2.3%	602.5	2.2%
Anqing	–	–	–	–	528.6	1.7%	147.8	1.3%	445.2	1.6%
Taizhou	–	–	–	–	526.1	1.7%	–	–	379.7	1.4%
Quzhou	–	–	–	–	–	–	–	–	976.7	3.6%
Qingdao.	–	–	–	–	611.9	2.0%	–	–	1,064.6	3.9%
Haikou	–	–	–	–	740.0	2.4%	–	–	852.0	3.1%
Shaoxing	–	–	–	–	–	–	–	–	884.1	3.2%
Ningbo	–	–	–	–	–	–	–	–	608.9	2.2%
Chengdu	–	–	–	–	322.0	1.0%	–	–	560.7	2.0%
Jinan	–	–	–	–	202.9	0.6%	–	–	661.4	2.4%
Jintan	–	–	–	–	1,519.2	4.9%	–	–	355.2	1.3%
Jiaxing	–	–	–	–	93.4	0.3%	–	–	817.3	3.0%
Total	20,244.7	100.0%	24,096.8	100.0%	31,305.7	100.0%	11,327.1	100.0%	27,500.6	100.0%

Note: Contracted sales exclude sales of car parks.

We develop both residential and commercial properties. We classify a property development project as:

- a residential project if 70% or more of the project's total GFA is designated for residential use (excluding hotels) and less than 100,000 sq.m. of its total GFA is designated for commercial use (including financial, wholesale and retail use, offices, serviced apartments and hotels); and
- a mixed-use complex project if (i) more than 30% of the project's total GFA is designated for commercial use, (ii) 100,000 sq.m. or more of its total GFA is designated for commercial use, or (iii) the property does not fall within the parameters of our residential projects.

In addition, we categorize our residential properties and mixed-use complexes into different series to delineate the different positioning of each type of property.

We categorize our residential properties into four series to target different customer groups:

	FirstHomes (啟航)	SweetHomes (樂居)	DreamHomes (圓夢)	PrestigeHomes (尊享)
Unit GFA	60-90 sq.m.	80-120 sq.m.	90-180 sq.m.	180-430 sq.m.
Target customers. .	First time buyers/Newlyweds	Young families/ Mid-income households	Mid-to-high income households	High net worth households
Location	Suburban/City periphery	Suburban	City centers	Prime locations

We categorize our mixed-use complexes into three series, details of which are set forth in the table below:

	International Plaza (國際廣場)	City Plaza (城市廣場)	Lifestyle Mall (生活廣場)
Theme/concept	Luxury shopping mall	Convenience shopping centers	Restaurants and leisure goods retail
Location	Central business districts	Emerging business districts	Emerging business districts
Property types addition to retail and residential) . . .	Mid- to high-end hotel, mid- to high-end office and high-end serviced apartments	Mid- to high-end hotel and serviced apartments	Mid-tier office pace, hotel and serviced apartments
Total GFA	Approx. 300,000 sq.m.	Approx. 500,000 sq.m.	Approx. 50,000 sq.m.
Commercial GFA . . .	Approx. 80,000 to 100,000 sq.m.	Approx. 100,000 to 120,000 sq.m.	Approx. 30,000 sq.m.

Classifications of Our Property Projects

We generally classify our property projects into three development stages: projects held for future development, projects under development, and completed projects or project phases.

A property is considered to be held for future development when (i) we have obtained the land use rights certificate, but have not obtained the requisite construction permits or (ii) we have signed a land grant contract for the underlying parcel of land with relevant government authorities. Once a project obtains the required project construction commencement permits, it is classified as being under

development until a completion certificate is obtained for every phase of the project. As some of our projects comprise multiple-phase developments that are completed on a rolling basis, a project under development may include different phases at various stages of development. A project or project phase is completed when it is issued a completion certificate by the relevant government construction authorities.

A property is considered “sold” when the purchase contract with a customer is executed and the property is delivered to the customer. A property is treated as “pre-sold” when the purchase contract is executed but the property has not yet been delivered to the customer. Delivery is deemed to take place on the date stated on the property delivery document.

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 require multiple land use rights certificates, construction permits, pre-sale permits and other permits and certificates, which may be issued at different times throughout the development process.

Summary of Our Projects

Property portfolio summary

The following table sets forth the GFA breakdown of our property portfolio under various stages of development as of June 30, 2016:

City	Under Development	Under Planning	Completed
	GFA (sq.m.)	GFA (sq.m.)	GFA available for Sale, Lease or Use by the Group (sq.m.)
Nanjing	1,414,847	246,759	185,288
Changzhou	346,424	1,448,401	1,521,125
Wuxi	83,518	—	271,844
Suzhou	1,663,055	1,203,803	876,263
Shanghai	307,072	836,466	454,258
Nantong	126,205	677,450	6,741
Hangzhou	889,246	393,445	70,558
Wuhan	491,805	349,106	30,210
Qingdao	735,811	—	—
Jinan	298,525	771,017	8,855
Changsha	100,998	462,921	167,758
Quanzhou	—	319,152	—
Jinhua	—	432,674	—
Ningbo	446,320	276,670	—
Nanchang	564,742	—	—
Anqing	822,228	77,959	—
Haikou	511,280	—	—
Taizhou	544,539	—	—
Shaoxing	457,888	437,974	—
Chengdu	688,860	—	—
Zhenjiang	850,046	—	431,863
Jintan	427,919	31,841	—
Quzhou	349,479	—	—
Jiaxin	458,806	—	—
Changchun	573,654	—	—
Tianjin	—	500,938	—
Total	13,153,268	8,466,575	4,024,765
Attributable to the Group	6,909,219	4,790,176	2,685,552

As of June 30, 2016, we had a total outstanding payable land premium of RMB1,121.0 million (US\$168.7 million), which we intend to pay according to the terms of the respective land grant contracts or purchase agreements.

Completed projects, partially completed projects and projects under planning

The following table sets forth summary information about our major properties as of June 30, 2016:

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Nanjing 南京						
Hubei Road Project 湖北路項目 . . .	Commercial	Under development	66,303	–	–	65.69%
Future France 香溢紫郡	Residential	Fully completed	–	–	139,581	65.69%
Longwan Garden 瓏灣花園	Residential	Partially completed	227,437	–	45,707	65.69%
Xianlin Lake Land Parcel 香悅瀾山	Residential	Under development	496,253	–	–	45.98%
Flourish France 花漾紫郡	Residential	Under development	386,726	–	–	65.69%
Land Parcel G41 at Jinma Road 金馬路G41地塊	Residential	Held for future development	–	157,209	–	65.69%
Future Land Poly Tiandi 新城保利天地	Residential	Under development	238,218	–	–	20.36%
Land Parcel G50 at Jingtian Road 經天路G50地塊	Residential	Held for future development	–	89,550	–	65.69%
Nanjing sub-total			1,414,847	246,759	185,288	
Changzhou 常州						
Fragrant Legend 香溢瀾橋	Residential	Fully completed	–	–	130,740	65.40%
Future Success 香溢俊園	Residential	Fully completed	–	–	46,987	65.69%
Future Consequence 香悅半島	Residential	Fully completed	–	–	107,317	65.69%
Future France 香溢紫郡	Residential	Fully completed	–	–	133,572	65.40%
YOHO City 悠活城	Residential	Fully completed	–	–	63,462	67.70%
Golden County 金郡	Residential	Partially completed	34,125	–	49,893	65.69%
Emporium 帝景	Residential	Partially completed	216,465	–	180,844	65.48%
Phase IV of Legend Mansion 新城公館四期	Residential	Under development	95,834	218,519	–	65.40%
Eastern Area of Future Land Long Island 新城長島東區	Residential	Held for future development	–	315,481	–	65.40%
Golden Future Land 金色新城	Residential	Held for future development	–	45,270	–	65.40%
Future Land Town 新城城	Residential	Partially completed	–	99,285	122,905	65.40%
In Spring Live 春天里	Residential	Fully completed	–	–	101,856	67.93%
Land Parcel at south of Renmin Road 人民路南地塊	Residential	Held for future development	–	256,845	–	67.93%
Land Parcel at Gufang Road 古方路地塊	Residential	Held for future development	–	465,453	–	67.93%
Injoy International Plaza 吾悅國際廣場	Complexes	Fully completed	–	–	168,435	68.27%
Wujin Injoy Plaza 武進吾悅廣場	Complexes	Partially completed	–	47,548	362,039	68.27%
Life Plaza 生活廣場	Commercial	Fully completed	–	–	19,717	68.27%
Future Royal Bay 御景灣	Residential	Fully completed	–	–	33,358	68.27%
Changzhou sub-total			346,424	1,448,401	1,521,125	

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Wuxi 無錫						
Future France 香溢紫峻	Residential	Fully completed	–	–	77,187	68.27%
Up Town 尚東雅苑	Residential	Fully completed	–	–	110,818	68.27%
Jinjun Yuan 金峻苑	Residential	Under development	83,518	–	–	68.27%
Xihu Home Decor Centre 錫滬家藝中心	Commercial	Fully completed	–	–	83,839	68.27%
Wuxi sub-total			83,518	–	271,884	
Suzhou 蘇州						
Fragrant Legend 香溢瀾橋	Residential	Fully completed	–	–	77,103	68.27%
Legend Mansion 公館	Residential	Fully completed	–	–	57,856	68.27%
Mangrove Bay 紅樹灣	Residential	Partially completed	–	18,008	96,152	68.27%
Future France 香溢紫郡	Residential	Partially completed	–	90,500	54,637	68.27%
Beautiful Harbour 柏麗灣	Residential	Partially completed	–	65,040	19,296	68.27%
Future County 郡未來	Residential	Under development	354,679	–	–	46.42%
Kunshan Future County 昆山郡尚海	Residential	Under development	248,307	–	–	27.31%
Changshu Yuyue Garden 常熟虞悅豪庭	Residential	Under development	151,747	73,800	–	44.38%
Changshu Fragrant View 常熟香溢環庭	Residential	Under development	134,666	–	–	68.27%
Wanshangfenghua 灣上風華	Residential	Under development	109,941	107,873	–	34.14%
Xiangxiyuan 香溪源	Residential	Under development	198,344	237,098	–	34.14%
Honghai Plaza 宏海廣場	Commercial	Under development	94,934	–	–	20.48%
Land Parcel at north of Xingzhong Road in Wujiang 吳江興中路以北地塊	Commercial	Held for future development	–	40,802	–	68.27%
Land Parcel at south-western side of the intersection of Jiangling East Road and Songshan River in Wujiang 吳江江陵東路、崑山河交叉口西南側地塊	Residential	Held for future development	–	223,776	–	23.89%
Land Parcel at north-western side of the intersection of Jishi West Road and Songshan River in Wujiang 吳江吉市西路、崑山河交叉口西北側地塊	Residential	Held for future development	–	222,937	–	23.89%
Land Parcel No. 4 located in the cultural district of Changshu 常熟文化片區4號地塊	Residential	Under development	182,813	72,618	–	6.83%
Suzhou Kaituo Project 蘇州凱拓項目	Mixed-use	Fully completed	–	–	265,173	68.59%
Suzhou Bosheng Project 蘇州博盛項目	Mixed-use	Partially completed	–	51,351	60,510	76.20%
Zhangjianggang Project 張家港項目	Mixed-use	Partially completed	187,624	–	245,536	68.59%
Suzhou sub-total			1,663,055	1,203,803	876,263	

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Shanghai 上海						
YOHO City 悠活城	Residential	Fully completed	–	–	64,711	65.69%
Future Land Golden County A 新城金郡A	Residential	Fully completed	–	–	12,974	65.69%
Gorgeous Mansion 憶華里	Mixed-use	Fully completed	–	–	123,471	65.69%
Petrus Hacienda 碧翠	Residential	Fully completed	–	–	39,753	68.27%
Garden House 馥華里	Residential	Fully completed	–	–	25,881	65.69%
Fragrant Legend 香溢瀾庭	Residential	Fully completed	–	–	31,408	65.69%
Fragrant View 香溢璟庭	Residential	Fully completed	–	–	34,091	65.69%
Fragrant Jade 香溢瓏庭	Residential	Partially completed	23,390	–	18,840	65.69%
Bright Green Land 昱翠灣	Residential	Fully completed	–	–	8,000	65.69%
Future Royal Fame 水雲間	Residential	Partially completed	20,057	–	5,666	65.69%
Fragrant Metropolitan 香溢薈苑 . . .	Residential	Fully completed	–	–	22,675	65.69%
Songjiang Bright Mansion 雲間錦院	Residential	Under development	34,415	–	–	10.92%
Future Flower Bay 花嶼灣	Residential	Under development	96,852	–	–	65.69%
Land Parcels 06-01, 07-01, 08-06 & 08-08, 33-02 in Dongjing, Songjiang District 松江區洞涇鎮06-01、07-01、 08-06 & 08-08、33-02地塊	Mixed-use	Under development	84,888	202,229	–	32.84%
Land Parcel at Chengzhong South Road 城中南路地塊	Residential	Held for future development	–	67,127	–	65.69%
Land Parcel 03-04 at Shengli Road 勝利路03-04地塊	Residential	Held for future development	–	50,323	–	19.71%
Land Parcel 01C-03 at Shengli Road 勝利路01C-03地塊	Residential	Held for future development	–	81,291	–	65.69%
No. 7 Land Parcel located in Zhoupu Town 周浦老鎮區7號地塊	Residential	Held for future development	–	180,611	–	33.50%
Wan Zhi Cheng 萬之城	Residential	Fully completed	–	–	30,471	32.84%
Elite Mansion 新城旭輝府	Residential	Fully completed	–	–	36,317	32.84%
Splendid Mansion 錦辰公館	Residential	Under development	47,470	–	–	18.39%
Land Parcels 06-08, 07-05, 08-01, 27-02 in Dongjing, Songjiang District 松江區洞涇鎮06-08、 07-05、08-01、27-02地塊	Residential	Held for future development	–	254,885	–	32.84%
Shanghai sub-total			307,072	836,466	454,258	
Nantong 南通						
Future France 香溢紫郡	Residential	Partially completed	126,205	532,929	6,741	52.55%
Rugao Injoy Plaza 如皋吾悅廣場 . .	Mixed-use	Held for future development	–	144,521	–	68.27%
Nantong sub-total			126,205	677,450	6,741	

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Hangzhou 杭州						
Whispering Hills 山語院	Residential	Fully completed	–	–	46,032	68.27%
Leisure Land 西溪逸境	Residential	Fully completed	–	–	24,526	68.27%
Majestic Mansion 金璽鉅府	Residential	Under development	35,604	–	–	68.27%
Scarce Mansion 峯璟	Residential	Under development	78,691	–	–	68.27%
Future Consequence 香悅半島	Residential	Under development	177,495	–	–	40.96%
Aofu 奧府	Residential	Under development	188,037	–	–	68.27%
Dunliwu Land Parcel 墩里吳地塊 . .	Residential	Held for future development	–	265,814	–	68.27%
Yuzheng Chuchu No. (2015) 54 Land Parcel 余政儲出(2015)54號地塊	Residential	Under development	154,248	–	–	23.21%
Hongjun 紅郡	Residential	Under development	255,171	–	–	47.79%
R21-01B Land Parcel for Changmu Unit in Jianggan District 江干區長睦單元R21-01B地塊 . .	Residential	Held for future development	–	127,631	–	68.27%
Hangzhou sub-total			889,246	393,445	70,558	
Wuhan 武漢						
Delight City 璟悅城	Residential	Under development	322,553	349,106	–	68.27%
Prosperous International 興隆國際	Residential	Under development	169,252	–	–	68.27%
In Spring Live 春天里	Residential	Fully completed	–	–	30,210	68.27%
Wuhan sub-total			491,805	349,106	30,210	
Qingdao 青島						
Phase II of Future France 香溢紫郡二期	Residential	Under development	222,852	–	–	34.14%
Phase I of Future France 香溢紫郡一期	Residential	Under development	64,590	–	–	34.14%
Licang C-1 Land Parcel 李滄C-1地塊	Residential	Under development	198,557	–	–	34.14%
Licang I-1 Land Parcel 李滄I-1地塊	Residential	Under development	249,812	–	–	34.14%
Qingdao sub-total			735,811	–	–	
Jinan 濟南						
Future France 香溢紫郡	Residential	Partially completed	298,525	–	8,855	68.27%
B2-1 Land Parcel B2-1 地塊	Residential	Held for future development	–	373,482	–	68.27%
B2-2 Land Parcel B2-2 地塊	Residential	Held for future development	–	397,535	–	68.27%
Jinan Sub-total			298,525	771,017	8,855	
Changsha 長沙						
International Metropolis 國際花都	Residential	Partially completed	100,998	462,921	167,758	68.27%
Changsha Sub-total			100,998	462,921	167,758	

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Quanzhou 泉州						
Jinjiang Project 晉江項目	Complexes	Held for future development	–	319,512	–	68.27%
Quanzhou Sub-total			–	319,512	–	
Jinhua 金華						
Yiwu Project 義烏項目	Complexes	Held for future development	–	432,674	–	34.14%
Jinhua Sub-total			–	432,674	–	
Ningbo 寧波						
Wanbo Project 萬博項目	Mixed-use	Under development	165,776	276,670	–	68.27%
Kaituo Project 凱拓項目	Mixed-use	Held for future development	280,544	–	–	68.27%
Ningbo Sub-total			446,320	276,670	–	
Nanchang 南昌						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	564,742	–	–	68.27%
Nanchang Sub-total			564,742	–	–	
Anqing 安慶						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	822,228	77,959	–	68.27%
Anqing Sub-total			822,228	77,959	–	
Haikou 海口						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	511,280	–	–	68.27%
Haikou Sub-total			511,280	–	–	
Taizhou 臺州						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	544,539	–	–	27.31%
Taizhou Sub-total			544,539	–	–	
Shaoxing 紹興						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	457,888	96,536	–	68.27%
Shengzhou West Residential Project Land Parcel 嵊州西住宅地塊	Residential	Held for future development	–	341,438	–	68.27%
Shaoxing Sub-total			457,888	437,974	–	
Chengdu 成都						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	688,860	–	–	7.58%
Chengdu Sub-total			688,860	–	–	
Zhenjiang 鎮江						
Dantu Future Land Exalted Uptown 丹徒新城尚上城	Residential	Partially completed	67,404	–	72,321	68.59%
Danyang Injoy Plaza 丹陽吾悅廣場	Mixed-use	Partially completed	264,905	–	359,542	68.59%
Dingmao Injoy Plaza 丁卯吾悅廣場	Complexes	Under development	517,737	–	–	68.27%
Zhenjiang Sub-total			850,046	–	431,863	

Project Name	Property Type	Property Status	GFA Under Development (sq.m.)	GFA Under Planning (sq.m.)	Completed GFA available for Sales, Lease or Use by the Group (sq.m.)	The Group's Interest in the Project
Jintan 金壇						
Jintan Injoy Plaza 金壇吾悅廣場 . .	Mixed-use	Under development	427,919	–	–	68.27%
Changzhou Jintan Wanjian City 常州金壇萬建城	Residential	Held for future development	–	31,841	–	66.84%
Jintan Sub-total			427,919	31,841	–	
Quzhou 衢州						
Quzhou Project 衢州項目	Mixed-use	Under development	349,479	–	–	68.27%
Quzhou Sub-total			349,479	–	–	
Jiaxing 嘉興						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	458,806	–	–	68.27%
Jiaxing Sub-total			458,806	–	–	
Changchun 長春						
Injoy Plaza 吾悅廣場	Mixed-use	Under development	573,654	–	–	68.59%
Changchun Sub-total			573,654	–	–	
Tianjin 天津						
Jinnan Injoy Plaza 津南吾悅廣場 . .	Mixed-use	Held for future development	–	500,938	–	47.79%
Tianjin Sub-total			–	500,938	–	
Total			13,153,268	8,466,575	4,024,765	
Attributable to the Group			6,909,219	4,790,176	2,685,552	

The following table sets forth certain additional information about our partially completed properties and properties under planning as of June 30, 2016:

Project Name	Land Contract Signing Date	Total Land Premium (RMB million)	Land Premium Paid as of June 30, 2016 (RMB million)	Land Premium to be Paid (RMB million)
Nanjing 南京				
Hubei Road Project 湖北路項目 . . .	June 2007	405.0	405.0	–
Longwan Garden 龍灣花園	February 2013	1,980.0	1,980.0	–
Xianlin Lake Land Parcel 香悅瀾山	April 2014	3,000.0	3,000.0	–
Flourish France 花漾紫郡	December 2014	860.0	860.0	–
Land Parcel G41 at Jinma Road 金馬路G41地塊	November 2015	2,060.0	2,060.0	–
Future Land Poly Tiandi 新城保利天地	November 2015	690.0	690.0	–
Land Parcel G50 at Jingtian Road 經天路G50地塊	December 2015	1,170.0	1,170.0	–
Changzhou 常州				
Golden County 金郡	September 2007	430.0	430.0	–
Emporium 帝景	September 2006	280.8	280.8	–
Phase IV of Legend Mansion 新城公館四期	March 2006	283.0	283.0	–
Eastern Area of Future Land Long Island 新城長島東區	November 2002	281.3	208.2	73.1
Golden Future Land 金色新城	July 2001	198.1	198.1	–
Future Land Town 新城域	November 2006	437.6	437.6	–

Project Name	Land Contract Signing Date	Total Land Premium (RMB million)	Land Premium Paid as of June 30, 2016 (RMB million)	Land Premium to be Paid (RMB million)
Land Parcel at south of Renmin Road 人民路南地塊.....	July 2011	451.2	451.2	—
Land Parcel at Dongfang Road 東方路地塊	July 2011	754.4	381.0	373.4
Wujin Injoy Plaza 武進吾悅廣場...	December 2009	90.6	90.6	—
Wuxi 無錫				
Jinjun Yuan 金峻苑.....	August 2015	161.6	161.6	—
Suzhou 蘇州				
Mangrove Bay 紅樹灣	May 2013	1,003.0	1,003.0	—
Future France 香溢紫郡	January 2011	305.4	305.4	—
Beautiful Harbour 柏麗灣	January 2011	385.6	385.6	—
Future County 郡未來.....	September 2014	773.7	773.7	—
Kunshan Future County 昆山郡尚海	February 2015	600.5	600.5	—
Changshu Yuyue Garden 常熟虞悅豪庭.....	May 2015	838.5	838.5	—
Changshu Fragrant View 常熟香溢璟庭.....	July 2015	355.5	355.5	—
Wangshangfenghua 灣上風華.....	November 2015	555.2	555.2	—
Xiangxiyuan 香溪源	December 2015	1,129.6	1,12.6	—
Honghai Plaza 宏海廣場.....	March 2016	100.0	100.0	—
Land Parcel at north of Xingzhong Road in Wujiang 吳江興中路以北地塊.....	April 2016	189.7	94.7	95.0
Land Parcel at south-western side of the intersection of Jiangling East Road and Songshan River in Wujiang 吳江江陵東路、淞山 河交叉口西南側地塊.....	June 2016	1,460.0	730.0	730.0
Land Parcel at north-western side of the intersection of Jishi West Road and Songshan River in Wujiang 吳江吉市西路、淞山河 交叉口西北側地塊.....	June 2016	1,454.5	727.3	727.2
Land Parcel No. 4 located in the cultural district of Changshu 常熟文化片區4號地塊.....	May 2015	754.5	754.5	—
Suzhou Bosheng Project 蘇州博盛項目.....	May 2015	264.3	264.3	—
Zhangjiagang Project 張家港項目				
Zhangjiagang Injoy Plaza 張家港吾悅廣場.....	October 2013	711.8	711.8	—
Shanghai 上海				
Fragrant Jade 香溢瓏庭	December 2012	489.5	489.5	—
Future Royal Fame 水雲間.....	December 2013	734.0	734.0	—
Songjiang Bright Mansion 雲間錦院	December 2014	234.0	234.0	—
Future Flower Bay 花嶼灣.....	February 2015	217.8	217.8	—
Land Parcels 06-01, 07-01, 08-06 & 08-08, 33-02 in Dongjing, Songjiang District 松江區洞涇鎮06-01、07-01、 08-06 & 08-08、33-02地塊	August 2015	1,339.4	1,339.4	—

Project Name	Land Contract Signing Date	Total Land Premium (RMB million)	Land Premium Paid as of June 30, 2016 (RMB million)	Land Premium to be Paid (RMB million)
Land Parcel at Chengzhong South Road 城中南路地塊.....	October 2015	518.0	518.0	—
Land Parcel 03-04 at Shengli Road 勝利路03-04地塊.....	November 2015	682.0	682.0	—
Land Parcel 01C-03 at Shengli Road 勝利路01C-03地塊.....	November 2015	505.0	505.0	—
No. 7 Land Parcel located in Zhoupu Town 周浦老鎮區7號地塊.....	March 2016	1,339.6	669.8	669.8
Splendid Mansion 錦辰公館.....	December 2014	326.0	326.0	—
Land Parcels 06-08, 07-05, 08-01, 27-02 in Dongjing, Songjiang District 松江區洞涇鎮06-08、07-05、08-01、27-02地塊.....	August 2015	1,860.6	1,860.6	—
Nantong 南通				
Future France 香溢紫郡.....	December 2013	701.5	701.5	—
Rugao Injoy Plaza 如皋吾悅廣場..	April 2015	70.5	70.5	—
Hangzhou 杭州				
Majestic Mansion 金璽鉅府.....	September 2013	321.0	321.0	—
Scarce Mansion 峯璟.....	April 2014	403.2	403.2	—
Future Consequence 香悅半島.....	June 2015	751.1	751.1	—
Aofu 奧府.....	June 2015	1,077.4	1,077.4	—
Dunliwu Land Parcel 墩里吳地塊..	January 2016	889.4	444.5	444.5
Yuzheng Chuchu No. (2015) 54 Land Parcel 余政儲出(2015)54號地塊.....	October 2015	722.3	722.3	—
Hongjun 紅郡.....	March 2016	535.0	535.0	—
R21-01B Land Parcel for Changmu Unit in Jianggan District 江干區長睦單元R21-01B地塊...	May 2016	446.0	223.0	223.0
Wuhan 武漢				
Delight City 璟悅城.....	March & December 2015	1,470.2	1,470.2	—
Prosperous International 興隆國際.....	December 2015	168.6	168.6	—
Qingdao 青島				
Phases I & II of Future France 香溢紫郡一、二期.....	December 2014	674.8	674.8	—
Licang C-1 & I-1 Land Parcels 李滄C-1、I-1地塊.....	December 2014	1,060.3	1,060.3	—
Jinan 濟南				
Future France 香溢紫郡.....	December 2014	328.8	328.8	—
B2-1 Land Parcel B2-1 地塊.....	June 2015	393.1	393.1	—
B2-2 Land Parcel B2-2 地塊.....	March 2016	422.9	422.9	—
Changsha 長沙				
International Metropolis 國際花都..	April 2011	783.2	783.2	—
Quanzhou 泉州				
Jinjiang Project 晉江項目.....	November 2011	366.5	73.1	293.4
Jinhua 金華				
Yiwu Project 義烏項目.....	September 2015	1,009.0	1,009.0	—

Project Name	Land Contract Signing Date	Total Land Premium (RMB million)	Land Premium Paid as of June 30, 2016 (RMB million)	Land Premium to be Paid (RMB million)
Ningbo 寧波				
Wanbo Project 萬博項目	July 2015	514.5	349.5	165.0
Kaituo Project 凱拓項目	July 2015	282.0	141.0	141.0
Nanchang 南昌				
Injoy Plaza 吾悅廣場	August 2014	617.1	617.1	—
Anqing 安慶				
Injoy Plaza 吾悅廣場	November 2014	601.5	601.5	—
Haikou 海口				
Injoy Plaza 吾悅廣場	December 2014	516.0	516.0	—
Taizhou 臺州				
Injoy Plaza 吾悅廣場	January 2015	1,078.0	608.9	469.1
Shaoxing 紹興				
Injoy Plaza 吾悅廣場	August 2015	780.0	613.5	166.5
Shengzhou West Residential Project Land Parcel 嵊州西住宅地塊	June 2016	646.5	—	646.5
Chengdu 成都				
Injoy Plaza 吾悅廣場	March 2015	579.4	579.4	—
Zhenjiang 鎮江				
Dantu Future Land Exalted Uptown 丹徒新城尚上城	April 2013	270.0	270.0	—
Danyang Injoy Plaza 丹陽吾悅廣場	October 2013 and March & December 2015	481.7	337.9	143.8
Dingmao Injoy Plaza 丁卯吾悅廣場	August 2015	295.0	295.0	—
Jintan 金壇				
Jintan Injoy Plaza 金壇吾悅廣場 ...	May 2015	159.6	159.6	—
Changzhou Jintan Wanjian City 常州金壇萬建城	April 2011	15.3	15.3	—
Quzhou 衢州				
Quzhou Project 衢州項目	July 2015	231.8	231.8	—
Jiaxing 嘉興				
Injoy Plaza 吾悅廣場	June 2015	485.0	485.0	—
Changchun 長春				
Injoy Plaza 吾悅廣場	August 2014	899.8	899.8	—
Tianjin 天津				
Jinnan Injoy Plaza 津南吾悅廣場 ..	April 2016	827.7	—	827.7

Contracted sales

Set forth below is a summary of our total contracted sales for the six months ended June 30, 2016:

Projects	Contracted GFA sold	Contracted sales	Average selling price
	(sq.m.)	(RMB million)	(RMB/sq.m.)
Suzhou 蘇州市			
Future France 香溢紫郡	1,392.7	17.0	12,206.9
Golden County 金郡	1,187.0	11.1	9,353.1
Fragrant Legend 香溢瀾橋	2,507.7	31.9	12,738.5
Shihu Legend Mansion 石湖公館	8,837.5	122.5	13,856.5
Future Land Injoy Plaza 新城吾悅廣場	32,337.4	310.6	9,603.5
Beautiful Harbour 柏麗灣	6,841.5	51.8	7,564.7
Future County 郡未來	38,579.0	594.6	15,411.5
Mangrove Bay 紅樹灣	27,589.7	394.2	14,288.8
Zhangjiagang Injoy Plaza 張家港吾悅廣場	57,505.2	545.3	9,483.3
No. 9 Project located in the cultural district of Changshu 常熟文化片區9號項目	47,053.0	653.6	13,889.8
Changshu Fragrant View 常熟香溢環庭	46,589.3	546.6	11,732.9
Kunshan Future County 昆山郡尚海	72,781.3	1,036.1	14,235.5
Changshu Vanke Gongwang 常熟萬科公望	78,198.3	979.0	12,519.8
Taihu Future Land 太湖新城	19,229.0	315.4	16,400.2
Future Land and Merchant Xiangxiyuan 新城招商香溪源	38,574.7	520.2	13,486.6
Suzhou Sub-total	479,203.2	6,129.8	12,791.7
Nanjing 南京			
Longwan Garden 瓏灣花園	22,535.1	459.6	20,394.2
Xianlin Lake Land Parcel 香悅瀾山	81,093.9	1,751.2	21,594.1
Flourish France 花漾紫郡	103,771.6	1,439.6	13,872.7
Future France 香溢紫郡	8,596.4	83.6	9,721.6
Future Land and Poly Tiandi 新城保利天地	39,724.1	600.3	15,112.8
Nanjing sub-total	255,721.1	4,334.2	16,949.1
Shanghai 上海			
Legend Mansion 公館	190.8	4.1	21,225.3
Garden House 馥華里	1,257.9	24.6	19,548.8
Park View International Community 金郡*	1,425.9	29.1	20,380.9
Future Fragrant Metropolitan 新城香溢薈苑	13,623.3	207.5	15,228.8
Future Fragrant Legend 新城香溢瀾庭	803.5	14.2	17,638.6
Future Fragrant View 新城香溢環庭	2,462.4	56.2	22,835.4
Future Royal Fame 水雲間	13,064.3	432.1	33,072.1
Elite Mansion 新城旭輝府	54,350.3	683.7	12,579.7
Songjiang Bright Mansion 雲間錦苑	8,032.5	210.9	26,256.1
Longhu Splendid Mansion 龍湖錦宸公館	4,996.2	127.6	25,545.2
Fengxian Flower Bay 奉賢花嶼灣	33,186.0	485.7	14,634.6
Gorgeous Mansion 憶華里	436.3	13.4	30,628.7
Exalted Uptown 尚上城	2,746.6	16.4	5,974.0
Shanghai sub-total	136,575.9	2,305.3	16,879.3
Changzhou 常州			
Future Land In Spring Live 新城春天里	18,089.1	118.7	6,560.7
Future Land Southern Metropolis 新城南都	5,054.1	31.2	6,172.0
New City Residence 新城公館	9,095.6	121.4	13,341.5
Park No. 1 公園壹號	781.3	6.0	7,705.6
Injoy Plaza 吾悅廣場	9,030.2	41.4	4,586.4
Injoy International Plaza 吾悅國際廣場	370.1	0.3	793.4
Fragrant Legend 新城香溢瀾橋	8,390.1	72.2	8,609.9
Future Consequence 新城香悅半島	1,271.1	20.4	16,033.7

Projects	Contracted GFA sold	Contracted sales	Average selling price
	(sq.m.)	(RMB million)	(RMB/sq.m.)
Future Capital 首府	1,286.2	14.4	11,177.5
Future Success 新城香溢俊園	761.3	5.6	7,403.9
Emporium 帝景	55,894.9	717.5	12,836.3
Future Land YOHO City 新城悠活城	33,926.1	163.8	4,828.7
Changzhou Uptown 常州上街	894.8	7.1	7,886.7
Future Land Golden County 新城金郡	27,604.2	380.2	13,774.4
Fuhan Garden 府翰苑	135.7	0.8	5,527.7
Changzhou sub-total	172,584.6	1,700.9	9,855.5
Hangzhou 杭州			
Leisure Land 西溪逸境	1,329.6	23.4	17,594.1
Majestic Mansion 金璽鉅府	5,696.2	117.8	20,673.8
Whispering Hills 山語院	3,023.6	24.6	8,142.6
Yuhang Future Science and Technology City 余杭未來科技城	26,010.8	474.9	18,257.6
Future Consequence 香悅半島	13,222.9	169.6	12,824.5
Xiaoshan Xingyicun Land 蕭山興議村社區	24,594.9	474.2	19,279.5
Changmuhanjia Project 長睦漢嘉項目	5,275.4	55.4	10,498.3
Hangzhou sub-total	79,153.3	1,339.8	16,926.7
Taizhou 臺州			
Injoy Plaza 吾悅廣場	28,826.1	379.7	13,172.8
Taizhou sub-total	28,826.1	379.7	13,172.8
Quzhou 衢州			
Injoy Plaza 吾悅廣場	85,988.2	976.7	11,358.0
Quzhou sub-total	85,988.2	976.7	11,358.0
Qingdao 青島			
Future France 香溢紫郡	53,217.2	583.3	10,961.1
Qingdao Excellent Queen's Road 青島卓越皇后道 ..	47,812.0	481.3	10,065.5
Qingdao sub-total	101,029.2	1,064.6	10,537.2
Haikou 海口			
Injoy Plaza 吾悅廣場	83,584.3	852.0	10,193.6
Haikou sub-total	83,584.3	852.0	10,193.6
Shaoxing 紹興			
Shenzhou Injoy Plaza 嵊州吾悅廣場	88,115.7	884.1	10,033.4
Shaoxing sub-total	88,115.7	884.1	10,033.4
Nanchang 南昌			
Injoy Plaza 吾悅廣場	39,055.4	387.1	9,911.1
Nanchang sub-total	39,055.4	387.1	9,911.1
Wuxi 無錫			
Up Town 尚東雅園	8,948.0	135.3	15,125.6
Home Decor Centre 家藝中心	497.0	1.9	3,817.0
Jinjun Yuan 金峻苑	53,262.0	466.3	8,755.2
Wuxi sub-total	62,707.1	603.6	9,625.1
Changchun 長春			
Injoy Plaza 吾悅廣場	63,788.1	602.5	9,445.3
Changchun sub-total	63,788.1	602.5	9,445.3

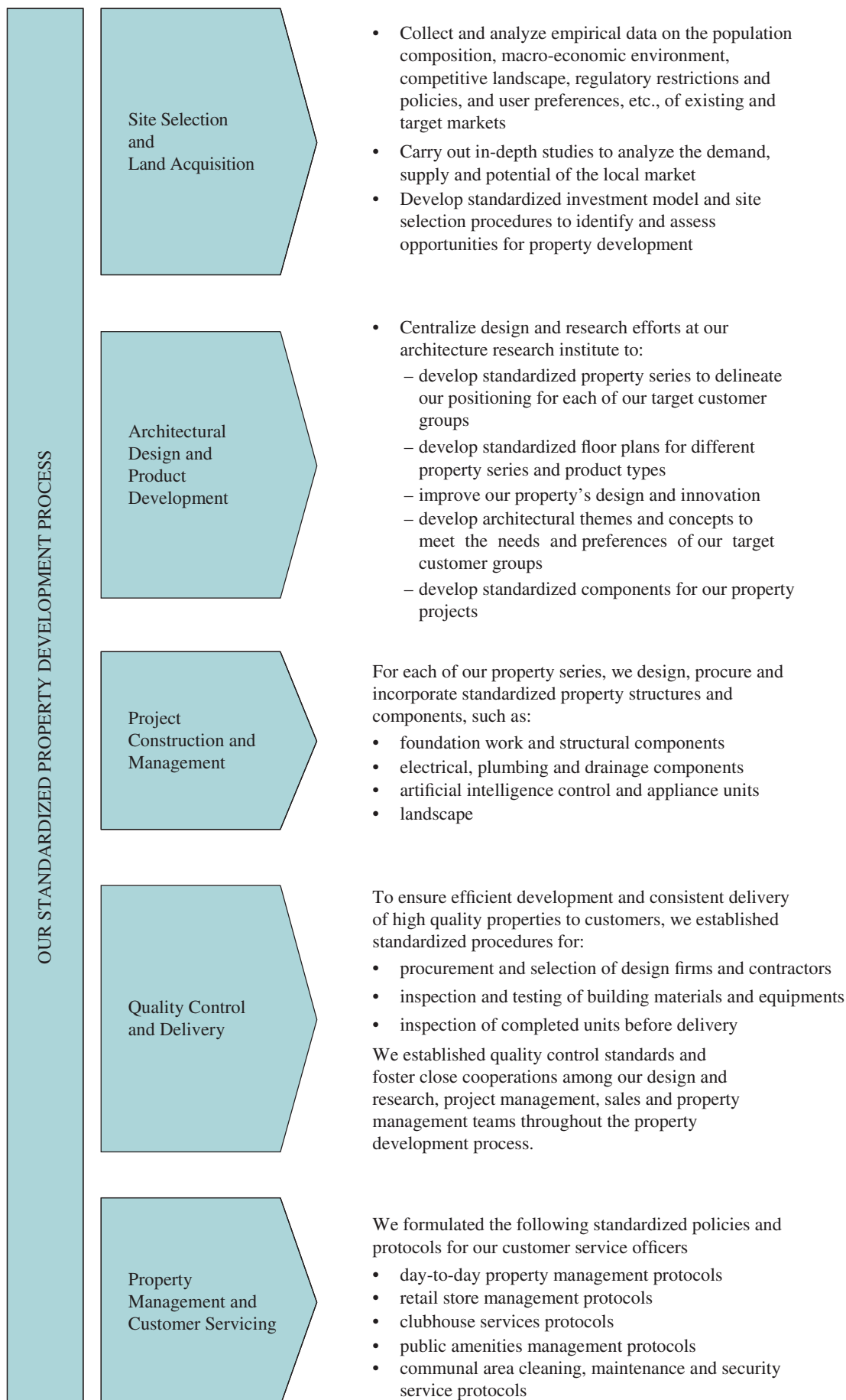
Projects	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)	Average selling price (RMB/sq.m.)
Ningbo 寧波			
Injoy Plaza 吾悦廣場	67,828.8	608.9	8,977.1
Ningbo sub-total	67,828.8	608.9	8,977.1
Tongxiang 桐鄉			
Injoy Plaza 吾悦廣場	93,510.6	817.3	8,740.1
Tongxiang sub-total	93,510.6	817.3	8,740.1
Wuhan 武漢			
Delight City 璟悦城	88,833.7	762.5	8,582.9
Wuhan sub-total	88,833.7	762.5	8,582.9
Zhenjiang 鎮江			
Exalted Uptown 尚上城	42,355.9	195.7	4,620.2
Injoy Plaza 吾悦廣場	47,056.3	489.6	10,405.2
Dingmao Project 丁卯項目	78,513.3	574.5	7,316.7
Zhenjiang sub-total	167,925.5	1,259.8	7,502.0
Chengdu 成都			
Injoy Plaza 吾悦廣場	83,661.9	560.7	6,702.4
Chengdu sub-total	83,661.9	560.7	6,702.4
Jinan 濟南			
Future France 香溢紫郡	100,086.7	661.4	6,608.5
Jinan sub-total	100,086.7	661.4	6,608.5
Anqing 安慶			
Injoy Plaza 吾悦廣場	74,182.4	445.2	6,000.9
Anqing sub-total	74,182.4	445.2	6,000.9
Jintan 金壇			
Injoy Plaza 吾悦廣場	26,389.1	355.2	13,459.3
Jintan sub-total	26,389.14	355.2	13,459.3
Nantong 南通			
Future France 香溢紫郡	56,994.0	316.5	5,553.8
Nantong sub-total	56,994.0	316.5	5,553.8
Changsha 長沙			
International Metropolis 國際花都	38,411.4	152.9	3,980.0
Changsha sub-total	38,411.4	152.9	3,980.0
Car parks	220,015.2	546.9	
Total	2,694,171.5	28,047.5	

As a result of weaker macroeconomic conditions in the recent years, the average selling price of properties delivered and recognized as sales increased by 3.2% from RMB8,251 per sq.m. in 2013 to RMB8,518 per sq.m. in 2014, but slightly decreased by 4.3% to RMB8,153 per sq.m. in 2015. In the six months ended June 30, 2016, the real estate market experienced a tremendous growth. The average selling price increased by 27.2% to RMB10,366.3 per sq.m. in the six months ended June 30, 2016.

Property Development Management

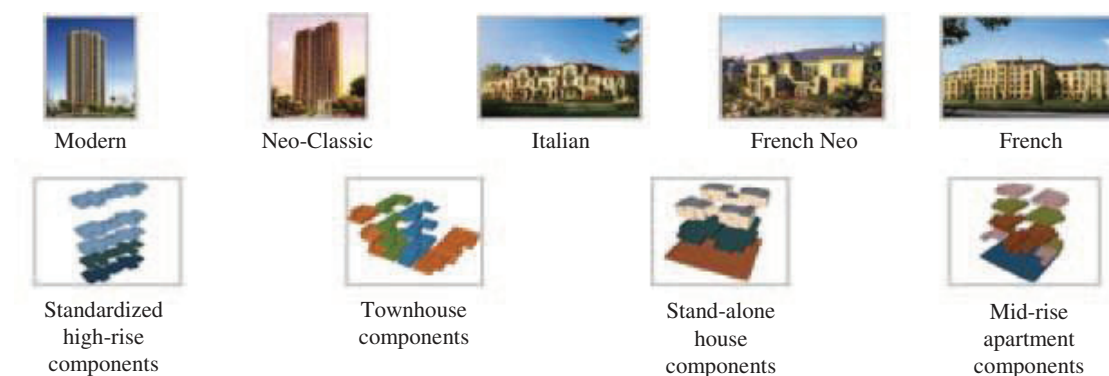
“Rapid asset turnover” Model and Standardized Development Process

We adopted a “rapid asset turnover” model in managing our property development projects, with the objective of shortening the period between site acquisition and pre-sale of our properties. As an integral part of our rapid asset turnover model, we have implemented a standardized development process, through which we develop our property using standardized procedures, components and units.



The use of standardized designs and modular components helps us efficiently develop a wide range of products (including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses) to meet the needs and preferences of our target customers. We have developed the following standardized designs and modular components for our properties:

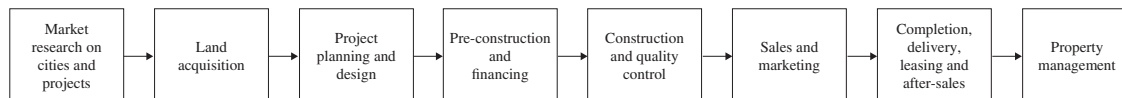
Product Designs and Components



Our research and implementation of a standardized property development process has enhanced our execution capability as we are better able to closely monitor our property development processes and rapidly replicate our property projects.

Property Development Process

The following diagram outlines the key work flows of our property development process.



Market research

The sales and marketing department at our headquarters is responsible for market research, identifying target cities and potential projects. We assess and evaluate the potential of target cities, and potential development sites and position the products to be developed accordingly.

The primary criteria in our project site evaluation include the following:

- location, size, dimensions;
- local population, purchasing power, target customer demand and expected growth of the area/district in which the land is located;
- transportation access and infrastructure support;
- estimated development costs and time, including demolition and resettlement costs and schedule;
- expected financial return;
- development prospects, taking into account social, economic and environmental factors;
- local competitive environment;
- applicable zoning regulations and preferential government policies;

- government development plans for the relevant site and the neighboring area; and
- product positioning.

If we decide to proceed with a particular development, we will prepare an in-depth feasibility study which includes project design, product positioning, financial projection, and return analysis. The feasibility study report will be submitted to our Investment Committee, consisting of senior management members, which will consider and assess the costs, return, capital requirements and resource requirements of the proposed project against the availability of our resources and its compatibility with our strategic direction.

We regularly monitor announcements made by respective local governments in relation to public tenders, auctions or listing-for-sale of land parcels, and maintain good relationships with real estate agents and brokers to obtain information on suitable projects in the secondary market.

Land acquisition

There are two common ways by which we may acquire land for property development in the PRC: (i) bidding in public tenders, auctions or listings-for-sale for land use rights in accordance with the Provisions on the Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation (招標拍賣掛牌出讓國有建設用地使用權規定) (國土資源部令第39號), promulgated on September 21, 2007 and effective since November 1, 2007; or (ii) acquire land use rights in the secondary market through the purchase of projects which have not been completed or acquire project companies directly from other developers.

In recent years, we have obtained a substantial majority of our land use rights through listing-for-sale in accordance with the Provisions on Bidding, Auction and Sale of Land Use Rights. The Provisions on Bidding, Auction and Sale of Land Use Rights require all land planned for commercial development (such as retail, residential, and commercial property) to be transferred in one of the following ways: public tenders, auctions or listings-for-sale on the land exchanges. In the case of public tender, the relevant authorities will assess either solely on tender prices or, alternatively, by reference to a matrix of parameters, including tender prices, credit record of the bidders and quality of the development proposals, in determining to whom to grant such rights. On the other hand, where land use rights are granted through auction or listing-for-sale, the highest bidder normally wins.

We have, in the past, voluntarily returned land use rights granted to us through listing-for-sale to ensure we have sufficient working capital. For example, we entered into a rescission agreement with the Jiangning office of the Nanjing Municipal Bureau of State Land and Resources (“**Jiangning Land Bureau**”) in 2008 to rescind a land grant contract. Pursuant to the rescission contract, we returned to the Jiangning Land Bureau the land use rights of certain land parcels (the “**Jiangning Land Parcels**”) located in Jiangning with an aggregate GFA of 133,827 sq.m..

The land use rights of the Jiangning Land Parcels were granted to us as a result of our successful bid at the public tender held by the Jiangning local government in December 2007. We paid a total of RMB129.8 million in 2007 as deposit for the Jiangning Land Parcels, of which RMB94.4 million has been returned to us.

Project planning and design

We have strong in-house design capabilities and maintain a dedicated in-house design team who is responsible for the overall planning and design of our projects.

Once the conceptual design of a property development project is established, we contract out the detailed project design work to reputable architectural, interior and landscape design firms, which we select through a tender process. Various of our departments work closely with these selected architectural and interior design firms to transform the conceptual design into a detailed development proposal (the “**Project Design Proposal**”) for approval by the relevant PRC government authorities.

Pre-construction

Before construction is commenced on a project, we must obtain the development rights to the relevant parcel(s) of land and the necessary permits and certificates, including a land use rights certificate, construction land planning permit, construction work planning permit and construction work commencement permit.

In recent years, we have not experienced significant delays in obtaining the foregoing certificates and permits.

Compliance with idle land related regulations

Under PRC laws, we may be subject to administrative actions or penalties if we fail to develop a property project according to the terms of the land grant contract. To ensure compliance with these idle land related regulations, we have adopted internal control procedures pursuant to which our project companies are required to closely monitor the progress of development projects, including obtaining the permits and certificates for each project.

Each of our project companies must report to our Board if we fail to complete any Project Design Proposal or obtain any of the necessary permits and certificates for a project at least three months before the expected commencement of construction specified in the project's land grant contract. Our Board would then consider deferring the construction commencement date of the project and approving a deferred construction schedule as appropriate. After obtaining approval from the Board, the project company would then apply to the relevant local governmental authority to delay construction and execute a supplemental land grant contract to amend the land commencement and completion dates as necessary.

If the failure to obtain any necessary permits or certificates of a project is attributed to the local government's failure to complete the demolition of existing buildings, resettlement of existing residents or construction of basic infrastructure as required under the land grant contracts, such incidents are expected to also be reported to the Board for assessment. After obtaining approval from the Board, our strategic investments department and our legal and compliance department are expected to jointly negotiate with the relevant governmental authorities for remedial actions, including but not limited to amending or rescinding the land grant contracts (as appropriate) or entering into new land grant contracts for the acquisition of other equivalent land parcels.

We have not received any notices from any PRC authorities identifying any idle land held by us, nor have we been charged any idle land fees.

Project financing

We financed our projects primarily through cash flows from operating activities, including proceeds from pre-sales and sales of our properties and borrowings from banks.

We use the pre-sale and sale proceeds of our properties to fund the remaining construction of the same project and to settle bank loans. According to PRC law, we may pre-sell properties under construction after certain criteria are met and proceeds from pre-sales must be used for the construction of properties in the same project. Our policy is to finance our property developments with internal resources to the extent practicable so as to reduce the level of external funding required.

To the extent necessary and subject to the guidelines issued by CBRC, we finance our projects partially through borrowings from banks. The terms of our bank borrowings generally restrict the application of the borrowing proceeds to specific projects or project phases. As of June 30, 2016, our outstanding current and non-current borrowings from banks amounted to RMB22,511.5 million (US\$3,387.3 million). Our bank loans are primarily provided by major commercial banks in the PRC.

Our ability to finance our projects also depends on the economic conditions and regulatory measures introduced by the central and local governments. In particular, 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.

We have not defaulted on any material provisions (including any cross-default provisions) of any of our bank loans.

Construction and our contractors

Tendering process

We outsource the construction work for our property developments including, among other things, foundation digging, general construction, equipment installation, interior decoration and engineering work to qualified independent contractors, which are selected through a tender process in accordance with relevant laws and regulations. The tender process is managed by our tender committee, which comprise our construction and quality management department, our supply and procurement department and our finance and audit department. As part of the tender process, our tender committee conducts the following due diligence:

- retrieves information from our contract management system and raise queries internally based on our prior experience with a particular bidder;
- conducts interviews with bidders and request confirmations and undertakings with respect to their cash flows, experience and credentials; and
- conducts independent research and investigation to verify the credentials and track record of the bidders.

Our tender committee screens bidders that do not meet our requirements. A winning bidder will be selected based on a pre-determined formula that takes into account both the quality of workmanship and price quoted by the bidder. The selected bidder will be required to enter into a construction contract with us. Based on our records, our PRC legal advisers are of the opinion that we are not in violation with any applicable PRC tender laws and regulations.

Major contractors and design firms

We have access to a wide range of construction contractors and engineering/architectural design firms, and have longstanding relationship with more than 70 construction contractors and 20 design firms. Three of such construction contractors were among our top five materials suppliers and contractors in recent years. All of our major contractors or design firms are sizable and properly qualified in respect of the construction and design work contracted to them. Some of such contractors have worked with us for more than 10 years.

Key terms of agreements

Our contractors must perform their work in accordance with the quality standards and construction schedule set forth in their construction contracts. Under our standard construction contract, contractors are required to pay fines for delays and bear the costs of rectifying any construction defects. We pay contractors in stages in accordance with the terms and conditions as stipulated in the contractor's construction contract. The stage payments varies from case to case. Upon completion of the project, the contractors will have received approximately 75% to 80% of the total payment. At closing and settlement, we will settle 90% to 95% of the total payment, and retain the remaining 5% to 10% as retention money for a period of 6 to 12 months.

Procurement

Our supply and procurement department coordinates the procurement of building materials and is in charge of price negotiations. Our supply and procurement department purchases major construction materials used in our projects, including standardized components of our properties in bulk. All our construction materials are held and used in connection with the construction of our projects. For major construction materials, we select suppliers through a tender process. In addition, we maintain strict quality control procedures for selecting, inspecting and testing materials. Our project management teams inspect all equipment and materials to ensure compliance with the contractual specifications before accepting the materials on site and approving payment. We reject and return to the suppliers any substandard materials or materials that do not comply with our specifications.

Project management

We have a “rapid asset turnover” model for developing property projects. We aim at commencing pre-sale of our properties within a relatively short period following site acquisition in order to reduce our development cycle, maximize investment returns, improve cash flows and mitigate the liquidity risks. To implement this strategy, the project management team of each of our project companies, comprising both project managers and in-house qualified engineers, conducts daily on-site supervision of our projects to monitor the progress of construction and quality of construction workmanship.

Quality control and construction supervision

We emphasize quality control to ensure that our properties comply with relevant regulations and are of high quality. Our quality control policies can be categorized into the following aspects:

- selection of design firms and contractors;
- selection, inspection and testing of building materials and equipment;
- establishment of quality control standards; and
- on-site inspection of construction processes by our local project management team and our construction and quality management team.

We have implemented standardized technical guidelines to ensure the construction of all our projects complies with relevant laws, regulations, and standards promulgated by the relevant PRC governmental authorities and other industry associations. These guidelines form part of the construction contracts we enter into with the construction companies and form a comprehensive reference for our project management and construction and quality management teams in monitoring the construction of our projects.

We closely monitor the entire construction process. In addition to monitoring by our local project management team, our construction and quality management team, comprising qualified engineers and qualified construction technicians, conducts regular inspections of all our construction sites. We also engage independent quality supervisory companies to conduct on-site quality and safety control checks on all workmanship before accepting the completion of major construction phases.

Our sales and property management department, together with the engineers from our construction and quality management team, inspect every unit of our completed property developments to ensure they are in satisfactory condition prior to delivery of such properties to our customers.

Our strict quality control measures are designed to ensure our contractors comply with the relevant rules and regulations including environmental, labor, social and safety regulations. In recent years, we have not been involved in any dispute with our contractors that has had a material and adverse effect on our business nor have there been any serious personal injuries or death involving our contractors.

Contract management system

We established a contract management system to record, among other things, the payment schedule of each construction or procurement contract we entered into and feedback given by our construction and quality management team or any of our project companies in respect of each of the construction contractors and suppliers we engaged. The contract management system helps us manage our payments and cash flows and evaluate suppliers and service providers for future projects.

Sales and marketing

Marketing

We have a dedicated in-house sales and marketing department responsible for the advertising and sales of our products. We also retain external agents including advertising companies and real estate sales agencies to help implement our sales and marketing plans and strategies. Our sales and marketing department is involved throughout the property development process and in the positioning and pricing of our property developments.

Prior to land acquisition and construction of our projects: our sales and marketing department works closely with our strategic development department to collect relevant market data and conduct the feasibility study of each proposed land acquisition. It also participates in developing the optimal positioning and the conceptual design of all of our projects post land acquisition. This helps ensure that the designs of our projects are in line with the preferences of our target customer bases.

During the construction process: our sales and marketing department regularly conducts on-site inspections to ensure the landscaping, floor plans and interior decoration accurately reflect the sales and marketing materials we presented to customers and potential customers.

Prior to launching property pre-sale: our sales and marketing department formulates strategies and plans for marketing our properties, prepares promotional materials, conducts promotional campaigns, recommends unit prices and pricing related policies for our projects and coordinates and monitors our relationship with the media. In addition to our sales and marketing department's recommendation, the selling prices of all of our projects are determined, approved and controlled in accordance with established internal control procedures. For further information, please refer to the paragraph headed "– Marketing expenses and pricing control" in this section.

Throughout and subsequent to the pre-sale period: our sales and marketing department provides comprehensive assistance to our customers and collects feedback from customers and potential customers to modify our marketing plans as appropriate.

Promotional initiatives: our sales and marketing department, together with local project companies and sales team, conducts detailed analyzes of market conditions to keep abreast of market developments and changes in macro and social economic conditions. We monitor the marketing and pricing campaigns launched by our competitors, the changes in transaction volumes and contracted ASP, and introduce appropriate sales promotional initiatives to maintain the competitiveness of our projects.

We have in limited circumstances pre-sold less desirable units in a particular project phase below its development costs. Impairment testing is conducted at each financial reporting date to determine whether the carrying value of each project or project phase is below the recoverable amount.

Marketing expenses and pricing control

We have formulated comprehensive and centralized marketing expenses and pricing control policies to strategically determine, flexibly adjust and strictly control marketing expenses and selling prices for all of our projects.

Prior to the commencement of development, our strategic investments department determines and approves the marketing budget for each of our projects and the target ASP for each property type under a project. Such budgets and target ASP are determined based on the recommendation by our sales and marketing department and our finance department, which takes into account a wide range of factors, including but not limited to prevailing market conditions and estimated development costs.

In light of the volatility in the PRC property market, our project companies closely study the changing market conditions and the promotional campaigns launched by our competitors during the property development and pre-sale stages of our projects. Where necessary, a project company may request additional promotional initiatives to be launched or the selling prices of selected units of a project or project phase be reduced or discounted for promotional purposes. Similarly, a project company may also request to revise selling prices upwards in response to thriving market conditions or positive market reception of a particular project. Any unbudgeted marketing expenses and any deviation of the target ASP of our properties must be approved by a committee that comprises senior management members from the relevant regional management team, the sales and marketing department, the finance department and the strategic investment department. Approval for higher budgets or price deviations will only be granted if the committee is satisfied that the relevant initiative is suitable and necessary in view of prevailing market conditions and does not materially affect the overall profitability of the project or the project phase or the financial condition of the our operations as a whole.

Pre-sales

We generally commence pre-sales of our properties prior to completion of construction. We normally launch pre-sales after a fully-furnished replica of each major floor plan in a development project is completed and a majority of the landscaping and ancillary facilities are completed. We generally use pre-sale proceeds to finance the remaining construction of the project.

Various PRC laws and regulations governing pre-sale of properties impose conditions to be fulfilled before the pre-sale of a particular property can commence. These conditions include obtaining the relevant land use rights certificate, construction land planning permit, construction work planning permit, construction work commencement permit and commodity housing pre-sale permit. In the past, we have not experienced any significant delays in obtaining the foregoing certificates and permits. Property developers are also required to use standard pre-sale contracts prescribed by the local authorities.

Completion, delivery, leasing and after-sales services

Customers payment arrangements

Our customers may purchase our properties with cash or by mortgage financing. Customer who choose cash payments must fully settle the purchase price shortly after the execution of sales contract. Customers who choose to use mortgage financing must pay a down payment upon signing the sales contract. The remainder of the purchase price will normally be paid by the mortgagee bank within two to three months, depending on approval process of the relevant mortgagee bank.

In line with market practice, we have arrangements with various banks to provide mortgage financing to our customers. We do not conduct independent credit checks on the purchasers but rely on the credit checks conducted by the relevant banks. As with other property developers in the PRC, we are usually required by the banks to guarantee the obligations to repay the mortgage loans on the property. The guarantee periods normally last until the release or satisfaction of the mortgage loan after the relevant property ownership certificate (房屋所有權證) is delivered. If a purchaser defaults under a mortgage loan, we are obligated to repay all debt owed by the purchaser to the mortgagee bank under the loan. The mortgagee bank will assign their rights under the loan and the mortgage to us and, after registration of change of mortgagee, we will have full recourse to the property. We have suffered immaterial losses as a result of defaults by purchasers in the past. When purchasers default on mortgage payments, our general policy is to keep the down payment unless we manage to resell the property at a price sufficient to cover the original sales price and our enforcement costs.

Delivery of properties for sale

We aim to deliver properties to our customers within the time frame prescribed in the sale and purchase contracts (including the pre-sale contracts). Under PRC law, we are required to obtain a “Record of Acceptance Examination Upon Project Completion” (竣工驗收備案證明) before delivering properties to our customers. We have not experienced any significant delays in the completion of our projects or delivery of relevant title documents after sale.

We also aim to deliver quality properties and satisfactory purchasing experiences to our customers. Prior to delivery of properties to our customers, our construction and quality management department conducts on-site inspections to ensure such properties are in satisfactory condition. Our sales team then arranges for our customers to inspect their purchased property prior to the expected delivery date to ensure the properties meet our prescribed standards as well as our customers' expectations. Our customer service officers also assist customers in applying for property ownership certificate (房屋所有權證).

After-sales services

Our sales and marketing department is responsible for our after-sales customer services and the formulation of customer service processes and standards. Our dedicated customer service officers provide comprehensive after-sales services, which include assisting customers in obtaining property title certificates and handling customer complaints. In addition, our customer service officers are responsible for collecting and analyzing customer data to identify the latest trends in customer preferences and conducting customer satisfaction surveys to help improve our projects' market positioning, design, marketing strategies and quality of service.

Property management

We place great emphasis on property management as we believe it enhances the value of our properties and improves our brand and reputation. Our property management teams normally get involved in the early stage of property development and participate throughout the overall design planning stage to minimize future maintenance costs. We charge our customers management fees on a monthly or quarterly basis.

We provide property management services to owners of all properties developed by us through two subsidiaries that hold valid level one property management permits.

We typically enter into property management contracts with property owners which specify the services to be offered, service standards and fees. In accordance with PRC laws, we cannot assign overall management obligations to a third party but we can outsource certain responsibilities (such as cleaning and security services). According to relevant laws and regulations, the rate standards set out in the property management contracts cannot be raised without the approval of the majority of property owners.

Under PRC law, property owners have the right to engage or dismiss a property management company with the consent of more than half of the owners who hold more than 50% of the interest in the non-communal areas of the building in aggregate. As of this offering memorandum, none of our property management companies has ever been dismissed from any property management engagements.

Investment Properties and Commercial Leasing

We retain a portion of the properties we developed for rental use investment. We decide whether our commercial properties will be sold or retained, for investment purposes in the early stage of each project based on various factors such as location, land use plans, regional market conditions and supporting commercial facilities. As of the date of this offering memorandum, we have three completed investment properties.

Development of Hotels

As the date of this offering memorandum, the Hilton Changzhou which was developed by us as a part of our Future Land Emporium (新城帝景) has been in operation.

Commercial Property Leasing and Management

We established a commercial property and leasing department to develop and expand our commercial property development, leasing and management business. With the aim to enhance our brand image as a commercial property developer and operator, our commercial property and leasing department formulates strategic plans, undertakes project management and supervision, carries out in-depth feasibility studies, devises business and marketing plans, and provides operation management services to our commercial property development and operations. To increase recurring income through a diversified portfolio of commercial properties and carparks, we intend to select tenants based on factors such as the positioning of the project, market demand in surrounding areas, level of market rent and needs of the tenants. We intend to attract large-scale anchor tenants such as well-known brands, chain cinema operators, major game centers and top catering operators and enter into long-term lease with them. We believe that our investment strategy will generate steady recurring income and significantly enhance the sales and appreciation of our investment properties.

Corporate Governance and Legal Compliance

Corporate governance and legal compliance management is carried out across our integrated organizational structure through the work of (1) our legal and compliance department that sets out and monitors our corporate governance and compliance standards and (2) all operation departments that implement such standards.

We have a team of in-house lawyers to carry out legal and compliance review of all aspects of our operations. Our legal and compliance department was formally established in September 2011 with the approval of the Jiangsu Judicial Department. Its formal establishment institutionalizes our legal and compliance management, promotes legal training and compliance awareness among our employees, enhances communication with the relevant government authorities and raises our corporate governance standards.

Properties for Own Use

On July 13, 2015, we entered into a commodity housing pre-sale contract with Shanghai Xinhaolong Property Development Co., Ltd., an independent third party, to acquire an office building located at Guoco Changfeng City No. 5, Lane 388, Zhongjiang Road, Shanghai at a consideration of RMB832,508,300. The GFA of the building is 33,300.33 sq.m. In addition, we occupy a number of premises through lease or licensing arrangements.

Suppliers and Customers

Our major suppliers are construction material suppliers and construction contractors, and the five largest suppliers accounted for approximately 13.5%, 14.4%, 15.5% and 14.5% of our total purchases for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, respectively. Our single largest supplier for the years ended December 31, 2013, 2014 and 2015 and six months ended June 30, 2016 accounted for approximately 3.7%, 4.1%, 4.0% and 5.7% of our purchases, respectively. Our five largest customers accounted for approximately 0.5%, 0.7%, 4.4% and 1.9% of our total revenue for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, and our largest customer accounted for approximately 0.1%, 0.2%, 2.3% and 0.7%, respectively, of our total revenue during those periods.

Awards and Recognitions

Over the past years, we have received widespread recognition from authoritative industry associations. The table below sets out some of the awards we received in respect of our property development operations:

Date	Recipient/project	Award/recognition	Awarding body
<i>Corporate level awards</i>			
March 2016	Future Land Holdings	Ranked as one of China's top 50 real estate developers in 2016	China Real Estate Industry Federation (中國房地產業協會) China Real Estate Evaluation Center (中國房地產測評中心)
July 2015	Future Land Holdings	Ranked as one of the top 50 real estate developers in Jiangsu Province in terms of comprehensive strength	Jiangsu Real Estate Industry Federation (江蘇省房地產業協會)
June 2015	Future Land Holdings	Ranked as the No. 1 real estate developer in Jiangsu Province in terms of comprehensive strength	Jiangsu Real Estate Industry Federation (江蘇省房地產業協會)
March 2015	Future Land Holdings	Ranked as one of China's top 50 real estate developers in 2015	China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心)
May 2014	Future Land Holdings	Ranked as one of the Top 10 of the "2014 China Top 10 Regional Real Estate Developers"	China Index Research Institute (中國指數研究院)
March 2014	Future Land Holdings	Ranked among the top ten real estate developers in the PRC in terms of development potential	China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心)
March 2014	Future Land Holdings	Ranked as one of the Top 10 of the "2013 Top 100 China Real Estate Enterprises in terms of Steady-Going" (2013中國房地產百強企業 – 穩健性10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾

Date	Recipient/project	Award/recognition	Awarding body
March 2014	Future Land Holdings	Ranked as one of the Top 10 of the “2013 Top 100 China Real Estate Enterprises in terms of Operating Efficiency” (2013中國房地產百強企業 – 運營效率10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾
March 2014	Future Land Holdings	Ranked as one of the Top 10 of the “2013 Top 10 China Main Land Real Estate Enterprises Listed in Hong Kong in terms of Ability of Fortune Making” (2013中國大陸在港上市房地產公司財富創造力10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾
January 2014	Future Land Holdings	Ranked 18th Among the “2013 Top 100 Real Estate Enterprise” (2013年中國房地產百強企業)	Enterprise Research Institute of the Development Research Centre of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Research Institute (中國指數研究院)
March 2013	Future Land Holdings	Ranked 7th Among the Top 10 of the “2012 Top 100 China Real Estate Enterprises in terms of Profitability” (2012中國房地產百強企業 – 盈利性10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾
March 2013	Future Land Holdings	Ranked 4th Among the Top 10 of the “2012 Top 100 China Real Estate Enterprises in terms of Growth Potential” (2012中國房地產百強企業 – 成長性10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾
March 2013	Future Land Holdings	Ranked 4th Among the Top 10 of the “2012 Top 100 China Real Estate Enterprises in terms of Operating Efficiency” (2012中國房地產百強企業 – 運營效率10強)	The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) ⁽¹⁾
January 2013	Future Land Holdings	Ranked 31st Among the Top 50 of “2012 Real Estate Enterprise in terms of Contracted Sales” (2012年中國房地產企業銷售金額50強)	China Real Estate Information Group (中國房地產資訊集團), China Real Estate Evaluation Center (中國房地產測評中心)

Date	Recipient/project	Award/recognition	Awarding body
January 2013	Future Land Holdings	Ranked 21st Among the Top 50 of “2012 Real Estate Enterprise in terms of Contracted GFA” (2012年中國房地產企業銷售面積50強)	China Real Estate Information Group (中國房地產資訊集團), China Real Estate Evaluation Center (中國房地產測評中心)

- (1) The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) is a research team jointly established by the Enterprise Research Institute of the Development Research Centre of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Research Institute (中國指數研究院).

Competition

The property market in China is highly fragmented. Our existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers primarily from Asia, including leading developers from Hong Kong. We compete with them in relation to a number of factors, including the acquisition of land, brand recognition, financial resources, price, product quality, service quality and other factors. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and greater brand recognition.

In particular, the residential property and mixed-use complex markets in the Yangtze River Delta have been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in Changzhou, Nanjing, Suzhou, Kunshan, Wuxi, Shanghai and other cities in the Yangtze River Delta. The rapid development of major cities in Jiangsu Province and Shanghai in recent years has led to a diminishing supply of undeveloped land in desirable locations in the Yangtze River Delta. Moreover, the PRC government has implemented policies tightly controlling the amount of new land available for development. These factors have increased competition and land grant premiums in relation to land made available for development. We were ranked among the top 50 real estate developers in the PRC by China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2016. In 2015, we were ranked as the No. 1 real estate developer in Jiangsu Province by Jiangsu Real Estate Industry Federation (江蘇省房地產業協會), in terms of comprehensive strength. According to a report by the China Index Academy, we were ranked as one of the top three property developers in Jiangsu Province and among the top ten in Shanghai in 2012, 2013 and 2014 in terms of contracted sales. We were ranked first among the property developers in Jiangsu Province and among the top ten in Shanghai in 2014 in terms of contracted GFA. We were ranked first in terms of overall strength among property developers in Jiangsu Province for 11 consecutive years from 2005 according to the annual rankings published by the Jiangsu Real Estate Association (江蘇省房地產協會). We were also ranked first among the “Top 10 Valuable Real Estate Brands in Eastern China” (中國華東房地產公司品牌價值TOP10) from 2007 to 2014 and ranked 18th among the “2014 Top 100 China Real Estate Enterprises” (2014年中國房地產百強企業), according to the Top 10 China Real Estate Research Group⁽²⁾ (中國房地產TOP10研究組). Our market-leading position, profitability, and growth potential received further recognition in 2011, as we were named by the China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) as one of the “Top 20 Real Estate Development Enterprises in China” (中國房地產開發企業20強) and “Top 20 Valuable Real Estate Development Brands in China” (中國房地產開發企業品牌價值20強). We were ranked among the top ten real estate developers in the PRC in terms of development potential by the China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Federation (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心) in 2014.

We believe that, with our rapid asset turnover model, diversified product portfolio and strategic focus on middle class customers, we have demonstrated resiliency to market changes and competition.

⁽²⁾ The Top 10 China Real Estate Research Group (中國房地產TOP10研究組) is a research team jointly established by the Enterprise Research Institute of the Development Research Centre of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Research Institute (中國指數研究院).

Intellectual Property

We conduct our business under various trademarks which we have registered in the PRC and Hong Kong. We are also the registered owner of the domain names “futureholdings.com.cn” and “www.900950.com”.

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

We maintain insurance policies for our properties and assets and carry employer’s liability insurance as required by the relevant local authorities, such as those for medical and related expenses that our employees may incur as a result of personal injuries at their workplaces or on the construction sites of our property developments. We also maintain insurance policies including property all-risk insurance and public liability insurance, with respect to our investment properties, including insurance coverage for damages arising from or in connection with the occurrence of an earthquake.

According to applicable PRC laws and regulations, property developers are not required to maintain insurance coverage in respect of their property development operations. As such, we generally do not maintain and do not require our construction contractors to maintain insurance coverage on our properties developed for sale other than for properties for which we are required to maintain insurance coverage under loan agreements. We do not maintain insurance policies for properties that have been delivered to our customers. Instead, the respective property management companies of each of our projects maintain all property risk insurance and public liability insurance for the common areas and amenities of these properties.

Under PRC laws, construction companies as employers are required to purchase insurance for their construction workers. As we engage third-party contractors to carry out construction for our projects, we currently do not maintain such insurance ourselves.

We believe that our insurance coverage is adequate and is in line with customary industry practices of property developers. However, there are risks for which we do not have sufficient or any insurance coverage for losses, damages and liabilities that may arise in our business operations.

Environmental Matters

Property developers in China are subject to a number of environmental laws and regulations. We expect our environmental compliance costs will remain similar to our historical costs. We have not been imposed any fines or penalties for non-compliance of PRC environmental laws and regulations. As of the date of this offering memorandum, we have not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our properties.

Labor and Safety

Property developers in China are subject to various PRC laws and regulations with respect to labor, health, safety, insurance, and accidents issued by the relevant governmental authorities from time to time, for our operations in the PRC. We have not been charged any fines or penalties for non-compliance of PRC labor and safety laws and regulations.

Legal Proceedings

As a property developer in the PRC, we are subject to legal or arbitration proceedings, disputes or claims in the ordinary course of business from time to time. We are not, as of the date of this offering memorandum, involved in any litigation, arbitration or claim of material importance pending or threatened by us or against us that would have a material adverse effect on our results of operations or financial condition.

REGULATION

Overview

All land in the PRC is either state-owned or collectively-owned, depending on the location of the land. All land in urban areas of a city or town is state-owned, and all land in the rural areas and suburban areas and all farm land are, 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 being land grants from local land authorities and land transfers from land users who have already obtained land use rights.

Land Grants

National and local legislation

In April 1988, the National People's Congress (the "NPC") passed an amendment to the Constitution of the PRC. The amendment, which allowed the transfer of land use rights for value, paved the way for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, the Standing Committee of the NPC also amended the Land Administration Law of the PRC (《中華人民共和國土地管理法》) (主席令第28號) to permit the transfer of land use rights for value.

In May 1990, the State Council (國務院) enacted the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-owned Land 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》) (國務院令第55號). These regulations, generally referred to as the Urban Land Regulations, formalized the process of the grant and transfer of land use rights for consideration. Under this system, the State retains the ultimate ownership of the land. However, the right to use the land, referred to as land use rights, can be granted by the state and local governments at or above the county level for a maximum period of 70 years for specific purposes pursuant to a land grant contract and upon payment to the State of a premium for the grant of land use rights.

The Urban Land Regulations prescribe different maximum periods of grant for the different uses of land as follows:

Use of land	Maximum period (Years)
Commercial, tourism, entertainment	40
Residential	70
Industrial	50
Educational, scientific, cultural, public health and sports	50
Comprehensive utilization or others	50

Under the Urban Land Regulations, domestic and foreign enterprises are permitted to acquire land use rights unless the law provides otherwise. The state may not resume possession of lawfully-granted land use rights prior to expiration of the term of grant. Should the public interest require the resumption of possession by the State under special circumstances during the term of grant, compensation shall be paid by the State, on the basis of the period of which the land user has used the land and the status with respect to the development and utilization of the land. Subject to compliance with the terms of the land grant contract, a holder of land use rights may exercise substantially the same rights as a land owner during the grant term, including holding, leasing, transferring, mortgaging and developing the land for sale or lease.

Upon paying in full the land premium pursuant to the terms of the contract, a land-grantee may apply to the relevant land bureau for the land use rights certificate. In accordance with the Property Rights Law (《中華人民共和國物權法》) (主席令第62號), which was effective as of October 1, 2007, the term of land use rights for land of residential use will automatically be renewed upon expiry. The renewal of the term of land use rights for other use shall be dealt with according to the then-current relevant laws. In addition, if public interest requires the resumption of possession of land by the State during the term of the relevant land use rights, owners of residential properties and other real estate on the land shall be compensated and the relevant land premium shall be refunded to them.

On March 26, 2005, the General Office of the State Council promulgated the Notice on Effectively Stabilizing House Prices (《關於切實穩定住房價格的通知》) (國辦發明電[2005]8號) to restrain the excessive increase of housing prices and to promote the sound development of the real estate market. The notice provided that housing prices should be stabilized and the system governing housing supply should be vigorously adjusted and improved. In accordance with the notice, seven departments of the State Council including the Ministry of Construction (建設部) issued the Opinion on the Work of Stabilizing Housing Prices (《關於做好穩定住房價格工作的意見》) (國辦發[2005]26號) on April 30, 2005. The Opinion stated, among other things, that: (i) the local government should focus on ensuring the supply of low-to medium-end ordinary residential houses while controlling the construction of high-end residential houses; and (ii) the real estate registration department will no longer register the transfer of apartment units which are pre-sold where such units have not obtained the relevant property ownership certificates.

Pursuant to these measures, local governments were required to adopt plans, by September 2006, to focus on developing low-to-mid-priced and small-to-medium-size properties to meet demand from owner-occupiers. These measures stipulate that commencing from June 1, 2006, the minimum down payment was 30% of the total purchase price for residential units with floor area exceeding 90 square meters on all existing units and those yet to be completed, or a down payment of 20% on residential units for occupation by the owner with floor areas under 90 square meters. The measures require that at least 70% of the residential units in residential housing projects approved or commenced after June 1, 2006 must be no larger than 90 square meters. The measures continue to prohibit land provision for houses and restrict land provision for development of low density and large residential property.

On May 24, 2006, the General Office of the State Council further issued the Notice on Adjusting the Housing Structure and Stabilizing Housing Prices (《關於調整住房供應結構穩定住房價格意見的通知》) (國辦發[2006]37號). The Notice provided for the following broad directives to, among other things: (i) encourage mass-market residential developments and curb the development of high-end residential properties; (ii) restrict housing mortgage loans to not more than 70% of the total property price (for houses purchased for self-residential purposes and with an area of less than 90 sq.m., the owners are still able to apply for a housing mortgage up to an amount representing 80% of the total property price); (iii) halt land supply for villa projects and restrict land supply for high-end, low-density residential projects; (iv) moderate the progress and scale of demolition of old properties for re-development; (v) require local governments to ensure that at least 70% of the total development and construction area must consist of units of less than 90 sq.m. in size (with any exceptions requiring the approval of the Ministry of Construction); and (vi) prevent banks from providing loans to a property developer whose total capital fund is less than 35% of the total investment amount in an intended development project.

On July 6, 2006, the Ministry of Construction 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》(建住房[2006]165號)), or the New Opinions. The New Opinions stipulate that, the residential units with a floor area of less than 90 square meters 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 authority to determine the configuration of newly constructed property.

On July 13, 2006, the General Office of the State Council issued the Notice about Relevant Matters on Establishing the State Land Supervision System (《國務院辦公廳關於建立國家土地督察制度有關問題的通知》(國辦發[2006]50號)). In accordance with this notice, the Ministry of Land and Resources established the State Land Supervision General Office (國家土地總督察辦公室) and send its local counterparts State Land Supervision Bureau (國家土地督察局) in order to strengthen supervision and management on land and practice the strictest possible land management system.

On August 31, 2006, the State Council issued a Notice about Relevant Matters on Strengthening Control on Land (《關於加強土地調控有關問題的通知》(國發[2006]31號)) in order to hold back the problems of excessive increases in the aggregate amount of construction land, the excessive expansion of low-cost industrial land, the illegal use of land and abusive occupation of cultivated land. The notice implements the following major measures: (i) adjusting land approval measures for urban construction in accordance with the principle of sharing both rights and responsibilities; (ii) only after guaranteeing the social security fee for the land expropriated from farmers can the approval of land expropriation be granted; (iii) the total amount of money from the sale of state-owned land use rights shall be fully accounted for in the local budget and collected into the local government treasury, and the “line of income and expenditure” shall be administrated separately; (iv) raising the standard for the land use rights fee of newly added construction land as well as the urban land use tax and rural cultivated land use tax; (v) the State formulating and promulgating the unified minimum standard for granting industrial land across the country, and industrial land being granted by tender, auction or putting up for bidding; and (vi) prohibiting conversion of agricultural land into construction land “in the name of leasing while actually expropriating” or other illegal ways.

On November 7, 2006, Ministry of Finance, Ministry of Land and Resources and the PBOC issued a Notice about Relevant Matters on Policy Adjusting Concerning the Land Use Fee for Newly Created Construction Land (《關於調整新增建設用地土地有償使用費政策等問題的通知》). The notice requires the land use fee on newly created construction land be doubled from January 1, 2007.

Pursuant to the Opinions on Resolving Difficulties of Housing for Urban Low-income Family (《關於解決城市低收入家庭住房困難的若干意見》(國發[2007]24號)) promulgated by the State Council on August 7, 2007, the authorities of each region will adjust the housing supply structure in order to: (i) implement the Circular on Forwarding Opinions of Ministry of Construction and Other Departments on Adjusting Housing Supply Structure and Stabilizing Housing Prices issued by the General Office of the State Council (《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》(國辦發[2006]37號)); (ii) focus on the development of low to medium priced, and small to medium sized commodity housing and (iii) to increase the supply of housing. The approval percentage of new housing construction (with a GFA of less than 90 sq.m.) will be more than 70% of the total housing developed area. The annual supply of low rental housing construction land, economy-sized housing and low to medium price and small to medium sized commodity housings shall not be less than 70% of the total residential housing land.

Pursuant to the Notice on Implementation of the Several Opinions of the State Council on Solving Housing Shortage with respect to Urban Low-income Households (《關於認真貫徹國務院關於解決城市低收入家庭住房困難的若干意見進一步加強土地供應調控的通知》(國土資發[2007]236號)) promulgated by Ministry of Land and Resources on September 30, 2007, the administration department of the Ministry of Land and Resources (the “**Administration Department**”) at both municipality and county levels will give priority in arranging land supply for low rental housing, economy-sized housing and low to medium priced and small to medium sized commodity housing. Its annual supply volume shall not be less than 70% of total residential land supply. It will integrate and implement the Notice on the Implementation of Specific Clearing of the Grant of the State-owned Land Use Rights (《關於開展國有土地使用權出讓情況專項清理工作的通知》(監發[2007]6號)) jointly published by the Ministry of Supervision, Ministry of Land and Resources, Ministry of Finance, National Audit Office of the PRC and the Ministry of Construction on August 8, 2007. Further, it will investigate, on a case by case basis, the development of residential land with an emphasis on the observation of land-use contract by real estate development enterprises. For any developer that neither commences nor completes the construction work in accordance to the land-use contract, the Administration Department will provide comments to ensure that such enterprises complete the development on schedule. Enterprises that do not carry out any measure to resolve the situation will be prohibited from participating in any tenders, auction and putting up for bidding for acquiring new land sites. The Administration Department

will strictly enforce the regulations governing idle land and for land where the construction still has not commenced after exceeding one full year from the date of commencement stipulated in the contract, the idle land fee shall be imposed and the respective enterprises will be instructed to commence the construction works and fulfill the completion schedule. The idle land fee, in principle, shall be computed and imposed based on 20% of land premium price of the granted or allocated land. Any land that has not been developed for over two years shall be reclaimed with no compensation. For land where construction works have been commenced on the date stipulated in the contract but the developed area is less than the one-third of the area to be developed or the invested capital is less than one-fourth of the total investment as stipulated in the contract and the development is suspended over a year without any approval, it shall be treated as idle land strictly following the laws.

On December 30, 2007, the General Office of the State Council issued the Notice on the Strict Implementation of the Laws and Policies Regarding Rural Collective Construction Land (Guo Fa Ban 2007 No. 71) (《關於嚴格執行有關農村集體建設用地法律和政策的通知》(國辦發[2007]71號)). This notice states that residential land in rural areas shall only be allocated to residents of the relevant village residing in the area and that no urban inhabitants shall be allowed to purchase any homesteads, peasants' dwellings or "small houses with property rights" in rural areas. No organization or individual shall be allowed to illegally rent or occupy any land collectively owned by peasants for the development of real estate.

On February 7, 2008, the State Council issued the Land Investigation Regulations (Order No. 518 of the State Council of the People's Republic of China) (《土地調查條例》(中華人民共和國國務院令第518號)). This regulation provides that a nationwide land investigation shall be carried out once every 10 years and a land status alteration investigation shall be carried out each year by the competent state land and resources department at the county level or above and this investigation is done in conjunction with the relevant government departments of the same level. The regulation also specifies the qualification requirements that a government department must meet in order to undertake the investigation tasks. The regulation specifies that the purpose of land investigations is to ascertain the land resources that are available and their utilization status.

On January 7, 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號)), which, among other things, provides that land resource authorities shall deepen the supervision on the compliance of the contracts and strictly collect the land premiums according to the land grant contracts, and shall:

- effectively increase the supply of social welfare housing and ordinary commodity residential properties, in particular, low and medium-cost and small and medium-sized ordinary commodity residential properties;
- direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market;
- strengthen credit risk management for real estate projects and market supervision;
- speed up the construction of social welfare housing projects; and
- set or clarify the responsibilities of provincial and local governments.

On March 8, 2010, the Ministry of Land and Resources issued the Notice on Strengthening the Supply and Supervision of Land Use for Real Estate Property (《國土資源部關於加強房地產用地供應和監管有關問題的通知》(國土資發[2010]34號)). The Notice, among other things, provides that:

- the land and resources bureau at the city and county levels shall ensure that the land supply for government-subsidized housing, slum-dwellers reconstruction and small commercial housing units for self housing shall not be less than 70% of the total residential land supply and strictly control the land supply for large-sized apartments and restrict the land supply for villas;
- land resource authorities shall prohibit property developers who owe land grant premium payments, possess idle land, engage in land speculation and price manipulation, conduct project development exceeding approved scope or fail to conform with the land use rights grant contract from land bidding transactions within a set period of time; and
- the land use rights grant contract must be executed within ten days after a grant of land has been mutually agreed and a down payment of 50% of the land grant premium shall be paid within one month from the execution of the land use rights grant contract with the remaining amount paid no later than one year after the execution of the land use rights grant contract.

On September 21, 2010, the Ministry of Land and Resources and MOHURD jointly promulgated the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》(國土資發[2010]151號)), which stipulates, among other things, that: (i) at least 70% of land designated for construction of urban housing must be used for affordable housing, housing for resettlement of shanty towns and small to medium-sized ordinary commercial housing; in areas with high housing prices, the supply of land designated for small to medium-sized, price-capped housing must be increased; (ii) developers and their controlling shareholders are prohibited from participating in land biddings before the rectification of certain misconduct, including (1) illegal transfer of land use rights; (2) failure to commence required construction within one year from the delivery of land under land grant contracts due to such developers' own reasons; (3) noncompliance with the land development requirements specified in land grant contracts; and (4) crimes such as obtaining land by forging official documents and illegal land speculation; (iii) developers are required to commence construction within one year from the date of delivery of land under the relevant land grant contract and complete construction within three years of commencement; (iv) development and construction of projects of low-density and large-sized housing must be strictly limited and the plot ratio of the planned GFA to the total site area of residential projects must be more than 1:1; and (v) the grant of two or more bundled parcels of lands and undeveloped land is prohibited.

In December 2010, the Ministry of Land and Resources promulgated the Notice on Strict Implementation of Policies Regarding Regulation and Control of Real Property Land and Promotion of the Healthy Development of Land Markets (《關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知》(國土資發[2010]204號)), which, among other things, provides that (i) cities and counties that have less than 70% of their land supply designated for affordable housing, redevelopment housing for shanty towns or small/medium-sized residential units shall not provide land for large-sized and high-end housing before the end of 2010; (ii) local land and resources authorities shall file a transaction report with the Ministry of Land and Resources and provincial land and resources authorities, respectively, in relation to land sold via competitive bidding, auction and listing-for-sale with a 50% or more premium; and (iii) for land designated for affordable housing but used for the development of commodity houses, any illegal income derived therefrom will be confiscated and the relevant land use rights terminated. In addition, unapproved changes to the plot ratio are strictly prohibited.

On January 26, 2011, the General Office of the State Council issued the Notice on Relevant Issues of Further Improvement of the Control in Real Estate Market (《進一步做好房地產市場調控工作有關問題的通知》(國辦發[2011]1號)). This Notice, among other things, provides that:

- the minimum down payment for second home purchases increases from 50% to 60%;
- the developer will forfeit the land use rights and the PRC government will impose an idle land fee of up to 20% of the land premium if a developer fails to obtain the construction permit and commence development for more than two years from the commencement date stipulated in the land grant contract; and
- municipalities directly under the central government, municipalities with independent planning status, provincial capitals and cities with high housing prices shall limit the number of homes local residents can buy in a specific period. In principle, local resident families that own one house and non-local resident families who can provide local tax clearance certificates or local social insurance payment certificates for a required period are permitted to purchase only one additional house (including newly built houses and second-hand houses). Sales of properties to (i) local resident families who own two houses or more, (ii) non-local resident families who own one house or more, and (iii) non-local resident families who cannot provide local tax clearance certificates or local social insurance payment certificates for a required period shall be suspended in local administrative regions.

On February 26, 2013, the General Office of the State Council announced the Notice on Continuing Adjustment and Control of Property Markets (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》(國辦發[2013]17號)). This notice further clarified the requirements of the State Council:

- Improving the stabilization mechanism for housing prices. The provincial and municipal governments shall strengthen their administration on the property market, including increasing the supply of properties and setting annual pricing targets at cities where the property prices rise too fast. The relevant departments of the State Council will strengthen the supervision on the provincial governments with respect to the price stabilization work.
- Restraining speculative investment. The policies require a strict implementation of purchase limits and credit restrictions and set to expand the scope of property tax pilots. The notice requires local governments to strictly implement purchase limits. If the property prices in any cities rise too fast and there is yet any purchase limit policy in place, the relevant provincial governments should require such cities to adopt purchase limit policies promptly. Financial institutions are required to strictly implement credit policies with respect to down-payment ratios and interest rates for mortgages and to review the backgrounds of mortgage applicants more rigorously. The local offices of the People's Bank of China may also increase the interest rates and down-payment ratios for mortgages on second properties if the property prices in any cities rise too fast. The tax authority together with the building and construction authority are required to work closely to impose a 20% individual income tax on the gain from the sale of second-hand properties.
- Increasing the supply of land and ordinary commodity housing units. The notice also encourages the supply of land for residential purposes. The relevant authorities are required to speed up the approval processes for property developments with small-to-medium sized units. Financial institutions are required to give priority to projects where small-to-medium sized units account for more than 70% of the total units.
- Speeding up the planning and construction of affordable housing.
- Strengthening market regulations and managing market expectation.
- Speeding up to establish and perfect a long-term mechanism to guide the healthy development of the real estate market.

On March 28, 2013, the General Office of the State Council issued a Notice on the Division of Tasks for Implementing the Scheme for Reform and Function Transformation of Institutions under the State Council (《國務院辦公廳發佈關於實施國務院機構改革和職能轉變方案任務分工的通知》(國辦發[2013]22號)), specifying the requirements and division of all tasks and setting out the specific time schedules for each task. According to the Notice, the task to integrate duties of housing registration, forestland, grassland and land registration shall be completed before the end of April, 2013. The Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development, jointly with taxation authority and other relevant governmental departments are responsible for introducing and implementing a unified real estate registration system. The regulation on real estate registration is expected to be promulgated by the end of 2014.

In addition to the general framework for transactions relating to land use rights set out in the Urban Land Regulations, local legislation may provide for additional requirements, including those applicable to specific transactions within specific areas relating to the grant and transfer of land use rights. These local regulations are numerous and some of them are deemed to be inconsistent with national legislation. Under PRC laws, national laws and regulations prevail to the extent of such inconsistencies.

On November 24, 2014, the General Office of the State Council issued an order on Interim Regulation on Real Estate Registration (《不動產登記暫行條例》(國務院令第656號)) effective on March 1, 2015, specifying that the local government shall appoint a local registration institution to be responsible for the registration of all real estate in the area and shall establish a real estate registration book, which can be shared and searched in the national wide. In addition, the right to use land for construction purposes is required to be registered under the Interim Regulation on Real Estate Registration.

Under “the 13th five-year plan” (《國土資源部“十三五”規劃》國土資發[2016]38號) promulgated by the Ministry of Land and Resources on Apr 12, 2016, the total amount of construction land will be effectively controlled, and reduce or even suspend the supply of residential land in high inventory city.

Environmental Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law (《中華人民共和國環境保護法》(主席令第9號)), the Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》(主席令第77號)), the Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》(主席令第48號)), the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》(國務院令第253號)) 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》(國家環境保護總局令第13號)). 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. It is emphasized by the newly revised the Environmental Protection Law, effective on January 1, 2015, that an environmental impact assessment shall be conducted as legally required in the preparation of a relevant development and utilization plan or the construction of a project impacting the environment. A development and utilization plan that has not undergone environmental impact assessment as legally required may not be implemented. The construction project that has not undergone environmental impact assessment as legally required may not be commenced. 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.

Modes of Land Grant

Pursuant to PRC laws and the stipulations of the State Council, except for land use rights which may be obtained through allocation (劃撥), land use rights for property development are obtained through governmental grant. There are two methods by which land use rights may be granted, namely by private agreement or competitive processes (i.e., tender, auction or listing at a land exchange administered by the local government).

As of July 1, 2002, the grant of land use rights by way of competitive processes is governed by the Regulations on the Grant of Use Right of State-owned Land by Invitation of Tender, Auction or Listing-for-bidding (《招標拍賣掛牌出讓國有土地使用權規定》(國土資源部令第11號)), issued by the Ministry of Land and Resources of the PRC on May 9, 2002 (the “**2002 Regulations**”) and revised as of September 21, 2007 with the name of Regulations on Granting State-owned Construction Land Use Rights 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》(國土資源部令第39號)) (the “**2007 Regulations**”). Following the 2002 Regulations, the Ministry of Land and Resources issued the Notice on Continuing the Review of the Implementation of the Grant of Land use Rights for Commercial Use by Invitation of Bids Auction or Listing (關於繼續開展經營性土地使用權招標拍賣掛牌出讓情況執法監察工作的通知(國土資發[2004]71號)) on a Land Exchange on March 31, 2004, requiring all local land administration authorities to strictly enforce the 2002 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 listing at a land exchange and that no land use rights for commercial use may be granted by way of agreement. In the Urgent Notice of the General Office of the State Council on Intense Regulation and Rectification of the Land Market and Strict Administration of Land (《關於深入開展土地市場治理整頓嚴格土地管理的緊急通知》(國辦發[2004]20號)) issued by the State Council on April 29, 2004, the development of agricultural land was suspended for a period of six months for rectification by the PRC government of irregularities in land development in China. 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 grant 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-for bidding 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. On May 13, 2011, the Ministry of Land and Resources promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing (《關於堅持和完善土地招標拍賣掛牌出讓制度的意見》(國土資發[2011]63號)), which provides, among other things, that (i) correct utilization of the regulating and controlling effects of the land transfer policy through tender, auction and listing; (ii) improvement in the transparency of the system of tender, auction and listing for housing land; (iii) adjustment and improvement in the land transfer policy through tender, auction and listing, including (a) limitation on house price or land price, and transfer of policy-related housing land by listing or auction; (b) limitation on the GFA of allocated security housing, and transfer of commodity housing land by listing or auction; (c) carrying out of comprehensive assessment on conditions of land development and utilization and land transfer prices, and determination of the person who is entitled to land use rights by tender; (iv) promotion of online operation of the transfer of land use rights; and (v) improvement in the contracts for land transfer through tender, auction and listing.

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 expert), 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 premium before obtaining the State 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 premium within a prescribed period.

Where land use rights are granted by way of listing-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 premium within a prescribed period.

In June 2003, the Ministry of Land and Resources promulgated the Regulations on Grant of State-owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》(國土資源部令第21號)), or the 2003 Regulations, to regulate granting of land use rights by agreement when there is only one party interested in the land, the designated use of which is other than for commercial purposes as described above. According to the 2003 Regulations, the local land bureau, together with other relevant government departments, including the city planning authority, will formulate the plan concerning the grant, including the specific location, boundary, purpose of use, area, term of grant, conditions of use, conditions for planning and design as well as the proposed land premium, which shall not be lower than the minimum price regulated by the State, and submit such plan to the relevant government for approval. Afterwards, the local land bureau and the relevant party will negotiate and enter into the land grant contract based on the above-mentioned plan. If two or more parties are interested in the land use rights proposed to be granted, such land use rights shall be granted by way of tender, auction or listing at a land exchange in accordance with the 2007 Regulations.

The grantee is required to pay the land premium pursuant to the terms of the contract and the contract is then submitted to the relevant local bureau for the issue of the land use rights certificate. Upon expiration of the term of grant, the grantee may apply for its renewal. Upon approval by the relevant local land bureau, a new contract is entered into to renew the grant, and a land premium shall be paid.

According to the “Notice of the Ministry of Land and Resources on Relevant Issues Concerning the Strengthening of Examination and Approval of Land Use in Urban Construction” (《關於加強城市建設用地審查報批工作有關問題的通知》(國土資發[2003]345號)) enacted by the Ministry of Land and Resources on September 4, 2003 (the “**Notice**”), from the day of promulgation, land use for luxurious commodity houses shall be stringently controlled, and applications for land use rights to build villas shall be stopped. Under the Circular of the General Office of the State Council on Forwarding the Notice of the Ministry of Construction, the NDRC and the Ministry of Supervision on Adjusting the Housing Supply Structure and Stabilizing the Housing Price (Guo Ban Fa 2006 No. 37) (《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》(國辦發2006 37號)) implemented on May 24, 2006, among other things, that: (a) land used for real estate development must be granted through tender, auction or bidding-for-sale and the area of land shall be ascertained reasonably; (b) land supply priority shall be given to ordinary commodity houses at middle to low prices and in medium to small sizes (including affordable housing) and renting affordable housing. The land supply plan shall be known to the public; and (c) the land supply for low-density and large-sized housing shall be strictly controlled, and the rules on ceasing land supply for villa real estate development shall be resolutely implemented.

On May 23, 2012, the Ministry of Land and Resources and NDRC promulgated the Catalog of Restrictive Land Supply Items (2012 Version) and Catalog of Forbidden Land Supply Items (2012 Version) (《限制用地項目目錄》(2012本)和《禁止用地項目目錄》(2012本)(國土資發[2012]98號)). This catalog provides that, the new office buildings of the Chinese Communist Party and government agencies, large-scale commercial or entertainment establishments, racing fields, motor vehicle training fields, burial grounds, low-density and large-sized housing projects (referring to residential projects with a plot ratio of less than 1.0 and where the gross floor area for a single house exceeds 144 sq.m.) are listed in the restrictive land supply items, and villas, golf courses, racing courses, and new training centers of the Party and government agencies, State-owned enterprises and institutional agencies are classified as forbidden land supply items.

The Urban and Rural Planning Law of the People’s Republic of China (《中華人民共和國城鄉規劃法》(主席令第23號)) was implemented on January 1, 2008. This law provides, among other things, that if land use rights were obtained by way of allocation, the developer shall apply to the relevant urban and rural planning authorities for a site selection opinion before applying to other relevant authorities for approval or consent. This law also specifies that if the land use rights were obtained by way of allocation within the planning zones of cities or towns, the developer shall, before applying to the land

administration authorities at or above the county level for land use rights, apply for the construction land planning permit from the relevant urban and rural planning authorities of that city or town after obtaining the approval or consent of other relevant authorities. Further, if land use rights were obtained by way of grant within the planning zones of cities or towns, relevant urban and rural planning authorities shall, prior to the granting of land use rights, specify the planning conditions such as the location, nature of use and permitted density of the development and integrate the planning conditions into the grant contract of the land use rights. Land without planning conditions cannot be granted. After a grant contract of land use rights is executed, the developer needs to apply to urban and rural planning authorities of the city or county for the construction land planning permit along with the required documents. If a development is within the planning zones of a city or town, the developer needs to apply to urban and rural planning authorities of the particular city or county, or to the township government specified by the provincial level government for a planning permit for construction in a rural area. The development of projects must comply with the planning conditions and an application must be filed with the urban and rural planning authorities of the relevant city or county if any amendments to the planning conditions are necessary. Within six months of the completion of projects, a developer needs to file documents in respect of the inspection and assessment by government authorities of completed project with the urban and rural planning authorities.

Recover State-owned Land Use Rights

In accordance with the Land Administrative Law of the People's Republic of China (《中華人民共和國土地管理法》(主席令第28號)) promulgated by the Standing Committee of the NPC on June 25, 1986 and amended on August 28, 2004, the land administrative authorities may recover state-owned land use rights with the approval of the governments that originally approved the land use rights, under any of the following cases:

- to use the land for public interests (subject to proper compensation);
- to use the land in re-building old city districts in order to implement urban construction plans (subject to proper compensation);
- when the term of the land use rights expires, the holder has failed to apply for extension or failed to obtain approval for extension;
- the use of the land originally allocated has been stopped due to cancellation or removal of units;
- roads, railways, airports and mining sites that have been approved to be abandoned.

Under the Provisional Regulations on Grant and Transfer, the maximize term of the land use rights shall not exceed: (i) 70 years for residential purposes; (ii) 40 years for commercial, tourism and entertainment purposes; or (iii) 50 years for education, science, culture, public health, physical education, industrial, mixed-use or other purposes.

Land Transfers from Current Land Users

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, the Urban Real Estate Law requires that at least 25% of total construction costs, excluding land premiums, 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.

Land Reserve and Primary Development

The Ministry of Finance, Land and Resources and the PBOC jointly promulgated the Measures for Land Reserve Administration (《土地儲備管理辦法》(國土資發[2007]277號)), which became effective as of November 19, 2007. Pursuant to the Measure, the land reserve institution refers to the independent legal entity which is affiliated to the local land administration bureau. The scope of the land reserve includes but is not limited to the land use rights resumed by the state, the land obtained subject to the pre-emptive right, the rural land which had been completed the reversion procedures and the land purchased by the land reserve institution. The land reserve institutions are permitted to carry out primary development of the reserved lands before supplying them to the market. Commercial banks could make mortgage loans to the land reserve institution after the land reserve institution has obtained approvals from the local financial department.

The Ministry of Finance and the Ministry of Land and Resources issued the Provisional Measures on Administration of Funds and Finance Affairs Relating to Land Reserve (《土地儲備資金財務管理暫行辦法》(財綜[2007]17號)) on February 27, 2007, which regulate the matters concerning the capital required for, among other things, the early stage development of reserved land, including the source, scope of use and management of the such capital.

Mortgage and Guarantee

The mortgage of real estate in the PRC is governed by the Property Rights Law (《物權法》(主席令第62號)), Security Law of the PRC (《中華人民共和國擔保法》(主席令第50號)), or the Security Law, the Law of the PRC on the Administration of Urban Real Estate, or the Real Estate Law, the Regulation on Administration of Mortgages of Urban Real Estate (《城市房地產抵押管理辦法》(建設部令第98號)), or the Real Estate Mortgage Regulation, and other relevant real estate related laws and regulations. When a mortgage is created over the ownership of a completed building, the same will be simultaneously created over the land use rights of the land where the building is erected. The mortgagee and the mortgagor shall enter into a mortgage contract in writing which becomes effective on the date of the registration of such mortgage by the relevant real estate authority. Pursuant to the Security Law, a real estate mortgage agreement shall contain specific provisions including (i) the type and amount of the indebtedness secured, (ii) the period of the obligation by the debtor, (iii) the repayment of the indebtedness, and (iv) the name, quantity, conditions, location, valuation and ownership of the mortgaged property. Pursuant to the Real Estate Law, buildings newly-erected on a piece of urban land after a mortgage contract has been entered into shall not be a mortgaged property. If the mortgaged property is auctioned off, the new buildings added on the land may be auctioned together with the mortgaged property, but the mortgagee shall not be entitled to priority compensation from the proceeds of the auction of the new buildings.

Pursuant to the Property Rights Law, a real estate mortgage becomes effective on the date of registration with the local real estate department. When carrying out mortgaged property registration, the loan contract and the mortgage contract as well as the land use rights certificate or the property ownership certificate in respect of the mortgaged property must be submitted to the registration authority. If the mortgagor cannot repay the loan that is secured by the mortgaged property, the mortgagee may agree with the mortgagor to receive payment by appraising the mortgaged property or through the proceeds of an auction or sale of the property. If no such agreement is reached, the mortgagee may institute proceedings in a People's Court. After the mortgaged property has been appraised or been auctioned or sold, any portion of the proceeds that exceeds the amount of the indebtedness shall belong to the mortgagor and any shortfall shall be paid by the mortgagor.

The Security Law also contains comprehensive provisions dealing with guarantees. Under the Security Law, guarantees may be in two forms: (i) general guarantees whereby the guarantor bears the liability when the debtor fails to perform the payment obligation; and (ii) guarantees with joint and several liability whereby the guarantor and debtor are jointly and severally liable for the payment obligation. A guarantee contract must be in writing and, unless agreed otherwise, the guarantee shall remain valid for six months after the expiration of the term for performance of the principal obligation of the debtor.

Idle Land

According to the Measures on Disposing Idle Land (《閒置土地處置辦法》(國土資源部令第5號)) enacted and enforced by the Ministry of Land and Resources on April 28, 1999, the land can be defined as idle land under any of the following circumstances: (i) development and construction of the land is not commenced within the prescribed time limit after obtaining the land use rights without consent from the people's government who approved the use of the land; (ii) where the "Contract on Paid Use of the Right to Use State-Owned Land" or the "Approval Letter on Land Used for Construction" has not prescribed the date of commencing the development and construction, the development and construction of the land is not commenced at the expiry of one year from the date when the "Contract on Paid Use of the Right to Use State-Owned Land" became effective or when the Ministry of Land and Resources issued the "Approval Letter on Land Used for Construction"; (iii) 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; or (iv) other circumstances prescribed by the laws and the administrative regulations.

On June 1, 2012, the Ministry of Land and Resources promulgated further Measures on the Disposal of Idle Land (《閒置土地處置辦法》(國土資源部令第53號)) ("**further measures**"), which became effective on July 1, 2012. The Ministry of Land and Resources extended and clarified that the definition of idle land includes any land that became idle as a result of government related or non-government related acts. Government actions may cause land to become idle if (i) the government fails to deliver the land parcels to the grantee in accordance with the time limit specified under the relevant land grant contract or related documents, (ii) the grantee of the land use rights cannot develop the land in accordance with the contracted purposes due to recent land or urban planning adjustments, (iii) there are changes in the land or urban planning conditions due to modification of relevant national policies, and (iv) there are mass petitions, military control, protection of cultural relics, natural disaster and other related issues, which delay the development schedule of the land parcels.

The further measures require land use rights to be granted by the Ministry of Land and Resources to fulfill the following requirements: (i) the land use rights shall be free of encumbrances; (ii) original residents to be resettled (if any) must be compensated; (iii) there must be no legal or economic disputes in connection with the land use rights; and (iv) the relevant land parcels must have a clearly defined premise, nature of use, floor-area ratio and other land planning conditions.

The further measures provide clear procedures for investigation of idle land. Where the municipality or county-level land administrative department suspects the land to constitute idle land, it shall, within 30 days, commence investigation to confirm the status of the land, and issue an "Idle Land Investigation Notification Memorandum" ("**notification memorandum**") to the grantee of the land use rights. The grantee of the land use rights shall, within 30 days of receiving the notification memorandum, provide materials outlining the state of affairs of the land development, reasons for the land being idle and other related explanatory materials to the abovementioned administrative department. The municipality or county-level land administrative department shall, after a piece of land which has been ascertained as idle land, notify the concerned land user and draft a proposal on methods of disposal of the idle land 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, ascertaining a new land user by competitive bidding, public auction. The administrative department of land under the people's government of city or county level shall, after the proposal on disposal has been approved by the original people's government who approved the use of the land, arrange for implementation of the proposal.

With respect to any land parcel obtained under a land grant contract within the scope of city planning and becoming idle due to non-government related acts, 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 (such land grant premium cannot be listed as manufacturing cost for accounting purposes); if the work has not been commenced after two years from the prescribed date of commencement, the land can be confiscated without any compensation. However, the preceding stipulations shall not apply if the delay is caused by force majeure; acts of government or acts of other relevant departments under the government; or by the indispensable preliminary work. The further measures provide that, with respect to any land parcel becoming “idle” as a result of government-related acts, the grantee of the relevant land use rights shall explain to the municipality or county-level land administrative department the reasons for the land becoming idle, and consult the relevant government authority and rectify the situation accordingly (“**rectification procedures**”). The means of rectification include but are not limited to the extension of the period permitted for commencing development, the adjustment of the land use and planning requirements or the substitution of the relevant land parcels with other land parcels. To enhance control over land hoarding and land speculating activities, the further measures also require the Ministry of Land and Resources not to accept or process any application for title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of the land use rights over any idle land parcel before the completion of the required rectification procedures. To strengthen the regulation of idle land, the further measures require that the Ministry of Land and Resources to copy the relevant finance authorities in all its communications about idling of government-owned land with the grantee of land use rights.

Property Development

Property development projects in the PRC are generally divided into single projects and large tract development projects. A single project refers to the construction of buildings on a plot of land and the subsequent sale of units. Large tract development projects consist of the comprehensive development of large area and the construction of necessary infrastructure such as water, electricity, road and communications facilities. The developer may either assign the land use rights of the developed area or construct buildings on the land itself and sell or lease the buildings erected on it.

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, an enterprise which is to engage in development of real estate shall satisfy certain requirements including (i) its registered capital shall be more than RMB1 million; and (ii) it has four or more full-time professional real estate/construction technicians and two or more full-time accounting officers, each of whom shall hold the relevant qualification certificate.

Where a foreign-invested enterprise is to be established to engage in development and sale of real estate, the relevant requirements of the laws and regulations regarding foreign-invested enterprises must also be observed and relevant approvals be obtained. The “Foreign Investment Industrial Guidance Catalog” was amended and promulgated by the Ministry of Commerce and the NDRC on December 24, 2011 and effective as of January 30, 2012, which provides, among other things, that the development of a whole land lot and construction of high-end hotels, premium office buildings, international conference centers by foreign-invested enterprises falls within the category of industry in which foreign investment is subject to restrictions, and the construction and operation of villas falls within the prohibited category, while other real estate development falls within the category of industries in which foreign investment is permitted. Moreover, real estate secondary market and estate agent or broker falls within the category of industry in which foreign investment is subject to restrictions. A foreign investor intending to engage in the development and sale of real estate may establish an equity joint venture, a cooperative joint venture or a wholly owned enterprise in accordance with relevant laws and regulations regarding foreign investment. Prior to its registration, the enterprise must be approved by the government authorities in charge of foreign investment, upon which an Approval Certificate for a Foreign Invested Enterprise will be issued.

The total investment amount and the category provided by the “Foreign Investment Industrial Guidance Catalog” determine the levels of the approval authorities. The existing laws and regulations impose a cap of a total investment of US\$50 million on local approval for projects in the restricted category and a cap of a total investment of US\$100 million on local approval for projects in the encouraged or permitted category. For those with a total investment exceeding US\$50 million in the restricted category and projects with a total investment exceeding US\$100 million in the encouraged or permitted category, the relevant approval authority shall submit the project documents to the Ministry of Commerce for approval.

Pursuant to the Urban Land Regulations, foreign entities may acquire land use rights in the PRC unless the law provides otherwise. However, in order to develop the acquired land, the foreign entities need to establish foreign investment enterprises in the PRC as the project companies.

These project companies may be in the form of Sino-foreign equity or cooperative joint ventures or wholly foreign-owned enterprises. The typical scope of business of such project companies includes development, construction, property management, and sales and leasing commodity properties and ancillary facilities on the specific land as approved by the government. The term of the property development company is usually the same as the term of grant of the land use rights in question.

Establishment of a project company is subject to the approval by the relevant departments of the PRC government in accordance with the following procedure. First, the PRC party to a joint venture project or the foreign investor, in the case of a wholly foreign-owned project, will submit a project application report to the state or local development and reform commission for verification and approval. If the development and reform commission considers the proposed property development project to be consistent with the prevailing national and local economic plans and foreign investment regulations, it will grant an approval to the applicant in respect of the project. The NDRC and the Ministry of Commerce have been authorized to regularly promulgate guidelines for the direction of foreign investment.

Secondly, once the project application report has been verified and approved, the PRC party and the foreign investor may proceed to prepare a joint feasibility study report that reflects their assessment of the overall economic viability of the proposed project company. At the same time, the parties may proceed to negotiate and execute the joint venture contract and articles of association for the establishment of a project company. In the case of a wholly foreign-owned project, the foreign investor may then prepare and sign the articles of association. Thirdly, the joint feasibility study report, the joint venture contract and/or articles of association will then, depending, among other things, on the industry to which it belongs under the Catalog and the amount of total investment, be submitted to the Ministry of Commerce or its local counterpart, as the case may be, for approval. If the Ministry of Commerce or its local counterpart finds the application documents to be in compliance with PRC laws, it will issue an approval certificate for the establishment of the project company. With this approval certificate, the foreign investor and/or the PRC party can apply to the relevant branch of the Administration of Industry and Commerce for a foreign investment enterprise business license for the project company.

Once a foreign entity developer has established a project company and secured the land use rights to a piece of land for development, it has to apply for and obtain the requisite planning permits from the planning departments and have its design plan approved by, and apply for and obtain a construction work commencement permit from, the relevant construction commission for commencement of construction work on the land. When the construction work on the land is completed, the completed buildings and structures must be examined and approved by the government departments before they can be delivered to purchasers or lessors for occupancy.

Under the “Provisions on Administration of Qualification Certificates of Real Estate Developers” (《房地產開發企業資質管理規定》(建設部令[第7號])) (the “**Qualification Certificate Regulation**”) implemented by the Ministry of Construction on March 29, 2000, a real estate developer shall apply for its qualifications according to such Regulation. An enterprise may not engage in the development and sale of real estate without the qualification registration certificate. The construction authority under the State Council takes charge of supervising the qualifications of real estate developers throughout China, and the real estate development authority under a local government on or above the county-level shall supervise the qualifications of local real estate developers.

Under the Decision on Amending the Provisions on the Administration of the Qualifications of Real Estate Development Enterprises and Other Departmental Rules (關於修改《房地產開發企業資質管理規定》等部門規章的決定(住房和城鄉建設部令第24號)) promulgated by the Ministry of Housing and Urban-Rural Development on May 4, 2015, the requirements of registered capital in different levels and capital verification report are cancelled.

In accordance with the Qualification Certificate Regulation, real estate developers are classified into four classes. The approval system is tiered, so that confirmation of class 1 qualifications' shall be subject to preliminary examination by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State Council. Procedures for approval of developers of class 2, 3 or 4 shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the authority.

Under the Qualification Certificate Regulation, the real estate development authorities shall examine applications for registration of qualifications of a real estate developer when it reports its establishment, by considering its assets, professional personnel and business results. A real estate developer shall only undertake real estate development projects in compliance with the approved qualification registration.

After a newly established real estate developer reports its establishment to the property development authority, the latter shall issue a provisional qualification certificate to the eligible developer within 30 days of its receipt of the above report. The real estate developer shall apply for a formal qualification certificate from the real estate development authority within one month before expiry of the provisional one. The provisional qualification certificate shall be effective for one year from the date of its issuance. The real estate development authority can extend the validity period for not more than two years after considering the actual business situation of the enterprise. Failure to obtain the required provisional or formal qualification certificate may result in a fine ranging from RMB50,000 to RMB100,000 and revocation of the developer's business license if such failure to obtain the certificate is not rectified.

A developer of any qualification classification may only engage in the development and sale of real estate within its approved scope of business and may not engage in business exceeding the scope permitted by its classification. A class 1 real estate developer is not restricted as to the scale of real estate project to be developed and may undertake a real estate development project anywhere in the country. A real estate developer of class 2, 3 or 4 may undertake a project with a gross area of less than 250,000 sq.m. and the specific scope of business shall be as confirmed by the construction authority under the people's government of the relevant province, autonomous region or municipality.

The real estate development authorities perform annual inspections of qualified developers. Developers who fail to meet the qualification requirements or violate the relevant rules may have their qualification classification certificates degraded or revoked.

For the purpose of carrying out the construction and development of a real estate project, the real estate developers shall, after signing the land grant contract in accordance with the Regulations on Land Granting and Transfer and the Tender, Auction and Listing Regulations, attend certain procedures and obtain relevant approval documents in relation to the design, planning, construction and development of the land.

Planning and Construction Permits

Under the “Regulations on Planning Administration regarding Granting and Transfer of State-owned Land Use Rights in Urban Area” (《城市國有土地使用權出讓轉讓規劃管理辦法》(建設部令第22號)) promulgated by the Ministry of Construction in December 1992, a real estate developer shall apply for a construction land planning permit (建設用地規劃許可證) from the municipal planning authority. After obtaining the construction land planning permit, the real estate developer shall then organize the necessary planning and design work in accordance with relevant planning and design requirements. 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 People’s Republic of China (《中華人民共和國城鄉規劃法》(主席令第23號)), which was issued on October 28, 2007, and a construction work planning permit (建設工程規劃許可證) must be obtained from the municipal planning authority.

On January 21, 2011, the State Council promulgated the Regulation on Expropriation and Compensation Related to Buildings on State-owned Land (《國有土地上房屋徵收與補償條例》(國務院令第590號)), which replaces the Regulations for the Administration of Demolition and Removal of Urban Housing (城市房屋拆遷管理條例). The new regulation provides, among other things, that:

- buildings can be expropriated under certain circumstances for public interests but only governmental authorities are permitted to conduct resettlement activities. Real estate developers are prohibited from involvement in the demolition and relocation procedures;
- compensation shall be paid before the resettlement;
- compensation to owners of properties to be demolished cannot be less than the market value of similar properties at the time of an expropriation. The market value of properties shall be determined by qualified real estate appraisal institutions in accordance with appraisal rules related to property expropriation. If any owner does not agree with the appraised market value of the property, he can apply to the real estate appraisal institution for re-appraisal; and
- neither violence nor coercion may be used to force homeowners to leave. In addition, certain measures such as illegally cutting water and power supplies cannot be used in relocation work.

Under the Opinion on further strengthen the management of urban planning and construction (《中共中央國務院關於進一步加強城市規劃建設管理工作的若干意見》) promulgated by the State Council on February 6, 2016, new residential project should promote block system in principle, and completed residential community should open gradually for the Intensive Utilization of urban land.

Sales/Pre-sales of Commodity Buildings

Commodity buildings can be sold before or after their completion. These sales are regulated and conducted in accordance with the provisions of the “Regulations for the Administration of Sale of Commodity Buildings (《商品房銷售管理辦法》(建設部令第88號)), or the Sales Regulations promulgated by the Ministry of Construction in April 2001, the Measures for the Administration of Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》(建設部令第131號)), or the Pre-sales Measures amended by the Ministry of Construction in July 2004 and in accordance with the Development Regulations.

For units of a commodity building sold before completion to occur under the Pre-sale Regulations, a developer must make the necessary pre-sale registration with the real estate development authority of the relevant city or county and obtain a pre-sale permit. A Pre-sale will take place if:

- The premium in respect of the land use rights has been paid in full and the land use rights certificate has been obtained;
- The construction work planning permit and the construction work commencement permit have been obtained;
- At least 25% of the total amount of the project investment fund has been injected into the development of the project and the progress of construction and the expected completion date of the project has been ascertained; and
- The pre-sale permit has been obtained.

Under the “Regulations for the Administration of Sale of Commodity Buildings” (《商品房銷售管理辦法》), commodity buildings may be put to post-completion sale only when the following preconditions have been satisfied: (a) the real estate development enterprise offering to sell the post-completion buildings shall have an enterprise legal person business license and a qualification certificate of a real estate developer; (b) the enterprise has obtained a land use rights certificate or other approval documents of land use; (c) the enterprise has the permit for construction project planning and the permit for construction; (d) the commodity buildings have been completed and been inspected and accepted as qualified; (e) the relocation of the original residents has been completed; (f) 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; (g) the property management plan has been completed. Before the post-completion sale of a commodity building, 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.

According to the Property Rights Law (《中華人民共和國物權法》) which was promulgated on March 16, 2007 and implemented on October 1, 2007, parties can apply for registration of a caveat by agreement in order to secure that they obtain future property rights. After registration of such caveat, without permission of the persons who enjoy such right of registration of the caveat, any disposal of the relevant real estate shall have no effect to the property rights.

Pursuant to the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號)) issued by the General Office of the State Council on January 7, 2010, local governments must decide the minimum scale of pre-sales rationally and may not issue separate pre-sale permits by floor or unit.

On April 13, 2010, the MOHURD of People’s Republic of China issued the Notice on Further Strengthening the Supervision over the Real Estate Market and Improving the Pre-sale System of Commercial Housing (《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》(建房[2010]53號)). It provides that, among other things, within 10 days after the real estate developers obtain the pre-sale permit for the project for sale, they shall release the information regarding number of properties allowed for pre-sale under such pre-sale permission and the prices of such mentioned pre-sale units to the public in one time. They shall also sell the properties to the public at the price as published and strictly subject to the pre-sale permits.

On September 2, 2010, Shanghai Municipal Housing Support And Building Administration Bureau issued the Notice of Further Strengthening Municipal Supervision on Real Estate Market and Regulating Pre-sale Behaviors (《上海市住房保障和房屋管理局關於進一步加強本市房地產市場監管規範商品住房預銷售行為的通知》(滬房管市[2010]246號)). To thoroughly apply the “Notice on Further Strengthening the Supervision over the Real Estate Market and Improving the Pre-sale System of Commercial Housing” (《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》), it requires that (1) real estate project with a GFA less than 30,000 sq.m. shall apply for only one pre-sale permit; real estate project with a GFA more than 30,000 and where it is necessary to conduct pre-sale in stages, each pre-sale permit applied shall not cover less than 30,000 sq.m.; (2) real estate enterprise shall complete filings with relevant local authorities prior to pre-sale, setting out, among other things, the pre-sale price of each unit for sale; real estate enterprise shall submit amended filings with relevant local authorities if any particular unit is sold at a price higher than that stated in the relevant filings; (3) relevant authorities shall regulate the reservation and sales behaviors, and real estate developing enterprises shall not sign any commercial housing deposit contracts or commercial housing sales contracts unless they have obtained the Pre-sale Permit or have filed for sales of their existing houses.

On November 4, 2010, the MOHURD and the SAFE collectively promulgated the Notice on Further Regulating the Administration on House Purchase by Overseas Organization and Individual (《關於進一步規範境外機構和個人購房管理的通知》(建房[2010]186號)), which stipulates that, except as otherwise stated in laws and regulations, an overseas individual shall solely purchase one unit of owner-occupied residential house, and an overseas organization with a branch or representative office set up in the PRC shall solely purchase non-residential house necessary for business operations in the city where it is registered.

On March 16, 2011, the NDRC promulgated the Regulations on Sales of Commodity Houses at Expressly Marked Price (《商品房銷售明碼標價規定》(發改價檢[2011]548號)) with effect from May 1, 2011, which provide that real estate development enterprises and intermediary agencies (collectively, the “**Sellers and Agencies**”) shall, during the period of selling new-built commodity houses, publish and mark the prices of the commodity houses and closely related factors thereof as well as the pricing standards. The regulation stipulates that the Sellers and Agencies shall mark the price of each commodity house with one price only. For real estate development projects that have obtained the pre-sale permits or are registered as finished houses, the Sellers and Agencies shall publish the availability of all houses that are permitted to be sold and the price of each house within a specified time frame. The Sellers and Agencies shall not sell the house at a price higher than the marked price and shall not collect charges not specified. Meanwhile, intermediary agencies shall sell second-hand commodity houses with reference to the regulation. In the event that the Sellers and Agencies do not expressly mark the price or publish their charges, or commit fraud through the marking of price or pricing artifices, local competent authorities of county-level or above shall have the right to penalize the Sellers and Agencies accordingly.

Individual Housing Loans

“Circular on for the Determination of Second Residential Property in Individual Commercial Housing Loan Applications” (《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》(建房[2010]83號)) was jointly promulgated by MOHURD, PBOC and CBRC on May 26, 2010. The circular lays down the determining criteria of a property being identified as an individual’s second residential property in individual commercial housing loan applications. The circular provides that the number of residential properties owned by an individual loan applicant shall be determined with reference to the number of completed residential properties actually owned by the members of the family (including the individual loan applicant, their spouses and minor children) of the individual who plans purchase another residential property with the use of individual commercial housing loan. The application or authorization of any individual commercial housing loan by an individual borrower shall be subject to checks on the borrowers’ residential property registry records through the property registration information system and the issuance written results of such checks by the urban real estate authorities. The lender should implement a differential credit policy for the individual borrower’s second (or above) residential property in accordance with the number of residential properties owned by such borrowers. The policy in this circular is also applicable to non-residents who can provide local tax clearance certificates or local social insurance payment certificates for one year or above.

“Circular on Regulations of Policies Concerning Individual Housing Provident Fund Loans” (《關於規範住房公積金個人住房貸款政策有關問題的通知》(建金[2010]179號)) was jointly promulgated by MOHURD, Ministry of Finance, PBOC and CBRC on November 2, 2010 and it lays down regulations in relation to the Individual Housing Provident Fund Loans. The circular provides that Individual Housing Provident Fund Loans could only be used to purchase, build, re-build and repair ordinary and privately used residential properties of laborers with the aim of meeting their basic need for housing. The making use of Individual Housing Provident Fund Loans to carry out speculative purchase of properties is strictly prohibited. To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price if the gross floor area of the property is less than 90 meter squares (inclusive). If the gross floor area of the property is more than 90 meter squares, the down payment shall not be less than 30% of the total purchase price. For the purchase of the second residential property, Individual Housing Provident Fund Loans are only available to laborers whose families’ per-capita gross floor area is lower than the local average, and that could only be used to purchase ordinary and privately used residential properties that help improve the living condition of the laborers. The down payment for the purchase of the second residential property shall not be less than 50% of the total purchase price, and the interest rate of the loan shall not be less than 1.1 times of the interest rate for Individual Housing Provident Fund Loans in relation to the purchase of the first residential property during the same period. Individual Housing Provident Fund Loans are not available to laborers and their families for purchasing the third (or more) residential property.

“Issues of Development of Policies Concerning Individual Housing Provident Fund Loans” (《關於發展住房公積金個人住房貸款業務的通知》(建金[2014]148號)) was jointly promulgated by Ministry of Housing and Urban-Rural Development, Ministry of Finance and the People’s Bank of China on October 9, 2014. According to the notice, PRC government supports employees to purchase housing units by appropriately increasing loan limit of individual housing provident fund loans for the first housing unit.

“Issues of Further Improvement of Housing Finance Service” (《關於進一步做好住房金融服務工作的通知》) was jointly promulgated by the People’s Bank of China and China Banking Regulatory Commission on September 29, 2014. The notice provides that if the resident families apply for a commercial individual housing loan to purchase the first ordinary housing unit for their own living, the minimum down payment ratio shall not be lower than 30% and the lending rate shall not be lower than 70% of the benchmark interest rate for loan.

“Issues concerning Individual Housing Loan Policies” (《個人住房貸款政策有關問題的通知》) was jointly promulgated by the People’s Bank of China, the Ministry of Housing and Urban-Rural Development and the China Banking Regulatory Commission on March 30, 2015 and it specifies individual housing loan policies. The notice provides that a resident’s family that owns one housing unit and has not paid off the corresponding housing loan, if the family applies again for a commercial individual housing loan to purchase an ordinary housing unit for its own living to improve its current living conditions, the minimum down payment ratio shall not be lower than 40%, and the specific down payment ratio and lending rate shall be rationally determined by the banking financial institution according to the borrower’s credit standing and repayment capability, among others.

To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price. For a resident family that owns one housing unit and has paid off the corresponding housing loan, if the family applies again for Individual Housing Provident Fund Loans to improve its current living conditions, the minimum down payment ratio shall not be lower than 30%.

Under the Notice of the People's Bank of China and the China Banking Regulatory Commission on Issues concerning Adjusting the Individual Housing Loan Policies (中國人民銀行、中國銀行業監督管理委員會《關於調整個人住房貸款政策有關問題的通知》) issued on February 1, 2016, in cities where "housing purchase restriction" measures are not implemented, the minimum down payment ratio for commercial individual housing loans granted to households of residents for purchasing ordinary housing units for the first time shall generally be 25%, and may be lowered by five percentage points by local governments; and where a household which owns one housing unit but has not paid off the relevant housing loan applies again for a commercial individual housing loan to purchase an ordinary housing unit to improve living conditions, the minimum down payment ratio shall not be less than 30%.

Under the Notice of promoting the smooth and healthy development of the real estate market in the city, and further improving the differential housing credit policy (《上海市住房和城鄉建設管理委員會、中國人民銀行上海分行、中國銀行業監督管理委員會上海監管局《關於促進本市房地產市場平穩健康有序發展進一步完善差別化住房信貸政策的通知》(滬建房管聯[2016]1062號)》) implemented on November 29, 2016, the minimum down payment ratio for commercial individual housing loans granted to households of residents for purchasing ordinary housing units for the first time shall generally be 35%.

Leasing

Both the Urban Land Regulations and the Real Estate Law permit the leasing of granted land-use rights and of the buildings or homes constructed on the land. On December 1, 2010 the Ministry of Construction promulgated the "Measures for Administration of Leases of Commodity Buildings" (《商品房屋租賃管理辦法》(住房和城鄉建設部令第6號)) ("**New Lease Measures**"), which took effect on February 1, 2011 and replaces the Measures for Administration of Leases of Buildings in Urban Areas (《城市房屋租賃管理辦法》). Pursuant to New Lease Measures, within 30 days after a lease contract is entered into, the parties thereto shall file with the local property administration authority. Any failure to comply with such filing requirement would lead to a fine. According to the Real Estate Law, rental income derived from the any building situated on allocated land, or land which the landlord has acquired only allocated land use rights, must be turned over to the State.

Under the Opinion on accelerating the cultivation and development of housing rental market(《國務院辦公廳關於加快培育和發展住房租賃市場的若干意見》國辦發[2016]39號) promulgated by General Office of the State Council on May 17, 2016, the government encourages real estate development enterprises to carry out housing rental business.

Insurance

There are no mandatory provisions in the PRC laws, regulations and government rules which require a real estate developer to take out insurance policies for its real estate projects.

According to the "Construction Law of the People's Republic of China" (《中華人民共和國建築法》) (主席令第46號) promulgated by the Standing Committee of the National People's Congress on November 1, 1997 and effective as of March 1, 1998, which has been amended on April 22, 2011, Construction enterprises shall purchase work-related injury insurance and pay work-related injury insurance premiums for employees according to law. Enterprises shall be encouraged to purchase accidental injury insurance and pay insurance premiums for the employees engaging in dangerous operations. In the "Opinions of the Ministry of Construction on Strengthening the Insurance of Accidental Injury in the Construction Work" (《建設部關於加強建築意外傷害保險工作的指導意見》(建質[2003]107號)) by the Ministry of Construction on May 23, 2003, the Ministry of Construction further emphasizes the importance of the insurance of accidental injuries in the construction work and put forward the detailed opinions of guidance.

Real Estate Loans

Commercial Bank Loans

On June 5, 2003, the PBOC promulgated the Notice on Further Strengthening the Administration of Real Estate Related Credit (《關於進一步加強房地產信貸業務管理的通知》(銀發[2003]121號)). According to this notice, commercial banks shall focus their business on supporting real estate projects targeted at mid-to lower-income households and appropriately restrict the granting of real estate loans to projects for the construction of luxury apartments and houses. The notice provides that when applying for bank loans, a real estate development company must contribute at least 30% of the total investment of the project from its own funds, and prohibits banks from advancing funds to real estate developers as working capital or for payment of land premiums. See “Recent macroeconomic control measures” below for recent developments in this area.

On August 30, 2004, the CBRC issued a Guideline for Commercial Banks on Risks of Real Estate Loans (《商業銀行房地產貸款風險管理指引》(銀監發[2004]57號)). According to the guideline, no loans shall be granted in relation to projects which have not obtained requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits. The guideline also stipulated that not less than 35% of the investment in a property development project must be funded by the real estate developer's own capital for the project in order for banks to extend loans to the real estate developer. In addition, the guideline noted that commercial banks should set up strict approval systems on granting loans.

On March 16, 2005, the PBOC promulgated a Notice on Adjusting the Housing Loan Policy and Deposit Rate of Excess Reserves for Commercial Banks (《關於調整商業銀行住房信貸政策和超額準備金存款利率的通知》(銀發[2005]61號)) which canceled the preferential mortgage lending interest rate for individuals and restricted on the minimum mortgage loan rate to 0.9 times the benchmark rate. The PBOC also increased the public housing fund loan rate (住房公積金貸款利率) by 0.18% and permitted commercial banks to decrease the mortgage loan rate from 80% to 70% of the value of the property if it is located in a city where property prices are increasing too rapidly.

On May 31, 2006, the PBOC promulgated a Notice about Relevant Matters on Adjusted Housing Credit Policies (《關於調整住房信貸政策有關事宜的通知》(銀發[2006]184號)). The notice provides that, from June 1, 2006, the first installment payment for an individual house bought through a mortgage loan must not be lower than 30% of the purchase price. However, for houses purchased for self-residential purposes and with a gross floor area of less than 90 sq.m., the 20% first installment payment regulation still applies.

On September 27, 2007, PBOC and CBRC promulgated a “Circular on Strengthening the Management of Commercial Real-estate Credit Loans” (《關於加強商業性房地產信貸管理的通知》(銀發[2007]359號)), which increases the down payment requirement applicable to a purchaser acquiring his second residential property to at least 40% and the interests payable on these loans must not be less than 110% of the benchmark interest rate of the same kind and same term by PBOC. Under this circular, the PRC authority has tightened control over commercial banks' loans to property developers in order to prevent these banks from excessive credit granting. The circular emphasizes that commercial banks must not offer loans to property developers who have been found by state land and resource and construction authorities as hoarding land and buildings. Commercial banks are also prohibited from accepting commercial properties that have been vacant for more than three years as guaranties for loans. Under the complementary 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補充通知》(銀發[2007]452號)), if a member of a family (including the purchaser, his/her spouse and their children under 18) has borrowed loans from banks to buy a house, any member of the family that buys another house will be regarded as a second-time home buyer.

On April 17, 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》(國發[2010]10號)), according to which a stricter differential housing credit policy shall be enforced. It provides that, among other things, (1) for first-time family buyer (including the borrower, his/her spouse and his/her underage children, similarly hereinafter) of the apartment larger than 90 square meters, a minimum 30% down payment must be paid; (2) the down payment requirement on second-home mortgages was raised to at least 50% from 40% and also reiterated that an extra 10% should be adopted on interest rates for such buyers; and (3) for those who buy three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks can suspend housing loans to third or more home buyers in places where house prices rise too rapidly and too high and home supply is insufficient.

On October 7, 2010, Shanghai Municipal Government approved the Several Opinions on Further Strengthening the Control of Real Estate Market and Speeding up Housing-Security Programs of Shanghai (《關於進一步加強本市房地產市場調控加快推進住房保障工作的若干意見》), according to which:

- (1) On the basis of the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), it further prohibited all commercial banks from making loans to the family buyers who buy three or more apartments in Shanghai.
- (2) For the family who buy its first property with a GFA larger than 90 sq.m. and apply for housing fund loans, a minimum 30% of down payment is required, and the ceilings of the housing fund loan shall be RMB600,000; for the family who buy its second property for improving its living condition, a minimum 50% of down payment is required and the ceilings of the housing fund loan is RMB400,000; all the Housing Fund Management Centers shall suspend making loans to the family who apply for its second property, which could not be defined as a living-condition-improving property; the family who buy its three or more properties, the making of housing fund loans is prohibited.
- (3) Since the date that this Opinion being issued, any family (including both the husband and wife, and their underage children) of Shanghai or other provinces can buy only one property in Shanghai.
- (4) Land value appreciation tax shall be levied according to the ratio of the average price of house sold (A) by the company to the average price of all newly built house (B) in the whole area of last year: when A is lower than B, the land value appreciation tax shall be levied at the rate of 2%; when A does not exceed 2B, the tax rate shall be 3.5%; when A exceeds 2B, the tax rate shall be 5%.
- (5) As to any real estate project which has obtained its Construction License after July 1, 2010, the requirements for it to apply for Pre-sale Permits shall be adjusted. The real estate project aforesaid can only apply for their pre-sale permits after its completion of capping main structure and passing the inspection.
- (6) Relevant authorities are required to strengthen their managements on approval of planning, construction and pre-sale. Separately applying for limits of planning, construction and pre-sale are restricted. The scale of construction and pre-sale of a real estate project shall be no less than 30,000 sq.m. GFA. Real estate project with less than 30,000 sq.m. GFA is required to get Construction Planning Permit, Construction License and Pre-sale Permit at a single time.
- (7) Real Estate Enterprises should strictly price its products according to the price it declared to relevant authorities. Whenever the actual price is higher than the declared one, it is required to file the new price to relevant authorities in timely fashion.

On September 29, 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題通知》)(銀發[2010]275號), which (i) raised the minimum down payment to 30% for all first home purchases with mortgage loans; (ii) required commercial banks in China to suspend mortgage loans to: (1) customers for their third or more residential property purchase, and (2) to non-local residents who cannot provide documentation certifying payment of local tax or social security for longer than a one-year period; and (iii) restricted the grant of new project bank loans or extension of credit facilities for all property companies with non-compliance records regarding, among other things, holding idle land, changing the land use to that outside the scope of the designated purpose, postponing construction commencement or completion, or hoarding properties.

On September 24, 2015, the PBOC and the CBRC jointly issued the Notice on Issues concerning Further Improving the Differential Housing Credit Policies (《關於進一步完善差別化住房信貸政策有關問題通知》), which provided that in cities where no purchase limitations are imposed, for a commercial individual housing loan provided for the household of a resident to purchase his or her first ordinary housing unit, the minimum down payment ratio shall be adjusted to not less than 25%.

Trust Financing

On October 1, 2001, “The Trust Law of the People’s Republic of China” (《中華人民共和國信託法》)(主席令第50號) (the “**Trust Law**”) came into effect. Trust Law regulates settlers, trustees, and beneficiaries that engage in civil, business or public welfare trust activities within the PRC. For purposes of the Trust Law, trust refers to that the settler, based on his faith in trustee, entrusts his property rights to the trustee and allows the trustee to, according to the will of the settler and in the name of the trustee, administer or dispose of such property in the interest of a beneficiary or for any intended purposes. The trust property shall be segregated from the property owned by the trustee. Where the trustee dies or the trustee as a body corporate is dissolved, removed or is declared bankrupt according to the applicable law, and the trusteeship is accordingly terminated, the trust property shall not be form part of his legacy or liquidation property.

A trust shall be created for lawful trust purposes and shall be made in written form. To create a trust, there must be definite property under the trust, and such property including the lawful property right must be the property lawfully owned by the settler. If laws or administrative regulations stipulate that registration shall be made for the creation of a type of trust, such registration shall be made accordingly, or the trust shall have no effect.

On March 1, 2007, “The Administration Measures on Trust Company” (《信託公司管理辦法》)(中國銀行業監督管理委員會令2007年第2號)) came into effect. For the purposes of these measures, “trust financing company” shall have the meaning of a financial institution which was established pursuant to the PRC Company Law and these Measures and primarily engages in trust business; and the term “trust business” shall have the meaning of any business of a trust financing company through which it accepts a trust and handles trust affairs as a trustee and obtains remuneration. A trust financing company engaging in trust activities shall comply with laws, administrative regulations and the trust document and may not harm the interests of the State, the public or the legal rights and interests of third parties. To establish as a trust financing company, a financial institution shall be approved by the CBRC and shall obtain a financial business license. A trust financing company may apply to engage in cash trust, movable property trust, real estate property trust or any other business that regulated by laws and regulations or approved by the CBRC. Where a trust financing company manages or disposes of trust property, it must scrupulously carry out its responsibilities and perform its obligation of honest, trustworthy, prudent and efficient management. Meanwhile, trust property is not a part of the trust financing company’s own property and does not constitute a liability of the trust financing company towards the beneficiary. When a trust financing company is terminated by way of liquidation or dissolution, trust property shall not be a part of its property subject to liquidation.

On February 4, 2009, the amended “Measures for the Administration of Trust Companies’ Trust Plans of Assembled Funds” (《信託公司集合資金信託計劃管理辦法》(中國銀行業監督管理委員會令2009年第1號)) came into effect. This regulation is applicable to the set up trust plans of assembled funds (“**Trust Plan**”) in the PRC. Trust Plans must be set up according to relevant industry policies, laws and regulations, and shall have explicit investment target and strategy. For the purposes of this regulation, “Trust Plan” includes any trust activity that the trust financing company acts as a trustee, according to the will of the settler, administer or dispose settler’s property in the interest of a beneficiary. The property of Trust Plan is segregated from property owned by trust financing company. A trust financing company is prohibited to mix the property of a Trust Plan into its own property. In case where a trust financing company is dissolved, deregistered or declared bankrupt according to the law, the property of Trust Plan shall not form part of the liquidation property.

During the period of a Trust Plan, the trust financing company is required to select well-managed commercial bank as the custodian. The trust financing company is also required to establish specific departments and appoint specialized employees to manage the Trust Plan. Furthermore, the trust financing company may be required to disclose information of the Trust Plan in accordance with relevant laws and regulations.

From October 2008 to November 2010, the CBRC issued several regulatory notices in relation to real estate business conducted by trust financing companies, including a “Circular on Relevant Matters regarding Strengthening the Supervision of Real-estate and Securities Business of Trust Companies” (《關於加強信託公司房地產、證券業務監管有關問題的通知》(銀監辦發[2008]265號)), pursuant to which trust financing companies are restricted from providing trust loans, in form or in nature, to (i) property projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits; (ii) property developers that had not been issued with Class 2 qualification certificates by the relevant competent construction authorities; (iii) property projects of which less than 35% of the total investments are funded by the property developers’ own capital (the percentage of 35% was changed to 20% for affordable housing and ordinary commodity apartments and 30% for other property projects as provided by a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (國務院《關於調整固定資產投資項目資本金比例的通知》(國發[2009]27號)) issued by the State Council on May 25, 2009); and (iv) to property developers for payment of land premium or for working capital purposes.

Establishment of Real Estate Enterprises

According to the Law on Administration of Urban Real Estate of the PRC(《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 NPC on July 5,1994, becoming effective in January 1995, and amended in August 2007 and August 2009 respectively, real estate development refers to the act of constructing infrastructure and buildings on state-owned land, the land use rights of which have been legally acquired; and a real estate developer is defined as an enterprise which engages in the development and operation of real estate for the purpose of making profits.

In accordance with the regulations of Administrative Regulations on Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) (Promulgated and implemented on July 20, 1998,and revised on Jan 8,2011 by the State Council), establishment of a real estate development enterprise shall, in addition to the conditions for the enterprise establishment prescribed by relevant laws and administrative regulations, fulfill the following conditions:

1. The registered capital should be over RMB1 million, and
2. The enterprise shall have more than 4 full-time technical personnel with certificates of qualifications of real estate specialty and construction engineering specialty and more than 2 full-time accountants with certificates of qualifications.

People’s governments of the provinces, autonomous regions and municipalities directly under the Central Government may, in the light of the actual conditions prevailing in their respective localities, work out provisions for the conditions of registered capital and specialized technical personnel for the establishment of a real estate development enterprise higher than those in the preceding paragraph.

Pursuant to the provisions of Rules for Implementation of Regulations on Administration of Qualifications of Real Estate Development Enterprises in Jiangsu Province (《江蘇省實施房地產開發企業資質管理規定細則》(蘇建房[2001]250號)) promulgated and implemented on August 6, 2001 by Jiangsu Construction Department, the registered capital for establishment of real estate development enterprises should be no less than RMB4 million and should meet the requirements of relevant technical personnel.

In accordance with the Law of the People's Republic of China on Urban Real Estate Administration (《中華人民共和國城市房地產管理法》), to establish a real estate development enterprise, a registration should be made with the Administration for Industry and Commerce. The Administration for Industry and Commerce shall handle registration procedures of those which comply with conditions as prescribed by this law and issue licenses to them; and refuse to handle registration procedures of those which do not comply with conditions prescribed by this law. Those which establish a limited liability company or limited stock company to engage in real estate development and operations shall also execute the relevant provisions of the Corporate Law. A real estate enterprise shall report for record to a department designated by the people's government above county level where the registration department is located within one month after obtaining the license.

On May 25, 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (國務院關於調整固定資產投資項目資本金比例的通知(國發[2009]27號)). The Notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments are 20%, and the minimum capital requirement for other real estate development projects is 30%. These regulations apply to both domestic and foreign investment projects.

Qualifications of Real Estate Development Enterprises

Classification and rating of qualifications of real estate development enterprises

In accordance with the relevant provisions of Administrative Regulations on Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), A real estate development enterprise should, within 30 days starting from the date of obtainment of the business license, go to the competent department of real estate development of the locality wherein the registration organ is located for the record. The competent department of real estate development should, on the basis of the assets, specialized technical personnel and development and management achievements, verify the human quality grade of a real estate development enterprise put on record. The real estate development enterprise should, in accordance with the verified qualification grade, undertake corresponding real estate development projects.

On March 29, 2000, the Ministry of Construction promulgated the Regulations on Administration of Qualification of Real Estate Development Enterprises (《房地產開發企業資質管理規定》). Pursuant to the regulations, the enterprises engaged in real estate development should be approved in accordance with the provisions of application for the enterprise qualification level. Enterprises that fail to obtain certificates of real estate investments (hereinafter referred to as qualification certificates) shall not engage in the real estate development business.

Enterprises engaged in real estate development enterprises are classified into four qualification levels: Level I, Level II, Level III and Level IV in accordance with the enterprise conditions. The preliminary examination of the qualification of level I should be performed by the administrative departments of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government and then reported to the construction administrative departments of the state counsel for approval. The examination measures of the enterprises of level II qualification or lower should be developed by the construction administrative department of the people's governments of the provinces, autonomous regions and municipalities directly under the Central Government. Those enterprises passing the qualification examination should be awarded with corresponding levels of qualification certificates by the qualification examination departments. The newly-established real estate enterprises should put a record in the competent department of real estate development within 30 days upon receipt of the business license. The competent department of real estate development should verify and issue the provisional qualification certificate (暫定資質證書) to the enterprises that conform to the

conditions within 30 days upon receipt of the application for filing. The valid period of the provisional qualification certificate is one year. The competent department of real estate development may extend the valid period of the provisional qualification certificate depending on the actual conditions and the extension should not exceed two years. Enterprises engaged in real estate development shall apply for verification of qualification level to the competent department of real estate development one month before expiration of the valid period of the provisional qualification certificate.

On August 6, 2001, Jiangsu Provincial Department of Construction promulgated Rules for Implementation of Regulations on Administration of Qualifications of Real Estate Development Enterprises in Jiangsu Province (《江蘇省實施房地產開發企業資質管理規定細則》). In accordance with the Rules, enterprises engaged in real estate development enterprises are classified into four qualification levels: Level I, Level II, Level III and Level IV in accordance with the enterprise conditions. The preliminary examination of the qualification of level I should be performed by the administrative departments of provincial people's governments and then reported to the construction administrative departments of the state council for approval. The preliminary examination of qualification of levels II, III and III and temporary qualification should be conducted by the competent department of real estate development of the city with the districts and reported to the provincial construction administrative department for approval. Those enterprises passing the qualification examination should be awarded with corresponding levels of qualification certificates by the qualification examination department, which is produced by the construction administrative department of State Council. Those enterprises applying for provisional qualification certificate should possess the conditions not lower than level IV qualification.

Business scope of real estate development enterprises

Pursuant to the relevant provisions of Regulations on Administration of Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), enterprises of various qualification levels shall engage in the in real estate development and management within the prescribed business scope and shall not undertake tasks bypassing the levels. The level I qualification of real estate development enterprises can undertake the unrestricted construction scale of real estate construction across the country. The level II and lower levels of real estate development enterprises can undertake the development construction projects with the construction area less than 250,000 square meters. The specific range of business is determined by the competent construction administrative department of the people's governments of provinces, autonomous regions and municipalities directly under Central Government.

Pursuant to the relevant provisions of Rules for Implementation of Regulations on Administration of Qualifications of Real Estate Development Enterprises in Jiangsu Province (《江蘇省實施房地產開發企業資質管理規定細則》), the level I qualification of real estate development enterprises can undertake the unrestricted construction scale of construction of real estate development projects across the country. The level II qualification of real estate development enterprises can undertake the development construction projects across the province with the construction area less than 250,000 square meters but no restriction on the number of floors. The level III qualification of real estate development enterprises can undertake the development construction projects within the provincially administered municipality with the construction area less than 150,000 square meters and no more than 16 floors (including) of buildings. The level IV qualification of real estate development enterprises are restricted to engage in the real estate development in the villages and towns beyond the urban planning area, which can undertake the development construction projects with the construction area less than 50,000 square meters and no more than 7 floors of buildings (including). The real estate development enterprises that obtain the Provisional qualification certificate may engage in the corresponding level of qualification of development construction projects according to the standards approved by following the Provisional qualification certificate.

Pursuant to the relevant provisions of Regulations on Administration of Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), an annual inspection system is implemented for the qualification of real estate development enterprises. For enterprises that do not conform to the original qualification conditions or have adverse operating acts, their qualification certificates should be downgraded or canceled by the original qualification approval department. The annual inspection of qualification of level I qualification of real estate development enterprises should be under the charge of competent construction administrative department of State Council or its authorized authority. For the annual inspection of level II or below qualifications of real estate development enterprises, the competent construction administrative department of the provinces, autonomous regions and municipalities directly under the central government shall develop the administrative measures.

Pursuant to the relevant provisions of Rules for Implementation of Regulations on Administration of Qualifications of Real Estate Development Enterprises in Jiangsu Province (《江蘇省實施房地產開發企業資質管理規定細則》), an annual inspection system is implemented for the qualification of real estate development enterprises. The annual inspection of the qualification of real estate development enterprises shall follow the Measures for the Administration of Annual Inspection of Qualifications of Urban Real Estate Development Enterprises of Jiangsu Province (江蘇省城市房地產開發企業資質年檢管理辦法).

Under the Notice of the Ministry of Housing and Urban-Rural Development on further regulating the operation of real estate enterprises and maintaining the order of the real estate market (《住房城鄉建設部關於進一步規範房地產開發企業經營行為維護房地產市場秩序的通知》(建房[2016]223號)) promulgated on October 10, 2016, real estate administrative department will punish improper management behavior.

On July 29, 2016, the MOHURD, NDRC, MIIT, PBOC, SAT, SAIC, CBRC jointly issued Opinion on strengthening the management of real estate intermediary to promote the healthy development of the industry (《住房城鄉建設部等部門關於加強房地產仲介管理促進行業健康發展的意見》(建房[2016]168號)). The Opinion provided measures to strengthen the management of real estate intermediary, including (1) the agency shall not force the client to choose a designated financial institution; (2) Financial services should not be bundled with other services; (3) prohibit agency provide illegal financial products and services such as loan on down-payment.

Under the Provisions on the Release of Real Estate Advertisements (《房地產廣告發佈規定》(國家工商行政管理總局令第80號)) promulgated on December 24, 2015, An advertisement on real estate shall contain true information on the source of real estate, with the area thereof clarified as the gross floor area or the gross internal floor area, and shall not contain: (1) any commitment on appreciation or investment return; (2) any indication of the location of the project by the time needed from the project to a specific object of reference; (3) any violation of the provisions of the state on price management; (4) any misleading publicity on transport, commercial, cultural and educational, and other municipal facilities in planning or under construction; or (5) any undertaking that the advertiser may handle household registration, employment, admission to schools of a higher level, and other matters for purchasers.

Foreign Investment in Property Development

On July 11, 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Options on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (《關於規範房地產市場外資進入和管理的意見》(建住房[2006]171號)) (the “**171 document**”). The 171 document provides that: (i) foreign organizations and individuals who have established FIEs are allowed to invest and purchase non-self-resided real estate in China; branches of foreign organizations established in China and foreign individuals who work or study in China for over a year are eligible to purchase commercial houses which match their real needs for self-utilization or self-residence under their real names; (ii) foreign-invested real estate corporations can apply for the FIE approval certificate (外商投資企業批准證書) and business license (營業執照) only after they have paid back all the land premium and obtained the State-owned land use rights certificate; (iii) foreign investors shall pay off all the transfer price in a lump sum with their own funds if they acquire Chinese domestic real estate corporations; and (iv) by no means can Chinese or foreign investors make any commitment in any documents to guarantee a fixed return or fixed revenue in disguised form for any party in the contract.

On August 14, 2006, Commerce Department of PRC promulgated the Notification on Relevant Issues on Implementing “Opinions on Regulating Foreign Capital Admittance and Management in the Property Market” (《商務部辦公廳關於貫徹落實關於規範房地產市場外資准入和管理的意見有關問題的通知》). According to this Notification, foreign-capital-invested property enterprises with total investment exceeding or equal to US\$10 million or between US\$3 million and US\$10 million shall have its registered capital no less than 50% of the total investment while no less than 70% hereof when total investment less than or equal to US\$3 million. Foreign investors that merge domestic property enterprises through stock equity transfer and other means shall appropriately arrange staff members and deal with banking debts and pay off all transfer payment in a lump sum with its owned funds within three months since the issuing date of foreign-investment enterprise business license. Foreign investors that merge stock equity of the Chinese side in foreign-invested property enterprises shall appropriately arrange staff and deal with banking debts and pay off all considerations for transfer in a lump sum with its owned funds within three months since the issuing date of foreign-investment enterprise business license.

MOFCOM and SAFE jointly issued a Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the 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》) (“**No. 50 Notice**”) on May 23, 2007, which was amended on October 28, 2015. Under the Notice, local commercial authorities should reinforce the approval and supervision process over foreign-invested real estate enterprises, and strictly control foreign fund from investing in high-end real estate development projects. For foreign-invested company intending to engage in the property development business, the land use rights should be obtained, or at least has entered into pre-contract purchase agreement with the relevant land administrative authorities, land developers, or the owners of the house or other constructions, otherwise the proposed foreign-invested real estate company will not be approved by the authorities. For existing foreign-invested company who intends to expand its operations in its business operation or company who intends to engage in the operation or development of the new real estate project, they should undertake relevant procedures with the approval authority.

On August 19, 2015, the MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Notice on Adjusting the Policies on the Market Access and Administration of Foreign Investment in the Real Estate Market (《住房城鄉建設部、商務部、國家發展改革委、人民銀行、工商總局、外匯局關於調整房地產市場外資准入和管理有關政策的通知》建房[2015]122號), which provides that: (1) the proportion of the registered capital of a foreign-funded real estate enterprise to its total investment shall be governed by the Interim Provisions of the State Administration for Industry and Commerce on the Proportion of the Registered Capital of a Chinese-Foreign Equity Joint Venture to Its Total Investment (《國家工商行政管理局關於中外合資經營企業註冊資本與投資總額比例的暫行規定》工商企字[1987]第38號); (2) The requirement that foreign-funded real estate enterprises must fully pay up their registered capital to apply for domestic loans, overseas loans, and settlement of foreign exchange loans is cancelled; (3) foreign-funded real estate enterprises may, in accordance with the relevant provisions on foreign exchange administration, directly undergo the relevant foreign exchange registration under foreign direct investment with banks.

On June 18, 2008, MOFCOM issued the Notice Regarding the Registration for Foreign-Funded Real Estate Industry (《商務部關於做好外商投資房地產業備案工作的通知》(商資函[2008]23號)) (“**Circular 23**”), requiring that registration filings be preliminarily examined by the provincial branch of MOFCOM before submitting to MOFCOM for registration. Pursuant to Circular 23, MOFCOM may select approximately five to ten registered foreign-invested real estate enterprises as samples for test examinations in each quarter, and for any enterprise which is found to have failed to comply with current regulations, MOFCOM may inform SAFE and request their foreign currency registration and status be canceled.

In November 2010, MOFCOM promulgated the Notice on Strengthening Administration of the Approval and Registration of Foreign Investment into Real Estate Industry (《關於加強外商投資房地產業審批備案管理的通知》(商辦資函[2010]1542號)), which provides that, among other things, in the case where a real estate enterprise is established within the PRC with overseas capital, it is prohibited from purchasing and/or selling real estate properties completed or under construction within the PRC for arbitrage purposes. The local MOFCOM authorities are not permitted to approve investment companies to engage in real estate development and management.

On March 10, 2015, State Development and Reform Commission and Ministry of Commerce jointly issued a revised Catalogue of Industries for Guiding Foreign Investment (“**2015 Revision**”), which took effect on April 10, 2015, and provides, among other things, that the construction of golf course and villas is prohibited. The real estate enterprises with foreign investment can be established in the forms of Sino-foreign joint ventures, Chinese foreign cooperative ventures or wholly foreign-owned enterprises. Prior to the establishment of registration, enterprises are required to be approved by the competent commerce department and obtain the Certificate of approval for establishment of enterprises with foreign investment.

On June 24, 2014, MOFCOM and SAFE jointly issued the Circular Regarding the Improvement of Registration of Foreign-Invested Real Estate Industry (《關於改進外商投資房地產備案工作的通知》(商資函[2014]340號)), which adopts an electronic registration system to simplify the registration process and emphasizes the post-registration governance.

On November 6, 2015, the Ministry of Commerce and the State Administration of Foreign Exchange issued Notice on Further Improving the Recordation of Foreign Investment in Real Estate (《商務部、外匯局關於進一步改進外商投資房地產備案工作的通知》商資函[2015]895號), which provides that: (1) local competent departments of commerce at all levels shall approve the formation and modification of foreign-funded real estate enterprises; (2) the publication procedure for recordation on the website of the Ministry of Commerce shall be cancelled; (3) the Ministry of Commerce shall, on a quarterly basis, conduct a random check of foreign-funded real estate enterprises, and competent provincial departments of commerce shall, within five working days of receipt of the notice on random check, submit the approval materials of the enterprises subject to random check to the Ministry of Commerce.

On May 4, 2015, SAFE issued the Notice of the State Administration of Foreign Exchange on Repealing and Amending Relevant Regulatory Documents Involving the Reform of the Registration System for Registered Capital (《國家外匯管理局關於廢止和修改涉及註冊資本登記制度改革相關規範性檔的通知》(匯發檔的通知理局關於號)), which provide that (inter alia) (i) SAFE will not process a foreign debt registration of any foreign invested real estate enterprise which obtained its certificate of authorization and completed the filing procedures with MOFCOM on or after June 1, 2007; (ii) foreign invested real estate enterprises established prior to June 1, 2007 may borrow foreign debt up to an amount not exceeding the difference between its total investment and registered capital; and (iii) a foreign debt registration of any foreign invested real estate enterprise that has not obtained land use rights certificates, or whose paid-in capital for its development projects is less than 35% of the total investment of such projects, are not allowed to borrow foreign debt.

On May 10, 2013, SAFE issued the Notice on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發外國投資者境內直接投資外匯管理規定及配套文件的通知》)(匯發[2013]21號), effective as of May 13, 2013. This notice abolishes 24 previous regulations, and further simplifies and clarifies the Regulation of Foreign Exchange of Domestic Direct Investment by Foreign Investors.

Property Service Enterprises

Foreign-invested Property Service Enterprises

Pursuant to the provisions of Catalogs of Industries, the services of property management fall into such categories permitted foreign investment. Foreign-invested property service enterprises can be established in the forms of Sino-foreign joint venture, Chinese foreign cooperative venture or wholly foreign-owned. Prior to the establishment of registration, enterprises shall be approved by Competent Commerce Department and obtain certificate of approval (外商投資企業批准證書) for establishment of enterprises with foreign investment issued thereof.

PRC Deed Tax

Under the Provisional Regulation on the Deed Tax of the People's Republic of China (《中華人民共和國契稅暫行條例》(國務院令[第224號])) which took effect on October 1, 1997, deed tax applies to entities and individuals that accept the transfer of land-use and the ownership of houses within the territory of the PRC.

The transfer of land-use and the ownership of houses refer to the following acts:

- Assignment of the right to use state-owned land;
- Transfer of land-use rights, including the transfer by means of sale, gift and exchange, excluding the transfer of the right contract for the management of rural collective land;
- Purchase and sale of houses;
- Gift of houses; and
- Exchange of houses.

The transfer of land-use rights and the ownership of houses by means of the following methods are also deemed to be governed by the above regulation, as stipulated by the Implementation Rule of Provisional Regulation on the Deed Tax (《中華人民共和國契稅暫行條例細則》(財法字[1997]52號)):

- Using land-use rights ownership of a house as investment;
- Setting off debt with land-use rights and the ownership of house;
- Obtaining land-use rights and the ownership of a house as a prize; and
- Obtaining land-use rights and the ownership of a house by the way of purchasing in advance.

The rate of deed tax will within the range of 3-5%, be determined by the PRC government agencies of provincial, autonomous region and municipal level in light of the actual conditions of the underlying properties respective areas and shall be reported to the Ministry of Finance and the State Administration of Taxation.

The deed tax will be reduced or exempted under the following circumstances:

- For the acceptance of land and houses by state agencies, institutions, social organizations and military units for office, teaching, medical service, scientific research and military facilities, the deed tax will be exempted;
- For the initial purchase of state-owned residential houses by urban and township workers and staff members according to the provisions of relevant laws and regulations, the deed tax will be exempted;
- For the purchase of residential houses in replacement of houses damaged or destroyed due to force majeure, the tax will, upon approval, be reduced or exempted according to the circumstances; and
- Any other types of reduction or exemption provided by the Ministry of Finance.

Reduction or exemption of deed tax will not be applicable if the relevant land or house and the change of use is no longer within the above mentioned scope, and an amount of tax equivalent to the tax reduction or exemption should be paid.

On September 29, 2010, the Ministry of Finance, the Ministry of Construction and the State Administration of Taxation promulgated the Notice on Adjustment of the Deed Tax and Personal Income Tax Preferential Policies in Real Estate Transactions (《關於調整房地產交易環節契稅個人所得稅優惠政策的通知》(財稅[2010]94號)), which provides that deed tax rate is reduced to 1% for first-time individual buyer who purchases an ordinary residential property with a GFA of less than 90 sq.m. as the family's sole property.

On February 17, 2016, the Ministry of Finance, State Administration of Taxation, Ministry of Housing and Urban-Rural Development jointly issued Notice of the Ministry of Finance, the State Administration of Taxation, and the Ministry of Housing and Urban-Rural Development on Adjusting the Preferential Policies on Deed Tax and Business Tax during Real Estate Transactions (《財政部、國家稅務總局、住房城鄉建設部關於調整房地產交易環節契稅、營業稅優惠政策的通知》財稅[2016]23號), which provided that: (1) Where any housing unit with an area of 90 square meters or less is purchased by an individual as the only home of the family, the deed tax thereon shall be levied at the reduced tax rate of 1%; or where the area of the housing unit is more than 90 square meters, the deed tax thereon shall be levied at the reduced tax rate of 1.5%; and (2) Where an individual purchases his or her second housing unit with an area of 90 square meters or less for improving the current living conditions of his or her family, the deed tax shall be levied at the reduced tax rate of 1%; or where the area of the housing unit is more than 90 square meters, the deed tax thereon shall be levied at the reduced tax rate of 2%.

Income Tax

According to the EIT Law enacted by the NPC on March 16, 2007 and relevant implementation rules enacted by the State Council on December 6, 2007, both in effect from January 1, 2008 onwards, a uniform income tax rate of 25% will be applied towards PRC enterprises, foreign investment enterprises and foreign enterprises which have set up production and operation facilities in the PRC. The PRC EIT law also permits enterprises to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules, under which enterprises that were subject to an EIT rate of 15% prior to January 1, 2008 may continue to enjoy the lower rate and gradually transition to the new EIT rate within five years after the effective date of the PRC EIT Law, that is 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and the new statutory EIT rate of 25% from 2012 onwards. In addition, under the phase-out rules, enterprises established before the promulgation date of the PRC EIT Law and which were granted tax holidays (such as a two-year exemptions and five years of reduction by 50%) under the then effective tax laws or regulations may continue to enjoy their tax holidays until their expiration.

According to the implementation rules of the EIT Law, if an enterprise incorporated outside the PRC has its “de facto management body” located within the PRC, such an enterprise may be recognized as a PRC tax resident enterprise and subject to EIT at the rate of 25%. According to the PRC EIT Law, dividends received by a qualified PRC tax resident enterprise from another qualified PRC tax resident enterprises are exempted from EIT.

On March 6, 2009, the State Administration of Taxation promulgated the Measures for the Treatment of Enterprise Income Tax on Real Estate Development and Operation Business (《房地產開發經營業務企業所得稅處理辦法》(國稅發[2009]31號)), which was revised on June 16, 2014, and regulates the revenue, cost of sales, fees deduction, accounting of costs and tax treatment of specific matters of enterprises engaging in the real estate business in the PRC in relation to the imposition of corporate income tax.

Value-Added Tax

Under the Announcement of the State Administration of Taxation on issues concerning the refund of Business Income Tax on the liquidation of land Value-Added Tax on real estate development enterprises(《國家稅務總局關於房地產開發企業土地增值稅清算涉及企業所得稅退稅有關問題的公 告》(國家稅務總局公告2016年第81號)) promulgated on December 9, 2016, enterprises can apply for tax refund if they have paid extra Business Income Tax due to the liquidation of land Value-Added Tax.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Clarifying the Value-added Tax Policies on Finance, Real Estate Development and Educational Auxiliary Services (《財政部、國家稅務總局關於明確金融、房地產開發、教育輔助服務等增值稅政策的通知》(財稅[2016]140號)) issued on December 21, 2016, the compensation costs paid in order to obtain the land can be deducted in calculation of sales.

Under the Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Valued-Added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》(財稅 [2016]36號)) promulgated on March 23, 2016, and came into force on May 1, 2016, (1) where a taxpayer conducts any taxable act, the tax rate shall be 6%, except when the taxpayer falls within the scope of the circumstance as prescribed in the following items (2), (3) or (4); (2) where a taxpayer provides transportation, postal services, basic telecommunications, construction or immovable property leasing services, sells any immovable property, or transfers the right to use land, the tax rate shall be 11%; (3) where a taxpayer provides tangible movable property leasing services, the tax rate shall be 17%; (4) for a cross-border taxable act conducted by an entity or individual within the territory of China, the tax rate shall be zero (specific scope shall be provided for separately by the Ministry of Finance and the State Administration of Taxation); and (5) where any individual sells a residential property held for less than two years after the day of purchase, a 5% value-added tax thereon shall be collected in full amount; where any individual sells a residential property held for two years or longer after the date of purchase, the value-added tax thereon shall be exempt. The preferential policy shall not be implemented in Beijing, Shanghai, Guangzhou, and Shenzhen. In Beijing, Shanghai, Guangzhou, and Shenzhen, where any individual sells a residential property held for less than two years after the day of purchase, a 5% value-added tax thereon shall be collected in full amount; where any individual sells an ordinary residential property held for two years or longer after the date of purchase, the value-added tax thereon shall be exempt; where any individual sells a non-ordinary residential property held for two years or longer after the date of purchase, a 5% value-added tax will be levied on the difference between sales income and purchase price.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Valued-Added Tax, State Administration of Taxation promulgated the Interim Measures for the Collection of Value-Added Tax on the Sale of Self-Developed Real Estate Projects by Real Estate Developers (《房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法》(國家稅務總局公告 2016年第 18號)), which came into force on May 1, 2016 and provides that: (1) a real estate developer who sells any self-developed real estate project by means of collecting prepayments shall prepay value-added tax at the pre-levy rate of 3% upon receipt of prepayments; and (2) where the general tax computation method applies, tax pre-payable shall be calculated at the applicable tax rate of 11%; and where the simple tax computation method applies, tax pre-payable shall be calculated at the levy rate of 5%.

For the transition period, prior to May 1, 2016, the sale of properties is subject to business tax, which is levied at 5% when the companies receive advances from customers. Such payment of taxes, together with the relevant surcharges, is recorded as prepaid business tax and surcharges before the relevant revenue is recognized. Effective from May 1, 2016, the sale of properties is subject to value-added tax. Under the general value-added tax method, the companies are subject to 11% value-added tax on value-added amount. Qualified old construction projects, which are those with construction commenced on or before April 30, 2016, however, has an alternative to elect a simplified value-added tax method, which is 5% on sales with no deduction of input value-added tax. The companies prepay value-added tax at 3% or 5% when receiving advances from customers and during the two months up to June 30, 2016, such payment is recorded as prepaid value-added tax before the relevant revenue is recognized.

Land Appreciation Tax

Under the LAT Regulation promulgated by the State Council on December 13, 1993 and revised on January 8, 2011, and its implementation rules, LAT applies to both domestic and foreign investors, irrespective of whether they are corporate entities or individuals. LAT is payable on the appreciation in value representing the balance of the proceeds received on sales, after deducting various prescribed items. LAT is charged at progressive rates ranging from 30% to 60%. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land-use rights and the costs of land development and the construction of new buildings or related facilities. An exemption from payment of LAT may be available if the taxpayer constructs ordinary residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC law. If, however, the appreciation amount exceeds 20% of the sum of allowable deductions, such an exemption is not available and the taxpayer will be liable to LAT on the full appreciation amount, after taking account of the allowable deductions. The allowable deductions include the following items:

- Payment made to acquire land-use rights;
- Costs and expenses related to land development and the construction of the properties;
- Construction costs and charges in the case of newly constructed buildings and structures;
- Taxes in connection with the transfer of real estate; and
- Other items stipulated by the Ministry of Finance (including 20% deduction of the first two items mentioned above in relation to property development).

LAT is charged at progressive rates ranging from 30% to 60 of the appreciation value (i.e., the balance as described above).

Appreciation value	LAT rates (%)
	(Years)
For the portion	
Not exceeding 50% of allowable deductions	30
Over 50% but not more than 100% of allowable deductions	40
Over 100% but not more than 200% of allowable deductions	50
Over 200% of allowable deductions	60

An exemption from payment of LAT may be available if the taxpayer constructs ordinary standard residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC law.

According to the implementation rules of LAT Regulation, a provision of LAT may be made before the completions of construction of the tax payer transfers the proceeds of pre-sale. The provision rate may be determined by Local government subject to the minimum requirement set forth by the State Administrative of Taxation.

Urban Land-use Tax

Pursuant to the Provisional Regulation Governing Land-Use Tax in Cities and Towns of the People's Republic of China (《中華人民共和國城鎮土地使用稅暫行條例》)(國務院令第645號) enacted by the State Council on September 27, 1988 and revised on December 31, 2006 and on December 7, 2013, land-use taxes in respect of urban land is to be levied according to the area of relevant land. The annual tax shall be between RMB0.2 and RMB10 per sq.m. of urban land. According to the Approval on Land-use Tax Exemption of Foreign Investment Enterprises (《關於外商投資企業徵免土地使用稅問題的批覆》(國稅函[1997]162號)) issued by the State Administration of Taxation on March 27, 1997, land-use fees instead of land-use taxes were to be collected from foreign invested enterprises. However, the Provisional Regulation Governing Land-use Tax in Cities and Towns of the People's Republic of China (《中華人民共和國城鎮土地使用稅暫行條例》)(國務院令第588號) was revised by the State Council on December 31, 2006. As of January 1, 2007, land-use taxes are to be collected from foreign-invested enterprise. The annual tax is between RMB0.6 and RMB30.0 per sq.m. of urban land.

On June 1, 2007, the State Administration of Taxation promulgated the Approval on Levy of Urban Land-use Tax of Foreign Investment Enterprises and Foreign Enterprise (《關於外商投資企業和外國企業徵收城鎮土地使用稅問題的批覆》(國稅函[2007]596號)) and restated the above points.

Under the Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of the Preferential Policies for Property Tax and Urban Land Use Tax on Agricultural Product Wholesale Markets and Farmers' Markets (《財政部、國家稅務總局關於繼續實行農產品批發市、農貿市場房產稅城鎮土地使用稅優惠政策的通知》財稅[2016]1號) issued on January 13, 2016, the buildings and land used by agricultural product wholesale markets and farmers' markets in which only agricultural products are sold shall be exempted from property tax and urban land use tax for the time being. For the buildings and land used by agricultural product wholesale markets and farmers' markets in which other products are sold at the same time, the exemption of property tax and urban land use tax shall be determined based on the ratio of the areas used for the trading of other products to those used for the trading of agricultural products.

Real Estate Tax

Before January 1, 2009, there are two parallel tax systems in China for enterprises engaged in real estate development and investment in China. Such tax applicable for domestic enterprises, organizations and individuals is real estate tax which is calculated on the remaining original book value of the real estate after 10% to 30% deductions of the original book value depending on where the real estate is located, at a rate of 1.2%, or on the rental income derived by the real estate at a rate of 12% according to the Provisional Rules on Real Estate Tax of the People's Republic of China (《中華人民共和國房產稅暫行條例》) promulgated by the State Council on September 15, 1986 and revised on January 8, 2011.

By issuance of PRC State Council Order 546 (中華人民共和國國務院令2008第546號) on December 31, 2008, the State Council unifies the two parallel real estate tax systems by abolishing the urban real estate tax. Starting from January 1, 2009, all enterprises, organizations and individuals that own or use real estate in China shall subject to real estate tax by using the calculation method as mentioned in the Provisional Rules on Real Estate Tax of People's Republic of China (《中華人民共和國房地產稅暫行條例》).

Stamp Duty

Under the Provisional Regulation on Stamp Duty of the People's Republic of China (《中華人民共和國印花稅暫行條例》(國務院令第588號)) promulgated by the State Council on August 6, 1988 and revised on January 8, 2011, for property rights transfer instruments, including those in respect of property ownership transfer, the rate of stamp duty shall be 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 shall be levied on an item basis of RMB5 per item.

Urban Maintenance and Construction Tax and Educational Surcharge

Under the Provisional Regulation on Urban Maintenance and Construction Tax of the People's Republic of China (《中華人民共和國城市維護建設稅暫行條例》(國務院令第588號)) promulgated by the State Council on February 8, 1985, and revised on January 8, 2011, any taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall be required to pay urban maintenance and construction 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.

Under the Provisional Provisions on Imposition of Education Surcharge (《徵收教育費附加的暫行規定》) promulgated by the State Council on April 28, 1986 and revised on June 7, 1990 and August 20, 2005, and on January 8, 2011 respectively, a taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall pay an education surcharge at a rate of 3% on the total amount of consumption, value-added tax or business tax paid by such entity, unless such obliged taxpayer is instead required to pay a rural area education surcharge as stipulated under the Notice of the State Council on Raising Funds for Schools in Rural Areas (《關於籌措農村學校辦學經費的通知》).

DIRECTORS AND SENIOR MANAGEMENT

The Board is responsible for and has general powers over the management and conduct of our business. The table below shows certain information in respect of members of our Board.

Name	Age	Position
Wang Zhenhua	53	Chairman and Executive Director
Lv Xiaoping	55	Executive Director and Chief Executive Officer
Lu Zhongming	43	Executive Director
Liu Yuanman	59	Executive Director
Chan Wai Kin	35	Executive Director
Wang Xiaosong	28	Non-Executive Director
Chen Huakang	63	Independent Non-Executive Director
Zhong Wei	47	Independent Non-Executive Director
Zhu Zengjin	52	Independent Non-Executive Director

Executive Directors

Wang Zhenhua (王振華), or Chairman Wang, aged 53, is our chairman and executive director. He was our chief executive officer and resigned on January 7, 2016. Chairman Wang began engaging in property development business in China in 1993 when he joined Wujin Xincheng Investment and Construction Development Co., Ltd. (武進市新城投資建設開發公司) and participated in the development of Zhong Liang Town Phase 1 (中涼城第1期), and gained valuable experience in construction and project management. Chairman Wang founded the business of our Group and has been the chairman of the board of directors of Future Land Holdings since 1996. In 2001, Chairman Wang became chairman of the board of directors of Jiangsu Future Land, a former subsidiary of our Group that engaged principally in residential property development and the B shares of which were listed on the Shanghai Stock Exchange (Stock code: 900950) before it was absorbed and merged by Future Land Holdings by way of share swap. In 2008, Chairman Wang founded Future Land Wanbo, which focuses on the development of mixed-use complex project. Chairman Wang graduated from Jiangsu Broadcast and Television University (江蘇廣播電視大學) with a diploma in mechanical engineering in August 1983, and from Cheung Kong Graduate School of Business (長江商學院) with an EMBA degree in July 2005. Chairman Wang currently serves as an executive committee member of the All-China Federation of Industry and Commerce (中華全國工商業聯合會), and as a vice-president of China Real Estate Chamber of Commerce (中華全國工商業聯合會房地產商會). In 2010, Chairman Wang was named “National Model Worker” by the State Council.

Lv Xiaoping (呂小平), aged 55, is our executive director and the chief executive officer. Mr. Lv joined our Group in 2001 and has been appointed as a non-executive director since November 2012. Mr. Lv served as the vice president of Future Land Holdings between September 2001 and August 2004. From August 2004 to January 2013, Mr. Lv was a director and the president of Jiangsu Future Land, principally responsible for the overall management of its residential property development business. Mr. Lv was the vice chairman of Jiangsu Future Land from February 2013 till Jiangsu Future Land was absorbed and merged by Future Land Holdings by way of share swap. Mr. Lv graduated from Naval University of Engineering with a bachelor’s degree in engineering in 1983. Mr. Lv graduated from China European International Business School with an MBA degree in 2007. Prior to joining our Group, Mr. Lv worked in Changchai Company Limited, a company listed on the Shenzhen Stock Exchange (Stock code: 000570) between 1987 and 2001 and served as the secretary to the board of directors and head of investment, where he was responsible for business development and investment strategies.

Lu Zhongming (陸忠明), aged 43, is currently the executive director and a member of the nomination committee of the Company (the “**Nomination Committee**”), overseeing the accounting and finance functions of the Group. Mr. Lu joined the Group in 2001 and has served as the finance general manager of Jiangsu Future Land between June 2002 and May 2010, a director of Jiangsu Future Land from May 2010 till Jiangsu Future Land was absorbed and merged by Future Land Holdings by way of share swap, deputy general manager of Future Land Holdings between June 2010 and March 2015 and a supervisor of Future Land Holdings since December 2015. Mr. Lu obtained his master degree in business administration from Tongji University (同濟大學) in December 2013. Prior to joining the Group, Mr. Lu served as the deputy head of finance and audit department of Jiangsu Wuling Diesel Engines Holdings Co., Ltd* (江蘇五菱柴油機股份有限公司) (acquired by Future Land Holdings in 2001) between 1998 and 2001.

Liu Yuanman (劉源滿), aged 59, is our executive director and head of the strategic investment center. Mr. Liu joined our Group in 2006 and was appointed as a vice president of Future Land Wanbo in 2010 and vice president of Future Land Holdings in 2011. Mr. Liu is responsible for the engineering and construction of our Group's mixed-use complexes. Mr. Liu graduated from Changzhou Construction Vocational University (常州市建築職工大學) with a diploma in industrial and civil engineering in May 1984. Prior to joining our Group, Mr. Liu worked in Changzhou Marine Products Co., Ltd. (常州市水產公司) between 1984 and 1995 and served as general manager and chairman of Changxin Real Estate Development Co., Ltd. (常信房地產開發有限公司) between 1995 and 2002 and general manager of Wuxi Jintaihu Real Estate Limited Company (無錫金太湖房地產開發有限公司) between 2003 and 2006, where he was responsible for the overall business of the company and gained valuable experience in project management. Mr. Liu qualified as a civil engineer in 2000.

Chan Wai Kin (陳偉健), aged 35, has been appointed as our executive director and a member of the remuneration committee (the **"Remuneration Committee"**) and joint company secretary of the Company to be effective from 30 March 2015. Mr. Chan has over 10 years of experience in accounting and financial matters. Mr. Chan served as the chief financial officer, the company secretary, and the authorized representative of Times Property Holdings Ltd., a company incorporated in the Cayman Islands and the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) (Stock Code: 1233), from February 2014 to 8 March 2015. During this period, Mr. Chan was mainly responsible for financial reporting and investors related matters. Mr. Chan also served as the executive director, the chief financial officer, and the company secretary of Golden Wheel Tiandi Holdings Company Limited (**"Golden Wheel"**), a company incorporated in the Cayman Islands and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1232), from April 2012 to September 2013. During this period, Mr. Chan was mainly responsible for overseeing the financial management and regulatory compliance. Mr. Chan served as the non-executive director of Golden Wheel from 27 September 2013 to 28 February 2014. He worked as an auditor at Deloitte Touche Tohmatsu from December 2005 to August 2010, and an auditor manager at KPMG from August 2010 to October 2011. Mr. Chan obtained a bachelor degree in business science from Indiana University Bloomington in the United States in May 2005. He has been a member of the Hong Kong Institute of Certified Public Accountants since July 2009.

Non-Executive Directors

Wang Xiaosong (王曉松), aged 28, is our non-executive director. Mr. Wang is the son of Chairman Wang, executive director and controlling shareholder of the Company. Mr. Wang joined Jiangsu Future Land in 2009 as civil engineer and subsequently as project manager. Between November 2011 and January 2013, Mr. Wang became the vice president and general manager of the marketing department of Jiangsu Future Land where he was responsible for and gained valuable experience in sales and market research. Mr. Wang served as president of Jiangsu Future Land from February 2013 till Jiangsu Future Land was absorbed and merged by Future Land Holdings by way of share swap, and was responsible for its general management. In addition, since April 2013 till Jiangsu Future Land was absorbed and merged by Future Land Holdings by way of share swap, Mr. Wang has been a director of Jiangsu Future Land. Mr. Wang graduated from Nanjing University (南京大學) with a bachelor's degree environmental sciences in 2009.

Independent Non-Executive Directors

Chen Huakang (陳華康), aged 63, is our independent non-executive director. Mr. Chen joined our Group in November 2012. Mr. Chen was awarded a certificate in Modern Economic Management Professional Studies (現代經濟管理專業學習) by Beijing Economic Management College (北京經濟管理函授學院) in 1988. Mr. Chen has been a certified public accountant in China since 1998 and a registered expert consultant in Jiangsu province (江蘇省註冊諮詢專家) since 2004. Mr. Chen has over 40 years of experience in the field of accounting. Mr. Chen worked in the Accounting Department of County Community Enterprise (社隊企事業) between 1972 and 1981, and became the head of the finance department in Anjiaxiang District (安家鄉), Wujin County (武進縣) between 1981 and 1987. Between 1987 and 1995, Mr. Chen served as head of the finance department of Xinqiao District (新橋區), Wujin County. Mr. Chen is and has been serving as the principal accountant and managing partner of Jiangsu Wujin Certified Public Accountants (江蘇武晉會計師事務所), a registered PRC accounting firm in Jiangsu province, since 1995. Mr. Chen also served as managing partner of Wujin Assets Valuation Association (武進資產評估事務所) between 1995 and 2000, and is and has been the president of Changzhou Jieling Investment Management Consultant Limited (常州傑靈建設投資管理諮詢有限公司)

since 2004. Mr. Chen served as independent director of Jiangsu Future Land between May 2002 and May 2010 and the independent director of Jiangsu Shunfeng Photovoltaic Co., Ltd. (江蘇順風光電科技有限公司) between 2009 and May 2012.

Zhong Wei (鍾偉), aged 47, is our independent non-executive Director and a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Zhong has been a professor at the Department of Economics and Business Administration, Beijing Normal University since July 1999. Mr. Zhong worked as a lecturer at the Business School of Jiangnan University from July 1994 to July 1997. Mr. Zhong also served as an assistant engineer at Wuxi Alarm Devices Factory (無錫報警設備廠) from July 1990 to July 1992. Mr. Zhong served as an independent director for Dongxing Securities Co., Ltd. since July 2011, which principally provides securities dealings and related services. Mr. Zhong also served as an independent director for Fudian Bank Co., Ltd. since September 2012, which principally offers commercial and investment banking services. Mr. Zhong graduated from Nanjing University in 1990 majoring in applied physics and from Southeast University in 1994 majoring in industrial economics management. Mr. Zhong received his doctorate degree in 1999 from Beijing Normal University majoring in international economics. Between September 2001 and July 2004, Mr. Zhong engaged in postdoctoral research in management science at Tongji University.

Zhu Zengjin (朱增進), aged 52, is our independent non-executive director. Mr. Zhu joined our Group in November 2012. Mr. Zhu graduated from Nanjing University (南京大學) with a bachelor's degree in law in 1985 and from Beijing University (北京大學) with an EMBA degree in 2005. Mr. Zhu was designated as a visiting scholar in law to New York University (紐約大學) in the United States between 1998 and 1999. Mr. Zhu was the head of the business department between July 1985 and August 1998 and the deputy head and partner between August 1999 and August 2009 of Jiangsu C&T Partners Law Firm (江蘇世紀同仁律師事務所) respectively. Mr. Zhu was also a listing committee member of the GEM Board of the China Securities Regulatory Commission (中國證監會創業板發審委委員) between August 2009 and August 2011. Since January 2002, Mr. Zhu has been a committee member of the Jiangsu Province All China Lawyers Association in Securities Law (江蘇省全國律師協會公司證券法委員會委員) and has been recognized as a Well Known Lawyer in Jiangsu Province (江蘇知名律師) by the association. Mr. Zhu has served as an independent director of two listed companies in the PRC, namely Ningbo Yunsheng Co., Ltd. (寧波韻升股份有限公司) (Stock Code: 600366) and Bank of Nanjing Co., Ltd (南京銀行股份有限公司) (Stock Code: 601009), since March 2012 and June 2012, respectively, and three other non-listed PRC companies, namely, Guolian Trust Co., Ltd (國聯信託股份有限公司), Institute of Architectural Design Co., Ltd (蘇州設計院股份有限公司) and Jiangnan Rural Commercial Bank Co., Ltd (江南農村商業銀行) since June 2008, September 2009 and June 2012, respectively.

Senior Management

Xu Guoping (徐國平), aged 60, is the vice president and a director of Future Land Holdings responsible for the construction and engineering of residential property development. Mr. Xu has been working in our group for over 15 years, and during this period he has gained extensive experience in construction, engineering and project management. Mr. Xu joined our Group in 1996. Between 1996 and 2001, Mr. Xu served as vice general manager of Jiangsu Future Land, responsible for project management in Wujin area. Since 2001 till Jiangsu Future Land was absorbed and merged by Future Land Holdings by way of share swap, Mr. Xu served as vice president and director of Jiangsu Future Land. Between 2001 and 2004, he was responsible for the development of several residential property projects in Changzhou. From 2004 to the present, Mr. Xu has been responsible for engineering, cost management and procurement. Prior to joining our Group, Mr. Xu worked at Wujin Process Design Institute (武進工藝美術廠) between 1974 and 1995, and served as head of the institute between 1993 and 1995, where he was responsible for the overall business and operation, and gained valuable experience in management.

Guo Nannan (郭楠楠), aged 38, is assistant president of Future Land Holdings. Ms. Guo joined the Company in 2007, and worked successively as sales manager and assistant general manager of marketing and sales department, assistant general manager, deputy general manager and general manager of Nanjing Branch of Jiangsu Future Land, and general manager of marketing and sales center. Prior to joining the Company, Ms. Guo served as manager assistant of operating department of Jiangsu Yongji Property Management Co., Ltd. (江蘇永基物業管理有限公司) from 2000 to 2002, and project and sales manager of Jiangsu Liangjiweiye Real Estate Investment and Consulting Co., Ltd. (江蘇良基偉業房地產投資顧問公司) from 2002 to 2007. Ms. Guo graduated from Hehai University in July 2003.

Qi Xiaoming (戚小明), aged 47, is the assistant president of Future Land Holdings. He joined our Group in 2002 and has assumed various positions within our Group. Mr. Qi is also the general manager of Changzhou Future Land. Mr. Qi graduated from Hefei University of Technology (合肥工業大學) with a bachelor degree in engineering in 1992. Between 1992 and 2001, Mr. Qi held various senior management positions in Changzhou Passenger Trucks Manufacturing Plant (常州客車製造廠), including vice office manager responsible for general office affairs. Mr. Qi served as office manager of Wujing Branch of Pingan Insurance (Group) Limited Company of China (中國平安保險公司武進公司) between 2001 and 2002.

Joint Company Secretaries

Mr. Chan Wai Kin is one of our joint company secretaries. See the paragraph headed “– Executive Director” for his biography.

Ms. Mok Ming Wai (莫明慧), aged 43, is a director of KCS Hong Kong Limited, an external corporate secretarial and accounting services provider in Hong Kong. She has over 15 years of professional and in-house experience in the field of company secretarial services. Prior to joining KCS Hong Kong Limited, Ms. Mok worked in the Corporate Services Division of KPMG Hong Kong and acted as the company secretary for two companies listed on the Main Board of the Stock Exchange. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

Board Committee

Audit Committee

Our audit committee consists of three independent non-executive directors including Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei. The audit committee is chaired by Mr. Chen. The primary duties of the audit committee is to assist the Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

Remuneration Committee

Our remuneration committee consists of three members, namely Mr. Zhu Zengjin, Mr. Chan Wai Kin and Mr. Zhong Wei, our independent non-executive directors and Mr. Chan Wai Kin, our executive director. Two of the committee members are our independent non-executive directors. The remuneration committee is chaired by Mr. Zhu. The primary duties of the remuneration committee include:

- making recommendations to our directors on our policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration;
- determining the terms of the specific remuneration package of our directors and senior management;
- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our directors from time to time; and
- considering and approving the grant of share options to eligible participants.

Nomination Committee

Our nomination committee consists of three members, namely Mr. Zhu Zengjin, Mr. Lu Zhongming, and Mr. Zhongwei. The chairman of the nomination committee is Mr. Zhu. The primary function of the nomination committee is to make recommendations to our Board to fill board vacancies.

Compensation of Directors and Senior Management

Our executive directors receive, in their capacity as our employees, compensation in the form of salaries, bonus and other allowances and benefits in kind, including our contribution to the pension scheme for our executive directors, in their capacity as employees, according to the law of the relevant jurisdiction.

The aggregate amount of remuneration (including fees, salaries, performance related bonus, retirement scheme contributions and pre-IPO share award scheme) paid to our directors for the years ended December 31, 2013, 2014 and 2015 was approximately RMB31.0 million, RMB26.2 million and RMB25.7 million, respectively.

The aggregate amount of remuneration (including basic salaries, housing allowances, pre-IPO share award scheme, other allowances and benefits in kind) paid to our five highest paid individuals for the years ended December 31, 2013, 2014 and 2015 was approximately RMB26.5 million, RMB22.2 million and RMB22.6 million, respectively.

In the three years ended December 31, 2013, 2014 and 2015 and for the six months ended June 30, 2016, we did not pay 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. No director has waived or has agreed to waive any emoluments during the same year.

PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of our Shares as of June 30, 2016 by those persons who beneficially own more than 5% of our outstanding shares and underlying shares, as recorded in the register maintained by us pursuant to Part XV of the SFO.

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Chairman Wang ⁽¹⁾	Founder of a discretionary trust	4,105,450,000	72.56%
Standard Chartered Trust (Singapore) Limited ⁽¹⁾	Trustee	4,105,450,000	72.56%
SCTS Capital Pte. Ltd. ⁽¹⁾	Nominee	4,105,450,000	72.56%
Infinity Fortune Development Limited ⁽¹⁾	Interest in a controlled corporation	4,105,450,000	72.56%
First Priority Group Limited ⁽¹⁾	Interest in a controlled corporation	4,105,450,000	72.56%
Wealth Zone Hong Kong Investments Limited ⁽²⁾	Beneficial owner	4,105,450,000	72.56%

(1) Standard Chartered Trust (Singapore) Limited, as trustee of the Hua Sheng Trust, was established by Chairman Wang in favor of his family members. Standard Chartered Trust (Singapore) Limited indirectly held 100% of the issued share capital of Infinity Fortune Development Limited through its nominee SCTS Capital Pte. Ltd., which in turn held 100% of the issued share capital of First Priority Group Limited.

(2) Wealth Zone Hong Kong Investments Limited is wholly owned by First Priority Group Limited.

RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between our consolidated subsidiaries and our directors, executive officers and substantial shareholders and, in each case, the companies with whom they are affiliated.

As a listed company on the Hong Kong Stock Exchange, we are subject to the requirements of Chapter 14A of the Listing Rules which require certain “connected transactions” with “connected persons” be approved by a company’s independent shareholders. Each of our related party transactions disclosed hereunder that constitutes a connected transaction within the meaning of the Listing Rules requiring shareholder approval has been so approved, or otherwise exempted from compliance under Chapter 14A of the Listing Rules.

The following table sets forth certain material transactions between us and our related parties for the years and periods indicated:

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB) (unaudited)	(RMB) (unaudited)	(US\$) (unaudited)
(in thousands)						
Transactions with related parties						
<i>(i) Fundings to related parties</i>						
Qingdao Zhuoyue Future Land Property Co., Ltd.	–	–	853,392	594,893	454,340	68,364
Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	1,697,352	1,718,312	405,300	1,638,000	246,468
Atlantic Modular System Ltd.	–	–	30,000	47,000	–	–
Shanghai Henggu Real Estate Development Co., Ltd.	–	–	11,200	11,200	–	–
Shanghai Songming Real Estate Co., Ltd.	–	–	28,320	7,520	3,532	531
Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	–	22,725	–	–	–
Shanghai Sheshan Country Club Co., Ltd.	–	–	1,910,000	–	1,207,460	181,685
Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	–	–	822,868	–	145,780	21,935
Changzhou Wujin District Jindongfang Care Centre	–	–	462,856	–	12,000	1,806
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	–	–	287,366	–	1,052,872	158,424
Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	434,000	202,000	–	627,459	94,413
Changshu Zhongzhi Real Estate Co., Ltd.	–	–	153,050	–	15,181	2,284
Kunshan Derui Real Estate Co., Ltd.	–	–	148,010	–	30,928	4,654
Yiwu Injoy Real Estate Development Co., Ltd.	–	–	17,055	–	398,849	60,014
Tianjin Xincheng Injoy Real Estate Co., Ltd.	–	–	–	–	440,173	66,232
Shanghai Wan Zhi Cheng Real Estate Co., Ltd.	–	–	–	–	40,000	6,019
Suzhou Chenghong Real Estate Development Co., Ltd.	–	–	–	–	444,535	66,889
Hangzhou Jiahao Real Estate Co., Ltd.	–	–	–	–	515,000	77,491
Shanghai Ruitao Real Estate Co., Ltd.	–	–	–	–	701,270	105,519
Suzhou Baixiang Real Estate Co., Ltd.	–	–	–	–	140,075	21,077
Suzhou Shengming Real Estate Co., Ltd.	–	–	–	–	322,849	48,579
Shanghai Xincheng Xudi Real Estate Co., Ltd.	362,565	–	–	–	–	–
	362,565	2,131,352	6,667,154	1,065,913	8,190,303	1,232,384
<i>(ii) Fundings from related parties</i>						
Qingdao Zhuoyue Future Land Property Co., Ltd.	–	–	1,095,500	595,500	515,000	77,491
Atlantic Modular System Ltd.	–	–	–	45,000	–	–
Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	3,403,999	3,329,600	737,000	2,209,034	332,390
Shanghai Xincheng Xudi Real Estate Co., Ltd.	–	435,000	70,000	70,000	–	–
Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	153,250	1,665,290	864,610	714,706	107,541
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	–	–	1,825,000	–	1,140,536	171,615
Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	–	–	1,573,000	–	102,595	15,437
Changzhou Wujin District Jindongfang Care Centre	–	–	–	–	63,980	9,627
Changshu Zhongzhi Real Estate Co., Ltd.	–	–	608,050	–	208,017	31,300
Kunshan Derui Real Estate Development Co., Ltd.	–	–	330,910	–	–	–
Kunshan Derui Real Estate Co., Ltd.	–	–	–	–	200,000	30,094
Shanghai Henggu Real Estate Development Co., Ltd.	–	–	107,650	–	11,200	1,685
Shanghai Songming Real Estate Development Co., Ltd.	–	–	66,720	–	4,800	722
Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	–	29,989	–	68,000	10,232
Tianjin Xincheng Injoy Real Estate Co., Ltd.	–	–	–	–	48,000	7,222

	Year ended December 31,			Six months ended June 30,		
	2013	2014	2015	2015	2016	
	(RMB)	(RMB)	(RMB)	(RMB) (unaudited)	(RMB) (unaudited)	(US\$) (unaudited)
	(in thousands)					
Suzhou Chenghong Real Estate Development Co., Ltd.	–	–	20,000	–	334,068	50,267
Hangzhou Jiahao Real Estate Co., Ltd.	–	–	–	–	195,000	29,341
Shanghai Ruitao Real Estate Co., Ltd.	–	–	–	–	497,670	74,884
Suzhou Shengming Real Estate Co., Ltd.	–	–	–	–	217,118	32,669
Shanghai Sheshan Country Club Co., Ltd.	–	–	–	–	1,041,330	156,688
Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	–	–	–	–	154,463	23,242
Nanjing Xincheng Guanghong Real Estate Co., Ltd.	–	–	–	–	33,741	5,077
Yiwu Injoy Real Estate Development Co., Ltd.	–	–	–	–	881,971	132,709
Shanghai Sheshan Country Club Co., Ltd.	–	–	874,330	–	–	–
Shanghai Wan Zhi Cheng Real Estate Co., Ltd.	230,000	110,000	80,000	–	–	–
	230,000	4,102,249	11,676,039	2,312,110	8,641,229	1,300,235
(iii) Payments on behalf of related parties						
Yiwu Injoy Real Estate Development Co., Ltd.	–	–	756,750	–	–	–
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	–	–	569,000	–	–	–
Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	–	–	180,000	–	–	–
Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	–	–	–	–	809,000	121,729
Nanjing Xincheng Guanghong Real Estate Co., Ltd.	–	–	–	–	291,477	43,858
Changshu Zhongzhi Real Estate Co., Ltd.	–	–	288,863	288,863	–	–
Kunshan Derui Real Estate Co., Ltd.	–	–	131,100	131,100	–	–
Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	–	79,977	79,977	–	–
Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	1,501,753	–	–	–	–
Qingdao Zhuoyue Future Land Property Co., Ltd.	–	433,780	–	–	–	–
Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	386,906	–	–	–	–
	–	2,322,439	2,005,690	499,940	1,100,477	165,587
Provides project management services to joint ventures						
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	–	–	–	–	10,552	1,588
Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	–	–	–	–	7,896	1,188
Kunshan Derui Real Estate Co., Ltd.	–	–	–	–	11,751	1,768
Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	–	–	–	12,044	1,812
Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	–	–	–	–	4,636	698
Shanghai Songming Real Estate Co., Ltd.	–	–	–	–	3,332	501
Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	–	–	–	3,051	459
Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	–	–	–	6,724	1,012
	–	–	–	–	59,986	9,026
Accepts property management services provided by an entity under a previous subsidiary after disposal						
Tibet Future Land Property Management Co., Ltd.	–	–	–	–	14,322	2,155
Disposal of a subsidiary						
Wealth Zone Hong Kong Investments Limited	–	–	–	–	319,615	48,092
Sales of services						
Shanghai Wan Zhi Cheng Real Estate Co., Ltd.	3,240	1,870	–	–	–	–
Gain from transaction with non-controlling interests						
Mr. Wang and Mr. Wang Xiaosong	246,942	184,145	–	–	–	–
Key management compensation						
Salaries and other short-term employee benefits	45,263	41,459	39,974	14,992	15,559	2,341
Post-employment benefits	–	–	–	379	396	60
	45,263	41,459	39,974	15,371	15,955	2,401

The following tables set forth a summary of the guarantees provided by us to our related parties and the equity interests pledged by us for our related parties as of June 30, 2016.

<u>Guaranteed party</u>	<u>Guarantee amount</u> (RMB'000)	<u>Guarantee beginning date</u>	<u>Guarantee ending date</u>
Yiwu Injoy Real Estate Development Co., Ltd.	250,000	January 8, 2016	January 7, 2018
Suzhou Chenghong Real Estate Development Co., Ltd.	285,000	January 31, 2016	August 31, 2018
Changshu Zhongzhi Real Estate Co., Ltd.	260,000	October 25, 2015	April 28, 2019
Changshu Zhongzhi Real Estate Co., Ltd.	390,000	November 12, 2015	November 12, 2020
Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	50,000	September 30, 2015	September 30, 2020
Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	245,000	March 31, 2016	March 31, 2021
Qingdao Zhuoyue Dongjun Property Co., Ltd.	225,000	May 30, 2016	May 30, 2020
Nanjing Future Land Wanlong Real Estate Co., Ltd.	350,000	September 28, 2015	December 12, 2020
Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	1,250,000	March 25, 2016	March 25, 2018
<u>Pledged party</u>	<u>Pledged equity amount</u>	<u>Pledge beginning date</u>	<u>Pledge ending date</u>
Yiwu Injoy Real Estate Development Co., Ltd.	51%	January 8, 2016	January 7, 2018
Changshu Zhongzhi Real Estate Co., Ltd.	65%	October 25, 2015	April 28, 2019

Office Tenancy Agreements with Mr. Wang Xiaosong

In 2010 and 2011, we entered into six tenancy agreements with Mr. Wang Xiaosong (the son of Chairman Wang and our non-executive director), pursuant to which Mr. Wang Xiaosong leased certain office premises with an aggregate GFA of 720 sq.m. to us for nil consideration. Each tenancy agreement is for a period of 20 years. In the three years end December 31, 2013, 2014, 2015 and for the six months ended June 30, 2016, we did not pay any rent to Mr. Wang Xiaosong for the use of the office premises covered by these tenancy agreements.

RELATIONSHIP WITH FUTURE LAND HOLDINGS

Future Land Holdings is a subsidiary of our Company currently listed on the Shanghai Stock Exchange through a restructuring on December 4, 2015, under which Future Land Holdings merged and absorbed all shares of Jiangsu Future Land by way of share swap. For details of the restructuring please refer to “Business – Restructuring”. Jiangsu Future Land contributed RMB16,584.0 million and RMB17,100.2 million, to our total revenue for the years ended December 31, 2013 and 2014, which represented 79.8% and 82.5% of our total revenue for the same years, respectively. Future Land Holdings contributed RMB23,568.8 million and RMB9,071.6 million (US\$1,365.0 million) for the year ended December 31, 2015 and the six months ended June 30, 2016, respectively, which represented 98.9% and 97.5% of our total revenue for the same years, respectively.

As a company listed on the Shanghai Stock Exchange, Future Land Holdings is required to observe certain corporate governance rules and conduct its operations independently of its controlling shareholder. Applicable PRC rules and regulations also require the controlling shareholders of a listed company to refrain from (i) abusing its relationship with the listed company in a manner that would harm the listed company’s interests and (ii) engaging in competition with the listed company.

In light of non-competition requirement, the controlling shareholder of Future Land Holdings, Wealth Zone Development Holdings Co., Ltd. (富域發展集團有限公司) and our controlling shareholder, Mr. Wang Zhenhua, separately, issued a non-competition confirmation (the “**Non-Compete Confirmation**”) on May 28, 2015, confirming that:

- Future Land Holdings and its subsidiaries (together, the “**A-Share Group**”) is and will be the only platform conducting property development business in the PRC.
- Neither Wealth Zone Development Holdings Co., Ltd. or its controlling subsidiaries (excluding the A-Share Group) (the “**Non A-Share Group**”) nor Chairman Wang or his controlling entities (excluding the A-Share Group) will not, directly or indirectly, engage in any property development business in the PRC. The Non A-Share Group and Chairman Wang or his controlling entities (excluding the A-Share Group) will refer any potential opportunities relating to the property development business in the PRC, if any, to the A-Share Group in future.
- Neither the Non A-Share Group nor Chairman Wang or his controlling entities (excluding the A-Share Group) will not jeopardize the legal rights of the public shareholders of Future Land Holdings.
- Wealth Zone Development Holdings Co., Ltd. and Chairman Wang will cause their respective controlling entities (excluding the A-Share Group) to comply with the foregoing non-compete confirmation.

Pursuant to the Non-Compete Confirmation, Wealth Zone Development Holdings Co., Ltd. and Chairman Wang separately confirmed that if any their respective controlling entities breach the Non-Compete Confirmation and cause Future Land Holdings any damages, Wealth Zone Development Holdings Co., Ltd. and Chairman Wang will reimburse the damages to Future Land Holdings.

The articles of association of Future Land Holdings require that important decisions that may materially affect the interests of the A-shareholders of Future Land Holdings as a whole, including but not limited to, any decision to issue new securities, undergo material restructuring of assets, acquire substantial assets, procure overseas listing of material subsidiaries or repurchase shares from shareholders as repayment of any loan extended to such shareholders, require approval of the independent directors and/or the shareholders’ meeting.

DESCRIPTION OF MATERIAL INDEBTEDNESS AND OTHER OBLIGATIONS

To fund our existing property projects and to finance our working capital requirements, we have entered into financing agreements with banks. Set forth below is a summary of the material terms and conditions of these loans and other indebtedness.

Project and Working Capital Loan Agreements in PRC

Certain of our PRC subsidiaries have entered into loan agreements with various PRC banks, including Bank of China, The Agricultural Bank of China, China Construction Bank and Industrial and Commercial Bank of China. These loans are typically secured project or secured working capital loans to finance the construction of our projects and have terms ranging from six months to five years, which generally correspond to the construction periods of the particular projects. As of June 30, 2016, the aggregate outstanding borrowings from banks amounted to approximately RMB8,661.8 million (US\$1,303.3 million). Since June 30, 2016, we had repaid RMB6,177.3 million bank borrowings and had incurred additional bank borrowings in the amount of RMB5,925.0 million, up to September 30, 2016. Our project and working capital loans are typically secured by land use rights, properties and/or equity interests held by the PRC subsidiary borrowers and/or our other PRC subsidiaries. The Notes, the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) will be structurally subordinated to these loans and any other indebtedness incurred by our PRC Subsidiaries.

Interest

We have both floating rate and fixed rate project and working capital loans. The principal amounts outstanding under the floating rate borrowings generally bear interest at floating rates calculated by reference to the relevant bank's benchmark interest rate per annum. Floating interest rates generally are subject to review by the lending banks annually. 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 our bank borrowings was 5.30% per annum. Interest rates on our fixed rate borrowings under our project and working capital loan agreement range from 2.63% to 8.92% per annum as of the date of this offering memorandum.

Covenants

Under these project and working capital loans, many of our subsidiary borrowers have agreed, among other things, not to take the following actions without first obtaining the relevant lenders' prior consent:

- create encumbrances on any part of their property or assets or deal with their assets in a way that may adversely affect their ability to repay their loans;
- grant guarantees to any third parties that may adversely affect their ability to repay their loans;
- sell or dispose of assets;
- incurring other material indebtedness;
- make any major changes to their corporate structures, such as entering into joint ventures, mergers and acquisitions and reorganizations or making other changes to the company's status, such as liquidation or dissolution; and
- alter the nature or scope of their business operations in any material respect.

Dividend Restrictions

Pursuant to the project and working capital loan agreements, some of our PRC subsidiaries have agreed not to distribute any dividends (or agreed to give notice to the relevant banks before any distribution of dividends):

- if the borrowers' after-tax net profit is nil or negative or insufficient to cover losses from the previous accounting periods; or
- if the borrower's profit before tax in the relevant accounting period has not been used to pay off the principal, interest or other related expenses due in that accounting period or is insufficient to cover the principal, interest or other related expenses due in next period; or
- before the principal amount of and accrued interest on the relevant loans have been fully paid. We do not believe that the dividend restrictions in such loans will materially and adversely affect our ability to service the repayment obligations under our debt instruments, as most of these loans are required to be repaid when the underlying property projects are completed, and as such, by the time units in the projects are ready for sale, the dividend restrictions should no longer exist.

Events of Default

The project and working capital loans contain certain customary events of default, including insolvency and breaches of the terms of the loan agreements. The banks generally 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 the PRC banks in connection with some of the project loans pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these project and working capital loans. Further, as of June 30, 2016, most of the project and working capital loans were secured by land use rights, properties and/or equity interests held by the PRC subsidiary borrowers and/or our other PRC subsidiaries.

The July 2019 Notes

On July 21, 2014, we entered into an indenture (as amended and supplemented from time to time, the "**July 2019 Indenture**") pursuant to which we issued 10.25% Senior Notes due 2019 in an aggregate principal amount of US\$350.0 million.

Guarantee

The obligations pursuant to the July 2019 Notes are guaranteed by the Subsidiary Guarantors specified in the July 2019 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the July 2019 Indenture. Each of the Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the July 2019 Notes.

Collateral

In order to secure the obligations under the July 2019 Notes, the Company under the July 2019 Indenture pledged the capital stock of all such Subsidiary Guarantors owned by the Company for the benefit of the holders of the July 2019 Notes. The Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. The holders of the Notes will be entitled to share in the benefit of such pledge of Capital Stock on a *pari passu* basis with the holders of the July 2019 Notes and any holders of other Permitted *Pari Passu* Secured Indebtedness.

Interest

The July 2019 Notes bear an interest rate of 10.25% per annum. Interest is payable semi-annually in arrears on January 21 and July 21 of each year, as commenced on January 21, 2015.

Covenants

Subject to certain conditions and exceptions, the July 2019 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;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- 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 transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The July 2019 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the July 2019 Notes, when such payments become due, default in the payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the July 2019 Indenture. If an event of default occurs and is continuing, the trustee under the July 2019 Indenture or the holders of at least 25% of the outstanding July 2019 Notes may declare the principal of the July 2019 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 2019 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 2019 Notes is July 21, 2019.

At any time and from time to time on or after July 21, 2017, we may redeem the July 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in the table below if redeemed during the 12-month period commencing on July 21 of any year indicated below, plus any accrued and unpaid interest to the redemption date:

Period Redemption	Price
2017.....	105.1250%
2018.....	102.5625%

At any time prior to July 21, 2017, we may redeem the July 2019 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the July 2019 Notes, plus a premium and any accrued and unpaid interest to the redemption date.

At any time prior to July 21, 2017, we may redeem up to 35% of the aggregate principal amount of the July 2019 Notes at a redemption price of 110.25% of the principal amount of the July 2019 Notes, plus any accrued and unpaid interest to the redemption date with the proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the July 2019 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the July 2019 Notes at a redemption price equal to 100.0% of the principal amount of July 2019 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

The November 2017 Notes

On November 12, 2015, we entered into an indenture (as amended and supplemented from time to time, the “**November 2017 Indenture**”) pursuant to which we issued 6.25% Senior Notes due 2017 in an aggregate principal amount of US\$250.0 million.

Guarantee

The obligations pursuant to the November 2017 Notes are guaranteed by the Subsidiary Guarantors specified in the November 2017 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the November 2017 Indenture. Each of the Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the November 2017 Notes.

Collateral

In order to secure the obligations under the November 2017 Notes, the Company under the November 2017 Indenture pledged the capital stock of all such Subsidiary Guarantors owned by the Company for the benefit of the holders of the November 2017 Notes. The Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. The holders of the Notes will be entitled to share in the benefit of such pledge of Capital Stock on a *pari passu* basis with the holders of the November 2017 Notes and any holders of other Permitted Pari Passu Secured Indebtedness.

Interest

The November 2017 Notes bear an interest rate of 6.25% per annum. Interest is payable semi-annually in arrears on May 12 and November 12 of each year, as commenced on May 12, 2016.

Covenants

Subject to certain conditions and exceptions, the November 2017 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;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- 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 transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The November 2017 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the November 2017 Notes, when such payments become due, default in the payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the November 2017 Indenture. If an event of default occurs and is continuing, the trustee under the November 2017 Indenture or the holders of at least 25% of the outstanding November 2017 Notes may declare the principal of the November 2017 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 November 2017 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 November 2017 Notes is November 12, 2017. We may redeem the November 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the November 2017 Notes plus a premium and any accrued and unpaid interest to the redemption date.

Additionally, if we or a subsidiary guarantor under the November 2017 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the November 2017 Notes at a redemption price equal to 100.0% of the principal amount of the November 2017 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” the term “Company” refers only to Future Land Development Holdings 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 The Bank of New York Mellon, London Branch, as trustee (the “Trustee”) and The Bank of New York Mellon as collateral agent (the “Collateral Agent”).

The following is a summary of certain 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 for inspection on or after the Original Issue Date at the corporate trust office of the Trustee at One Canada Square, London E14 5AL, United Kingdom.

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 November 2017 Notes, the July 2019 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 the limitations described below under the caption “– The 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; 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, 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 the benefit of a lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement (as defined below) and shared on a *pari passu* basis with (i) holders of the November 2017 Notes, (ii) holders of the July 2019 Notes and (iii) any holders of other Permitted *Pari Passu* Secured Indebtedness, if any); 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 February 16, 2020, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at 5.0% 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 February 16 and August 16 of each year (each an “Interest Payment Date”), commencing August 16, 2017. Interest on the Notes will be paid to Holders of record at the close of business on February 1 or August 1 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. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Except as described under “Optional Redemption,” “Redemption for Taxation Reasons,” and otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

In any case in which the date of the payment of principal of, premium on 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.

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 be issued only in fully registered form, without coupons, in denominations of US\$200,000 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 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), 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 maintained by the Registrar. Interest payable on the Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants (as defined herein) on the Business Day following payment thereof.

The Subsidiary Guarantees

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will consist of all of the Company’s Restricted Subsidiaries other than (i) those Restricted Subsidiaries organized under the laws of the PRC (the “PRC Non-Guarantor Subsidiaries”) and (ii) Super City Global Limited, Future Land Development Capital (Hong Kong) Limited, Dawn Castle Limited, Hong Kong Chuangyu Development Limited, Afar Connect Limited, Hong Kong Hengyi Development Limited, Dragon State Investments Limited, Hong Kong Kaisheng Development Limited, Dragon Boom Developments Limited, Hong Kong Jingsheng Development Limited, ATL Group Limited, Emerald Sea Holdings Limited, Hong Kong Exaltation Development Limited, Dawnwave Holdings Limited, Hong Kong Chuanghui Development Limited, Future Land US Capital Partners Limited, Acme Name Limited, Hong Kong Hengchang Development Limited, Alpha Oasis Limited, Hong Kong Hengkang Development Limited, Brisk Sail Limited, Hong Kong Chuangzhi Development Limited (such Restricted Subsidiaries in this clause (ii) are collectively referred to as the “Existing Offshore Non-Guarantor Subsidiaries”).

The Subsidiary Guarantors are holding companies that do not have significant operations. None of the existing or future Restricted Subsidiaries organized under the laws of the PRC or any Exempted Subsidiary will provide a Subsidiary Guarantee or JV Subsidiary Guarantee on the Original Issue Date or at any time in the future.

The JV Subsidiary Guarantees

In the case of a Restricted Subsidiary (i) that is established after the Original Issue Date, (ii) that is incorporated in any jurisdiction other than the PRC, (iii) that is not an Offshore Non-Guarantor Subsidiary (as defined below) and (iv) in respect of which the Company or any Restricted Subsidiary (x) is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% 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% and no more than 80.0% of the Capital Stock of such Restricted Subsidiary from an Independent Third Party (and concurrently become a Restricted Subsidiary), the Company may, concurrently with the consummation of such sale or purchase, provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee for 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 a JV Subsidiary Guarantee (as defined below), no document exists that is binding on the Company or any Restricted Subsidiary that would have the effect of (a) prohibiting the Company or any Restricted Subsidiary from providing such JV Subsidiary Guarantee or (b) requiring the Company or any Restricted Subsidiary to deliver or keep in place a guarantee on terms that are more favorable to the recipients of such guarantee than such JV Subsidiary Guarantee;
- such sale of Capital Stock is made to, or such purchase of Capital Stock is made from, an Independent Third Party at a consideration that is not less than (in the case of a sale or issuance) or no more than (in the case of a purchase) the Fair Market Value of such Capital Stock;
- 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 sale or purchase of Capital Stock of such Restricted Subsidiary that becomes a JV Subsidiary Guarantor 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 sold the Capital Stock of such Restricted Subsidiary that becomes a JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor;
- 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 JV Entitlement Amount;
 - (ii) a duly executed Security Document that pledges in favor of the Collateral Agent for itself and for the benefit of the Trustee 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 current and non-current borrowings of approximately RMB22,511.5 million (US\$3,387.3 million), of which approximately RMB12,575.5 million (US\$1,896.4 million) was secured.

As of June 30, 2016, the Restricted Subsidiaries (excluding the Subsidiary Guarantors) had total liabilities of approximately RMB64,318.5 million (US\$9,677.9 million), capital commitments of approximately RMB17,777.6 million (US\$2,675.0 million) and contingent liabilities of approximately RMB14,381.5 million (US\$2,164.0 million).

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- 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 of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will 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 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).

Offshore Non-Guarantor Subsidiaries

The Company will cause each of its future Restricted Subsidiaries (other than Persons organized under the laws of the PRC or any Exempted Subsidiaries), promptly upon becoming a Restricted Subsidiary or ceasing to be an Exempted 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 at the time

such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary (each such entity a “New Offshore Non-Guarantor Subsidiary” and, together with the Existing Offshore Non-Guarantor Subsidiaries, the “Offshore Non-Guarantor Subsidiaries”)), *provided* that, after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30% of the Total Assets of the Company.

In the case of a Subsidiary Guarantor with respect to which the Company or any Restricted Subsidiary 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 Offshore Non-Guarantor Subsidiaries (such that they 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 Offshore 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 Offshore 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 such Offshore Non-Guarantor Subsidiaries but excluding Exempted Subsidiaries) do not account for more than 30% 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 Restricted Subsidiary that would have the effect of 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 Guarantee is referred to as a “Future Subsidiary Guarantor” and upon execution of the applicable supplemental indenture to the Indenture will be a “Subsidiary Guarantor.” The Offshore Non-Guarantor Subsidiaries together with the PRC Non-Guarantor Subsidiaries are referred to herein as the “Non-Guarantor Subsidiaries.”

Although the Indenture contains limitations on the amount of additional Indebtedness that Non-Guarantor Subsidiaries (including Restricted Subsidiaries organized under the laws of the PRC) 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, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

In addition, subject to the limitations described in “Risk Factors – Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Subsidiary Guarantee of each Subsidiary Guarantor Pledgor:

- will be entitled to the benefit of a lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement and shared on a *pari passu* basis with (i) holders of the November 2017 Notes, (ii) holders of the July 2019 Notes, and (iii) any holders of other Permitted *Pari Passu* Secured Indebtedness) pledged by such Subsidiary Guarantor Pledgor, as described below under the caption “– Security”; 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 will be limited to the JV Entitlement Amount. The Subsidiary Guarantors and JV Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees and 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 or the Indenture 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, are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, 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 fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally; and
- each JV Subsidiary Guarantee will be limited to an amount which is the lower of (i) the 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 voidable, it could be 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 Subsidiary Guarantee and the enforceability of the Collateral granted in respect of the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors 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. 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 – Defeasance and Discharge";
- 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, disposition or merger 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 described under the captions “– Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “– 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, disposition or merger are used for the purposes permitted or required by the Indenture;
- in the case of a Subsidiary Guarantee, upon the replacement of such a Subsidiary Guarantee with a JV Subsidiary Guarantee; or
- in the case of a Subsidiary Guarantor that becomes an Offshore Non-Guarantor Subsidiary or an Exempted Subsidiary, in compliance with the terms of the Indenture.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee or a JV Subsidiary Guarantor from its JV Subsidiary Guarantee 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 have been complied with and such release is authorized and permitted by 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 Restricted Subsidiary 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% 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 (a) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee, (b) prohibiting the Company or any of the Restricted Subsidiaries from providing a JV Subsidiary Guarantee, or (c) requiring the Company or any Restricted Subsidiary 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 or issuance of Capital Stock is made to an Independent Third Party at a consideration that is not less than the Fair Market Value of such Capital Stock;
- 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 such JV Subsidiary Guarantor from the date of issuance or sale of Capital Stock of such Subsidiary Guarantor that becomes such JV Subsidiary Guarantor 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;

- 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 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.

Security

The Company has pledged the Capital Stock of the Subsidiary Guarantors owned by the Company (subject to Permitted Liens and the Intercreditor Agreement) in order to secure the obligations of the Company under the November 2017 Notes and the November 2017 Notes Indenture as well as the July 2019 Notes and the July 2019 Notes Indenture. On the Original Issue Date, the Trustee will execute a supplement to and become a party to the Intercreditor Agreement, at which time the Trustee will become a Secured Party under the Intercreditor Agreement and the Holders will be entitled to share in the benefit of the pledge of such Capital Stock on a *pari passu* basis with the holders of the November 2017 Notes, the July 2019 Notes and the holders of any other Permitted *Pari Passu* Secured Indebtedness. See “– Intercreditor Agreement.”

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 in favor of the Collateral Agent for itself and for the benefit of the Trustee.

The Company has also agreed, for the benefit of the Holders, to pledge, and cause each Subsidiary Guarantor (other than a JV Subsidiary Guarantor, if any) to pledge, the Capital Stock owned by the Company or such Subsidiary Guarantor of any Person that becomes a Restricted Subsidiary or additional shares of Capital Stock acquired or otherwise received by the Company or such Subsidiary Guarantor of any existing Restricted Subsidiary (in each case, other than Persons organized under the laws of the PRC or Offshore Non-Guarantor Subsidiaries) after the Original Issue Date, promptly upon such Person becoming 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.” As of the date of this Offering Memorandum, there are no Subsidiary Guarantor Pledgors.

The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (if any) (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 Guarantor Pledgors’ obligations under the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement), and the Collateral securing the Notes and such Subsidiary Guarantee (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement) 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 and the Intercreditor Agreement. 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 is unlikely to be sufficient to satisfy our obligations under the 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, the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement). 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 Event of Default has occurred and is continuing, and subject to the terms of the Security Documents and the Indenture, the Company and the Subsidiary Guarantor Pledgors, as the case may be, will be entitled to exercise any and all voting rights and to receive, 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 (1) the Company or such Subsidiary Guarantor Pledgor was permitted to Incur such Indebtedness under the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”; (2) the holders of such Indebtedness (or their representative) become party to the Intercreditor Agreement (see “– Intercreditor Agreement”); and (3) 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. The Trustee and the Collateral Agent will be permitted and authorized, without the consent of any Holder, to enter into the Security Documents and the Intercreditor Agreement or any amendment thereto or to 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 the Intercreditor Agreement to hold the Collateral on behalf of the Holders, the holders of the November 2017 Notes, the holders of the July 2019 Notes and any 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 Collateral Agent, the July 2019 Notes Trustee and the November 2017 Notes Trustee, among others, have entered into an intercreditor agreement dated April 23, 2013 (as supplemented by supplements dated July 21, 2014 and November 12, 2015 and as supplemented or amended from time to time, the “Intercreditor Agreement”), to which the Trustee for the benefit of the Holders will accede on the Original Issue Date. The Intercreditor Agreement provides, among other things, that (1) the Secured Parties share equal priority and pro rata entitlement in and to the Collateral; (2) the Collateral shall only be substituted or released and Liens only be granted on the Collateral to the extent permitted under the Debt Documents; (3) holders of any future Permitted Pari Passu Secured Indebtedness (or their respective representatives) that are secured by the Collateral shall also appoint the Collateral Agent to act as their collateral agent with respect to the Collateral; and (4) the conditions under which the Collateral Agent shall enforce the rights of the Secured Parties with respect to the Collateral and the Indebtedness secured thereby as described in “– Enforcement of Security” below. The Intercreditor Agreement also contains terms with respect to rights, duties, liabilities and expenses of the Trustee, the November 2017 Notes Trustee, the July 2019 Notes Trustee, any other Creditor Representative and the Collateral Agent that are satisfactory to such parties.

The Intercreditor Agreement also provides that in connection with 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 and become parties to it.

By accepting the Notes, each Holder shall be deemed to have consented to the accession to, and terms of, the Intercreditor Agreement, any supplements, amendments or modifications thereto, and any future intercreditor agreement that may be required under the terms of the Indenture.

Enforcement of Security

The Liens securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors will be granted to the Collateral Agent. The Collateral Agent, subject to the Intercreditor Agreement, will hold such Liens over the Collateral granted pursuant to the Security Documents with sole authority as directed by the written instruction of the Trustee and any other Creditor Representatives to exercise remedies under the Security Documents (subject to the terms of the Intercreditor Agreement). The Collateral Agent has agreed to act as secured party on behalf of the creditors under the Debt Documents under the applicable Security Documents, to follow instructions provided to it by one or more of the Creditor Representatives under the Indenture, the Security Documents and/or the Intercreditor Agreement and to carry out certain other duties.

The Indenture and/or the Security Documents principally provide that, at any time while the Notes are outstanding, the Collateral Agent has the right, subject to the Intercreditor Agreement, 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 Intercreditor Agreement provides, among other things, that any Secured Party 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 more than one of the Secured Parties issues Enforcement Instructions, between those Enforcement Instructions, and (b) the Collateral Agent believes in its sole 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 will not take any action with respect to which the instructions or interests of the Secured Parties are in conflict until such conflict has been resolved in accordance with the Intercreditor Agreement.

The Intercreditor Agreement provides that any proceeds from any sale, collection, liquidation or enforcement of the Collateral shall be distributed by the Collateral Agent in accordance with the terms of the Intercreditor Agreement and subject to the conditions of the relevant Security Document. Such proceeds shall be applied as follows:

first, to the Collateral Agent to the extent necessary to reimburse the Collateral Agent for any expenses (including properly incurred expenses of its counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing remedies under the Intercreditor Agreement and the Security Documents and preserving the Collateral and all amounts for which the Collateral Agent is entitled to indemnification under the Indenture, Intercreditor Agreement or the Security Documents;

second, to the extent not reimbursed under the above paragraph, to the Trustee, the Agents, the November 2017 Notes Trustee, the July 2019 Notes Trustee and any other Creditor Representatives, to the extent necessary to reimburse the foregoing persons ratably for any expenses (including properly incurred expenses of counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing remedies under the Debt Documents, Intercreditor Agreement and the Security Documents and preserving the Collateral and all amounts for which the foregoing persons are entitled to indemnification under the Debt Documents, Intercreditor Agreement and the Security Documents;

third, ratably to each of the Trustee for the benefit of the Holders to satisfy outstanding obligations under the Notes and the Indenture, the November 2017 Notes Trustee for the benefit of holders of the November 2017 Notes to satisfy outstanding obligations under the November 2017 Notes and the November 2017 Notes Indenture, the July 2019 Notes Trustee for the benefit of holders of the July 2019 Notes to satisfy outstanding obligations under the July 2019 Notes and the July 2019 Notes Indenture and, to the extent applicable, to other Creditor Representatives for the benefit of the holders of any Permitted Pari Passu Secured Indebtedness to satisfy outstanding obligations thereunder (in each case, to the extent not paid pursuant to the paragraphs above), in accordance with the terms of the relevant Debt Documents; and

fourth, any surplus remaining after such payments will be paid to the Company, the Subsidiary Guarantor Pledgors or to whomever may be lawfully entitled thereto.

The Collateral Agent may refrain from acting in accordance with the instructions of the Holders and the holders of any Permitted Pari Passu Indebtedness Parties and may decline to expend its own funds, 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, 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, existence, genuineness, value, adequacy or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Security Documents or the Intercreditor Agreement, for the creation, perfection, continuation, 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 provide that the Company and the Subsidiary Guarantor Pledgors will indemnify 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 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

Subject to the provisions of the Intercreditor Agreement, the security created in respect of the Collateral granted under the Security Documents may be released in relation to the Notes and the Subsidiary Guarantees 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 described 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 Restricted Subsidiary that becomes an Unrestricted Subsidiary in accordance with the terms of the Indenture, the release of any pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the shares it owns in such Unrestricted Subsidiary; or
- with respect to a Subsidiary Guarantor that becomes an Offshore Non-Guarantor Subsidiary or an Exempted Subsidiary, the release of the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the shares it owns in such Offshore Non-Guarantor Subsidiary or Exempted Subsidiary.

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 JV Subsidiary Guarantees) in all respects (or in all respects except for the 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 February 16, 2020, 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 shall be responsible for calculating or verifying the Applicable Premium.

At any time and from time to time prior to February 16, 2020, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Company in an Equity Offering at a redemption price of 105.0% 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 for redemption will be selected as follows:

- (1) if the Notes are listed on any recognized securities exchange, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed or in compliance with the requirements of the clearing systems through which the Notes are held; or
- (2) if the Notes are not listed on any recognized securities exchange, or held through any clearing system on a pro rata basis, by lot or by such method as the Trustee in its sole 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.

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 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 other 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, the November 2017 Notes or the July 2019 Notes upon a Change of Control Triggering Event.”

The phrase “all or substantially all”, as used with respect to the assets of the Company in the definition of “Change of Control,” will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of “all or substantially all” the assets of the Company has occurred.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner, at the same times 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.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

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 that the Company purchase 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 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 or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “– Consolidation, Merger and Sale of Assets”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), including, without limitation, if applicable, the PRC (each, as applicable, a “Relevant Jurisdiction”), or any jurisdiction through which payments are made by or on behalf of the Company, a Surviving Person or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor, 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 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:

(1) for or on account of:

- (a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
 - (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction or the jurisdiction through which payments are made, other than merely holding such Note or the receipt of payments thereunder or under a 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;
 - (ii) 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;
 - (iii) 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, to provide information concerning such Holder’s or its beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction or the jurisdiction through which payments are made, if and to the extent that due and timely compliance with such request is required under the tax laws of such jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or
 - (iv) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction or the jurisdiction through which payments are made, unless such Note could not have been presented for payment elsewhere;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

- (c) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. 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; or
 - (d) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) and (c); or
- (2) 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 a Relevant Jurisdiction or the jurisdiction through which payments are made, 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 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, upon giving not less than 30 days’ nor more than 60 days’ notice to the Holders (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 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 or amendment is proposed and becomes effective (i) with respect to the Company or any initial Subsidiary Guarantor on or after the Original Issue Date, or (ii) with respect to any 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, a Subsidiary Guarantor, a JV Subsidiary Guarantor or a Surviving Person, 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 Subsidiary Guarantor, a JV Subsidiary Guarantor or a Surviving Person, 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 Subsidiary Guarantor, a JV Subsidiary Guarantor or a Surviving Person, 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 mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Subsidiary Guarantor, a JV Subsidiary Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

- (1) an Officers' 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, a Subsidiary Guarantor, a JV Subsidiary Guarantor or a Surviving Person as the case may be, taking reasonable measures available to it; and
- (2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall be entitled to accept such certificate and opinion 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 will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

- (1) 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, any Subsidiary Guarantor or any JV Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) and any Restricted Subsidiary that is a Non-Guarantor 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 held by the Company or a Subsidiary Guarantor, so long as it is so held).
- (2) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following ("Permitted Indebtedness"):
 - (a) Indebtedness under the Notes (excluding any Additional Notes and any Permitted Pari Passu Secured Indebtedness of the Company) and each Subsidiary Guarantee and JV Subsidiary Guarantee;
 - (b) any Pari Passu Subsidiary Guarantees by any Subsidiary Guarantor or any JV Subsidiary Guarantor;
 - (c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d) below; *provided* that such Indebtedness of Restricted Subsidiaries that are Non-Guarantor Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness excluded from the definition of Permitted Subsidiary Indebtedness by the terms thereof);

- (d) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided* that (i) any event which results in any such Restricted Subsidiary 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 (d) and (ii) if the Company is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes, and if a Subsidiary Guarantor or a JV Subsidiary Guarantor is the obligor on such Indebtedness and the Company is not the obligee, such Indebtedness must be expressly subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be;
- (e) Indebtedness (“Permitted Refinancing Indebtedness”) 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 (1) or clauses (a), (b), (c), (h), (p), (q), (r), (t) or (u) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee or a JV Subsidiary Guarantee shall only be permitted under this clause (e) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with 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 *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 (B) 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, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced, (iii) in no event may Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause 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;
- (f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations designed solely to protect the Company or any Restricted Subsidiary from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (g) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;

- (h) 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 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 asset, property or equipment 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 sum of (1) the aggregate principal amount outstanding of all such Indebtedness permitted by this clause (h) (together with refinancings thereof, but excluding any Contractor Guarantee Incurred under this clause (h) to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount) plus (2) the aggregate amount outstanding of all Indebtedness permitted and then outstanding under clauses (p), (q), (r) and (u) below (together with any refinancings thereof) does not exceed an amount equal to 35% of Total Assets;
- (i) 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);
- (j) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;
- (k) 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 shall at no time exceed the gross proceeds actually received by the Company or any Restricted Subsidiary from the disposition of such business, assets or Restricted Subsidiary;
- (l) 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;
- (m) (i) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant (other than Guarantees of such Indebtedness of any Offshore Non-Guarantor Subsidiary), (ii) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, or (iii) Guarantees by any JV Subsidiary Guarantor of Indebtedness of any other JV Subsidiary Guarantor that is a direct or indirect Subsidiary or parent of such JV Subsidiary Guarantor, which Indebtedness was permitted to be Incurred by another provision of this covenant;

- (n) Indebtedness of the Company or any Restricted Subsidiary maturing within one year; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (n) at any time outstanding does not exceed US\$35.0 million (or the Dollar Equivalent thereof);
- (o) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Restricted Subsidiary 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;
- (p) Indebtedness Incurred by the Company or any Restricted Subsidiary arising from any Investment made by a Trust Company Investor in a PRC Project Company; *provided* that on the date of Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate amount outstanding of all Indebtedness permitted under this clause (p) (together with any refinancings thereof) plus (2) the aggregate principal amount outstanding of all Indebtedness permitted under clause (h) above and clauses (q), (r) and (u) below (together with refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (q) Indebtedness Incurred by any Restricted Subsidiary which is secured by Investment Properties; *provided* that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (q) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clauses (h) and (p) above and clauses (r) and (u) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 35% of Total Assets;
- (r) Bank Deposit Secured Indebtedness Incurred by the Company or any Restricted Subsidiary; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (r) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clauses (h), (p) and (q) above and (u) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 35% of Total Assets;
- (s) Indebtedness Incurred by the Company or a Restricted Subsidiary constituting a Subordinated Shareholder Loan;
- (t) 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); and

- (u) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of Indebtedness of any Person (other than the Company or a Restricted Subsidiary) by the Company or such Restricted Subsidiary; *provided* that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount of all such Indebtedness Incurred under this clause (u) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under clauses (h), (p), (q) and (r) above (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 35% of Total Assets.
- (3) 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 paragraph (1) above, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness as one or more of such types.
- (4) 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.

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 Restricted Subsidiary’s Capital Stock (other than dividends or distributions payable or paid in shares of the Company’s or any Restricted Subsidiary’s 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 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 Restricted Subsidiary other than the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement;
- (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 Subsidiary Guarantee or JV Subsidiary Guarantee (excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary); 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 has 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 paragraph (1) of the covenant described 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 (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (8), (9), (10) and (12) of the immediately following paragraph), shall exceed the sum (without duplication) of:
- (i) 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 January 1, 2012 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 reasonable best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); plus
 - (ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date 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 (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) 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 excluding 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
 - (iii) the amount by which Indebtedness of the Company or any Restricted Subsidiary is reduced on the Company's consolidated statement of financial position 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 Restricted Subsidiary 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
 - (iv) 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 (A) 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, (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) 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 (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, or (D) 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; plus
 - (v) US\$20.0 million (or the Dollar Equivalent thereof).

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 Subsidiary Guarantor or JV Subsidiary Guarantor 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 Subsidiary Guarantor or JV Subsidiary Guarantor (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 sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company, or for the redemption, repurchase or other acquisition of Capital Stock of any Subsidiary Guarantor only, of any Subsidiary Guarantor, or for the redemption, repurchase or other acquisition of Capital Stock of any JV Subsidiary Guarantor only, of any JV 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)(ii) of the preceding paragraph;
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor 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 Capital Stock (other than Disqualified Stock) of the Company, or for the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of any Subsidiary Guarantor only, of any Subsidiary Guarantor, or for the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of any JV Subsidiary Guarantor only, of any JV 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)(ii) of the preceding paragraph;
- (5) the payment of 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, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company;
- (6) payments made under a Staged Acquisition Agreement to acquire the Capital Stock of a Person, *provided* that such Person becomes a Restricted Subsidiary on or before the last date in the period stipulated in such Staged Acquisition Agreement for which the purchase price can be made (such date not to exceed 12 months from the date the Staged Acquisition Agreement was entered into) (the “Deadline Date”); *provided further* that in the event such Person does not become a Restricted Subsidiary on or before the Deadline Date, all payments previously made under this clause (6) shall be aggregated and constitute Restricted Payments made on the Deadline Date and such Restricted Payments must satisfy the other conditions under this “Limitations on Restricted Payments” covenant;
- (7) the repurchase, redemption or other acquisition of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Restricted Subsidiary (or their estate or authorized representatives) upon the death, disability or termination of employment of such employees or directors pursuant to agreements or plans (including employment agreements and share option plans) approved by the board of directors of the Company in an aggregate amount not to exceed US\$1.0 million (or the Dollar Equivalent thereof) in any fiscal year of the Company;

- (8) repurchases of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;
- (9) dividends paid to, or the purchase of Capital Stock of any PRC Project Company held by, any Trust Company Investor in respect of any Indebtedness permitted to be Incurred under clause (p) of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”;
- (10) an Investment in the Capital Stock of a Restricted Subsidiary held by a minority shareholder which Investment increases the proportion of the Capital Stock of such Restricted Subsidiary held, directly or indirectly, by the Company;
- (11) the declaration and payment of dividends on the Common Stock of the Company by the Company with respect to any financial year in an aggregate amount not to exceed 20% of the Company’s consolidated net profit in such financial year; or
- (12) payments, including distributions, made under or in connection with any Perpetual Bond Obligation pursuant to the terms thereof or in connection with a repurchase or redemption thereof;

provided that, in the case of clause (2), (3), (4) or (11) 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.

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 appraisal or investment banking firm of recognized international standing 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 excess of US\$10.0 million (or the Dollar Equivalent thereof) (other than any Restricted Payment set forth in clauses (5) through (12) 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 “– Limitation on Restricted Payments” covenant 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 distribution on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (b) pay any Indebtedness or other obligation 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;

provided that for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis.

- (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 any JV Subsidiary Guarantor, and 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;
 - (b) existing under or by reason of applicable law, rule, regulation or order;
 - (c) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing 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 of the type described under clause (2)(h), (2)(n), (2)(o), (2)(p), (2)(q), (2)(r), (2)(t) or 2(u) 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 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 joint venture agreements and other similar agreements, to the extent such encumbrance or restriction relates to the activities or assets of the Company or 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 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 or on a basis more favorable to the Company and its Restricted Subsidiaries;
- (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 sale or issuance of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such sale or issuance, 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 sale or issuance 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 other Restricted Subsidiary, 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 are permitted by clauses (2)(c), (d), (m)(ii) (other than a Guarantee by a PRC Restricted Subsidiary of the Indebtedness of a non-PRC Restricted Subsidiary) or (r) (in the case of (2)(r), with respect to the Guarantee provided by any Restricted Subsidiary that is not Subsidiary Guarantor through the pledge of one or more bank accounts to secure, directly, or indirectly, any Bank Deposit Secured Indebtedness of the Company or any Subsidiary Guarantor), under the “– Limitation on Indebtedness and Preferred Stock” covenant.

If the Guaranteed Indebtedness (1) 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 (2) 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 Restricted Subsidiary unless the aggregate claims of the creditor under such Guarantee will be limited to the JV Entitlement Amount. If any JV Subsidiary Guarantor Guarantees any Indebtedness of the Company or any Restricted Subsidiary where the aggregate claims of the creditor under such Guarantee exceeds the 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 10.0% 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 accounting, appraisal or investment banking firm of recognized standing that complies with the requirements of The Stock Exchange of Hong Kong Limited regarding accounting, appraisal or investment banking firms delivering fairness or similar opinions for connected transactions.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees 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), (2) or (3) of the first paragraph of the covenant described 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 benefit, or share option or similar schemes, for 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) loans or advances to employees, officers or directors in the ordinary course of business not to exceed US\$5.0 million in the aggregate at any one time outstanding;
- (7) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Company or any of its Restricted Subsidiaries with directors, officers, employees and consultants in the ordinary course of business and the payment of compensation pursuant thereto;
- (8) any sale of apartment units by the Company or a Restricted Subsidiary in the ordinary course of business to employees, officers, directors or their respective family members at a discount from the listed price not greater than that applicable generally to all employees of the Company and its Subsidiaries with respect to those apartment units; *provided* that (x) revenues from all such sales in any fiscal year shall not exceed 2.0% of the revenues for that year as shown in the consolidated financial statements of the Company for that period in accordance with GAAP, and (y) any such discount shall not be in excess of 15.0% of the Fair Market Value of the relevant apartment unit;
- (9) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in the Restructuring Group entered into in connection with the Restructuring, including but not limited to transactions entered into for purposes of any reorganization in connection with the Restructuring and the entry into, and the performance thereof, of any underwriting agreement or other transaction documents in connection with the Restructuring; and
- (10) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in the Restructuring Group entered into on arm’s length basis and on fair and reasonable terms and disclosed in the offering document issued in connection with the proposed Restructuring, 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 the proposed Restructuring 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, (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 between or among (A) 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) the Company or a Restricted Subsidiary and any Minority Joint Venture; *provided* that in the case of clause (iii) (a) such transaction is entered into in the ordinary course of business and (b) none of the minority or other shareholders or minority or other partners of or in such Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or Minority Joint Venture, as the case may be, is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority or other shareholder or minority or other partner being an officer or director of such Restricted Subsidiary or Minority Joint Venture, as the case may be).

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary 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 Restricted Subsidiary 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 secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the obligation or liability secured by such Lien, for so long as such obligation or liability is secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (1) the Company or such Restricted Subsidiary could have (a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under paragraph (1) of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock” and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described 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 such 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 such Sale and Leaseback Transaction is permitted by, and the Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described 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; and
- (3) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US\$10.0 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 accounting, appraisal or investment banking firm of recognized international standing. 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 statement of financial position, 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 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 any Indebtedness of a Restricted Subsidiary that is not a 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 properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets that will be used in the Permitted Businesses ("Replacement Assets").

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 accumulated 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 such 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 (or required to be prepaid or redeemed in connection with) such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other *pari passu* Indebtedness) to be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered (or required to be prepaid or redeemed). 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 Permitted Businesses; *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 described under the caption “– Limitation on Restricted Payments.”

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 (or in the case of Additional Notes, the offering memorandum relating to the sale of such Additional Notes) 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.

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 for the Indebtedness of such Restricted Subsidiary; (3) 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;” (4) 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 (5) 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 the caption “– Limitation on Restricted Payments” other than any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group upon the designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries in connection with the Restructuring, *provided that* (A) the Board of Directors has determined in good faith that the designation of such Subsidiaries as Unrestricted Subsidiaries is necessary to obtain approval from a Qualified Exchange for the Restructuring and (B) immediately prior to the designation of the Restructuring Group as Unrestricted Subsidiaries, the Consolidated Assets of the Restructuring Group shall be no more than 10% of the Total Assets of the Company.

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 and is not an Offshore Non-Guarantor Subsidiary, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor in accordance with the terms under the Indenture; and (6) if such Restricted Subsidiary is not organized under the laws of the PRC and is not an Offshore Non-Guarantor Subsidiary or a subsidiary of a JV Subsidiary Guarantor, all Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary shall be pledged as required under “– Security”.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) 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; (2) 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 (3) 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.

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 Restricted Subsidiary as an Unrestricted Subsidiary pursuant to the covenant described under the caption “– Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries” or the definition of “Unrestricted Subsidiary.”

Such covenants will be reinstituted 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 described under the caption “– 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 securities exchange on which the Company’s ordinary 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 securities 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 the English language) in respect of such financial year (including a statement of income, statement of financial position 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 fiscal quarter of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such half-year period (including a statement of income, statement of financial position 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 fiscal quarters of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language), including a statement of income, statement of financial position 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 four most recent fiscal quarter periods 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 certificate if its external auditors refuse to provide such certificate as a result of a policy of such external auditors; and (b) as soon as possible and in any event within 10 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:

- (1) 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;
- (2) 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;
- (3) default in the performance or breach of the provisions of the covenants described under the caption "– 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 "– Certain Covenants – Limitation on Asset Sales," or the failure by the Company to create, or cause its Restricted Subsidiaries to create, a Lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement) in accordance with the covenant described under the caption "– Security";
- (4) 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 (1), (2) or (3) 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;

- (5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$20.0 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;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary 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\$20.0 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;
- (7) an involuntary case or other proceeding is commenced against the Company or any Significant 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 Significant Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Significant 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 Significant Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or any Significant Restricted Subsidiary (a) 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, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors;
- (9) 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;
- (10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Security Documents, 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
- (11) 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 Trustee ceases to have a security interest in the Collateral (subject to any Permitted Liens and the Intercreditor Agreement).

If an Event of Default (other than an Event of Default specified in clause (7) or (8) 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 request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable or to enforce the performance of any provision of the Notes or the Indenture. 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 (7) or (8) 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:

- (1) 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
- (2) 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 occurs and is continuing, the Trustee may 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 enforce the performance of any provision of the Notes or the Indenture, subject to the terms of the Intercreditor Agreement. 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. In addition, if an Event of Default occurs and is continuing, the Trustee may, and shall (subject to being indemnified and/or secured to its satisfaction) upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes, subject to the terms of the Indenture and Intercreditor Agreement, foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Trustee deems appropriate, subject to the terms of the Indenture and Intercreditor Agreement. 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, the Indenture or the Security Documents, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be 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.

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 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 written 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 the Security Documents that the Company and its Restricted Subsidiaries have 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 in writing of any default or defaults in the performance of any covenants or agreements under the Indenture and the Security Documents. See "– Provision of Financial Statements and Reports."

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) to another Person, 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, the British Virgin Islands or Hong Kong 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 or through which it makes payments, 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 paragraph (1) of the covenant described 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)) 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 in the Indenture 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 to the 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 or through which it makes payments, 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 paragraph (1) of the covenant described 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)) 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 in the Indenture 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.”

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 protection in the event of highly-leveraged or other transactions involving the Company that may adversely affect Holders.

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 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 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:

- (1) the Company (a) has deposited with the Trustee (or its agent), in trust, money and/or U.S. Government Obligations 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 for such payments in accordance with the terms of the Indenture and the Notes and (b) has delivered 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 for such payment in accordance with the terms of the Indenture;
- (2) the Company has delivered to the Trustee (a) either (x) an Opinion of Counsel of recognized international standing with respect to U.S. federal tax laws which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company's exercise of its option under this "Defeasance and Discharge" provision and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel, and (b) 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
- (3) 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 Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary 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 applicable to the Notes 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 (3) under “Events of Default” 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 with respect to the other events set forth in such clause, clause (4) under “Events of Default” with respect to such other covenants and clauses (5) and (6) 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, the satisfaction of the provisions described in clause (2) (b) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel of recognized international standing with respect to U.S. federal income tax matters to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

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 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 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, the Subsidiary Guarantors and the JV Subsidiary Guarantors will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, 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 Collateral Agent;
- (4) add any Subsidiary Guarantor, JV Subsidiary Guarantor, 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 the corresponding 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 changes 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 and the Collateral Agent to enter into, supplement or amend the Intercreditor Agreement, the Security Documents or the Indenture permitting the holders of Permitted Pari Passu Secured Indebtedness (or their representatives) to accede to the Intercreditor Agreement, as applicable, 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 Intercreditor Agreement 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 the Holders of not less than a majority in aggregate principal amount of the outstanding Notes may amend or waive future compliance by the Company with any provision thereof; *provided, however*, that no such amendment or waiver 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 currency, time or place 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, 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, the Intercreditor Agreement 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;
- (11) amend, change or modify any provision of the Indenture, the Intercreditor Agreement or any Security Document 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 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 a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to 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 caption “– Optional Redemption” or “– Redemption for Taxation Reasons;”
- (14) amend, change or modify the obligation of the Company, 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 Subsidiary Guarantor or any JV Subsidiary Guarantor 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 Subsidiary Guarantor or any JV Subsidiary Guarantor, 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 the federal securities laws.

Concerning the Agents

The Bank of New York Mellon, London Branch is to be appointed as Trustee and as paying agent (the “Paying Agent”) under the Indenture. The Bank of New York Mellon (Luxembourg) S.A. is to be appointed as note registrar (the “Registrar”) and transfer agent (the “Transfer Agent” and, together with the Paying Agent and Registrar, the “Agents”) with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenant or obligation shall be read into the Indenture against the Trustee. 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, 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 Bank of New York Mellon 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, the Intercreditor Agreement and the Security Documents. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents, the Indenture or the Intercreditor Agreement that are in conflict with the interests of the Trustee, the Holders and the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness. Neither the Trustee nor the Collateral Agent will be under any obligation to exercise any rights or powers conferred under the Indenture, the Intercreditor Agreement or any Security Document for the benefit of the Holders or the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness, unless such Holders and/or the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness have offered to the Trustee and/or the Collateral Agent indemnity and/or security satisfactory to it against any loss, liability or expense. Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee, the other Agents 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, the other Agents or the Collateral Agent in respect of such risks.

Book-Entry; Delivery and Form

The Notes will be represented by one or more global notes in registered form without interest coupons attached (each a “Global Note”). On the Original Issue Date, the Global Note will be deposited with a common depositary and registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream.

Global Note

Ownership of beneficial interests in the Global Note (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 “– Individual Definitive 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 depositary for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Note 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 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 Note

Payments of any amounts owing in respect of the Global Note (including principal, premium, interest and additional amounts) will be made to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. The Company 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 and the Trustee will treat the registered holder of the Global Note (i.e., the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Trustee 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
- 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 Note

In the event the Global Note, or any portion thereof, is redeemed, the common depositary 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 depositary, 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 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 Note for individual definitive notes in certificated form, and to distribute such individual definitive 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 individual definitive 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 Note 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 Note 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 holders 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 immediately available 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 Trustee 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.

Individual Definitive 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 individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depositary 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

Note for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the Registrar for delivery to Holders. Persons exchanging interests in the Global Note for individual definitive 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 individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive 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 first-class mail (if intended for the Company or any Subsidiary Guarantor) addressed to the Company or such Subsidiary Guarantor at the registered office of the Company, if intended for the Trustee, 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 will irrevocably (1) 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, the Indenture or any transaction contemplated thereby and (2) 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, the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York. The relevant pledge agreements pursuant to which the Capital Stock of the Subsidiary Guarantors are pledged as described under “– Security” will be governed under the laws of the jurisdiction in which the relevant Subsidiary Guarantor is incorporated.

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.

“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.

“Adjusted Treasury Rate” means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after February 16, 2020, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to 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 for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

“Affiliate” means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) 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 (1) or (2). 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.

“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 February 16, 2020 (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 Restricted Subsidiary 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 Restricted Subsidiary; or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary 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 Restricted Subsidiary (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 or any Restricted Subsidiary.

“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 of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that “Asset Sale” shall not include:

- (1) sales, transfers 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;
- (2) 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;

- (3) 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;
- (4) 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 and its Restricted Subsidiaries;
- (5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (6) a transaction covered by the “– Consolidation, Merger and Sale of Assets” covenant; and
- (7) any sale, transfer or other disposition by the Company or any Restricted Subsidiary, 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.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, at the time of determination, 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 or may, at the option of the lessor, be 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 secured by a pledge of one or more bank accounts of the Company or a Restricted Subsidiary and is used by the Company and its Restricted Subsidiaries to in effect exchange foreign currencies.

“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, London or 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.

“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 into such equity.

“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 or statement of financial position of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Change of Control” means the occurrence of one or more of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any “person” (within the meaning of Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”)), other than one or more Permitted Holders;
- (2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;
- (3) the Permitted Holders are the beneficial owners of less than 50.1% of the total voting power of the Voting Stock of the Company;
- (4) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose election 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 shall initially consist of the Capital Stock of the initial Subsidiary Guarantors.

“Collateral Agent” means The Bank of New York Mellon.

“Commodity 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 on the Original Issue Date, 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 February 16, 2020 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 February 16, 2020.

“Comparable Treasury Price” means, with respect to any redemption date if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three (or such lesser number as is obtained by the Company) Reference Treasury Dealer Quotations for such redemption date.

“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 period for which consolidated financial statements of the Company and its Restricted Subsidiaries (which the Company shall use its reasonable best efforts to compile in a timely manner) are available.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense,
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), 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), 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),

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP; *provided* that (1) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary (other than any Restricted Subsidiary that is a Listed Subsidiary) and its directly and indirectly held Subsidiaries), 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 Restricted Subsidiary; (2) in the case of any Restricted Subsidiary that is a Listed Subsidiary (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) declared or paid by such Restricted Subsidiary that is a Listed Subsidiary to its shareholders other than the Company or any other Restricted Subsidiary; and (3) 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 (1) Consolidated Interest Expense for such period and (2) 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 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, (1) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) 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, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage

Guarantees), only to the extent such interest has become payable by the Company or any Restricted Subsidiary, and (7) 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, and *provided further* that, for the avoidance of doubt, distributions (incurred or accrued) or payments on any Perpetual Bond Obligation shall not be included in the calculation of Consolidated Interest Expense.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis and, solely for the purposes of clause (c)(i) of the first paragraph of the covenant described under “– Certain Covenants – Limitation on Restricted Payments,” attributable to equity holders of such Person (which excludes net income attributable to non-controlling interests), 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 Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Company or any Restricted Subsidiary;
- (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;

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 sales 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 not be excluded from Consolidated Net Income; (B)

for purposes of the 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 not be excluded from Consolidated Net Income.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available semi-annual or annual consolidated statement of financial position of the Company and its Restricted Subsidiaries, 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 Restricted Subsidiary, 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.

“Creditor Representatives” means, collectively, the Trustee, the November 2017 Notes Trustee, the July 2019 Notes Trustee and holders (or their trustee representatives or agents) of any other Permitted Pari Passu Secured Indebtedness.

“Currency Agreement” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“Debt Documents” means, collectively, the Indenture, the November 2017 Notes Indenture, the July 2019 Notes Indenture and the documents evidencing any other Permitted Pari Passu Secured Indebtedness.

“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 date that is 183 days after 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 date that is 183 days after 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 statement of financial position of the Company.

“Equity Offering” means (i) any underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date or (ii) any 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 placement price; *provided* that any offering or placement 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 SA/NV, as operator of the Euroclear System.

“Exempted Subsidiary” means (a) any Restricted Subsidiary organized in any jurisdiction other than the PRC that is prohibited by applicable law or regulation from providing a Subsidiary Guarantee or a JV Subsidiary Guarantee or creating any Lien over its Capital Stock to secure any of the secured obligations subject to the Intercreditor Agreement; *provided* that (x) the Company shall have failed, upon using commercially reasonable efforts, to obtain any required governmental or regulatory approval or registration with respect to such Subsidiary Guarantee, JV Subsidiary Guarantee or Lien over its Capital Stock, to the extent that such approval or registration may be available under any applicable law or regulation and (y) such Restricted Subsidiary shall cease to be an Exempted Subsidiary immediately upon such prohibition ceasing to be in force or ceasing to apply to such Restricted Subsidiary or upon the Company having obtained applicable approval or registration; or (b) any Restricted Subsidiary organized in any jurisdiction other than the PRC that is or becomes a Listed Subsidiary or Subsidiary of a Listed Subsidiary.

“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.

“Fitch” means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalae, S.A. and Hearst Corporation, and its successors.

“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 quarters 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 (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 (or under any

predecessor 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 paragraph 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 quarters 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 Hong Kong Financial Reporting Standards 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 Agreement, Currency Agreement or Interest Rate Agreement.

“Holder” means the Person in whose name a Note is registered in the Note register.

“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 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.

For the avoidance of doubt, a mandatory put option granted to a Person that obligates the Company or any Restricted Subsidiary to repurchase the Capital Stock of any Restricted Subsidiary or any other Person shall be deemed to be “Indebtedness.”

Notwithstanding the foregoing, Indebtedness shall not include any (1) capital commitments, pre-sale receipts in advance from customers, deferred payment obligations, 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; (2) Entrusted Loans; or (3) Perpetual Bond Obligations; *provided* that such Indebtedness is not reflected as borrowings on the consolidated statement of financial position of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected on the statement of financial position will not be deemed to be reflected on such statement of financial position).

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* that:

- (1) 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,
- (2) 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
- (3) the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause 2(f) of the covenant under “– Limitation on Indebtedness and Preferred Stock”, and (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at or prior to that time if not Incurred pursuant to such clause.

“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:

- (1) any direct or indirect advance, loan or other extension of credit to another Person;
- (2) 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);
- (3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or
- (4) any Guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person.

For the purposes of the provisions of the “Designation of Restricted and Unrestricted Subsidiaries” and “Limitation on Restricted Payments” covenants: (1) 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 proportionate 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 (2) 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 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 Fitch 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, Moody’s or Fitch or two or three of them, as the case may be.

“Investment Property” means any property that is owned and held by any PRC Restricted Subsidiary for long-term rental yield 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.

“July 2019 Notes” means the 10.25% Senior Notes due 2019 issued by the Company.

“July 2019 Notes Indenture” means the indenture dated July 21, 2014, under which July 2019 Notes were issued.

“JV Entitlement Amount” means, with respect to any JV Subsidiary Guarantor and its Subsidiaries, an amount that is equal to the product of (i) the Fair Market Value of the total assets of such JV Subsidiary 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).

“Listed Subsidiary” means any Subsidiary of the Company, the shares of which are at the relevant time listed on any nationally recognized securities exchange, including but not limited to, The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

“Measurement Date” means January 31, 2013.

“Minority Joint Venture” means any corporation, association or other business entity that is accounted for by the equity method of accounting in accordance with GAAP by the Company or a Restricted Subsidiary and primarily engaged in the Permitted Businesses, and such Minority Joint Venture’s Subsidiaries.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Net Cash Proceeds” means:

- (1) 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:
 - (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment banks) related to such Asset Sale;
 - (b) 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;
 - (c) 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;

- (d) 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
- (2) 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 attorneys' 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.

"November 2017 Notes" means the 6.25% Senior Notes due 2017 issued by the Company.

"November 2017 Notes Indenture" means the indenture dated November 12, 2015, under which the November 2017 Notes were issued.

"Offer to Purchase" means an offer to purchase the Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying and Transfer Agent 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 and Transfer 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 and Transfer 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.

On one Business Day prior to Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) 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 and Transfer Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Registrar or an authenticating agent 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. 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 all applicable securities laws and regulations, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The materials used in connection with an Offer to Purchase are 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 acceptable to the Trustee.

"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 (including Additional Notes); *provided* that (1) the Company was permitted to incur such Indebtedness under the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock" and (2) 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 Businesses" means any business which is the same as or related, ancillary or complementary to, or which has the aim or effect of enhancing the value or flexibility of or adding value or services to the customers in, any of the businesses of the Company and its Restricted Subsidiaries on the Original Issue Date, including, without limitation, real estate acquisition, development, leasing, operation and management (including residential and commercial properties, hotels, leisure facilities and other infrastructure), financing, microfinance and cultural-, entertainment- or marketing-related businesses.

“Permitted Holders” means any or all of the following:

- (1) Mr. Wang Zhenhua;
- (2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Person specified in clause (1);
- (3) the trust of the Person specified in clause (1) or the legal representative thereof; and
- (4) 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 Persons specified in clauses (1) or (2).

“Permitted Investment” means:

- (1) any Investment in the Company or a Restricted Subsidiary 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 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 in a Permitted Business;
- (2) Temporary Cash Investments;
- (3) payroll, travel and similar advances 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 designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates and not for speculation;
- (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 described 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 the caption “– 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 statement of financial position;

- (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 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 of the Company or any Restricted Subsidiary and prepayments made in connection with the direct or indirect acquisition of real property or land use rights by the Company or any Restricted Subsidiary, in each case in the ordinary course of business;
- (16) an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Common Stock of the Company;
- (17) Guarantees permitted under clause 2(u) of the covenant under “– Limitation on Indebtedness and Preferred Stock”;
- (18) any Investment (including any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the sale of Capital Stock of a Restricted Subsidiary) by the Company or any Restricted Subsidiary in any Person (other than a Restricted Subsidiary), *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 35% of Total Assets. 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, 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 (18) 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);
 - (ii) the Person into which such Investment is made is primarily engaged in the Permitted Businesses; *provided however* that this paragraph (ii) 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 other Investments made in reliance on this proviso since the Original Issue Date, shall not exceed in aggregate an amount equal to 5.0% of Total Assets (such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made in reliance on this proviso since the Original Issue Date resulting from the events set forth in paragraphs (i)(A) through (i)(C) above, where references in such paragraphs to “under this clause (18)” shall be substituted with “in reliance on the proviso in paragraph (ii)”);

- (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, a Restricted Subsidiary or a Minority Joint Venture or by reason of being a Restricted Subsidiary or a Minority Joint Venture);
- (iv) no Default has occurred and is continuing or would occur as a result of such Investment;
- (v) the Company or such Restricted Subsidiary owns, directly or indirectly, no less than 10% of the voting power of the outstanding Voting Stock of the Person into which such Investment is made (after giving effect to such Investment); and
- (vi) 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 (1) of the covenant under the caption “– Limitation of Indebtedness and Preferred Stock.”

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; and

- (19) any Investment deemed to have been made by the Company or any Restricted Subsidiary in connection with a proposed Restructuring upon designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries, *provided* that (A) (i) the Board of Directors of the Company has determined in good faith that the designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries is necessary to obtain approval from a Qualified Exchange for the proposed Restructuring, (ii) at the time of such designation, the members of the Restructuring Group remain Subsidiaries of the Company, and (iii) at the time of such designation, the members of the Restructuring Group remain primarily engaged in the Permitted Businesses; and (B) the aggregate of all Investments made under this clause (19) since the Original Issue Date shall not exceed an amount equal to 10.0% of Total Assets (for the avoidance of doubt, any portion of such Investments exceeding 10.0% of Total Assets shall not constitute a Permitted Investment pursuant to this item but may be made, characterized and accounted for in accordance with the other provisions of the Indenture); and *provided further* that, at the time when (x) the Company ceases to hold, directly or indirectly, at least 30.0% of the Voting Stock of any entity so designated as an Unrestricted Subsidiary or (y) any Person or group of Persons other than the Company and its Subsidiaries acquires a higher percentage of the Voting Stock of such entity than the percentage held directly or indirectly by the Company, the Company will be deemed to make an Investment in such entity equal to the Fair Market Value of any Investment that the Company retains, directly or indirectly, in such entity immediately following such event.

“Permitted Liens” means:

- (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 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;
- (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) 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;
- (7) Liens in favor of the Company or any Restricted Subsidiary;
- (8) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (9) 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;
- (10) 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 (2)(f) of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”;
- (11) Liens existing on the Original Issue Date;
- (12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (2)(e) of the covenant described under the caption “– 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;
- (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) any interest or title of a lessor in the property subject to any operating lease;
- (16) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (2)(g) of the covenant described 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 real or personal property acquired after the Original Issue Date; *provided* that, (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under clause (2)(h) of the covenant described under the caption “– 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 of the last day of the most recent fiscal quarter period 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), 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 comply with statutory obligations to maintain deposits for workers compensation claims and other purposes specified by statute made 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 secure the performance of the Company or any Restricted Subsidiary in connection with the acquisition of real property or land use rights by the Company or any Restricted Subsidiary in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (22) Liens on the Capital Stock of a PRC Project Company granted by the Company or any PRC Restricted Subsidiary in favor of any Trust Company Investor (including the sale or transfer of such Capital Stock to such Trust Company Investor) in respect of, and to secure, the Indebtedness permitted to be Incurred under clause (2)(p) of the “– Limitation on Indebtedness and Preferred Stock” covenant;
- (23) Liens on one or more bank accounts to secure Bank Deposit Secured Indebtedness of the type described under clause 2(r) of the covenant described under “– Limitation on Indebtedness and Preferred Stock”;
- (24) Liens on Investment Properties securing Indebtedness of the Company or any Restricted Subsidiary permitted under clause (2)(q) of the covenant described under “– Limitation on Indebtedness and Preferred Stock”;
- (25) Liens incurred or deposits made to secure Entrusted Loans;
- (26) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(n) of the covenant described under “– 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 which is permitted to be Incurred under clause (2)(o) of the covenant described under “– Limitation on Indebtedness and Preferred Stock”;
- (28) Liens securing Indebtedness of Restricted Subsidiaries (other than Subsidiary Guarantors or JV Subsidiary Guarantors) Incurred pursuant to clause (2)(t) of the covenant described under “– Limitation on Indebtedness and Preferred Stock”;

- (29) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(t) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;
- (30) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(u) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”; and
- (31) bankers’ Liens, rights of setoff and other similar Liens existing with respect to cash and Temporary Cash Investments on deposit in one or more accounts in favor of the bank or banks with which such accounts are maintained, securing (a) amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, netting arrangements or sweep accounts and (b) Indebtedness owing to such bank; *provided* that, in the case of clause (b), such Indebtedness is permitted to be Incurred under the covenant described under “– Limitation on Indebtedness and Preferred Stock” and on the date of the Incurrence of such Lien and after giving effect thereto, the aggregate amount of cash and Temporary Cash Investments then used to secure Indebtedness in reliance on this proviso, shall not exceed an amount equal to 1.0% of Total Assets;

provided that, with respect to the Collateral, “Permitted Liens” shall only refer to the Liens described in clauses, (1) (6), (13) and (14) of this definition.

“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 Non-Guarantor Subsidiaries, taken as a whole; *provided* that, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness (excluding Public Indebtedness and any Indebtedness of any Non-Guarantor Subsidiary permitted under clauses 2(a), (b), (d), (f) and (g) of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”) does not exceed an amount equal to 20% of Total Assets.

“Perpetual Bond Obligation” means any security or other obligation (howsoever described) incurred by the Company or any Restricted Subsidiary under any “perpetual bond,” “perpetual loan” or similar instrument which is treated as equity under GAAP at the time of issuance of such security or obligation.

“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 Hong Kong Special Administrative Region, Macau and Taiwan.

“PRC Project Company” means any corporation, association or other business entity organized under the laws of the PRC primarily engaged in a Permitted Business which, at any time, is treated as a “subsidiary” of the Company under GAAP, other than an Unrestricted Subsidiary.

“Pre-Registration Mortgage Guarantee” means any Indebtedness of the Company or any Restricted Subsidiary consisting of 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; *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 any other class of Capital Stock of such Person.

“PRC CJV” means any Subsidiary that is a Chinese-Foreign Contractual joint ventures enterprise with limited liability, established in the PRC pursuant to the law of the People’s Republic of China on Chinese-Foreign Contractual joint ventures (《中華人民共和國中外合作經營企業法》(主席令第57號)) adopted on April 13, 1988 (as most recently amended on November 7, 2016) and the Detailed Rules for the Implementation of the law of the People’s Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法實施細則》(國務院令第648號)) Promulgated on September 4, 1995 (as most recently amended on February 19, 2014).

“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.

“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 London Stock Exchange, The Stock Exchange of Hong Kong Limited, the Nasdaq Stock market or Singapore Exchange Securities Trading Limited 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 an initial public offering, and a listing, of Common 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.

“Rating Agencies” means (1) S&P and (2) Fitch and (3) if S&P or Fitch 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 Fitch or both, as the case may be.

“Rating Category” means (1) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); and (3) the equivalent of any such category of S&P or Fitch 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; “+” and “-” for Fitch; 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 (1) 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 (2) 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 (1) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after the date of public notice of the occurrence of a Change of Control or the intention by the Company or any other Person or Persons 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 (2) 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 Fitch 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. on the third Business Day preceding such redemption date.

“Replacement Assets” means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“Restructuring” means the restructuring and Qualified IPO of the Common Stock of a Subsidiary of the Company in a Restructuring Group.

“Restructuring Group” means a group of Subsidiaries of the Company that the Company may spin off and separately list on a Qualified Exchange pursuant to a Qualified IPO.

“S&P” means Standard & Poor’s Ratings Services and its affiliates.

“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.

“Secured Parties” means the November 2017 Notes Trustee and the holders of the November 2017 Notes (or their representatives), the July 2019 Notes Trustee and the holders of the July 2019 Notes (or their representatives), the Trustee and the Holders (or their representatives) once the Trustee accedes to the Intercreditor Agreement, and the holders of any other Permitted Pari Passu Indebtedness (or their trustee, agents or representatives) once such person accedes to the Intercreditor Agreement.

“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 Trustee, the Collateral Agent and/or any Holders in any or all of the Collateral.

“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 (1) any obligation to the Company or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

“Significant Restricted Subsidiary” means a Restricted Subsidiary, or group of Restricted Subsidiaries, that would, when taken together, be a “significant subsidiary” within the meaning of the definition of “significant subsidiary” in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Original Issue Date; *provided* that in each instance in such definition in which the term “10 percent” is used, the term “5 percent” shall be substituted therefor.

“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 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.

“Subordinated Shareholder Loan” means unsecured Indebtedness for borrowed money Incurred by the Company or any Restricted Subsidiary from but only for long as such Indebtedness is owed to, any Permitted Holder (other than the Company or any Restricted Subsidiary) as to which (a) the payment of principal of (and premium, if any) and interest and other payment obligations in respect of such Indebtedness is, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued or remains outstanding and an agreement (the “Subordination Agreement”) to be entered into among the holders of such Indebtedness (or trustees or agents therefor) and the Trustee, is expressly made subordinate to the prior payment in full of the Notes or the Subsidiary Guarantees, as the case may be, to at least the following extent: (i) no payments of principal of (or premium, if any) or interest on or otherwise due in respect of such Indebtedness may be permitted for so long as any Default exists; (ii) such Indebtedness may not (x) provide for payments of principal of such Indebtedness at the Stated Maturity thereof or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by the Company or such Subsidiary Guarantor (including any redemption, retirement or repurchase which is contingent upon events or circumstances), in each case prior to the final Stated Maturity of the Notes or (y) permit redemption or other retirement (including pursuant to an offer to purchase made by the Company or any Restricted Subsidiary) of such other Indebtedness at the option of the holder thereof prior to the final Stated Maturity of the Notes, except that to the extent such redemption or other retirement is permitted under the covenant described under the caption “– Certain Covenants – Limitation on Restricted Payments” on the date of such redemption or other retirement, (iii) the Subordination Agreement will prevent the holders of such Indebtedness (or trustees or agents therefor) from pursuing remedies against the Company or any of the Restricted Subsidiaries or their respective assets or properties in an insolvency proceeding or in respect of a default under such Indebtedness and (iv) the Subordination Agreement will provide in the event that

any payment is received by the holders of such Indebtedness (or any trustee or agent therefor) in respect of such Indebtedness where such payment is prohibited by one or more of the subordination provisions described in this definition, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Trustee on behalf of the Holders of the Notes, and (b) the terms thereof provide that interest (and premium, if any) thereon is paid solely in the form of pay-in-kind, or PIK, payments constituting additional Subordinated Shareholder Loans.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity of which (i) 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 (ii) 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 (ii), the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be “controlled” by such Person under the GAAP and to constitute a Subsidiary of such Person shall be deemed to be a designation of such corporation, association or other business entity as an Unrestricted Subsidiary by such Person and be subject to the requirements under the first paragraph of “Designation of Restricted and Unrestricted Subsidiaries” covenant.

“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, which in the case of obligations of, or obligations Guaranteed by, any state of the European Economic Area, shall be rated at least “A” by S&P or Moody’s;
- (2) 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 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 Section 3(a)(62) of the Exchange 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) demand or time deposit accounts, certificates of deposit, overnight or call deposits, money market deposits and principal protected structured deposit products (that if held to maturity (which shall not be more than one year) and can be withdrawn at any time with no more than six months’ notice) with any bank, trust company or other financial institution organized under the laws of the PRC or Hong Kong.

“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 in a timely manner) are available (which may be internal consolidated financial statements); *provided* that only with respect to clause (2)(h) of “– 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, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or other similar financial institutional lender providing such Indebtedness.

“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.

“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, a trust company, a securities management company, an 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 Project Company.

“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 in the Indenture; 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; *provided* that Subsidiaries that are PRC CJVs shall not be considered Wholly Owned Subsidiaries unless such Person or one or more Wholly Owned Subsidiaries of such Person is entitled to 95% or more of the economic benefits distributable by such Subsidiary.

TAXATION

The following summary of certain Cayman Islands, Hong Kong, PRC and United States tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions 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 or investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisers 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 Taxation

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 in the Cayman Islands 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. The Cayman Islands are not party to any double taxation treaties that are applicable to any payments made by or to the Company.

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.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Law (2011 Revision). In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Future Land Development Holdings Limited:

- That no law which is hereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its 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 the shares, debentures or other obligations of the Company, 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 (2011 Revision).
- These concessions shall be for a period of 20 years from November 6, 2012.

Hong Kong Taxation

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), or 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;
- 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 (for so long as the register of holders of the Notes is maintained outside Hong Kong) of a Note.

PRC Taxation

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 advisers 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. The PRC EIT Law and its implementation regulations, effective January 1, 2008, impose a tax at the rate of 10% on interests paid to holders of the Notes that are “non-resident enterprises” so long as such “non-resident enterprise” holder does not have an establishment or place of business in China or, if there is an establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China, to the extent such interests are sourced within China. Pursuant to these provisions of the PRC tax law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, the interest payable to the non-resident enterprise holders on the Notes may be treated as income derived from sources within China and be subject to the PRC withholding tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate will apply to qualified investors in the Notes.

Taxation on Capital Gains. The PRC EIT Law and its implementation regulations impose a tax at the rate of 10% on capital gains realized by holders of the Notes that are “non-resident enterprises” so long as any such “non-resident enterprise” holder does not have an establishment or place of business in China or, if there is an establishment or place of business in China, the relevant gain is not effectively connected with such establishment or place of business in China, to the extent such capital gains are sourced within China. Pursuant to these provisions of the PRC EIT law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, the capital gains realized by holders of the Notes may be treated as income derived from sources within China and be subject to the PRC tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate will apply to qualified investors in the Notes.

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 Mainland China) of a Note.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement between us, the Subsidiary Guarantors and the Initial Purchasers, we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase from us, the principal amount of the Notes set forth opposite its name below.

Initial Purchasers	Principal Amount of Notes
Deutsche Bank AG, Singapore Branch.....	US\$157,500,000
Haitong International Securities Company Limited.....	US\$ 70,000,000
J.P. Morgan Securities plc	US\$ 35,000,000
Merrill Lynch International	US\$ 35,000,000
The Hongkong and Shanghai Banking Corporation Limited	US\$ 52,500,000
Total	<u>US\$350,000,000</u>

Subject to the terms and conditions set forth in the purchase agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of the Notes are purchased. If an Initial Purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the purchase agreement may be terminated. 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 reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

We and the Subsidiary Guarantors have agreed to, jointly and severally, indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

We have agreed with the Initial Purchasers to pay certain rebate to those private bank purchasers of the Notes (the “**Private Bank Rebates**”). We shall bear the cost of the Private Bank Rebates, which amount may be deducted from the net proceeds by the Initial Purchasers, failing which, we shall pay such amount to the Initial Purchasers upon demand.

The Initial Purchasers or their affiliates may purchase the Notes for its or their own account and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution and/or enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of us or our subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this offering memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

The Initial Purchasers propose initially to offer the Notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed from time to time without notice by the Initial Purchasers.

Notes Are Not Being Registered

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees have not been 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law. Accordingly, the Notes are being offered and sold by the Initial Purchasers only outside the United States in compliance with Regulation S. Each purchaser of the Notes will be deemed to have made acknowledgements, representations and agreements as described under “Transfer Restrictions.”

New Issue of Notes

The Notes are a new issue of securities with no established trading market. Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Initial Purchasers have advised us that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities in their sole discretion at any time without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Short Positions and Stabilizing Transactions

In connection with the offering, the Stabilizing Manager, or any person acting for it, may purchase and sell the Notes in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing purchases. Short sales involve the sale by the Stabilizing Manager, or any person acting for it, of a greater principal amount of the Notes than the Initial Purchasers are required to purchase in the offering. The Stabilizing Manager, or any person acting for it, must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Stabilizing Manager is concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions involve bids to purchase the Notes so long as the stabilizing bids do not exceed a specified maximum.

Similar to other purchase transactions, the purchases to cover the syndicate short sales and stabilizing purchases may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither we nor the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor the Initial Purchasers make any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice at any time. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

Other Relationships

The Initial Purchasers and/or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including financial advisory, commercial banking and investment banking services, for us and our affiliates in the ordinary course of business, for which they received or will receive customary fees and commissions and reimbursement of expenses.

In addition, in the ordinary course of their various business activities, the Initial Purchasers and/or their affiliates may 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. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The Initial Purchasers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. We and our affiliates may enter into hedging or other derivative transactions as part of our risk management strategy with one or more of the Initial Purchasers, which may include transactions relating to our obligations under the Notes. Our obligations under these transactions may be secured by cash or other collateral.

Selling Restrictions

No action is being taken or is contemplated by us or the Initial Purchasers that would permit a public offering of the Notes or the Subsidiary Guarantees or possession or distribution of this offering memorandum or any amendment thereof, any supplement thereto or any other offering material relating to the Notes or the Subsidiary Guarantees in any jurisdiction where, or in any other circumstance in which, action for those purposes is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is for distribution only to persons who (i) fall within Article 43(2)(b) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Financial Promotion Order, (iv) are outside the United Kingdom, or (v) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This 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 this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Each of the Initial Purchasers has represented, warranted and agreed that:

- (1) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to us or the Subsidiary Guarantors; and
- (2) 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 the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Initial Purchaser has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchasers for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes above shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the SFO (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes offered in this offering memorandum have not been and will not be registered under the Financial Instruments and Exchange Act of Japan. The Notes may not and will not, directly or indirectly, be offered or sold 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 reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act of Japan and other relevant laws and regulations of Japan.

Notice to Prospective Investors in the PRC

This offering memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the PRC. Other than to qualified domestic institutional investors in the PRC, the Notes are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements of the PRC, with the exception of qualified domestic institutional investors in the PRC, the Notes may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, 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 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:

- (1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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 but the Notes may be acquired by British Virgin Islands persons who receive the offer outside of the British Virgin Islands and in a manner which does not contravene the laws of the jurisdictions in which such offer is received.

Notice to Prospective Investors in the Cayman Islands

No Notes will be offered or sold to the public in the Cayman Islands.

Notice to Prospective Investors in Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

Notice to Prospective Investors in Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this offering circular or of any other document relating to the Notes be distributed in Italy, except:

- (i) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the “**Financial Services Act**”) and as defined in Article 34-ter, first paragraph, letter b) of *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) Regulation No. 11971 of May 14, 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this offering circular or any other document relating to the Notes in the Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 385 (the “**Banking Act**”), the Financial Services Act of September 1, 1933, as amended, CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time) and any other applicable law and regulations; and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

By its purchase of the Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), each purchaser will be deemed to have:

1. represented that it is purchasing the Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a purchaser that is outside the United States;
2. acknowledged that the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable laws of any state or territory of the United States and any foreign jurisdiction;
3. agreed that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes;
4. understood and agreed that the Notes will be represented by the Global Notes and that transfers thereto are restricted as described under “Description of the Notes – Book-Entry Delivery and Form”;
5. understood and agreed that if in the future it decides to resell, pledge or otherwise transfer any Notes represented by the Global Notes or any beneficial interest in any Notes represented by the Global Notes, such Notes may be resold, pledged or transferred only in accordance with the requirements of the legends set forth in paragraph 6 below;
6. understood that the Notes represented by the Global Notes will bear a legend to the following effect unless otherwise agreed to by the Company and the holder thereof:

THIS SECURITY AND THE GUARANTEE RELATED TO THIS SECURITY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED IN THE UNITED STATES UNLESS SUCH SECURITIES AND GUARANTEES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE; and

7. acknowledged that the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Transfer Agent, the Initial Purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and agreed that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes is no longer accurate, it shall promptly notify the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Transfer Agent, the Trustee and the Initial Purchasers; and represented that if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

RATINGS

The Notes are expected to be rated B+ by S&P and BB- by Fitch. 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 address the payment of any Additional Amounts and do not constitute recommendations to purchase, hold or sell the Notes inasmuch 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. In addition, we have been assigned a corporate rating of BB- with a positive outlook by Fitch, a corporate rating of BB- with a stable outlook by S&P and a corporate rating of Ba3 with a stable outlook by Moody's. 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 Maples and Calder (Hong Kong) LLP as to matters of Cayman Islands law, Shearman & Sterling as to matters of Hong Kong, United States federal and New York law and Shu Jin Law Firm as to matters of PRC law. Certain legal matters will be passed upon for the Initial Purchasers by Paul Hastings as to matters of United States federal and New York law and Commerce & Finance Law Offices as to matters of PRC law.

INDEPENDENT AUDITOR

Our audited consolidated financial statements as of and for each of the years ended December 31, 2013, 2014 and 2015, included in this offering memorandum, have been audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, as stated in their reports appearing herein.

The condensed consolidated interim financial information as of and for the six months ended June 30, 2016 has been reviewed by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, 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 HKICPA. This information is not audited and accordingly the degree of reliance on such information should be restricted in light of the limited nature of the review procedure applied.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in the Cayman 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 a resolution of our board of directors dated February 3, 2017.

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 our audited financial statements for the last two financial years, if any, 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 with a Common Code of 156543705 for the Notes. The International Securities Identification Number is XS 1565437057 for the notes. 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 of the statements made or opinions expressed or reports contained in this offering memorandum. The listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of us, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Notes are listed on the SGX-ST.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where the Notes may be presented or surrendered for payment or redemption in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

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Note: The audited consolidated financial statements of the Company as of and for the years ended December 31, 2013, 2014 and 2015, with independent auditor's reports set out herein have been reproduced from the Company's annual reports for the years ended December 31, 2013, 2014 and 2015, respectively, and page references are references to pages set forth in such annual reports. The unaudited condensed consolidated interim financial information of the Company set out herein has been reproduced from 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. The Chinese translation is for reference only. Should there be any inconsistency between English and Chinese versions, English should prevail.

簡明合併財務狀況表

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2016年6月30日 As at 30 June 2016

			於2016年 6月30日 As at 30 June 2016	於2015年 12月31日 As at 31 December 2015
		附註 Note	人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
資產	ASSETS			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	7	2,349,671	2,261,413
投資物業	Investment properties	8	11,456,000	10,854,000
無形資產	Intangible assets		32,724	36,310
於聯營公司的投資	Investments in associates	9	500,948	300,127
於合營企業的投資	Investments in joint ventures	10	3,474,007	2,019,775
遞延所得稅資產	Deferred income tax assets	20	687,665	579,813
可供出售金融資產	Available-for-sale financial assets		397,630	337,702
衍生金融工具	Derivative financial instruments		142,774	–
土地使用權	Land use rights	11	430,861	431,589
其他應收款項和預付款項	Other receivables and prepayments	13	1,140,432	169,467
			20,612,712	16,990,196
流動資產	Current assets			
租賃土地預付款項	Prepayments for leasehold land	12	1,170,752	6,799,095
完工待售或在建銷售物業	Properties held or under development for sale		38,443,991	32,739,898
貿易及其他應收款項和預付款項	Trade and other receivables and prepayments	13	11,361,744	6,527,190
受限制現金	Restricted cash	14	2,040,499	1,283,653
現金和現金等價物	Cash and cash equivalents	14	9,204,013	6,478,861
			62,220,999	53,828,697
資產總額	Total assets		82,833,711	70,818,893
所有者權益	OWNERS' EQUITY			
本公司權益持有人應佔	Capital and reserves attributable to equity holders of the Company			
股本及儲備				
股本：面值	Share capital: nominal value	15	4,609	4,609
儲備	Reserves		8,335,508	8,165,760
			8,340,117	8,170,369
非控股權益	Non-controlling interests		5,108,068	5,292,979
權益總額	Total equity		13,448,185	13,463,348

簡明合併財務狀況表

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2016年6月30日 As at 30 June 2016

		於2016年 6月30日 As at 30 June 2016		於2015年 12月31日 As at 31 December 2015	
		人民幣千元 RMB'000 (未經審核) (Unaudited)		人民幣千元 RMB'000 (經審核) (Audited)	
		附註 Note			
負債	LIABILITIES				
非流動負債	Non-current liabilities				
借款	Borrowings	17	18,534,377	15,004,889	
長期應付款	Long-term payables	19	35,603	–	
遞延所得稅負債	Deferred income tax liabilities	20	943,116	754,670	
			19,513,096	15,759,559	
流動負債	Current liabilities				
貿易及其他應付款項	Trade and other payables	19	20,320,027	20,008,074	
預售物業預收款項	Advances from pre-sale of properties		24,015,358	15,928,660	
即期所得稅負債	Current income tax liabilities		1,275,903	1,682,585	
借款	Borrowings	17	3,977,085	3,975,575	
應付股息	Dividends payable	27	284,057	1,092	
			49,872,430	41,595,986	
負債總額	Total liabilities		69,385,526	57,355,545	
權益及負債總額	Total equity and liabilities		82,833,711	70,818,893	

第F68頁至第F132頁的附註為本簡明合併中期財務報表的一部分。

The notes on pages F68 to F132 are an integral part of these condensed consolidated interim financial statements.

簡明合併利潤表

CONDENSED CONSOLIDATED STATEMENT OF 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 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
	附註 Note		
收入	Revenue	21	9,302,948
銷售成本	Cost of sales	23	(7,367,700)
毛利	Gross profit		1,935,248
投資物業公允價值收益	Fair value gains on investment properties	8	193,162
銷售及營銷費用	Selling and marketing expenses	23	(384,205)
行政開支	Administrative expenses	23	(508,776)
其他收入	Other income		18,389
其他開支	Other expenses		(1,030)
其他收益－淨額	Other gains – net	22	175,944
經營利潤	Operating profit		1,428,732
融資成本－淨額	Finance costs – net	24	(242,413)
應佔聯營公司業績	Share of results of associates	9	(3,179)
應佔合營企業業績	Share of results of joint ventures	10	(41,631)
除所得稅前利潤	Profit before income tax		1,141,509
所得稅開支	Income tax expense	25	(390,637)
期內利潤	Profit for the period		750,872
應佔期內利潤：	Attributable to:		
本公司權益持有人	Equity holders of the Company		490,756
非控股權益	Non-controlling interests		260,116
			750,872
本公司權益持有人應佔 利潤的每股盈利 －基本及攤薄	Earnings per share for profit attributable to equity holders of the Company － Basic and diluted	26	人民幣0.09元 RMB0.09
股息	Dividends	27	－

第F68頁至第F132頁的附註為本簡明合併中期財務報表的一部分。

The notes on pages F68 to F132 are an integral part of these condensed consolidated interim financial statements.

簡明合併全面收益表

CONDENSED CONSOLIDATED STATEMENT OF 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 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
期內利潤	Profit for the period	750,872	695,193
其他全面收益， 可於其後重新分類至損益	Other comprehensive income, which may be reclassified subsequently to profit or loss		
— 可供出售金融資產公允價值變動， 扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	–	10,500
期內全面收益總額	Total comprehensive income for the period	750,872	705,693
應佔期內全面收益總額：	Attributable to:		
本公司權益持有人	Equity holders of the Company	490,756	354,026
非控股權益	Non-controlling interests	260,116	351,667
		750,872	705,693

第F68頁至第F132頁的附註為本簡明合併中期財務報表的一部分。

The notes on pages F68 to F132 are an integral part of these condensed consolidated interim financial statements.

簡明合併權益變動表

CONDENSED 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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
(未經審核)	(Unaudited)							
於2016年1月1日的結餘	Balance at 1 January 2016	4,609	1,112,440	54,100	6,999,220	8,170,369	5,292,979	13,463,348
全面收益	Comprehensive income							
期內利潤	Profit for the period	-	-	-	490,756	490,756	260,116	750,872
其他全面收益	Other comprehensive income	-	-	-	-	-	-	-
全面收益總額	Total comprehensive income	-	-	-	490,756	490,756	260,116	750,872
與擁有人進行的交易	Transactions with owners							
出售子公司	Disposal of subsidiaries	-	-	(3,025)	-	(3,025)	(9,890)	(12,915)
非控股權益削減資本	Capital reduction from a non-controlling interest	-	-	-	-	-	(281,530)	(281,530)
首次公開發售前股份獎勵計劃 — 僱員服務價值 (附註16)	Pre-IPO share award scheme — value of employee services (Note 16)	-	-	1,743	-	1,743	-	1,743
2015年末期股息 (附註27)	2015 final dividend (Note 27)	-	(282,900)	-	-	(282,900)	-	(282,900)
子公司股息	Dividends of a subsidiary	-	-	-	-	-	(58,551)	(58,551)
擁有人投入及分配總額	Total contributions by and distribution to owners	-	(282,900)	(1,282)	-	(284,182)	(349,971)	(634,153)
收購一間子公司的額外權益 (附註32)	Acquisition of additional interests in a subsidiary (Note 32)	-	-	(36,826)	-	(36,826)	(95,056)	(131,882)
直接於權益確認與擁有人的交易總額	Total transactions with owners, recognised directly in equity	-	(282,900)	(38,108)	-	(321,008)	(445,027)	(766,035)
於2016年6月30日的結餘	Balance at 30 June 2016	4,609	829,540	15,992	7,489,976	8,340,117	5,108,068	13,448,185

簡明合併權益變動表

CONDENSED 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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
(未經審核)	(Unaudited)							
於2015年1月1日的結餘	Balance at 1 January 2015	4,617	1,395,840	275,193	5,968,330	7,643,980	4,707,042	12,351,022
全面收益	Comprehensive income							
期內利潤	Profit for the period	–	–	–	348,100	348,100	347,093	695,193
其他全面收益	Other comprehensive income	–	–	5,926	–	5,926	4,574	10,500
全面收益總額	Total comprehensive income	–	–	5,926	348,100	354,026	351,667	705,693
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資本金	Capital injection from a non-controlling interest	–	–	–	–	–	4,000	4,000
首次公開發售前股份獎勵計劃 – 僱員服務價值 (附註16)	Pre-IPO share award scheme – value of employee services (Note 16)	–	–	4,052	–	4,052	–	4,052
2014年末期股息	2014 final dividend	–	(283,400)	–	–	(283,400)	–	(283,400)
子公司股息	Dividends of subsidiaries	–	–	–	–	–	(45,881)	(45,881)
擁有人的投入及分配總額	Total contributions by and distribution to owners	–	(283,400)	4,052	–	(279,348)	(41,881)	(321,229)
一間子公司的非控股股東 權益變動產生的淨虧損	Net loss from changes of non-controlling interests in a subsidiary	–	–	(17,965)	–	(17,965)	17,965	–
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognised directly in equity	–	(283,400)	(13,913)	–	(297,313)	(23,916)	(321,229)
於2015年6月30日的結餘	Balance at 30 June 2015	4,617	1,112,440	267,206	6,316,430	7,700,693	5,034,793	12,735,486

第F68頁至第F132頁的附註為本簡明合併中期財務報表的一部分。

The notes on pages F68 to F132 are an integral part of these condensed consolidated interim financial statements.

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 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
經營活動	Operating activities		
經營活動所得現金	Cash generated from operations	4,885,251	982,541
已付利息	Interest paid	(521,529)	(537,475)
已付中國所得稅	PRC income tax paid	(828,971)	(678,371)
已付中國土地增值稅	PRC land appreciation tax paid	(211,209)	(352,592)
經營活動所得／(所用) 現金淨額	Net cash generated from/(used in) operating activities	3,323,542	(585,897)
投資活動	Investing activities		
收購子公司，扣除相關收購現金	Acquisition of a subsidiary, net of cash acquired	—	(5,008)
添置投資物業	Additions of investment properties	(1,333,628)	(1,460,259)
添置物業、廠房及設備和 非流動資產預付款項	Additions of property, plant and equipment and prepayments for non-current assets	(171,714)	(73,304)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	111	70
添置無形資產	Additions of intangible assets	(14,843)	(13,766)
支付予非控股權益的其他代價	Other consideration paid to non-controlling interest	(122,882)	—
於聯營公司的投資	Investments in associates	(204,000)	(100,000)
於合營企業的投資	Investments in joint ventures	(2,475,598)	(237,225)
收購可供出售金融資產	Acquisition of available-for-sale financial assets	(61,078)	(11,332)
可供出售金融資產資本金減少	Capital reduction from available-for-sale financial assets	1,150	4,087
出售子公司，扣除相關出售現金	Disposal of subsidiaries, net of cash disposed	1,297,186	—
已收股息	Dividends received	9,312	6,000
已收利息	Interest received	88,507	47,383
來自關連方／其他合營企業 投資者的撥款	Fundings received from related parties/other investors of joint ventures	9,088,184	—
給予關連方／其他合營企業 投資者的撥款	Fundings to related parties/other investors of joint ventures	(9,580,569)	—
購買衍生金融工具	Acquisition of derivative financial instruments	(60,000)	—
聯營公司削減資本金	Capital reduction from an associate	700	—
投資活動所用現金淨額	Net cash used in investing activities	(3,539,162)	(1,843,354)

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 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
融資活動	Financing activities		
借款所得款項	Proceeds from borrowings	5,114,235	5,325,930
償還借款	Repayments of borrowings	(1,811,124)	(3,663,248)
與融資活動相關的 受限制現金(增加)/減少	(Increase)/decrease in restricted cash relating to financing activities	(370,181)	847,337
非控股權益減少的資本金	Capital reduction from a non-controlling interest	(290,530)	–
非控股權益繳入資本金	Capital contribution from a non-controlling interest	–	4,000
向本公司權益持有人支付股息	Dividends paid to equity holders of the Company	–	(105,193)
向非控股權益支付股息	Dividends paid to non-controlling interests	(58,551)	(45,881)
來自子公司非控股股東 的撥款	Fundings from non-controlling interests of subsidiaries	334,050	–
償還子公司非控股權益的撥款	Repayment of advances from non-controlling interests of subsidiaries	(80,640)	(336,980)
贖回優先票據支付款項	Redemption of senior notes	(2,867,298)	–
發行公司債券所得款項	Proceeds from issuance of corporate bonds	2,969,862	–
融資活動所得現金淨額	Net cash generated from financing activities	2,939,823	2,025,965
現金和現金等價物增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	2,724,203	(403,286)
期初的現金和現金等價物	Cash and cash equivalents at beginning of the period	6,478,861	4,817,907
現金及現金等價物匯兌收益	Exchange gain on cash and cash equivalents	949	8,401
期末的現金和現金等價物	Cash and cash equivalents at end of the period	9,204,013	4,423,022

第F68頁至第F132頁的附註為本簡明合併中期財務報表的一部分。

The notes on pages F68 to F132 are an integral part of these condensed consolidated interim financial statements.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

1 一般資料

新城發展控股有限公司（「本公司」）於2010年4月23日根據開曼群島公司法（2010年修訂本）在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands。

本公司及其子公司（統稱「本集團」）的主要業務為於中華人民共和國（「中國」）從物業開發及物業投資。本公司的母公司為富域香港投資有限公司（「富域香港」），本公司的最終控股公司為First Priority Group Limited，該兩家公司均於英屬處女群島註冊成立。本集團最終控股方為王振華先生（「王先生」或「控股股東」）。

本公司股份於2012年11月29日開始在香港聯合交易所有限公司（「聯交所」）主板上市（「上市」）。

除另有說明外，簡明合併中期財務報表以人民幣（「人民幣」）千元呈列，並已經本公司董事會於2016年7月29日批准及授權刊發。

此等簡明合併中期財務報表未經審核。

1 GENERAL INFORMATION

Future Land Development Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development and property investment in the People’s Republic of China (the “**PRC**”). The Company’s parent company is Wealth Zone Hong Kong Investments Limited (“**Wealth Zone Hong Kong**”) and the Company’s ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua (“**Mr. Wang**” or the “**Controlling Shareholder**”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 November 2012 (the “**Listing**”).

The condensed consolidated interim financial statements are presented in thousands of Renminbi (“**RMB**”), unless otherwise stated, and were approved and authorised for issue by the board of directors of the Company on 29 July 2016.

These condensed consolidated interim financial statements have not been audited.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

2 編製基準

截至2016年6月30日止六個月的簡明合併中期財務報表已按照歷史成本慣例，並已就按公允價值列賬的衍生金融工具、可供出售金融資產及投資物業的重估而作出調整，且依據香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

簡明合併中期財務報表應連同本公司根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）編製的截至2015年12月31日止年度的年度合併財務報表一併閱讀。

3 會計政策

除下文所述外，所採用會計政策與本公司截至2015年12月31日止年度的年度合併財務報表所用及所述者一致。

中期所得稅乃採用適用於預期年度盈利總額的稅率計提。

本集團在2016年上半年採納的香港財務報告準則之新訂準則、修訂及改進

- 香港財務報告準則第14號「監管遞延賬戶」
- 香港會計準則第27號（修訂本）有關獨立財務報表的權益法
- 香港財務報告準則第11號（修訂本）有關收購合營業務權益的會計方法

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, available-for-sale financial assets and investment properties which are carried at fair value, and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those used for and described in the annual consolidated financial statements of the Company for the year ended 31 December 2015.

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

New standard, amendments and improvements of HKFRSs adopted by the Group in the first half of 2016

- HKFRS 14 “Regulatory Deferral Accounts”
- Amendment to HKAS 27 on equity method in separate financial statements
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operations

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

3 會計政策（續）

本集團在2016年上半年採納的香港財務報告準則之新訂準則、修訂及改進（續）

- 香港會計準則第16號及香港會計準則第38號（修訂本）有關澄清折舊及攤銷之可接受方法
- 2014年年度改進，影響以下4項準則：香港財務報告準則第5號「持作待售的非流動資產及終止經營業務」、香港財務報告準則第7號「金融工具：披露」、香港會計準則第19號「僱員福利」及香港會計準則第34號「中期財務報告」
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號（修訂本）有關投資實體：應用綜合入賬之例外情況
- 香港會計準則第1號（修訂本）有關披露計劃

於2016年1月1日起採納上述新訂準則、修訂及改進並無對本集團截至2016年6月30日止六個月的經營業績及財務狀況產生任何重大影響。

本集團並無提早採納任何已頒佈但於截至2016年12月31日止財政年度尚未生效的新訂會計及財務報告準則、修訂本以及對現有準則的改進。

3 ACCOUNTING POLICIES (Cont'd)

New standard, amendments and improvements of HKFRSs adopted by the Group in the first half of 2016 (Cont'd)

- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortisation
- Annual improvements 2014, affecting the following 4 standards: HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, HKFRS 7 “Financial Instruments: Disclosures”, HKAS 19 “Employee Benefits” and HKAS 34 “Interim Financial Reporting”
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception
- Amendments to HKAS 1 on disclosure initiative

The adoption of the above new standard, amendments and improvements starting from 1 January 2016 did not give rise to any significant impact on the Group's results of operations and financial position for the six months ended 30 June 2016.

The Group has not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective for the financial year ending on 31 December 2016.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核） For the six months ended 30 June 2016 (Unaudited)

4 估計

編製中期財務報表要求管理層作出會影響會計政策應用及資產和負債、收入和支出的呈報金額的判斷、估計及假設。實際結果可能與該等估計有所不同。

在編製此簡明中期財務報表時，管理層應用本集團會計政策時作出的重大判斷及估計不確定性的關鍵來源，與本公司截至2015年12月31日止年度之年度合併財務報表所應用者相同。

5 財務風險管理及金融工具

5.1 財務風險因素

本集團的業務承受多項財務風險：市場風險（包括外匯風險、價格風險、現金流量利率風險及公允價值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並尋求方法盡量降低對本集團財務業績可能構成的不利影響。

簡明合併中期財務報表並無包括所有須載於年度財務報表的財務風險管理資料及披露，並應與本集團於截至2015年12月31日止年度的年度財務報表一併閱讀。

自去年年結日以來，風險管理部門或任何風險管理政策並無任何變動。

4 ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Company for the year ended 31 December 2015.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performances.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

There have been no changes in the risk management department or in any risk management policies since last year end.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

5 財務風險管理及金融工具（續）

5.2 流動資金風險

與去年年末相比，金融負債的合同未貼現現金流出量無重大變化。

5.3 公允價值估計

以下為按公允價值列值的金融工具不同層級的估值方法：

- 相同資產或負債的活躍市場報價（未經調整）（第一層）。
- 除第一層所包括的報價外，資產或負債的可直接（即如價格）或間接（即價格衍生品）觀察的輸入值（第二層）。
- 並非依據可觀察的市場數據而釐定的資產或負債的輸入值（即不可觀察輸入值）（第三層）。

於2016年6月30日，本集團按公允價值計量的金融工具是衍生金融工具人民幣142,774,000元（2015年12月31日：無）及可供出售金融資產人民幣397,630,000元（2015年12月31日：人民幣337,702,000元）。本集團貫徹應用第三層估值方法釐定該等金融工具的公允價值。在本中期期間有所提高乃由於成本增加而個別可供出售金融資產的公允價值並無改變。

請參閱附註8瞭解按公允價值計量的投資物業所作的披露。與去年年末相比，本中期期間所採用的估值方法並無變動。

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

5.2 Liquidity risk

Compared to last year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The different levels of valuation method for financial instruments carried at fair value are as follows:

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

As at 30 June 2016, the Group's financial instruments carried at fair value are the derivative financial instruments of RMB142,774,000 (31 December 2015: Nil) and the available-for-sale financial assets of RMB397,630,000 (31 December 2015: RMB337,702,000). The Group consistently applied Level 3 valuation method to determine the fair value of these financial instruments. The increase during the current interim period is due to addition of cost and there is no change in the fair value of the individual available-for-sale financial asset.

See Note 8 for disclosures of the investment properties that are measured at fair value. There were no changes to the valuation techniques used during the current interim period as compared with last year end.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

5 財務風險管理及金融工具（續）

5.4 資本風險管理

本集團的資本管理的目標乃為保障本集團能繼續營運，以為股東提供回報和維持最佳的資本結構以降低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、發行新股或出售資產以減少債務。

本集團利用資產負債比率監察其資本。此比率按照債務淨額除以資本總額計算。債務淨額為借款總額減去現金和現金等價物。資本總額按合併財務狀況表所列示的權益總額加上債務淨額計算。

於2016年6月30日及2015年12月31日，本集團資產負債比率如下：

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

5.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios of the Group at 30 June 2016 and 31 December 2015 were as follows:

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
借款總額	Total borrowings	22,511,462	18,980,464
減：現金及現金等價物	Less: Cash and cash equivalents	(9,204,013)	(6,478,861)
債務淨額	Net debt	13,307,449	12,501,603
權益總額	Total equity	13,448,185	13,463,348
資本總額	Total capital	26,755,634	25,964,951
資產負債比率	Gearing ratio	50%	48%

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

6 分部資料

管理層根據主要經營決策者（「**主要經營決策者**」）審核的報告（用於作出戰略決策）釐定營運分部。董事長王先生被視為主要經營決策者。

在本集團進行若干業務重組及江蘇新城地產股份有限公司（「**前B股公司**」或「**江蘇新城**」）於2015年下半年通過換股成為其母公司新城控股集團有限公司的全資子公司後，繼續以前B股公司及前非B股公司作為列報分部資料已不再合適。新的呈報分部如下：

- 新城控股集團有限公司，一家在上海證券交易所上市的公司（「**A股公司**」或「**新城控股**」）。
- 非A股公司內的物業管理及其他服務公司（「**非A股公司**」）。

兩個新的營運分部就資源分配和業績評估向本集團主要經營決策者內部呈報信息的方式一致，概無合併營運分部以形成以上可呈報分部。比較分部資料已作重述。

A股公司主要從事作為出售或投資用途的住宅物業開發及多用途綜合樓開發，而非A股公司主要從事物業管理及其他服務包括若干尚在開發階段的新業務。集團總部費用亦主要包含於非A股公司分部。所有物業開發項目均位於中國，因此本集團的大部份收入來自中國，及大部份資產位於中國。於2016年4月，包括在非A股公司分部的住宅物業管理業務被出售予本公司的母公司富域香港（附註30(b)）。

主要經營決策者根據收入和除所得稅前的利潤的計量評估營運分部的業績。計量基準不包括所得稅開支的影響。

6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the “**CODM**”) that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

Following the restructure of certain businesses within the Group and Jiangsu Future Land Co., Ltd. (the “**former B share company**” or “**Jiangsu Future Land**”) became wholly-owned by its parent Future Land Holdings Co., Ltd. through share swap during the second half of 2015, the previous presentation of segment information based on former B share company and Non-B share companies is no longer considered appropriate. The new reporting segments are as follows:

- Future Land Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the “**A share company**” or “**Future Land Holdings**”).
- Property management and other service companies not within the A share company (the “**Non-A share companies**”).

The two new operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments. Comparative segment information has been restated.

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in property management and other services including certain newly established businesses which are at state-up stage. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC. In April 2016, the residential property management business included in the Non-A share companies segment was disposed to the Company's parent company, Wealth Zone Hong Kong (Note 30(b)).

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核） For the six months ended 30 June 2016 (Unaudited)

6 分部資料（續）

6 SEGMENT INFORMATION (Cont'd)

		截至2016年6月30日止六個月（未經審核） Six months ended 30 June 2016 (Unaudited)				
		A股公司 A share company 人民幣千元 RMB'000	非A股公司 Non-A share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	9,071,574	260,678	9,332,252	(29,304)	9,302,948
除所得稅開支前	Segment profit/(loss) before					
分部利潤／（虧損）	income tax expense	1,172,319	95,117	1,267,436	(125,927)	1,141,509
投資物業公允價值收益	Fair value gains on investment properties	193,162	–	193,162	–	193,162
財務收入	Finance income	80,032	141,602	221,634	(133,127)	88,507
融資成本	Finance costs	(102,903)	(361,144)	(464,047)	133,127	(330,920)
折舊和攤銷	Depreciation and amortisation	(68,426)	(39,066)	(107,492)	–	(107,492)
應佔聯營公司業績	Share of results of associates	5,732	(8,911)	(3,179)	–	(3,179)
應佔合營企業業績	Share of results of joint ventures	(41,631)	–	(41,631)	–	(41,631)

期內利潤對賬如下： A reconciliation to profit for the period is as follows:

對銷後除所得稅開支前 的分部利潤總額	Total segment profits before income tax expense after elimination					1,141,509
所得稅開支	Income tax expense					(390,637)
期內利潤	Profit for the period					750,872

		於2016年6月30日（未經審核） As at 30 June 2016 (Unaudited)				
分部資產	Segment assets	81,796,447	5,685,476	87,481,923	(4,648,212)	82,833,711
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	179,319	321,629	500,948	–	500,948
於合營企業的投資	Investments in joint ventures	3,474,007	–	3,474,007	–	3,474,007
添置非流動資產 （除金融工具和 遞延稅項資產）	Additions to non-current assets (other than financial instruments and deferred tax assets)	2,605,625	166,706	2,772,331	–	2,772,331
分部負債	Segment liabilities	67,734,984	4,939,576	72,674,560	(3,289,034)	69,385,526

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

6 分部資料（續）

6 SEGMENT INFORMATION (Cont'd)

截至2015年6月30日止六個月（重述）（未經審核）

Six months ended 30 June 2015 (Restated) (Unaudited)

		A股公司 A share company 人民幣千元 RMB'000	非A股公司 Non-A share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	8,726,053	101,552	8,827,605	(23,789)	8,803,816
除所得稅開支前	Segment profit/(loss) before					
分部利潤／（虧損）	income tax expense	1,092,753	(76,500)	1,016,253	20,554	1,036,807
投資物業公允價值收益	Fair value gains on investment properties	282,643	–	282,643	–	282,643
財務收入	Finance income	24,668	189,102	213,770	(166,387)	47,383
融資成本	Finance costs	(55,064)	(224,834)	(279,898)	166,387	(113,511)
折舊和攤銷	Depreciation and amortisation	(41,346)	(1,487)	(42,833)	–	(42,833)
應佔聯營公司業績	Share of results of associates	73,176	(8,119)	65,057	–	65,057
應佔合營企業業績	Share of results of joint ventures	(14,606)	–	(14,606)	–	(14,606)

期內利潤對賬如下： A reconciliation to profit for the period is as follows:

對銷後除所得稅開支前的分部利潤總額	Total segment profits before income tax expense after elimination					1,036,807
所得稅開支	Income tax expense					(341,614)
期內利潤	Profit for the period					695,193

於2015年12月31日（經審核）

As at 31 December 2015 (Audited)

分部資產	Segment assets	67,802,116	8,346,038	76,148,154	(5,329,261)	70,818,893
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	169,586	130,541	300,127	–	300,127
於合營企業的投資	Investments in joint ventures	2,019,775	–	2,019,775	–	2,019,775
添置非流動資產	Additions to non-current assets					
（除金融工具和遞延稅項資產）	(other than financial instruments and deferred tax assets)	5,469,571	340,425	5,809,996	–	5,809,996
分部負債	Segment liabilities	53,930,586	8,754,220	62,684,806	(5,329,261)	57,355,545

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

7 物業、廠房和設備

7 PROPERTY, PLANT AND EQUIPMENT

		樓宇	汽車	傢俬、裝置 及設備	在建工程	租賃 物業裝修	合計
		Buildings	Motor vehicles	furniture, fittings and equipment	Construction in progress	Leasehold improvements	Total
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(未經審核)	(Unaudited)						
於2016年1月1日	At 1 January 2016						
成本	Cost	1,572,846	58,233	538,992	148,128	127,777	2,445,976
累計折舊	Accumulated depreciation	(34,917)	(18,683)	(67,610)	–	(63,353)	(184,563)
賬面淨值	Net book value	1,537,929	39,550	471,382	148,128	64,424	2,261,413
截至2016年6月30日	Six months ended 30 June 2016						
止六個月							
期初賬面淨值	Opening net book amount	1,537,929	39,550	471,382	148,128	64,424	2,261,413
添置	Additions	10,702	2,336	15,673	155,403	3,216	187,330
在建工程竣工	Completion of construction in progress	–	–	229,240	(229,240)	–	–
出售	Disposals	–	(399)	(435)	–	–	(834)
出售子公司（附註30）	Disposal of a subsidiary (Note 30)	(3,370)	(118)	(2,593)	–	(250)	(6,331)
折舊費用（附註23）	Depreciation charge (Note 23)	(38,579)	(2,883)	(32,228)	–	(18,217)	(91,907)
期末賬面淨值	Closing net book amount	1,506,682	38,486	681,039	74,291	49,173	2,349,671
於2016年6月30日	At 30 June 2016						
成本	Cost	1,580,178	60,052	780,877	74,291	130,743	2,626,141
累計折舊	Accumulated depreciation	(73,496)	(21,566)	(99,838)	–	(81,570)	(276,470)
賬面淨值	Net book value	1,506,682	38,486	681,039	74,291	49,173	2,349,671

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

7 物業、廠房和設備（續）

7 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

		樓宇	汽車	傢俬、裝置 及設備	租賃 物業裝修	合計
		Buildings	Motor vehicles	Furniture, fittings and equipment	Leasehold improvements	Total
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(未經審核)	(Unaudited)					
於2015年1月1日	At 1 January 2015					
成本	Cost	499,095	44,532	228,361	58,496	830,484
累計折舊	Accumulated depreciation	(12,928)	(15,047)	(30,341)	(31,016)	(89,332)
賬面淨值	Net book value	486,167	29,485	198,020	27,480	741,152
截至2015年6月30日止六個月	Six months ended 30 June 2015					
期初賬面淨值	Opening net book amount	486,167	29,485	198,020	27,480	741,152
收購子公司	Acquisition of a subsidiary	–	–	14	–	14
添置	Additions	407	3,513	15,740	25,041	44,701
出售	Disposals	–	(8)	(120)	–	(128)
成本調整	Cost adjustment	(2,491)	–	–	–	(2,491)
折舊費用（附註23）	Depreciation charge (Note 23)	(8,329)	(2,048)	(17,518)	(11,548)	(39,443)
期末賬面淨值	Closing net book amount	475,754	30,942	196,136	40,973	743,805
於2015年6月30日	At 30 June 2015					
成本	Cost	497,011	48,037	243,995	83,537	872,580
累計折舊	Accumulated depreciation	(21,257)	(17,095)	(47,859)	(42,564)	(128,775)
賬面淨值	Net book value	475,754	30,942	196,136	40,973	743,805

截至2016年6月30日止六個月，本集團折舊費用人民幣34,592,000元（截至2015年6月30日止六個月：人民幣20,861,000元）已計入銷售成本，人民幣54,912,000元（截至2015年6月30日止六個月：人民幣16,208,000元）已計入行政開支及人民幣2,403,000元（截至2015年6月30日止六個月：人民幣2,374,000元）已計入銷售及營銷費用。

於2016年6月30日，賬面總值為人民幣1,058,485,000元（2015年12月31日：人民幣642,805,000元）的物業、廠房和設備已抵押作本集團借款的抵押品（附註18）。

For the six months ended 30 June 2016, the Group's depreciation charges of RMB34,592,000 (Six months ended 30 June 2015: RMB20,861,000) have been included in cost of sales, RMB54,912,000 (Six months ended 30 June 2015: RMB16,208,000) in administrative expenses and RMB2,403,000 (Six months ended 30 June 2015: RMB2,374,000) in selling and marketing costs.

Property, plant and equipment with a total carrying amount of RMB1,058,485,000 as at 30 June 2016 (31 December 2015: RMB642,805,000) were pledged as collateral for the Group's borrowings (Note 18).

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

8 投資物業

8 INVESTMENT PROPERTIES

		竣工 Completed 人民幣千元 RMB'000	開發中 Under development 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
(未經審核)	(Unaudited)			
於2016年1月1日	At 1 January 2016	8,077,000	2,777,000	10,854,000
添置	Additions	–	1,627,956	1,627,956
資本化其後開支	Capitalised subsequent expenditure	(28,118)	–	(28,118)
公允價值調整所得淨收益	Net gains from fair value adjustments	45,118	148,044	193,162
出售子公司（附註30）	Disposal of a subsidiary (Note 30)	(1,191,000)	–	(1,191,000)
於2016年6月30日	At 30 June 2016	6,903,000	4,553,000	11,456,000
計入損益中的期末持有 資產的期內總利得或 損失，包括在「投資 物業公允價值收益」 項下	Total gains or losses for the period included in profit or loss for assets held at the end of the period, under 'Fair value gains on investment properties'	45,118	148,044	193,162
計入損益中的期末持有 資產未實現利得或 損失的變動	Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the period	(40,420)	148,044	107,624
(未經審核)	(Unaudited)			
於2015年1月1日	At 1 January 2015	4,361,000	1,575,000	5,936,000
添置	Additions	174,728	1,324,609	1,499,337
資本化其後開支	Capitalised subsequent expenditure	11,020	–	11,020
公允價值調整所得淨收益	Net gains from fair value adjustments	22,252	260,391	282,643
於2015年6月30日	At 30 June 2015	4,569,000	3,160,000	7,729,000
計入損益中的期末持有 資產的期內總利得或 損失，包括在「投資 物業公允價值收益」 項下	Total gains or losses for the period included in profit or loss for assets held at the end of the period, under 'Fair value gains on investment properties'	22,252	260,391	282,643
計入損益中的期末持有 資產未實現利得或 損失的變動	Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the period	22,252	260,391	282,643

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

8 投資物業（續）

截至2016年6月30日止六個月，撥入投資物業的資本化借貸成本約為人民幣49,274,000元（截至2015年6月30日止六個月：人民幣50,098,000元），資本化率為5.25%（截至2015年6月30日止六個月：8.95%）。

於2016年6月30日，賬面值為人民幣3,217,595,000元（2015年12月31日：人民幣2,534,031,000元）的投資物業被抵押作本集團借款的抵押品（附註18）。

所有投資物業於2016年6月30日及2015年12月31日由獨立專業合資格估值師戴德梁行有限公司進行重估。

本集團就在建的投資物業採取投資法，並計及所用的建設成本及完成該開發項目將產生的成本以反映已竣工開發項目的質量，依據是該物業將根據本集團最近開發計劃予以開發和完成。就已竣工投資物業而言，估值乃根據投資法透過將來自現有租約的淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算，並經參考於活躍市場上的比較價格後作出。期內估值方法並無變動。

本集團所有投資物業的公允價值均以第三層計量，有重大不可觀察輸入值。

期內並無在第一、二及三層之間轉移。

8 INVESTMENT PROPERTIES (Cont'd)

Borrowing costs capitalized in investment properties for the six months ended 30 June 2016 were approximately RMB49,274,000 (Six months ended 30 June 2015: RMB50,098,000) with capitalisation rate of 5.25% (Six months ended 30 June 2015: 8.95%).

Investment properties with a carrying amount of RMB3,217,595,000 as at 30 June 2016 (31 December 2015: RMB2,534,031,000) were pledged as collateral for the Group's borrowings (Note 18).

All investment properties were revalued as at 30 June 2016 and 31 December 2015 by DTZ Debenham Tie Leung Limited, an independent professional qualified valuer.

For investment properties under construction, the Group adopted investment approach, and has taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market. There were no changes to the valuation techniques during the period.

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

There were no transfers between Level 1, 2 and 3 during the period.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

8 投資物業（續）

有關使用重大不可觀察輸入值（第三層）
進行公允價值計量的資料：

8 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant
unobservable inputs (Level 3):

說明	於2016年 6月30日的 公允價值 Fair value at 30 June 2016 (RMB'000)	估值方法	不可觀察輸入值	不可觀察輸入值的範圍	不可觀察輸入值與 公允價值的關係
Description		Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
已竣工商用物業	6,904,000 (2015年： 8,077,000)	投資法	租期收益率	經計及可資比較物業的收益率 及反映所擔保及將收取租期 收入的確定性的調整，租期 收益率為4.0%-6.0%（2015 年：4.0%-5.5%）。	租期收益率越高， 公允價值越低
Completed commercial property	6,904,000 (2015: 8,077,000)	Investment approach	Term yield	Term yield of 4.0%-6.0% (2015: 4.0%-5.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	The higher the term yield, the lower the fair value
			復歸收益率	經計及可資比較物業的年度單 位市場租金收入及單位市場 價值，復歸收益率為4.5%- 6.0%（2015年：5.5%- 6.5%）。	復歸收益率越高， 公允價值越低
			Reversionary yield	Reversionary yield of 4.5%- 6.0% (2015: 5.5%-6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金	每月人民幣32元／平方米至 每月人民幣359元／平方 米（2015年：每月人民幣32 元／平方米至每月人民幣 352元／平方米）	市場單位租金越高， 公允價值越高
			Market unit rent of individual unit	RMB32 – RMB359 (2015: RMB32 – RMB352) per square metre per month	The higher the market unit rent, the higher the fair value

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

8 投資物業（續）

8 INVESTMENT PROPERTIES (Cont'd)

說明	於2016年 6月30日的 公允價值 (人民幣千元) Fair value at 30 June 2016 (RMB'000)	估值方法	不可觀察輸入值	不可觀察輸入值的範圍	不可觀察輸入值與 公允價值的關係
Description		Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
在建商用物業	4,552,000 (2015年： 2,777,000)	投資法，至竣工 的估計成本	復歸收益率	經計及可資比較物業的年度單 位市場租金收入及單位市場 價值，復歸收益率為6.0%- 6.5%（2015年：6.5%）。	復歸收益率越高， 公允價值越低
Commercial property under development	4,552,000 (2015: 2,777,000)	Investment approach with estimated costs to complete	Reversionary yield	Reversionary yield of 6.0%- 6.5% (2015: 6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金	每月人民幣18元／平方米至 每月人民幣176元／平方 米（2015年：每月人民幣 23元／平方米至每月人民 幣190元／平方米）	市場單位租金越高， 公允價值越高
			Market unit rent of individual unit	RMB18 – RMB176 (2015: RMB23 – RMB190) per square metre per month	The higher the market unit rent, the higher the fair value
			至竣工的估計建設 成本	人民幣99,248,000元－人民 幣447,713,000元（2015 年：人民幣203,435,000 元－人民幣394,538,000 元）	估計建設成本越高， 公允價值越低
			Estimated construction costs to completion	RMB99,248,000- RMB447,713,000 (2015: RMB203,435,000- RMB394,538,000)	The higher the estimated construction costs, the lower the fair value
			持有及發展物業至 竣工所需的估計 利潤率	10%-25%（2015年：13%- 25%）	所需利潤率越高， 公允價值越低
			Estimated profit margin required to hold and develop property to completion	10%-25% (2015: 13%-25%)	The higher the profit margin required, the lower the fair value

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

9 於聯營公司的投資

9 INVESTMENTS IN ASSOCIATES

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
期初結餘	Opening balance	300,127	146,317
— 於上海藍天創業房地產有限公司（「上海藍天」）的投資	— Investment in Shanghai Lan Tian Business Development Property Co., Ltd. (“Shanghai Lan Tian”)	10,000	10,000
— 於上海萬之城房地產開發有限公司（「上海萬之城」）的投資(a)	— Investment in Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (“Shanghai Wan Zhi Cheng”) (a)	159,586	36,317
— 於鎮江威信廣廈模塊住宅工業有限公司（「鎮江威信」）的投資(b)	— Investment in Atlantic Modular System Ltd. (“AMS”) (b)	130,541	100,000
投資額增加	Additions of investment amounts		
— 於鎮江威信的投資(b)	— Investment in AMS (b)	—	50,000
— 於江蘇民營投資控股有限公司（「江蘇民營投資」）的投資(c)	— Investment in Jiangsu Mingying Investment Holdings Co., Ltd. (“Jiangsu Mingying Investment”) (c)	200,000	—
— 於上海麗魔網絡科技有限公司（「上海麗魔」）的投資(d)	— Investment in Shanghai Limo Network Technology Co., Ltd (“Shanghai Limo”) (d)	4,000	—
應佔業績	Share of results		
— 上海萬之城(a)	— Shanghai Wan Zhi Cheng (a)	5,732	73,176
— 鎮江威信(b)	— AMS (b)	(8,911)	(8,119)
期末結餘	Ending balance	500,948	261,373

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9 於聯營公司的投資（續）

- (a) 上海萬之城在2011年3月29日成立。本集團擁有該公司50%的股權。

儘管本集團持有上海萬之城的50%股權，但本集團將其於上海萬之城的投資列作聯營公司。根據與上海萬之城其他50%股權持有人訂立的合同，其他投資者控制上海萬之城，擁有大多數董事會席位和其他合約權利。然而，本集團可對上海萬之城施加重大影響。

- (b) 本集團於2014年12月收購鎮江威信22%權益，代價為人民幣100,000,000元。本集團於2015年6月進一步注資人民幣50,000,000元，將股權由22%進一步提高至26%。

- (c) 本集團對江蘇民營投資控股有限公司的資本承擔總額為人民幣1,000,000,000元，佔江蘇民營投資控股有限公司總資本的11.63%。截至2016年6月30日，已經出資人民幣200,000,000元。

儘管本集團僅持有11.86%股權，但本集團將其於江蘇民營投資的投資列作聯營公司。根據投資協議及組織章程細則，江蘇民營投資董事會由7名董事組成，本集團可提名一位董事，及可對江蘇民營投資施加重大影響。

- (d) 本集團於2016年6月收購上海麗魔的10%權益，代價為人民幣4,000,000元，截至2016年6月30日已經付清。

儘管本集團僅持有10%股權，但本集團將其於上海麗魔的投資列作聯營公司。根據投資協議及組織章程細則，上海麗魔董事會由三名董事組成，本集團擁有一個席位，及可對上海麗魔施加重大影響。

本集團所有聯營公司均為私營公司，其權益並無市場報價。

本集團對其於聯營公司的投資承擔於附註28(d)呈列。本集團沒有與其於聯營公司權益有關的或然負債。

9 INVESTMENTS IN ASSOCIATES (Cont'd)

- (a) Shanghai Wan Zhi Cheng was established on 29 March 2011. The Group owns 50% of equity interest in this company.

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

- (b) The Group acquired 22% interest of AMS in December 2014 at a consideration of RMB100,000,000. The Group further injected a capital of RMB50,000,000 into AMS in June 2015, thereby increasing equity interest from 22% to 26%.

- (c) The Group committed a total capital of RMB1,000,000,000 to Jiangsu Minying Investment, accounting for 11.63% of the total capital of Jiangsu Minying Investment. As of 30 June 2016, RMB200,000,000 had been contributed.

The Group accounts for its investment in Jiangsu Minying Investment as an associate although the Group holds only 11.86% of the equity interest. According to the investment agreement and articles of association, the Group can nominate one director out of the total 7 directors, and hence has significant influence over Jiangsu Minying Investment.

- (d) The Group acquired 10% interest of Shanghai Limo in June 2016 at a consideration of RMB4,000,000, which had been paid as of 30 June 2016.

The Group accounts for its investment in Shanghai Limo as an associate although the Group holds only 10% of the equity interest. According to the investment agreement and articles of association, the Group has one seat on the board of directors consisting of 3 directors, and has a significant influence over Shanghai Limo.

All of the Group's associates are private companies and there are no quoted market prices available for such equity interests.

The Group's commitments to its investments in associates are presented in Note 28(d). There are no contingent liabilities relating to the Group's interests in associates.

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10 於合營企業的投資

10 INVESTMENTS IN JOINT VENTURES

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
期初結餘	Opening balance	2,019,775	861,055
— 於上海新城旭地房地產有限公司 （「上海旭地」）的投資	— Investment in Shanghai Xincheng Xudi Real Estate Co., Ltd. (“Shanghai Xudi”)	78,718	56,377
— 於蘇州新城萬瑞房地產有限公司 （「蘇州萬瑞」）的投資(a)	— Investment in Suzhou Future Land Wanrui Real Estate Co., Ltd. (“Suzhou Wanrui”) (a)	182,782	105,988
— 於南京新城萬隆房地產有限公司 （「南京萬隆」）的投資(a)	— Investment in Nanjing Future Land Wanlong Real Estate Co., Ltd. （“Nanjing Wanlong”）(a)	656,892	693,690
— 於青島卓越新城置業有限公司 （「青島卓越」）的投資	— Investment in Qingdao Zhuoyue Future Land Property Co., Ltd. (“Qingdao Zhuoyue”)	—	5,000
— 於上海恒固房地產開發有限公司 （「上海恒固」）的投資(a)	— Investment in Shanghai Henggu Real Estate Co., Ltd. (“Shanghai Henggu”) (a)	91,054	—
— 於上海松銘房地產開發公司 （「上海松銘」）的投資(a)	— Investment in Shanghai Songming Real Estate Co., Ltd. (“Shanghai Songming”) (a)	38,400	—
— 於昆山德睿房地產有限公司 （「昆山德睿」）的投資(a)	— Investment in Kunshan Derui Real Estate Co., Ltd. (“Kunshan Derui”) (a)	146,550	—
— 於常熟中置房地產有限公司 （「常熟中置」）的投資(a)	— Investment in Changshu Zhongzhi Real Estate Co., Ltd. (“Changshu Zhongzhi”) (a)	290,674	—
— 於常熟萬中城房地產有限公司 （「常熟萬中城」）的投資(a)	— Investment in Changshu Wanzhongcheng Real Estate Co., Ltd. （“Changshu Wanzhongcheng”）(a)	10,000	—
— 於南京新城廣闊房地產有限公司 （「南京廣闊」）的投資(a)、(b)	— Investment in Nanjing Future Land Guanghong Real Estate Development Co., Ltd. （“Nanjing Guanghong”）(a), (b)	6,900	—
— 於蘇州城弘房地產開發有限公司 （「蘇州城弘」）的投資	— Investment in Suzhou Chenghong Real Estate Development Co., Ltd. （“Suzhou Chenghong”）	20,000	—
— 於上海權坤投資有限公司 （「上海權坤」）的投資	— Investment in Shanghai Quankun Investment Co., Ltd. (“Shanghai Quankun”)	3,000	—
— 於上海新鑰投資有限公司 （「上海新鑰」）的投資	— Investment in Shanghai Xinyao Investment Co., Ltd. (“Shanghai Xinyao”)	5,000	—
— 於成都新城萬博房地產發展 有限公司（「成都萬博」） 的投資(c)	— Investment in Chengdu Future Land Wanbo Real Estate Development Co., Ltd. （“Chengdu Wanbo”）(c)	94,960	—
— 於台州新城萬博房地產發展 有限公司（「台州萬博」） 的投資(a)	— Investment in Taizhou Future Land Wanbo Real Estate Development Co., Ltd. （“Taizhou Wanbo”）(a)	394,845	—
— 於義烏吾悅房地產發展有限公司 （「義烏吾悅」）的投資	— Investment in Yiwu Injoy Real Estate Development Co., Ltd. (“Yiwu Injoy”)	—	—

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10 於合營企業的投資（續）

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
投資額增加	Additions of investment amounts	1,498,450	237,225
— 於蘇州晟銘房地產開發有限公司 （「蘇州晟銘」）的投資(a)	— Investment in Suzhou Shengming Real Estate Co., Ltd. ("Suzhou Shengming") (a)	686,000	—
— 於南京新城創錦房地產有限公司 （「南京創錦」）的投資(a)、(d)	— Investment in Nanjing Future Land Chuangjin Real Estate Development Co., Ltd. ("Nanjing Chuangjin") (a), (d)	470,000	—
— 於杭州嘉浩房地產開發有限公司 （「杭州嘉浩」）的投資(a)、(h)	— Investment in Hangzhou Jiahao Real Estate Co., Ltd. ("Hangzhou Jiahao") (a), (h)	195,000	—
— 於上海佳朋房地產開發有限公司 （「上海佳朋」）的投資(a)、(e)	— Investment in Shanghai Jiapeng Real Estate Co., Ltd. ("Shanghai Jiapeng") (a), (e)	62,450	—
— 於天津市津南區新城吾悅房地產開發有限公司 （「天津吾悅」）的投資(a)、(g)	— Investment in Tianjin Xincheng Injoy Real Estate Co., Ltd. ("Tianjin Injoy") (a), (g)	50,000	—
— 於蘇州百翔置業有限公司 （「蘇州百翔」）的投資(a)	— Investment in Suzhou Baixiang Real Estate Co., Ltd. ("Suzhou Baixiang") (a)	15,000	—
— 於義烏吾悅房地產發展有限公司 （「義烏吾悅」）的投資	— Investment in Yiwu Injoy Real Estate Co., Ltd. ("Yiwu Injoy")	10,000	—
— 於上海睿濤房地產開發有限公司 （「上海睿濤」）的投資(a)	— Investment in Shanghai Ruitao Real Estate Co., Ltd. ("Shanghai Ruitao") (a)	10,000	—
— 於杭州萬照置業有限公司 （「杭州萬照」）的投資(a)、(f)	— Investment in Hangzhou Wanzhao Real Estate Co., Ltd. ("Hangzhou Wanzhao") (a), (f)	—	—
— 於蘇州嘉眾房地產開發有限公司 （「蘇州嘉眾」）的投資(a)、(f)	— Investment in Suzhou Jiazhong Real Estate Co., Ltd. ("Suzhou Jiazhong") (a), (f)	—	—
— 於蘇州新城萬瑞房地產有限公司 （「蘇州萬瑞」）的投資(a)	— Investment in Suzhou Future Land Wanrui Real Estate Co., Ltd. ("Suzhou Wanrui") (a)	—	95,625
— 於上海恒固房地產有限公司 （「上海恒固」）的投資(a)	— Investment in Shanghai Henggu Real Estate Co., Ltd. ("Shanghai Henggu") (a)	—	95,200
— 於上海松銘房地產有限公司 （「上海松銘」）的投資(a)	— Investment in Shanghai Songming Real Estate Co., Ltd. ("Shanghai Songming") (a)	—	38,400
— 於昆山德睿房地產有限公司 （「昆山德睿」）的投資(a)	— Investment in Kunshan Derui Real Estate Co., Ltd. ("Kunshan Derui") (a)	—	8,000

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10 於合營企業的投資（續）

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
削減投資額	Reduction of investment amount		
— 於南京廣闊房地產有限公司 （「南京廣闊」）的投資(a)、(b)	— Investment in Nanjing Guanghong Real Estate Co., Ltd. ("Nanjing Guanghong") (a), (b)	(700)	—
應佔業績	Share of results	(41,631)	(14,606)
— 上海旭地	— Shanghai Xudi	39,162	(1,374)
— 蘇州萬瑞(a)	— Suzhou Wanrui (a)	(15,516)	(3,537)
— 南京萬隆(a)	— Nanjing Wanlong (a)	(15,463)	(6,810)
— 青島卓越	— Qingdao Zhuoyue	—	(2,885)
— 上海恒固(a)	— Shanghai Henggu (a)	(3,154)	—
— 昆山德睿(a)	— Kunshan Derui (a)	(1,593)	—
— 蘇州城弘	— Suzhou Chenghong	(1,731)	—
— 常熟中置(a)	— Changshu Zhongzhi (a)	(7,080)	—
— 上海權坤	— Shanghai Quankun	(2,804)	—
— 成都萬博(c)	— Chengdu Wanbo (c)	(17,510)	—
— 台州萬博(a)	— Taizhou Wanbo (a)	(12,041)	—
— 義烏吾悅	— Yiwu Injoy	(3,901)	—
減：向合營企業提供項目管理服務的 未實現利得	Less: Unrealised gains on project management services to joint ventures	(1,887)	—
期末結餘	Ending balance	3,474,007	1,083,674

(a) 儘管本集團持有概約50%股權，本集團於該等公司的投資入賬列作合營企業。根據投資協議及組織章程細則，本集團及其他投資者將共同控制該等公司項目發展及銷售物業以及其他主要相關業務活動。

(b) 本集團於2016年6月將於南京廣闊的投資削減人民幣700,000元，股權由69%降低至31%。

(c) 儘管本集團持有11%股權，本集團於成都萬博的投資入賬列作合營企業。根據投資協議及組織章程細則，本集團持有成都萬博49%的股息權，將與其他投資者共同控制成都萬博項目發展及銷售物業以及其他主要相關業務活動。

(a) The Group accounts for its investments in these companies as joint ventures although the Group holds more or less than 50% of equity interest. According to the investment agreements and articles of associations, the Group and the other investors will jointly control the project development and sales of properties as well as other key relevant activities of these companies.

(b) The Group reduced its investment in Nanjing Guanghong by RMB700,000 in June 2016, with interest decreased from 69% to 31%.

(c) The Group accounts for its investment in Chengdu Wanbo as a joint venture although the Group holds 11% of equity interest. According to the investment agreement and articles of association, the Group holds 49% of dividend rights and will jointly control the project development and sales of properties as well as other key relevant activities of Chengdu Wanbo with the other investors.

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10 於合營企業的投資（續）

(d) 南京創錦乃於2015年11月成立，為子公司。本集團於南京創錦的權益在2016年6月另一名投資者注資人民幣200,000,000元後降低至70.15%。

(e) 上海佳朋乃於2016年3月收購，本集團於該公司擁有51%股權。根據投資協議，本集團可在符合若干條件的情況下選擇按市場價退出合營企業。

提早贖回權被視為嵌入式衍生工具而與主合約並無密切關連。董事會認為，上述提早贖回權之公允價值於初步確認時及2016年6月30日並不重大。

(f) 杭州萬照及蘇州嘉眾乃於2016年6月成立。截至2016年6月30日概無向該兩間公司注入任何資金。

(g) 本集團將天津吾悅的投資列作合營企業核算。根據投資協議及組織章程細則，本集團持有70%股權，但享有90%的利潤分派。

(h) 於2016年2月29日，本集團收購杭州嘉浩的65%股權。本集團將其於杭州嘉浩的投資列作合營企業核算。根據收購當日的估值，杭州嘉浩的可識別資產淨值總額與已付代價相若。因此，概無確認任何商譽。

所有本集團的合營企業均為私營公司，其權益並無市場報價。

本集團對其於合營企業的權益承擔於附註28(d)呈列。本集團沒有與其於合營企業權益有關的或然負債。

11 土地使用權

該結餘主要指未來取得必要批文將該地塊重新劃為商業用途後將用於在建銷售物業的土地使用權、經營性酒店的土地使用權及經營性酒店／養老院的土地使用權。截至2016年6月30日，總賬面值為人民幣287,148,000元的土地使用權已抵押作為本集團借款的抵押品（2015年12月31日：人民幣287,148,000元）（附註18）。

攤銷費用人民幣1,190,000元（2015年：人民幣462,000元）已於銷售成本內列支。

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

(d) Nanjing Chuangjin was established in November 2015 as a subsidiary. The Group's interest in Nanjing Chuangjin decreased to 70.15% after a RMB200,000,000 capital injection from another investor in June 2016.

(e) Shanghai Jiapeng was acquired in March 2016. The Group owns 51% of equity interest in this company. According to the investment agreement, the Group may at its option exit the joint venture, as certain conditions are met, at the market price.

The early exit option is regarded as embedded derivative not closely related to the host contract. The board of directors is of the view that the fair values of the above early exit option were insignificant on initial recognition and as at 30 June 2016.

(f) Both Hangzhou Wanzhao and Suzhou Jiazhong were established in June 2016. No capital had been injected into these two companies as at 30 June 2016.

(g) The Group accounts for its investment in Tianjin Jinjoy as a joint venture. According to the investment agreement and articles of association, the Group holds 70% of equity interest, but is entitled to 90% of the profit distribution.

(h) On 29 February 2016, the Group acquired 65% equity interests in Hangzhou Jiahao. The Group accounts for its investment in Hangzhou Jiahao as a joint venture. Based on the valuation as of the acquisition date, the total identifiable net assets of Hangzhou Jiahao is similar to the consideration paid. As such, no goodwill was recognised.

All of the Group's joint ventures are private companies and there are no quoted market prices available for such equity interests.

The commitments relating to the Group's interests in joint ventures are presented in Note 28(d). There are no contingent liabilities relating to the Group's interests in the joint ventures.

11 LAND USE RIGHTS

The balance represents mainly land use rights to be used for development of properties for sale in the future upon obtaining the necessary approval to re-zone the site for commercial use, land use rights for an operational hotel and land use rights for an operational hotel/nursing house. As at 30 June 2016, land use rights with a total carrying amount of RMB287,148,000 were pledged as collateral for the Group's borrowings (31 December 2015: RMB287,148,000) (Note 18).

The amortisation charges of RMB1,190,000 (2015: RMB462,000) have been included in cost of sales.

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12 租賃土地預付款項

本集團於2016年6月30日預付人民幣1,170,752,000元用於購買租賃土地（2015年12月31日：人民幣6,799,095,000元）。

12 PREPAYMENTS FOR LEASEHOLD LAND

The Group made prepayments of RMB1,170,752,000 for the acquisition of leasehold land as at 30 June 2016 (31 December 2015: RMB6,799,095,000).

13 貿易和其他應收款項及預付款項

13 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
貿易應收款項	Trade receivables	10,390	13,231
應收票據	Notes receivable	3,600	17,570
貿易應收款項合計	Total trade receivables	13,990	30,801
減：應收款項減值撥備	Less: Provision for impairment of receivables	–	–
貿易應收款項－淨額	Trade receivables – net	13,990	30,801
應收關連方款項（附註31）	Receivables from related parties (Note 31)	4,233,403	2,566,717
應收一間子公司非控股股東款項	Receivable from a non-controlling shareholder of a subsidiary	63,388	63,388
應收其他合營企業投資者款項(a)	Receivables from other investors of joint ventures (a)	845,828	242,987
代第三方支付款項	Amounts paid on behalf of third parties	164,539	103,305
預付營業稅及附加費(b)	Prepaid business tax and surcharges (b)	1,021,674	882,437
預付增值稅(c)	Prepaid value-added tax (c)	175,576	–
預付所得稅及土地增值稅(d)	Prepaid income tax and land appreciation tax (d)	977,807	622,174
預付建築成本	Prepayments for construction costs	187,106	102,772
預付物業管理費	Prepaid property management fees	18,867	33,268
於合營企業投資的預付款(e)	Prepayments for investments in joint ventures (e)	976,848	–
設備預付款(g)	Prepayments for equipment (g)	23,416	49,674
投標保證金(f)	Tender deposits (f)	2,822,102	1,302,280
於住房公積金中心的按金(h)	Deposits with public housing fund centres (h)	246,356	215,067
物業維護保證金(i)	Deposits for property maintenance (i)	140,168	119,793
收購一間子公司支付的保證金(j)	Deposits for acquisition of a subsidiary (j)	30,000	30,000
其他保證金	Other deposits	157,797	163,822
其他	Others	403,311	168,172
		12,502,176	6,696,657
減：其他應收款項及預付款項的 非即期部份(e、g、i)	Less: Non-current portion of other receivables and prepayments (e, g, i)	(1,140,432)	(169,467)
即期部份	Current portion	11,361,744	6,527,190

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13 貿易和其他應收款項及預付款項（續）

貿易應收款項主要來自物業銷售和投資物業租賃。物業銷售的所得款項一般於簽訂有關買賣協議後三個月內收取，而物業租賃的租金一般預先收取。

- (a) 除人民幣1.2億元的金額按同期中國人民銀行公佈的利率計息外，其餘的應收合營企業其他投資者款項無抵押、不計息且無固定還款日期。
- (b) 2016年5月1日之前，本集團銷售物業須繳納營業稅，於本集團收取客戶暫借款時按5%徵收。在確認有關收入之前所支付的稅款連同有關附加費按預付營業稅及附加費記賬。
- (c) 自2016年5月1日起，本集團銷售物業須繳納增值稅（「增值稅」）。按照通用增值稅辦法，本集團須就增值金額繳納11%的增值稅。但符合資格的舊建設項目，即於2016年4月30日或之前開工的項目可選擇簡單的增值稅辦法，按銷售額的5%計徵，而不扣除進項增值稅。本集團在收取客戶暫借款時按3%或5%預付增值稅，及於截至2016年6月30日之前2個月在確認有關收入之前該等付款按預付增值稅記賬。
- (d) 於本集團收取客戶暫借款時土地增值稅暫按地稅局規定的稅率徵收，在確認有關收入之前按預付增值稅記賬。此外，計算應課稅收入時所收取客戶暫借款的5%至15%視作利潤加至會計收入預付所得稅僅按預付款項記賬。

13 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

Trade receivables mainly arise from sales of properties and leases of investment properties. Proceeds from properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

- (a) Except for an amount of RMB120,000,000 which generates interest at the same rate quoted by People's Bank of China, the receivables from other investors of joint ventures are unsecured, non-interest bearing and have no fixed repayment terms.
- (b) Prior to 1 May 2016, the Group's sale of properties are subject to business tax, which is levied at 5% when the Group receives advances from customers. Such payment of taxes, together with the relevant surcharges are recorded as prepaid business tax and surcharges before the relevant revenue is recognised.
- (c) Effective from 1 May 2016, the Group's sale of properties are subject to value-added tax ("VAT"). Under general VAT method, the Group is subject to 11% VAT on value-added amount. Qualified old construction projects, which are those with construction commenced on or before 30 April 2016, however, has an alternative to elect a simplified VAT method, which is 5% on sales with no deduction of input VAT. The Group prepays VAT at 3% or 5% when receiving advances from customers and during the 2 months up to 30 June 2016, such payment is recorded as prepaid VAT before the relevant revenue is recognised.
- (d) Land appreciation tax is provisionally levied based on rates required by the local tax bureaus when the Group receives advances from customers, which are recorded as prepaid value-added tax before the relevant revenue is recognised. In addition, a deemed profit of 5% to 15% of advances received from the customers is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.

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13 貿易和其他應收款項及預付款項（續）

- (e) 此結餘主要指代將成立合營企業支付的土地使用權收購款。
- (f) 此結餘為土地使用權競標的投標保證金，將於其後收回或轉撥至租賃土地預付款項。
- (g) 此結餘為本集團於2015年新成立業務應用的設備智能快遞櫃的預付款項。
- (h) 此結餘為向住房公積金中心支付的按金以擔保本集團若干購房者的住房公積金貸款。這些按金將於政府部門向這些購房者發出物業所有權證並向住房公積金中心提交時予以解除。
- (i) 該項結餘為首次交付有關物業時支付的物業維護保證金，將於其後的十年內收回。
- (j) 該項結餘為收購一家從物業開發的子公司所支付的按金。

於2016年6月30日及2015年12月31日，大部份貿易應收款項及應收票據的賬齡全部在一年內。

於2016年6月30日及2015年12月31日承受的最大信貸風險是上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2016年6月30日及2015年12月31日，貿易和其他應收款項的公允價值與其賬面值相若。

於2016年6月30日及2015年12月31日，貿易和其他應收款項及預付款項的賬面值主要以人民幣計值。

13 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

- (e) This balance represents amounts, mainly for acquisition of land use rights, paid on behalf of the joint ventures to be established.
- (f) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (g) This balance represents prepayments for intelligent express cabinet, the equipment for a new business of the Group established in 2015.
- (h) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.
- (i) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.
- (j) This balance represents deposits paid for acquisition of a subsidiary which is engaged in property development.

As at 30 June 2016 and 31 December 2015, the aging of the majority of trade receivables and notes receivable are less than one year.

The maximum exposure to credit risk at 30 June 2016 and 31 December 2015 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 30 June 2016 and 31 December 2015, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2016 and 31 December 2015, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

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14 銀行存款和手頭現金

14 CASH AT BANK AND ON HAND

		於2016年 6月30日 As at 30 June 2016	於2015年 12月31日 As at 31 December 2015
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
銀行存款和手頭現金	Cash at bank and on hand		
— 以人民幣計值	– Denominated in RMB	10,719,985	7,518,279
— 以美元計值	– Denominated in USD	47,727	151,201
— 以港元計值	– Denominated in HKD	476,800	93,034
		11,244,512	7,762,514

於2016年6月30日，本集團銀行存款的實際利率為2.33%（2015年：1.79%）。

The effective interest rate on the Group's bank deposits as at 30 June 2016 was 2.33% (2015: 1.79%).

本集團的現金和現金等價物釐定如下：

Cash and cash equivalents of the Group were determined as follows:

		於2016年 6月30日 As at 30 June 2016	於2015年 12月31日 As at 31 December 2015
		人民幣千元 RMB'000 (未經審核) (Unaudited)	人民幣千元 RMB'000 (經審核) (Audited)
銀行存款和手頭現金	Cash at bank and on hand	11,244,512	7,762,514
減：受限制現金	Less: Restricted cash	(2,040,499)	(1,283,653)
		9,204,013	6,478,861

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

14 銀行存款和手頭現金（續）

本集團的受限制現金（附註18）包括以下各項：

14 CASH AT BANK AND ON HAND (Cont'd)

Restricted cash of the Group (Note 18) comprised of the following:

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
作為項目建設發保函的保證金	Deposits for letters of guarantee issued for project construction	318,688	150,693
票據保證金	Margin deposits for notes issued	693,792	438,153
購房者按揭貸款保證金(a)	Deposits as security for property purchasers' mortgage loans (a)	93,862	130,831
作為借款抵押的存款（附註17）	Deposits pledged for borrowings (Note 17)	934,157	563,976
		2,040,499	1,283,653

(a) 這些受限制銀行存款用於確保本集團若干購房者根據若干城市的地方法規能取得銀行貸款。這些存款將於物業所有權證由政府部門發出給這些購房者並向按揭銀行提交時予以解除。

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the mortgage banks.

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截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

15 股本

(a) 法定股本

15 SHARE CAPITAL

(a) Authorised shares

法定股本數目
Number of
authorised shares
港元股份
HKD share

於2015年1月1日、2015年6月30日、 2016年1月1日及2016年6月30日 (未經審核)	As at 1 January 2015, 30 June 2015, 1 January 2016 and 30 June 2016 (Unaudited)	10,000,000,000
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(b) 已發行股份

(b) Issued shares

已發行股份數目
Number of
issued shares
每股0.001港元
HKD0.001 each

普通股
Ordinary
shares
人民幣元
RMB

於2015年1月1日及 2015年6月30日（未經審核）	As at 1 January 2015 and 30 June 2015 (Unaudited)	5,668,000,000	4,617,069
於2016年1月1日及 2016年6月30日（未經審核）	As at 1 January 2016 and 30 June 2016 (Unaudited)	5,658,000,000	4,608,923

16 以股份為基礎的支付

本集團於截至2016年及2015年6月30日止六個月分別確認人民幣1,743,000元和人民幣4,052,000元的費用。

16 SHARE-BASED PAYMENTS

The Group recognised an expense of RMB1,743,000 and RMB4,052,000 respectively for the six months ended 30 June 2016 and 2015 respectively.

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17 借款

17 BORROWINGS

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
非即期、有抵押：	Non-current, secured:		
－ 銀行貸款(a)	－ Bank loans (a)	6,541,328	4,871,367
－ 於2018年1月到期的優先票據 （「2018年票據」）(b(i))	－ Senior notes due January 2018 （“2018 Notes”）(b(i))	–	1,363,656
－ 於2016年4月到期的優先票據 （「2016年票據」）(b(ii))	－ Senior notes due April 2016 （“2016 Notes”）(b(ii))	–	1,496,719
－ 於2019年7月到期的優先票據 （「2019年票據」）(b(iii))	－ Senior notes due July 2019 （“2019 Notes”）(b(iii))	2,281,708	2,229,185
－ 於2017年11月到期的優先票據 （「2017年票據」）(b(iv))	－ Senior notes due November 2017 （“2017 Notes”）(b(iv))	1,632,022	1,589,524
非即期、無抵押：	Non-current, unsecured:		
－ 於2019年7月到期的公司債券 （「2019年債券」）(c(i))	－ Corporate bonds due July 2019 （“2019 Bonds”）(c(i))	1,992,127	1,988,410
－ 於2020年11月到期的公司債券 （「2020年債券」）(c(ii))	－ Corporate bonds due November 2020 （“2020 Bonds”）(c(ii))	2,982,087	2,978,474
－ 於2018年11月到期的公司債券 （「2018年債券」）(c(iii))	－ Corporate bonds due November 2018 （“2018 Bonds”）(c(iii))	1,986,767	1,982,129
－ 於2019年3月到期的公司債券 （「2019年債券I」）(c(iv))	－ Corporate bonds due March 2019 （“2019 Bonds I”）(c(iv))	1,833,338	–
		19,249,377	18,499,464
減：長期借款的即期部份	Less: Current portion of long-term borrowings	(715,000)	(3,494,575)
		18,534,377	15,004,889
即期、有抵押：	Current, secured:		
－ 銀行貸款(a)	－ Bank loans (a)	2,120,465	481,000
即期、無抵押	Current, unsecured:		
－ 於2019年3月到期的公司債券 （「2019年債券II」）(c(v))	－ Corporate bonds due March 2019 （“2019 Bonds II”）(c(v))	1,141,620	–
長期借款的即期部份	Current portion of long-term borrowings	715,000	3,494,575
		3,977,085	3,975,575

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17 借款（續）

- (a) 本集團的該等銀行貸款由將予開發的租賃土地、在建物業、完工待售物業、投資物業（附註8）、土地使用權（附註11）、物業、廠房及設備（附註7）、子公司股份和銀行存款（附註14）抵押及／或由本公司的子公司相互擔保。

(b) 優先票據

(i) 2018年票據

於2013年1月，本公司發行本金額為2億美元的五年期優先票據（「**2018年票據**」），該等票據於新加坡證券交易所上市。2018年票據以美元計值，按年利率10.25%計息，自2013年7月31日開始於每個年度的1月31日及7月31日或與之最接近的營業日每半年過後支付。

根據2018年票據的條款，票據可在以下情況下贖回：

17 BORROWINGS (Cont'd)

- (a) These bank loans of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties (Note 8), land use rights (Note 11), property, plant and equipment (Note 7), shares of subsidiaries and bank deposits (Note 14) and/or guaranteed by subsidiaries of the Company for each other.

(b) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of USD200,000,000 (“**2018 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

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17 借款（續）

(b) 優先票據（續）

(i) 2018年票據（續）

- 若下文所載任何年份的1月31日起12個月期間已贖回票據，則本公司可於2016年1月31日或之後任何時間及不時贖回全部或部分2018年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

年份	Year	贖回價格 Redemption Price
2016年1月31日至2017年1月30日	31 January 2016 to 30 January 2017	105.1250%
2017年1月31日及之後	31 January 2017 and thereafter	102.5625%

- 本公司可於2016年1月31日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2018年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

- At any time prior to 31 January 2016, 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 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

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17 借款（續）

(b) 優先票據（續）

(i) 2018年票據（續）

- 本公司可於2016年1月31日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

於2015年12月3日，本公司宣佈，所有未贖回的2018年票據將於2016年1月31日（「贖回日期」）按相當於本金額105.1250%另加截至贖回日期應計及未付利息（如有）的贖回價格悉數贖回。故此於2015年12月31日的餘額整體作為短期負債核算，而於2015年12月所產生的淨虧損按融資成本的一部份入賬。本公司其後於2016年1月31日完成贖回。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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.

On 3 December 2015, the Company announced that all the outstanding 2018 Notes will be redeemed in full on 31 January 2016 (the “Redemption Date”) at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. Accordingly the entire outstanding amount as at 31 December 2015 was treated as current liability and the net loss arising was fully accounted for as part of finance costs in December 2015. The Company subsequently completed the redemption on 31 January 2016.

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截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

17 借款（續）

(b) 優先票據（續）

(ii) 2016年票據

於2013年4月，本公司發行本金額為人民幣1,500,000,000元的三年期優先票據（「**2016年票據**」），該等票據於新加坡證券交易所上市。2016年票據以人民幣計值，按年利率9.75%計息，自2013年10月23日開始於每個年度的4月23日及10月23日或與之最接近的營業日每半年過後支付。

根據2016年票據的條款，本公司可酌情贖回全部但非部份2016年票據，贖回價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

本公司已於2016年4月25日全數贖回2016年票據。

(iii) 2019年票據

於2014年7月，本公司發行本金額為3.5億美元的五年期優先票據（「**2019年票據**」），該等票據於新加坡證券交易所上市。2019年票據以美元計值，按年利率10.25%計息，自2015年1月21日開始於每個年度的1月21日及7月21日或與之最接近的營業日每半年過後支付。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("**2016 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB and bear interest at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 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.

The Company redeemed the 2016 Notes in full on 25 April 2016.

(iii) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 ("**2019 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

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17 借款（續）

(b) 優先票據（續）

(iii) 2019年票據（續）

根據2019年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的7月21日起12個月期間已贖回票據，則本公司可於2017年7月21日或之後任何時間及不時贖回全部或部份2019年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

年份	Year	贖回價格 Redemption Price
2017年7月21日至2018年7月20日	21 July 2017 to 20 July 2018	105.1250%
2018年7月21日及之後	21 July 2018 and thereafter	102.5625%

- 本公司可於2017年7月21日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2019年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes (Cont'd)

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

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17 借款（續）

(b) 優先票據（續）

(iii) 2019年票據（續）

- 本公司可於2017年7月21日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

(iv) 2017年票據

於2015年11月，本公司發行本金額為250,000,000美元的兩年期優先票據（「**2017年票據**」），於新加坡證券交易所有限公司上市。2017年票據以美元計值，按年利率6.25%計息，自2015年11月12日開始於每個年度的5月12日及11月12日或與之最接近的營業日每半年過後支付。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes (Cont'd)

- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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.

(iv) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 (“**2017 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

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17 借款（續）

(b) 優先票據（續）

(iv) 2017年票據（續）

根據2017年票據的條款，本公司可酌情贖回全部但非部份2017年票據，贖回價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

提早贖回權被視為嵌入式衍生工具而與主合約並無密切關連。董事會認為，本公司並無計劃提早贖回及上述提早贖回權之公允價值於初步確認時及於2015年12月31日及2016年6月30日並不重大。2018年票據的提早贖回系由於有機會以更低成本發行新的票據以償還舊的票據。

上述優先票據為一般責任，由若干非根據中國法律註冊成立的子公司擔保（「**子公司擔保人**」），及由若干原子公司擔保人的股份作抵押。

17 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iv) 2017 Notes (Cont'd)

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 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.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2015 and 30 June 2016. The early redemption of the 2018 Notes only occurred because an opportunity arose to issue new Notes at a lower cost to replace old Notes.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC (**"Subsidiary Guarantors"**), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

17 借款（續）

(c) 公司債券

(i) 2019年債券

於2014年7月，前B股公司發行本金額為人民幣20億元的五年期公司債券（「2019年債券」）。該等債券於上海證券交易所上市。2019年債券以人民幣計值，首三年按年利率8.9%計息，自2015年7月23日開始於每個年度的7月23日或與之最接近的營業日每年過後支付。

根據2019年債券的條款，前B股公司可於第三年末酌情贖回全部2019年債券，贖回價格等於債券本金的100%加直至贖回日期為止之應計和未付利息。倘前B股公司於第三年末放棄酌情贖回，前B股公司可酌情調升利率0至100個基點（期內剩餘時間內為固定），而債券持有人可酌情按相等於債券本金額100%加直至售回日期為止的應計及未付利息的價格向前B股公司售回全部或部份債券。

A股公司承接前B股公司2019債券的工作已經完成。

17 BORROWINGS (Cont'd)

(c) Corporate bonds

(i) 2019 Bonds

In July 2014, the former B share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 ("2019 Bonds"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds had been transferred from the former B share company to the A share company.

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17 借款（續）

(c) 公司債券（續）

(ii) 2020年債券

於2015年11月，A股公司發行本金額為人民幣30億元的五年期公司債券（「2020年債券」）。該等債券於上海證券交易所上市。2020年債券以人民幣計值，首三年按年利率4.5%計息，自2016年11月3日開始於每個年度的11月3日或與之最接近的營業日每年過後支付。

根據2020年債券的條款，A股公司可於第三年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

(iii) 2018年債券

於2015年11月，A股公司發行本金額為人民幣20億元的三年期公司債券（「2018年債券」），該等債券於上海證券交易所上市。2018年債券以人民幣計值，首兩年按年利率6.0%計息，自2016年11月10日開始於每個年度的11月10日或與之最接近的營業日每年過後支付。

17 BORROWINGS (Cont'd)

(c) Corporate bonds (Cont'd)

(ii) 2020 Bonds

In November 2015, the A share company issued five-year corporate bonds with principal amount of RMB3,000,000,000 ("2020 Bonds"), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(iii) 2018 Bonds

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 ("2018 Bonds"), which were listed on the Shanghai Stock Exchange. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

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17 借款（續）

(c) 公司債券（續）

(iii) 2018年債券（續）

根據2018年債券的條款，A股公司可酌情於第二年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

(iv) 2019年債券I

於2016年3月，A股公司發行本金額為人民幣18.5億元的三年期公司債券（「2019年債券I」），該等債券於上海證券交易所上市。2019年債券I以人民幣計值，首兩年按年利率5.44%計息，自2016年3月31日開始於每個年度的3月31日或與之最接近的營業日支付利息。

根據2019年債券I的條款，A股公司可酌情於第二年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

17 BORROWINGS (Cont'd)

(c) Corporate bonds (Cont'd)

(iii) 2018 Bonds (Cont'd)

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(iv) 2019 Bonds I

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,850,000,000 ("2019 Bonds I"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds I are denominated in RMB, and bear interest rate at 5.44% per annum for the first two years, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds I, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

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17 借款（續）

(c) 公司債券（續）

(v) 2019年債券II

於2016年3月，A股公司發行本金額為人民幣11.5億元的三年期公司債券（「2019年債券II」），該等債券於上海證券交易所上市。2019年債券II以人民幣計值，首年按年利率4.76%計息，自2016年3月31日開始於每個年度的3月31日或與之最接近的營業日支付利息。

根據2019年債券II的條款，A股公司可酌情於第一及第二年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

17 BORROWINGS (Cont'd)

(c) Corporate bonds (Cont'd)

(v) 2019 Bonds II

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,150,000,000 ("2019 Bonds II"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds II are denominated in RMB, and bear interest rate at 4.76% per annum for the first year, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds II, the A share company may at its option adjust the interest rate at the end of the first and second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

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17 借款（續）

(d) 借款變動的分析如下：

17 BORROWINGS (Cont'd)

(d) Movements in borrowings are analysed as follows:

		人民幣千元 RMB'000
(未經審核)	(Unaudited)	
截至2016年6月30日止六個月	Six months ended 30 June 2016	
於2016年1月1日的期初金額	Opening amount as at 1 January 2016	18,980,464
借款所得款項	Proceeds from borrowings	
— 銀行融資	— Banks	5,114,234
— 公司債券	— Corporate bonds	2,969,862
— 與銀行借款有關的匯兌虧損淨額	— Net foreign exchange losses relating to bank borrowings	6,316
— 公司債券攤銷成本變動	— Changes in amortised costs of corporate bonds	17,064
— 優先票據攤銷成本變動	— Changes in amortised costs of senior notes	8,846
— 與優先票據有關的匯兌虧損淨額	— Net foreign exchange losses relating to senior notes	93,098
償還借款	Repayments of borrowings	
— 銀行融資	— Banks	(1,811,124)
— 優先票據	— Senior notes	(2,867,298)
於2016年6月30日的期末金額	Closing amount as at 30 June 2016	22,511,462
(未經審核)	(Unaudited)	
截至2015年6月30日止六個月	Six months ended 30 June 2015	
於2015年1月1日的期初金額	Opening amount as at 1 January 2015	13,931,641
收購子公司	Acquisition of a subsidiary	500
借款所得款項	Proceeds from borrowings	
— 銀行融資	— Banks	5,325,930
— 與銀行借款有關的匯兌收益淨額	— Net foreign exchange gains relating to bank borrowings	(330)
— 優先票據攤銷成本變動	— Changes in amortised costs of senior notes	16,018
— 與優先票據有關的匯兌收益淨額	— Net foreign exchange gains relating to senior notes	(2,970)
償還借款	Repayments of borrowings	
— 銀行融資	— Banks	(3,663,248)
於2015年6月30日的期末金額	Closing amount as at 30 June 2015	15,607,541

於2016年6月30日，按固定息率計息的借款本金總額為人民幣16,906,879,000元（2015年12月31日：人民幣17,550,776,000元）。

As at 30 June 2016, the aggregate principal of borrowings amounted to RMB16,906,879,000 (31 December 2015: RMB17,550,776,000) are at fixed interest rates.

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18 已抵押資產

18 PLEDGED ASSETS

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
物業、廠房和設備（附註7）	Property, plant and equipment (Note 7)	1,058,485	642,805
持作出售的發展中物業	Properties under development for sale	7,337,528	6,956,417
持作出售的物業	Properties held for sale	–	228,101
土地使用權（附註11）	Land use rights (Note 11)	287,148	287,148
投資物業（附註8）	Investment properties (Note 8)	3,217,595	2,534,031
受限制現金（附註14）	Restricted cash (Note 14)	2,040,499	563,976
		13,941,255	11,212,478

19 貿易和其他應付款項

19 TRADE AND OTHER PAYABLES

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
貿易應付款項	Trade payables	11,038,090	11,790,817
應付票據	Notes payable	897,503	452,723
應還子公司非控股股東 的暫借款(a)	Advances from non-controlling shareholders of subsidiaries (a)	43,651	37,541
營業稅、增值稅和其他應付稅項	Business, value-added and other taxes payable	159,356	203,290
代收保養及裝修費	Maintenance & decoration fees collected on behalf	59,488	197,418
應計工資	Accrued payroll	49,542	159,506
應付利息	Interest payable	519,315	296,775
建設投標保證金	Deposits for construction biddings	347,017	273,580
代收契稅	Deed tax collected on behalf	80,503	85,935
應付關連方款項（附註31）	Payables to related parties (Note 31)	5,922,939	4,905,802
應還臨時借用資金(b)	Temporary funding payables (b)	18,000	162,908
物業項目潛在共同投資 所得金額(c)	Amounts received for potential joint investments in property projects (c)	765,055	1,280,247
應付一間子公司非控股股東 的款項(d)	Payable to a non-controlling shareholder of a subsidiary (d)	247,300	–
應付認購期權(e)	Call option payable (e)	82,775	–
其他	Others	125,096	161,532
		20,355,630	20,008,074
減：認購期權應付款的 非即期部份(e)	Less: Non-current portion of call option payable (e)	(35,603)	–
即期部份	Current portion	20,320,027	20,008,074

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19 貿易和其他應付款項（續）

(a) 該等暫借款乃由本集團若干僱員（包括主要管理層）所成立的實體提供，彼等已選擇投資於本集團的若干子公司。該暫借款免息、無抵押且無固定還款期限。

(b) 應還臨時借用資金均為應付非關連方款項，不計息且無抵押。

(c) 該等款項將於土地競拍失敗時退還，或在土地競拍成功情況下，作為該等其他人士對本集團新成立子公司或合營企業的出資入賬。該等款項為無抵押、免息及無固定還款期限。

(d) 該等應付款項的年利率為10%，乃無抵押，還款期限為一年。

(e) 就出售從事投資物業業務的子公司上海迪裕商業經營管理有限公司（附註30）而言，本集團獲得上海迪裕商業經營管理有限公司股份的認購期權，總代價為人民幣150,000,000元，須於2016年、2017年及2018年分別支付人民幣60,000,000元、人民幣50,000,000元及人民幣40,000,000元。截至2016年6月30日，本集團已支付人民幣60,000,000元。在考慮了時間權重的折現影響後，截止2016年6月30日，該贖回權所對應的尚未支付部分的賬面價值為人民幣82,775,000元。

同時，本集團有權在支付人民幣30,000,000元後，即第三年末，將該贖回權利展期一年；也有權在支付人民幣20,000,000元後，即第四年末，再將該贖回權利展期一年。

上述金融資產賬列為衍生金融工具，金額為人民幣142,774,000元。

19 TRADE AND OTHER PAYABLES (Cont'd)

(a) The advances are provided by an entity established by certain employees including key management of the Group who had chosen to invest in some subsidiaries of the Group. The advances are non-interest bearing, unsecured and have no fixed repayment terms.

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

(c) These amounts will either be returned back upon unsuccessful land biddings or be treated as the other parties' contribution to a new subsidiary or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.

(d) The payable bears an annual interest rate of 10%, and is unsecured and has a repayment term of one year.

(e) Associated with the disposal of a subsidiary Shanghai Diyu Business Management Co., Ltd. (Note 30) engaging in investment properties business, the Group acquired a call option on the shares of Shanghai Diyu Business Management Co., Ltd. at a total consideration of RMB150,000,000, which are payable in 2016, 2017 and 2018 with the amount of RMB60,000,000, RMB50,000,000 and RMB40,000,000 respectively. The Group had paid RMB60,000,000 as at 30 June 2016. After discounting for the time factor, the carrying amount of the remaining payable for the call option as at 30 June 2016 was RMB82,775,000.

The Group also has the rights to extend the call option for one year by the end of the third year after making a payment of RMB30,000,000 and another one year by the end of the fourth year after making a further payment of RMB20,000,000.

There was a corresponding financial asset of RMB142,774,000 recognised for the above derivative financial instruments.

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19 貿易和其他應付款項（續）

於2016年6月30日及2015年12月31日，大部分貿易應付款項及應付票據的賬齡少於一年。

於2016年6月30日及2015年12月31日，貿易及其他應付款項的公允價值與其賬面值相若。

於2016年6月30日及2015年12月31日，貿易及其他應付款項的賬面值主要以人民幣計值。

19 TRADE AND OTHER PAYABLES (Cont'd)

As at 30 June 2016 and 31 December 2015, the aging of the majority of trade payables and notes payable are less than one year.

As at 30 June 2016 and 31 December 2015, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2016 and 31 December 2015, the carrying amounts of trade and other payables are primarily denominated in RMB.

20 遞延所得稅

遞延所得稅賬目的大體變動列示如下：

20 DEFERRED INCOME TAX

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

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
期初	At beginning of the period	(174,857)	(187,085)
(支銷)／貸記合併利潤表	(Charged)/credited to the consolidated		
(附註25)	statement of income (Note 25)	(112,772)	31,441
出售子公司（附註30）	Disposal of subsidiaries (Note 30)	32,178	—
支銷其他全面收益	Charged to other comprehensive income	—	(3,500)
期末	At end of the period	(255,451)	(159,144)

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21 收入

截至2016年及2015年6月30日止六個月，本集團的收入包括以下各項收入：

21 REVENUE

Revenue of the Group consists of the following for the six months ended 30 June 2016 and 2015:

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
銷售物業收入	Revenue from sales of properties	8,699,465	8,458,463
物業管理收入	Revenue from property management	279,656	168,122
租金收入	Rental income	131,377	76,262
其他	Others	192,450	100,969
		9,302,948	8,803,816

22 其他收益 – 淨額

22 OTHER GAINS – NET

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
出售物業、廠房和 設備產生的虧損	Losses on disposal of property, plant and equipment	(192)	(59)
取消物業銷售合約獲得 之賠償	Compensation for cancellation of property sales contracts	4,752	5,446
出售子公司產生的淨收益 (附註30)	Net gain from disposal of subsidiaries (Note 30)	165,934	–
其他	Others	5,450	1,305
		175,944	6,692

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23 按性質劃分的開支

計入銷售成本、銷售和營銷費用及行政開支的開支分析如下：

23 EXPENSES BY NATURE

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

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
土地使用權成本	Land use rights costs	3,000,132	2,643,508
建設成本	Construction costs	3,260,224	3,565,865
資本化利息	Capitalised interest	253,886	313,592
營業稅及附加費(a)	Business tax and surcharges (a)	475,545	493,612
完工待售或在建銷售物業	Provision for impairment of properties		
減值撥備	held or under development for sale	—	98,537
物業、廠房和設備折舊	Depreciation of property, plant and		
(附註7)	equipment (Note 7)	91,907	39,443
無形資產攤銷	Amortisation of intangible assets	15,585	3,390
銀行手續費	Bank charges	25,585	12,801
員工成本	Staff costs	667,183	496,178
招待費	Entertainment expenses	34,138	32,397
印花稅及其他稅項	Stamp duty and other taxes	50,331	25,021
專業費用	Professional fees	48,907	30,128
核數師酬金 — 中期審閱	Auditors' remuneration – interim review	1,200	1,200
銷售佣金	Sales commission	27,576	40,464
廣告及宣傳費用	Advertising and publicity expenses	130,979	132,218
租賃開支	Rental expenses	49,669	29,943
差旅費用	Travelling expenses	41,067	27,872
其他開支	Other expenses	86,767	62,810
銷售成本、銷售和營銷費用及	Total cost of sales, selling and marketing		
行政開支總計	expenses and administrative expenses	8,260,681	8,048,979

(a) 於2016年5月1日之前，本集團的中國子公司須就其銷售物業收入和租金收入繳納5%的營業稅，而附加費則按應付營業稅的10%至12%繳納。

(a) Before 1 May 2016, the PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

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24 融資成本 — 淨額

24 FINANCE COSTS – NET

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
財務成本	Finance costs		
— 銀行貸款、優先票據及公司債券的利息	– Interest on bank loans, senior notes and corporate bonds	(769,979)	(627,833)
— 減：資本化利息	– Less: Interest capitalised	537,524	502,621
		(232,455)	(125,212)
— 與借款有關的匯兌（虧損）／收益淨額	– Net foreign exchange (losses)/gains relating to borrowings	(99,414)	3,300
— 與現金及現金等價物有關的匯兌（虧損）／收益淨額	– Net foreign exchange (losses)/gains on cash and cash equivalents	949	8,401
融資成本總額	Total finance costs	(330,920)	(113,511)
財務收入	Finance income		
— 銀行存款的利息收入	– Interest income on bank deposits	88,507	47,383
融資成本淨額	Net finance costs	(242,413)	(66,128)

25 所得稅開支

25 INCOME TAX EXPENSE

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
當期所得稅	Current income tax		
— 中國土地增值稅(a)	– PRC land appreciation tax (a)	7,448	71,579
— 中國企業所得稅	– PRC corporate income tax	270,417	301,476
		277,865	373,055
遞延所得稅（附註20）	Deferred income tax (Note 20)	112,772	(31,441)
期內列支的所得稅總額	Total income tax charged for the period	390,637	341,614

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25 所得稅開支（續）

- (a) 截至2016年6月30日止六個月的土地增值稅包括期內確認的物業銷售收入的土地增值稅金額人民幣186,793,000元及於截至2016年6月30日止六個月12個項目於有關稅局結稅後撥回的之前累計的土地增值稅人民幣179,345,000元。

香港利得稅

本集團未對香港利得稅作出撥備，因為本集團於截至2016年6月30日止六個月期間並無來自香港的估計應課稅溢利（截至2015年6月30日止六個月：無）。

中國企業所得稅

根據中國企業所得稅法（「**企業所得稅法**」），本集團旗下位於中國內地的子公司適用的企業所得稅率為25%。

企業所得稅法及其實施細則規定中國居民企業就2008年1月1日起產生的盈利，向其中國以外的直接控股公司派發的股息須繳納10%的預扣稅，而於2008年1月1日前產生的未分派盈利則獲豁免繳納該預扣稅。根據中國與香港訂立的稅務協約安排，若直接控股公司成立於香港，可應用較低的5%預扣稅稅率。截至2016年6月30日止六個月，本集團就其中國實體產生的部分盈利按5%的稅率計提中國預扣稅撥備人民幣4,775,000元（截至2015年6月30日止六個月：人民幣3,375,000元）。本集團能控制該等中國子公司的股息政策並已確定可能不會於可見未來分派大部分該等盈利。

土地增值稅

中國土地增值稅以銷售物業所得款項減去可扣減開支（包括土地使用權租賃費用及所有物業發展開支）的土地增值按介乎30%至60%的累進稅率徵收，並於合併利潤表內列作所得稅開支。

25 INCOME TAX EXPENSE (Cont'd)

- (a) Land appreciation tax for the six months ended 30 June 2016 includes the amount of land appreciation tax of RMB186,793,000 on property sales revenue recognised during the period; and a reversal of the previously accrued land appreciation tax of RMB179,345,000 upon the clearance of 12 projects with relevant tax bureaus during the six months ended 30 June 2016.

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the six months ended 30 June 2016 (Six months ended 30 June 2015: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (“**CIT Law**”), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the six months ended 30 June 2016, the Group accrued for PRC withholding tax with amount of RMB4,775,000 (Six months ended 30 June 2015: RMB3,375,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

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

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26 每股盈利

截至2016年及2015年6月30日止六個月每股基本盈利乃按本公司權益持有人應佔本集團利潤除以期內已發行普通股加權平均數計算。

26 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2016 and 2015 is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 (未經審核) (Unaudited)	2015年 2015 (未經審核) (Unaudited)
本公司權益持有人應佔 合併利潤（人民幣千元）	Consolidated profit attributable to equity holders of the Company (RMB'000)	490,756	348,100
已發行普通股加權平均數 （千股）	Weighted average number of ordinary shares in issue ('000)	5,658,000	5,668,000
每股基本盈利（人民幣元）	Basic earnings per share (RMB)	0.09	0.06

由於截至2016年及2015年6月30日止六個月並無任何攤薄購股權和其他具潛在攤薄效應的已發行股份，故每股攤薄盈利與每股基本盈利相同。

As there were no dilutive options and other dilutive potential shares in issue during the six months ended 30 June 2016 and 2015, diluted earnings per share is the same as basic earnings per share.

27 股息

董事會決議不宣派截至2016年6月30日止六個月的中期股息（截至2015年6月30日止六個月：無）。

於2016年5月18日舉行的本公司股東週年大會已批准使用股份溢價賬派付2015年末期股息每股普通股人民幣0.05元，共人民幣282,900,000元。該等股息反映為截至2016年6月30日止六個月的股份溢價分派。於2016年6月30日，該末期股息尚未支付。

27 DIVIDENDS

The board of directors has resolved not to declare interim dividend for the six months ended 30 June 2016 (Six months ended 30 June 2015: Nil).

A final dividend in respect of 2015 of RMB0.05 per ordinary share using the share premium account, amounting to RMB282,900,000, has been approved at the annual general meeting of the Company held on 18 May 2016. The dividend is reflected as an appropriation of share premium for the six months ended 30 June 2016. Such final dividend had not been paid as at 30 June 2016.

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28 承擔

(a) 物業開發支出承擔

於2016年6月30日及2015年12月31日，尚未發生但已作出承擔的物業開發支出如下：

28 COMMITMENTS

(a) Property development expenditure commitments

As at 30 June 2016 and 31 December 2015, property development expenditure committed but not yet incurred are as follows:

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
已訂約但未撥備	Contracted but not provided for	16,556,413	19,166,565

(b) 資本承擔

於2016年6月30日及2015年12月31日，已承擔但未發生的資本承擔如下：

(b) Capital commitments

As at 30 June 2016 and 31 December 2015, capital committed but not yet incurred are as follows:

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
設備購買承擔	Committed acquisition of equipment	51,200	–

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

28 承擔（續）

(c) 經營租賃承擔

於2016年6月30日及2015年12月31日，就若干以不可撤銷經營租賃租入的辦公室樓宇而產生的未來最低租金支出總額需於以下期間支付：

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
一年內	Within 1 year	20,152	17,989
一至五年	1 to 5 years	37,839	40,448
五年後	After 5 years	23,117	26,882
		81,108	85,319

(d) 投資承擔

於2016年6月30日及2015年12月31日，投資承擔如下：

28 COMMITMENTS (Cont'd)

(c) Operating lease commitments

As at 30 June 2016 and 31 December 2015, the future aggregate minimum rental expenses in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

(d) Investment commitments

As at 30 June 2016 and 31 December 2015, committed investments are as follows:

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
聯營公司投資承擔	Committed investments in an associate	800,000	–
合營企業投資承擔	Committed investments in joint ventures	370,000	100,000
		1,170,000	100,000

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

28 承擔（續）

(e) 經營租賃應收租金

於2016年6月30日及2015年12月31日，就土地及建築物以不可撤銷經營租賃租出而產生的未來最低租金收款總額將於以下期間獲取：

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
一年內	Within 1 year	230,984	241,908
一至五年	1 to 5 years	659,765	645,172
五年後	After 5 years	328,591	300,702
		1,219,340	1,187,782

28 COMMITMENTS (Cont'd)

(e) Operating lease rentals receivable

As at 30 June 2016 and 31 December 2015, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

29 財務擔保

(a) 按揭融資的擔保

於2016年6月30日及2015年12月31日，本集團就按揭融資提供財務擔保產生的或然負債如下：

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
就本集團物業的若干買家的按揭融資作出的擔保	Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	14,381,492	5,376,137

29 FINANCIAL GUARANTEES

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at 30 June 2016 and 31 December 2015:

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

29 財務擔保（續）

(a) 按揭融資的擔保（續）

本集團已為本集團物業若干買家安排銀行融資，並就買家的還款責任提供擔保。該等擔保將按下列較早者終止：(i)房地產所有權證由政府部門發出給買家，此證一般在擔保登記完成後平均兩至三年內發出，並向按揭銀行提交時；或(ii)物業買家清償按揭貸款時。

根據擔保條款，在該等買家拖欠按揭還款時，本集團須負責向銀行償還買家拖欠的按揭本金連同應計利息及罰金，而本集團有權接收相關物業的法定業權及所有權。本集團的擔保期由授出按揭日期起開始。董事認為買家拖欠付款的可能性極小，因此，按公允價值計量的財務擔保並非重大。

(b) 公司擔保

於2016年6月30日及2015年12月31日，本集團的子公司就借款（附註17）相互提供若干企業擔保。董事認為各子公司有足夠財務資源償付其債務。

29 FINANCIAL GUARANTEES (Cont'd)

(a) Guarantees on mortgage facilities (Cont'd)

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 17) as at 30 June 2016 and 31 December 2015. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

30 出售子公司及業務

(a) 出售上海迪裕商業管理有限公司

於2016年6月21日，本集團出售其於上海迪裕商業管理有限公司的100%股權，代價為人民幣1,049,820,000元。該子公司從事投資物業業務。

30 DISPOSAL OF SUBSIDIARIES AND BUSINESS

(a) Disposal of Shanghai Diyu Business Management Co., Ltd.

On 21 June 2016, the Group disposed of its 100% equity interests in Shanghai Diyu Business Management Co., Ltd. at a consideration of RMB1,049,820,000. The subsidiary was engaged in investment property business.

人民幣千元
RMB'000
(未經審核)
(Unaudited)

已收的現金代價	Consideration received in cash	1,049,820
所出售淨資產	Net assets disposed of	(1,160,185)
出售產生的虧損	Loss on disposal	(110,365)

有關上述出售事項的合併資產及負債如下：

The aggregated assets and liabilities in respect of the above disposal were as follows:

人民幣千元
RMB'000
(未經審核)
(Unaudited)

現金及現金等價物	Cash and cash equivalents	7,851
貿易及其他應收款項	Trade and other receivables	3,409
投資物業	Investment property	1,191,000
貿易及其他應付款項	Trade and other payables	(5,321)
遞延所得稅負債	Deferred income tax liabilities	(33,946)
非控股權益	Non-controlling interests	(2,808)
所出售淨資產	Net assets disposed of	1,160,185
已收現金	Cash received	1,049,820
減：所出售子公司的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary disposed of	(7,851)
出售所得現金流入淨額	Net cash inflow from the disposal	1,041,969

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

30 出售子公司及業務（續）

(b) 出售常州創悅諮詢管理有限公司

於2016年5月31日，本集團出售其於常州創悅諮詢管理有限公司的100%股權予本公司的母公司富域香港，代價為人民幣320,000,000元。該子公司從事住宅物業管理業務。該前子公司下屬的一間公司，西藏新城物業服務有限公司，於被出售後繼續提供住宅物業管理服務予本集團（附註31(b)(v)）。

30 DISPOSAL OF SUBSIDIARIES AND BUSINESS
(Cont'd)

(b) Disposal of Changzhou Chuangyue Consultancy Co., Ltd.

On 31 May 2016, the Group disposed of its 100% equity interests in Changzhou Chuangyue Consultancy Co., Ltd. at a consideration of RMB320,000,000 to the Company's parent company, Wealth Zone Hong Kong. The subsidiary was engaged in residential property management business. An entity under that former subsidiary, Tibet Future Land Property Management Co., Ltd., continues to provide residential property management services to the Group after the disposal (Note 31 (b)(v)).

		人民幣千元 RMB'000 (未經審核) (Unaudited)
已收的現金代價	Consideration received in cash	320,000
所出售淨資產	Net assets disposed of	(44,103)
交易費用	Transaction costs	(385)
出售產生的收益	Gain on disposal	275,512

有關上述出售事項的合併資產及負債如下：

The aggregated assets and liabilities in respect of the above disposal were as follows:

		人民幣千元 RMB'000 (未經審核) (Unaudited)
現金及現金等價物	Cash and cash equivalents	64,398
預付款項	Prepayments	21,743
貿易及其他應收款項	Trade and other receivables	472,733
完工待售或在建銷售物業	Properties held or under development for sale	328
物業、廠房及設備	Property, plant and equipment	6,331
無形資產	Intangible assets	2,844
遞延所得稅資產	Deferred income tax assets	1,768
可供出售金融資產	Available-for-sale financial assets	300
客戶預付款	Prepayments from customers	(100,354)
貿易及其他應付款項	Trade and other payables	(418,906)
非控股權益	Non-controlling interests	(7,082)
所出售淨資產	Net assets disposed of	44,103
已收現金	Cash received	320,000
減：所出售子公司的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary disposed of	(64,398)
交易費用	Transaction costs	(385)
出售所得現金流入淨額	Net cash inflow from the disposal	255,217

董事會認為上述交易金額並不重大，因此並不構成終止經營業務。

The board of directors is of the view that the amount of the above transaction was insignificant, and hence does not constitute discontinued operation of business.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核） For the six months ended 30 June 2016 (Unaudited)

30 出售子公司及業務（續）

(c) 出售南京新城創錦房地產有限公司

南京創錦作為本集團子公司乃於2015年11月成立。於2016年6月，獨立第三方投資者向南京創錦注資人民幣200,000,000元。此次注資後，本集團持有南京創錦的權益被攤薄至70.15%。根據南京創錦的投資協議及細則，本集團及該獨立第三方投資者將共同控制南京創錦的項目開發及物業銷售以及其他主要相關業務活動。故此該公司作為合營企業核算，不再是本集團的子公司。

出售南京創錦產生的收益為人民幣787,000元。

30 DISPOSAL OF SUBSIDIARIES AND BUSINESS
(Cont'd)

(c) Disposal of Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.

Nanjing Chuangjin was established in November 2015 as a subsidiary of the Group. In June 2016, an independent third party investor injected a capital of RMB200,000,000 to Nanjing Chuangjin. Subsequent to the capital injection, the Group's interest in Nanjing Chuangjin was diluted to 70.15%. According to the investment agreement and articles of Nanjing Chuangjin, the Group and the independent third party investor will jointly control the project development and sales of properties as well as other key relevant activities of Nanjing Chuangjin. Hence it is accounted for as a joint venture and no longer a subsidiary of the Group.

The gain from disposal of Nanjing Chuangjin is RMB787,000.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易

(a) 關連方名稱及與關連方的關係

名稱
Name

王先生
Mr. Wang

王曉松先生
Mr. Wang Xiaosong

上海萬之城房地產開發有限公司
Shanghai Wan Zhi Cheng Real Estate Co., Ltd

鎮江威信廣廈模塊住宅工業有限公司
Atlantic Modular System Ltd.

上海麗魔網絡科技有限公司
Shanghai Limo Network Technology Co., Ltd

江蘇民營投資控股有限公司
Jiangsu Private Investment Holdings Co., Ltd.

青島卓越新城置業有限公司
Qingdao Zhuoyue Future Land Property Co., Ltd.

青島新城東郡房地產開發有限公司
Qingdao Future Land Dongjun Real Estate Development Co., Ltd.

青島卓越東郡置業有限公司
Qingdao Zhuoyue Dongjun Property Co., Ltd.

南京新城萬隆房地產有限公司
Nanjing Future Land Wanlong Real Estate Co., Ltd.

上海恒固房地產開發有限公司
Shanghai Henggu Real Estate Development Co., Ltd.

上海松銘房地產開發公司
Shanghai Songming Real Estate Co., Ltd.

上海新城旭地房地產有限公司
Shanghai Xincheng Xudi Real Estate Co., Ltd.

蘇州新城萬瑞房地產有限公司
Suzhou Future Land Wanrui Real Estate Development Co., Ltd.

常熟中置房地產有限公司
Changshu Zhongzhi Real Estate Co., Ltd.

昆山德睿房地產有限公司
Kunshan Derui Real Estate Co., Ltd.

31 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

與本集團關係

Relationship with the Group

本公司的控股股東及董事
The controlling shareholder and a director of the Company

王先生的家族成員
Family member of Mr. Wang

本集團的聯營公司
An associate company of the Group

本集團的聯營公司
An associate company of the Group

本集團的聯營公司
An associate company of the Group

本集團的聯營公司
An associate company of the Group

本集團的聯營公司
An associate company of the Group

本集團的合營企業
A joint venture of the Group

本集團的合營企業的子公司
A subsidiary of a joint venture of the Group

本集團的合營企業的子公司
A subsidiary of a joint venture of the Group

本集團的合營企業
A joint venture of the Group

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A joint venture of the Group

本集團的合營企業
A joint venture of the Group

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 關連方交易 (續)

名稱
Name

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(a) Name and relationship with related parties
(Cont'd)

Relationship with the Group

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31 關連方交易（續）

(b) 與關連方的交易

於截至2016年6月30日止六個月，本集團進行了以下關連方交易：

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties

During the six months ended 30 June 2016, the Group has the following related party transactions:

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
(i) 給予關連方的撥款	(i) Fundings to related parties		
— 青島卓越新城置業有限公司	— Qingdao Zhuoyue Future Land Property Co., Ltd.	454,340	594,893
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	1,638,000	405,300
— 鎮江威信廣廈模塊住宅工業有限公司	— Atlantic Modular System Ltd.	—	47,000
— 上海恒固房地產開發有限公司	— Shanghai Henggu Real Estate Development Co., Ltd.	—	11,200
— 上海松銘房地產開發公司	— Shanghai Songming Real Estate Co., Ltd.	3,532	7,520
— 上海佘山鄉村俱樂部有限公司	— Shanghai Sheshan Country Club Co., Ltd.	1,207,460	—
— 成都新城萬博物業發展有限公司	— Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	145,780	—
— 常州市武進區金東方頤養中心	— Changzhou Wujin District Jindongfang Care Centre	12,000	—
— 台州新城萬博房地產發展有限公司	— Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	1,052,872	—
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	627,459	—
— 常熟中置房地產有限公司	— Changshu Zhongzhi Real Estate Co., Ltd.	15,181	—
— 昆山德睿房地產有限公司	— Kunshan Derui Real Estate Co., Ltd.	30,928	—
— 義烏吾悅房地產發展有限公司	— Yiwu Injoy Real Estate Development Co., Ltd.	398,849	—
— 天津新城吾悅房地產有限公司	— Tianjin Xincheng Injoy Real Estate Co., Ltd.	440,173	—
— 上海萬之城房地產有限公司	— Shanghai Wan Zhi Cheng Real Estate Co., Ltd.	40,000	—
— 蘇州城弘房地產開發有限公司	— Suzhou Chenghong Real Estate Development Co., Ltd.	444,535	—
— 杭州嘉浩房地產有限公司	— Hangzhou Jiahao Real Estate Co., Ltd.	515,000	—
— 上海睿濤房地產有限公司	— Shanghai Ruitao Real Estate Co., Ltd.	701,270	—
— 蘇州百翔房地產有限公司	— Suzhou Baixiang Real Estate Co., Ltd.	140,075	—
— 蘇州晟銘房地產有限公司	— Suzhou Shengming Real Estate Co., Ltd.	322,849	—
		8,190,303	1,065,913

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截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(b) 與關連方的交易（續）

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

		截至6月30日止六個月	
		Six months ended 30 June	
		2016年	2015年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
(ii) 來自關連方的撥款	(ii) Fundings from related parties		
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	714,706	864,610
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	2,209,034	737,000
— 青島卓越新城置業有限公司	— Qingdao Zhuoyue Future Land Property Co., Ltd.	515,000	595,500
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	—	70,000
— 鎮江威信廣廈模塊住宅工業有限公司	— Atlantic Modular System Ltd.	—	45,000
— 台州新城萬博房地產發展有限公司	— Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	1,140,536	—
— 成都新城萬物業發展有限公司	— Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	102,595	—
— 常州市武進區金東方頤養中心	— Changzhou Wujin District Jindongfang Care Centre	63,980	—
— 常熟中置房地產有限公司	— Changshu Zhongzhi Real Estate Co., Ltd.	208,017	—
— 昆山德睿房地產有限公司	— Kunshan Derui Real Estate Co., Ltd.	200,000	—
— 上海恒固房地產發展有限公司	— Shanghai Henggu Real Estate Development Co., Ltd.	11,200	—
— 上海松銘房地產有限公司	— Shanghai Songming Real Estate Development Co., Ltd.	4,800	—
— 常熟萬中城房地產有限公司	— Changshu Wan Zhong Cheng Real Estate Co., Ltd.	68,000	—
— 天津市津南區新城吾悅房地產開發有限公司	— Tianjin Xincheng Injoy Real Estate Co., Ltd.	48,000	—
— 蘇州城弘房地產開發有限公司	— Suzhou Chenghong Real Estate Development Co., Ltd.	334,068	—
— 杭州嘉浩房地產開發有限公司	— Hangzhou Jiahao Real Estate Co., Ltd.	195,000	—
— 上海睿濤房地產開發有限公司	— Shanghai Ruitao Real Estate Co., Ltd.	497,670	—
— 蘇州晟銘房地產開發有限公司	— Suzhou Shengming Real Estate Co., Ltd.	217,118	—
— 上海佘山鄉村俱樂部有限公司	— Shanghai Sheshan Country Club Co., Ltd.	1,041,330	—
— 南京新城創錦房地產有限公司	— Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	154,463	—
— 南京新城廣閣房地產有限公司	— Nanjing Xincheng Guanghong Real Estate Co., Ltd.	33,741	—
— 義烏吾悅房地產發展有限公司	— Yiwu Injoy Real Estate Development Co., Ltd.	881,971	—
		8,641,229	2,312,110

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(b) 與關連方的交易（續）

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
(iii) 為關連方代付款	(iii) Payments on behalf of related parties		
— 南京新城創錦房地產有限公司	— Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	809,000	—
— 南京新城廣闊房地產有限公司	— Nanjing Xincheng Guanghong Real Estate Co., Ltd.	291,477	—
— 常熟中置房地產有限公司	— Changshu Zhongzhi Real Estate Co., Ltd.	—	288,863
— 昆山德睿房地產有限公司	— Kunshan Derui Real Estate Co., Ltd.	—	131,100
— 常熟萬中城房地產有限公司	— Changshu Wan Zhong Cheng Real Estate Co., Ltd.	—	79,977
		1,100,477	499,940
(iv) 提供項目管理服務予合營企業	(iv) Provides project management services to joint ventures		
— 台州新城萬博房地產發展有限公司	— Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	10,552	—
— 成都新城萬博物業發展有限公司	— Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	7,896	—
— 昆山德睿房地產有限公司	— Kunshan Derui Real Estate Co., Ltd.	11,751	—
— 常熟萬中城房地產有限公司	— Changshu Wan Zhong Cheng Real Estate Co., Ltd.	12,044	—
— 南京新城創錦房地產有限公司	— Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	4,636	—
— 上海松銘房地產有限公司	— Shanghai Songming Real Estate Co., Ltd.	3,332	—
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	3,051	—
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	6,724	—
		59,986	—
(v) 接受一間前子公司下屬公司 出售後提供的物業管理服務	(v) Accepts property management services provided by an entity under a previous subsidiary after disposal		
— 西藏新城物業服務有限公司 (附註30(b))	— Tibet Future Land Property Management Co., Ltd. (Note 30(b))	14,322	—
(vi) 出售一間子公司	(vi) Disposal of a subsidiary		
— 富域香港投資有限公司 (附註30(b))	— Wealth Zone Hong Kong Investments Limited (Note 30(b))	319,615	—

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核） For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(b) 與關連方的交易（續）

(vii) 主要管理層報酬

主要管理層包括董事（執行和非執行）、財務總監、副總裁和總裁助理。就員工服務已付或應付予主要管理層之報酬列示如下：

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(vii) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and assistant presidents. The compensation paid or payable to key management for employee services is shown below:

		截至6月30日止六個月 Six months ended 30 June	
		2016年 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	2015年 2015 人民幣千元 RMB'000 (未經審核) (Unaudited)
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	15,559	14,992
離職後福利	Post-employment benefits	396	379
		15,955	15,371

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(b) 與關連方的交易（續）

(viii) 為關連方提供擔保

被擔保方 Guaranteed party	擔保金額 Guarantee amount 人民幣千元 RMB'000	擔保起始日 Guarantee beginning date	擔保到期日 Guarantee ending date	擔保是否 已經履行完畢 Guarantee fulfill or not
義烏吾悅房地產發展有限公司 Yiwu Injoy Real Estate Development Co., Ltd.	250,000	2016年1月8日 08 January 2016	2018年1月7日 07 January 2018	否 No
蘇州城弘房地產開發有限公司 Suzhou Chenghong Real Estate Development Co., Ltd.	285,000	2016年1月31日 31 January 2016	2018年8月31日 31 August 2018	否 No
常熟中置房地產有限公司 Changshu Zhongzhi Real Estate Co., Ltd.	260,000	2015年10月25日 25 October 2015	2019年4月28日 28 April 2019	否 No
常熟中置房地產有限公司 Changshu Zhongzhi Real Estate Co., Ltd.	390,000	2015年11月12日 12 November 2015	2020年11月12日 12 November 2020	否 No
青島新城東郡房地產開發有限公司 Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	50,000	2015年9月30日 30 September 2015	2020年9月30日 30 September 2020	否 NO
青島新城東郡房地產開發有限公司 Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	245,000	2016年3月31日 31 March 2016	2021年3月31日 31 March 2021	否 NO
青島卓越東郡置業有限公司 Qingdao Zhuoyue Dongjun Property Co., Ltd.	225,000	2016年5月30日 30 May 2016	2020年5月30日 30 May 2020	否 NO
南京新城萬隆房地產有限公司 Nanjing Future Land Wanlong Real Estate Co., Ltd.	350,000	2015年9月28日 28 September 2015	2020年12月12日 12 December 2020	否 No
南京新城創錦房地產有限公司 Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	1,250,000	2016年3月25日 25 March 2016	2018年3月25日 25 March 2018	否 No

(ix) 為關連方提供的股權抵押

被抵押方 Pledged party	已抵押股權數量 Pledged equity amount	抵押起始日 Pledge beginning date	抵押終止日 Pledge ending date
義烏吾悅房地產發展有限公司 Yiwu Injoy Real Estate Development Co., Ltd.	51%	2016年1月8日 08 January 2016	2018年1月7日 07 January 2018
常熟中置房地產有限公司 Changshu Zhongzhi Real Estate Co., Ltd.	65%	2015年10月25日 25 October 2015	2019年4月28日 28 April 2019

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(viii) Guarantees provided to related parties

(ix) Equity interests pledged for related parties

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(c) 關連方結餘

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(c) Related-party balances

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
(i) 應收關連方款項	(i) Amounts due from related parties		
— 上海佘山鄉村俱樂部有限公司	— Shanghai Sheshan Country Club Co., Ltd.	1,201,800	1,035,670
— 義烏吾悅房地產發展有限公司	— Yiwu Injoy Real Estate Development Co., Ltd.	290,683	773,805
— 常州市武進區金東方頤養中心	— Changzhou Wujin District Jindongfang Care Centre	410,877	462,856
— 青島卓越新城置業有限公司	— Qingdao Zhuoyue Future Land Property Co., Ltd.	131,012	191,672
— 鎮江威信廣廈模塊住宅工業 有限公司	— Atlantic Modular System Ltd.	30,000	30,000
— 南京新城創錦房地產有限公司	— Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.	654,537	—
— 天津市津南區新城吾悅 房地產開發有限公司	— Tianjin Xincheng Injoy Real Estate Co., Ltd.	392,171	—
— 杭州嘉浩房地產開發有限公司	— Hangzhou Jiahao Real Estate Co., Ltd.	320,000	—
— 南京新城廣閣房地產有限公司	— Nanjing Xincheng Guanghong Real Estate Co., Ltd.	257,736	—
— 上海睿濤房地產開發有限公司	— Shanghai Ruitao Real Estate Co., Ltd.	203,600	—
— 蘇州百翔置業有限公司	— Suzhou Baixiang Real Estate Co., Ltd.	140,075	—
— 蘇州晟銘房地產開發有限公司	— Suzhou Shengming Real Estate Co., Ltd.	105,731	—
— 蘇州城弘房地產開發有限公司	— Suzhou Chenghong Real Estate Development Co., Ltd.	90,467	—
— 常熟萬中城房地產有限公司	— Changshu Wan Zhong Cheng Real Estate Co., Ltd.	4,714	72,714
		4,233,403	2,566,717

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

31 關連方交易（續）

(c) 關連方結餘（續）

31 RELATED-PARTY TRANSACTIONS (Cont'd)

(c) Related-party balances (Cont'd)

		於2016年 6月30日 As at 30 June 2016 人民幣千元 RMB'000 (未經審核) (Unaudited)	於2015年 12月31日 As at 31 December 2015 人民幣千元 RMB'000 (經審核) (Audited)
(ii) 應付關連方款項	(ii) Amounts due to related parties		
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	2,387,216	1,816,182
— 台州新城萬博房地產發展有限公司	— Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	1,056,298	968,634
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	882,881	795,634
— 成都新城萬博物業發展有限公司	— Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	526,947	570,132
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Co., Ltd.	200,000	240,000
— 常熟中置房地產有限公司	— Changshu Zhongzhi Real Estate Co., Ltd.	358,973	166,137
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	142,435	142,435
— 上海恒固房地產發展有限公司	— Shanghai Henggu Real Estate Development Co., Ltd.	107,650	96,450
— 昆山德睿房地產有限公司	— Kunshan Derui Real Estate Co., Ltd.	220,870	51,798
— 上海松銘房地產有限公司	— Shanghai Songming Real Estate Co., Ltd.	39,669	38,400
— 蘇州城弘房地產開發有限公司	— Suzhou Chenghong Real Estate Development Co., Ltd.	—	20,000
		5,922,939	4,905,802

除應收鎮江威信廣廈模塊住宅工業有限公司的若干款項人民幣30,000,000元（年息為0.01%）外，應收及應付關連方的款項均為無抵押、免息及須按要求償還。

已收或應收帶息關連方結餘的利息金額於截至2016年6月30日止六個月並不重大。

Except for certain amounts due from Atlantic Modular System Ltd. of RMB30,000,000 (which bear annual interest of 0.01%), the amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand.

The amounts of interest received or receivable from the interest bearing related party balances are not material during the six months ended 30 June 2016.

簡明合併中期財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

截至2016年6月30日止六個月（未經審核）For the six months ended 30 June 2016 (Unaudited)

32 與非控股權益進行的交易

於2016年4月，本集團自Shanghai Gefei Jingxi Investment Co., Ltd收購蘇州新城創盛置業有限公司（「蘇州創盛」）的30%股權，代價為人民幣131,882,000元。代價與應佔蘇州創盛資產淨值的有關部份之間的差額為人民幣36,826,000元，記入其他儲備的借方。期內蘇州創盛的擁有權權益的變化對本公司應佔股權的影響概述如下：

32 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2016, the Group acquired from Shanghai Gefei Jingxi Investment Co., Ltd., 30% equity interest in Suzhou Future Land Chuangsheng Real Estate Co., Ltd. ("Suzhou Chuangsheng") at a consideration of RMB131,882,000. The difference between the consideration and the relevant share of the carrying value of the net asset of Suzhou Chuangsheng with the amount of RMB36,826,000 was recorded as a debit to other reserves. The effect of changes in the ownership interest of Suzhou Chuangsheng on the equity attributable to owners of the Company during the period is summarised as follows:

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of a non-controlling interest acquired	95,056
向非控股權益支付的代價	Consideration paid to a non-controlling interest	
— 非控股權益減少的資本金	– Capital reduction to a non-controlling interest	(9,000)
— 向非控股權益支付的其他代價	– Other consideration paid to a non-controlling interest	(122,882)
於權益確認的所付代價超出差額	Excess of consideration paid recognised within equity	(36,826)

33 結算日後事項

於2016年7月1日，通過向不超過10名承配人（包括A股公司現有股東並為本集團全資子公司的Wealth Zone Development Co., Ltd.）公開發行方式發行不超過405,549,626股A股公司新股籌集不超過人民幣38億元資金的議案已由中國證券監督管理委員會發行審核委員會審議通過。

33 SUBSEQUENT EVENTS

On 1 July 2016, the proposal to issue no more than 405,549,626 new shares of the A share company to raise not more than RMB3.8 billion through non-public offering to no more than 10 placees, including Wealth Zone Development Co., Ltd., an existing shareholder of the A share company and a wholly-owned subsidiary of the Group, has been considered and approved by the Issuance Examination Committee of China Securities Regulatory Commission.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致新城發展控股有限公司股東

(於開曼群島註冊成立的有限責任公司)

本核數師(以下簡稱「我們」)已審計列載於第F-3頁至第F-181頁新城發展控股有限公司(以下簡稱「貴公司」)及其子公司的合併財務報表,此合併財務報表包括於2015年12月31日的合併財務狀況表與截至該日止年度的合併利潤表、合併全面收益表、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附註解釋資料。

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香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,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

我們的責任是根據我們的審計對該等合併財務報表作出意見,僅向整體股東報告我們的意見,除此之外本報告別無其他目的。我們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。

羅兵咸永道

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

We have audited the consolidated financial statements of Future Land Development Holdings Limited (the "Company") and its subsidiaries set out on pages F-3 to F-181, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。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合併財務報表存在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合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而公平地反映貴公司及其附屬公司於2015年12月31日的財務狀況，及彼等截至該日止年度的財務表現及現金流量，並已導照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，2016年2月4日

羅兵咸永道

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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.

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 judgement, 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 Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 4 February 2016

合併財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2015年12月31日 As at 31 December 2015

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
附註 Note			
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房和設備	Property, plant and equipment	6 2,261,413	741,152
投資物業	Investment properties	7 10,854,000	5,936,000
無形資產	Intangible assets	8 36,310	17,574
於聯營公司的投資	Investments in associates	9 300,127	146,317
於合營企業的投資	Investments in joint ventures	10 2,019,775	861,055
遞延所得稅資產	Deferred income tax assets	24 579,813	499,175
可供出售金融資產	Available-for-sale financial assets	11 337,702	287,385
土地使用權	Land use rights	12 431,589	397,659
其他應收款項和預付款項	Other receivables and prepayments	15 169,467	976,544
		16,990,196	9,862,861
流動資產	Current assets		
租賃土地預付款項	Prepayments for leasehold land	13 6,799,095	3,263,529
完工待售或在建銷售物業	Properties held or under development for sale	14 32,739,898	29,862,468
貿易及其他應收款項和 預付款項	Trade and other receivables and prepayments	15 6,527,190	3,216,397
受限制現金	Restricted cash	17 1,283,653	2,618,559
現金和現金等價物	Cash and cash equivalents	17 6,478,861	4,817,907
		53,828,697	43,778,860
資產總額	Total assets	70,818,893	53,641,721
所有者權益	OWNERS' EQUITY		
本公司權益持有人應佔	Capital and reserves attributable to equity holders of the Company		
股本及儲備			
股本：面值	Share capital: nominal value	18 4,609	4,617
儲備	Reserves	20 8,165,760	7,639,363
		8,170,369	7,643,980
非控股權益	Non-controlling interests	5,292,979	4,707,042
權益總額	Total equity	13,463,348	12,351,022

合併財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2015年12月31日 As at 31 December 2015

		於12月31日 As at 31 December		
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	
	附註 Note			
負債	LIABILITIES			
非流動負債	Non-current liabilities			
借款	Borrowings	21	15,004,889	10,555,452
遞延所得稅負債	Deferred income tax liabilities	24	754,670	686,260
			15,759,559	11,241,712
流動負債	Current liabilities			
貿易和其他應付款項	Trade and other payables	23	20,008,074	12,023,131
預售物業預收款項	Advances from pre-sale of properties	22	15,928,660	13,164,015
即期所得稅負債	Current income tax liabilities		1,682,585	1,484,495
借款	Borrowings	21	3,975,575	3,376,189
應付股息	Dividends payable		1,092	1,157
			41,595,986	30,048,987
負債總額	Total liabilities		57,355,545	41,290,699
權益及負債總額	Total equity and liabilities		70,818,893	53,641,721

第F-11頁至第F-181頁的附註為合併財務報表的一部份。

The notes on pages F-11 to F-181 are an integral part of these consolidated financial statements.

載於第F-3頁至F-181頁之合併財務報表已於2016年2月4日獲董事會批准，並由下列董事代表董事會簽署其中的合併財務狀況表：

The consolidated financial statements on pages F-3 to F-181 were approved by the Board of Directors on 4 February 2016 and the consolidated statement of financial position was signed on its behalf by:

Wang Zhenhua

王振華

Director

董事

Chan Wai Kin

陳偉健

Director

董事

合併利潤表

CONSOLIDATED STATEMENT OF INCOME

截至2015年12月31日止年度 For the year ended 31 December 2015

		截至12月31日止年度 Year ended 31 December		
		附註 Note	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
收入	Revenue	25	23,835,889	20,718,670
銷售成本	Cost of sales	27	(18,979,683)	(16,844,627)
毛利	Gross profit		4,856,206	3,874,043
投資物業公允價值收益	Fair value gains on investment properties	7	815,106	365,994
銷售和營銷成本	Selling and marketing costs	27	(828,126)	(613,387)
行政開支	Administrative expenses	27	(1,035,500)	(701,787)
其他收入	Other income	26	18,669	36,903
其他開支	Other expenses	26	(3,885)	(2,405)
其他收益 — 淨額	Other gains – net	26	14,153	105,627
經營利潤	Operating profit		3,836,623	3,064,988
財務收入	Finance income	28	136,133	117,008
融資成本	Finance costs	28	(650,707)	(252,802)
融資成本 — 淨額	Finance costs – net		(514,574)	(135,794)
應佔聯營公司業績	Share of results of associates	9	103,810	2,849
應佔合營企業業績	Share of results of joint ventures	10	(61,905)	(10,195)
除所得稅前利潤	Profit before income tax		3,363,954	2,921,848
所得稅開支	Income tax expense	30	(1,507,717)	(1,242,561)
年度利潤	Profit for the year		1,856,237	1,679,287
應佔年度利潤：	Attributable to:			
本公司權益持有人	Equity holders of the Company		1,030,890	1,025,721
非控股權益	Non-controlling interests		825,347	653,566
			1,856,237	1,679,287
本公司權益持有人應佔利潤的每股盈利	Earnings per share for profit attributable to equity holders of the Company			
— 基本及攤薄	– Basic and diluted	31	RMB0.18	RMB0.18

第F-11頁至第F-181頁的附註為合併財務報表的一部分。

The notes on pages F-11 to F-181 are an integral part of these consolidated financial statements.

合併全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2015年12月31日止年度 For the year ended 31 December 2015

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
年度利潤	Profit for the year	1,856,237	1,679,287
其他全面（虧損）／收益， 可於其後重新分類至損益	Other comprehensive (loss)/income, which may be reclassified subsequently to profit or loss		
可供出售金融資產公允價值變動	Change in fair value of available-for-sale financial assets		
— 總額	— gross amount	(13,000)	27,000
— 遞延稅項	— deferred tax	3,250	(6,750)
		(9,750)	20,250
年度全面收益總額	Total comprehensive income for the year	1,846,487	1,699,537
應佔年度全面收益總額：	Attributable to:		
本公司權益持有人	Equity holders of the Company	1,024,509	1,037,149
非控股權益	Non-controlling interests	821,978	662,388
		1,846,487	1,699,537

第F-11頁至第F-181頁的附註為合併財務報表的一部份。

The notes on pages F-11 to F-181 are an integral part of these consolidated financial statements.

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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000 (附註18) (Note 18)	股份溢價 Share premium 人民幣千元 RMB'000 (附註20) (Note 20)	其他儲備 Other reserves 人民幣千元 RMB'000 (附註20) (Note 20)	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註20) (Note 20)	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於2015年1月1日的結餘	Balance at 1 January 2015	4,617	1,395,840	275,193	5,968,330	7,643,980	4,707,042	12,351,022
全面收益	Comprehensive income							
年度利潤	Profit for the year	-	-	-	1,030,890	1,030,890	825,347	1,856,237
其他全面收益	Other comprehensive income							
— 可供出售金融資產 公允價值變動， 扣除稅項	— Change in fair value of available-for-sale financial assets, net of tax	-	-	(6,381)	-	(6,381)	(3,369)	(9,750)
全面收益總額	Total comprehensive income	-	-	(6,381)	1,030,890	1,024,509	821,978	1,846,487
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資金	Capital injection from non-controlling interests	-	-	-	-	-	568,785	568,785
非控股權益減少的資金	Capital reduction from non-controlling interests	-	-	-	-	-	(800,000)	(800,000)
首次公開發售前股份 獎勵計劃 (附註19) — 現任僱員服務價值	Pre-IPO share award scheme (Note 19) — value of current employee services	-	-	8,104	-	8,104	-	8,104
股份回購 (附註18)	Buy-back of shares (Note 18)	(8)	-	(8,903)	-	(8,911)	-	(8,911)
2014年末期股息 (附註32)	2014 final dividend (Note 32)	-	(283,400)	-	-	(283,400)	-	(283,400)
子公司股息	Dividends of subsidiaries	-	-	-	-	-	(275,577)	(275,577)
擁有人的投入及分配總額	Total contributions by and distributions to owners	(8)	(283,400)	(799)	-	(284,207)	(506,792)	(790,999)
子公司的非控股股東權益 變動產生的淨虧損 (附註38(b), (c), (d), (e), (f), 附註33(c))	Net loss from changes of non-controlling interests in subsidiaries (Note 38(b), (c), (d), (e), (f), Note 33(c))	-	-	(213,913)	-	(213,913)	270,751	56,838
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognized directly in equity	(8)	(283,400)	(214,712)	-	(498,120)	(236,041)	(734,161)
於2015年12月31日的結餘	Balance at 31 December 2015	4,609	1,112,440	54,100	6,999,220	8,170,369	5,292,979	13,463,348

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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000 (附註18) (Note 18)	股份溢價 Share premium 人民幣千元 RMB'000 (附註20) (Note 20)	其他儲備 Other reserves 人民幣千元 RMB'000 (附註20) (Note 20)	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註20) (Note 20)	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於2014年1月1日的結餘	Balance at 1 January 2014	4,617	1,679,240	95,182	4,942,609	6,721,648	3,876,311	10,597,959
全面收益	Comprehensive income							
年度利潤	Profit for the year	–	–	–	1,025,721	1,025,721	653,566	1,679,287
其他全面收益	Other comprehensive income							
– 可供出售金融資產 公允價值變動， 扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	–	–	11,428	–	11,428	8,822	20,250
全面收益總額	Total comprehensive income	–	–	11,428	1,025,721	1,037,149	662,388	1,699,537
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資本金	Capital injections from non-controlling interests	–	–	–	–	–	420,000	420,000
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)							
– 現任僱員服務價值	– value of current employee services	–	–	18,228	–	18,228	–	18,228
2013年末期股息 (附註32)	2013 final dividend (Note 32)	–	(283,400)	–	–	(283,400)	–	(283,400)
子公司股息	Dividends of subsidiaries	–	–	–	–	–	(67,512)	(67,512)
擁有人的投入及分配總額	Total contributions by and distributions to owners	–	(283,400)	18,228	–	(265,172)	352,488	87,316
向非控股股東收購子公司 額外權益所得的收益 (附註38(a))	Gains from acquisition of additional interests in subsidiaries from non-controlling interests (Note 38(a))	–	–	150,355	–	150,355	(184,145)	(33,790)
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognized directly in equity	–	(283,400)	168,583	–	(114,817)	168,343	53,526
於2014年12月31日的結餘	Balance at 31 December 2014	4,617	1,395,840	275,193	5,968,330	7,643,980	4,707,042	12,351,022

第F-11頁至第F-181頁的附註為合併財務報表的一部分。

The notes on pages F-11 to F-181 are an integral part of these consolidated financial statements.

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

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
	附註 Note		
經營活動	Operating activities		
經營活動所得現金	Cash generated from operations 34	302,273	4,913,109
已付利息	Interest paid	(1,263,384)	(1,113,357)
已付中國所得稅	PRC income tax paid	(750,733)	(491,986)
已付中國土地增值稅	PRC land appreciation tax paid	(664,616)	(839,221)
經營活動（所用）／所得現金淨額	Net cash (used in)/generated from operating activities	(2,376,460)	2,468,545
投資活動	Investing activities		
收購子公司，扣除相關收購現金	Acquisition of subsidiaries, net of cash acquired 33	(53,600)	–
添置投資物業	Additions of investment properties	(2,391,495)	(1,130,095)
添置物業、廠房及設備和 非流動資產預付款項	Additions of property, plant and equipment and prepayments for non-current assets	(1,051,455)	(1,096,353)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment 34	879	669
添置無形資產	Additions of intangible assets 8	(25,847)	(12,348)
於聯營公司的投資	Investment in an associate 9	(100,000)	(50,000)
於合營企業的投資	Investments in joint ventures 10	(1,220,625)	(861,250)
收購可供出售金融資產	Acquisition of available-for-sale financial assets 11	(75,961)	(42,756)
可供出售金融資產資本減少	Capital reduction from available-for-sale financial assets 11	13,744	3,558
已收股息	Dividends received 26	6,256	6,553
已收利息	Interest received 28	136,133	119,215
向關連方／合營企業 其他投資者撥款	Fundings to related parties/other investors of joint ventures	(8,915,834)	–
已收關聯方款項	Fundings received from related parties	11,676,039	–
投資活動所用現金淨額	Net cash used in investing activities	(2,001,766)	(3,062,807)

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

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
	附註 Note		
融資活動	Financing activities		
借款所得款項	Proceeds from borrowings	9,098,593	10,204,075
發行優先票據所得款項	Proceeds from issuance of senior notes	1,519,693	2,100,401
發行公司債券所得款項	Proceeds from issuance of corporate bonds	4,958,110	1,978,520
償還借款	Repayments of borrowings	(10,918,815)	(14,246,532)
與融資活動相關的 受限制現金減少／(增加)	Decrease/(Increase) in restricted cash relating to financing activities	17 1,349,666	(1,839,868)
向本公司權益持有人支付股息	Dividends paid to equity holders of the Company	(283,465)	(283,172)
向非控股權益支付股息	Dividends paid to non-controlling interests	(275,577)	(67,512)
非控股權益投入的資本金	Capital contribution from non-controlling interests	568,785	420,000
非控股權益減少的資本金	Capital reduction from non-controlling interests	38 (800,000)	—
子公司非控股權益往來款	Advances from non-controlling interests of subsidiaries	37,541	—
向子公司非控股權益支付往來款	Advance to non-controlling interest of a subsidiary	(30,000)	—
償還子公司非控股權益往來款	Repayment of advances from non-controlling interests of subsidiaries	(336,980)	(218,600)
回購股份	Buy-back of shares	18 (8,911)	—
與非控股權益交易的交易成本	Transaction costs in relation to transactions with non-controlling interests	(38,100)	—
向非控股權益收購子公司 額外權益	Acquisition of additional equity interests in subsidiaries from non-controlling interests	38 (73,576)	(33,790)
於物業項目的潛在投資所得金額	Amounts received for potential investments in property projects	23 1,280,247	—
融資活動所得／(所用) 現金淨額	Net cash generated from/(used in) financing activities	6,047,211	(1,986,478)
現金和現金等價物增加／ (減少) 淨額	Net increase/(decrease) in cash and cash equivalents	1,668,985	(2,580,740)
年初的現金和現金等價物	Cash and cash equivalents at beginning of the year	4,817,907	7,411,713
現金及現金等價物匯兌損失	Exchange loss on cash and cash equivalents	28 (8,031)	(13,066)
年末的現金和現金等價物	Cash and cash equivalents at end of the year	17 6,478,861	4,817,907

第F-11頁至第F-181頁的附註為合併財務報表的一部份。

The notes on pages F-11 to F-181 are an integral part of these consolidated financial statements.

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

新城發展控股有限公司（「本公司」）於2010年4月23日根據開曼群島公司法（2010年修訂本）在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands。

本公司及其子公司（統稱「本集團」）主要在中華人民共和國（「中國」）從事物業發展及物業投資業務。本公司的母公司為富域香港投資有限公司（「富域香港」），本公司的最終控股公司為First Priority Group Limited，兩家公司均於英屬處女群島註冊成立。本集團最終控股方為王振華先生（「王先生」或「控股股東」）。

為籌備本公司股份首次在香港聯合交易所有限公司（「聯交所」）主機板上市，本集團進行重組（「重組」），據此，本公司成為組成本集團各子公司之控股公司。重組之詳情載於本公司日期為2012年11月19日之招股章程。

本公司股份於2012年11月29日開始在香港聯合交易所有限公司（「聯交所」）主板上（「上市」）。

除另有指明外，合併財務報表以人民幣千元（「人民幣千元」）為單位呈列。

本公司董事會（「董事會」）於2016年2月4日批准及授權刊發此等載於第F-3頁至第F-181頁的合併財務報表。

1 GENERAL INFORMATION

Future Land Development Holdings Limited (the "Company") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "Group") are property development and property investment in the People's Republic of China (the "PRC"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("Wealth Zone Hong Kong") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("Mr. Wang" or the "Controlling Shareholder").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has undertaken a reorganisation (the "Reorganisation") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 November 2012 (the "Listing").

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

These consolidated financial statements set out on pages F-3 to F-181 have been approved and authorized for issue by the board of directors (the "Board") of the Company on 4 February 2016.

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 重大會計政策概要

編製該合併財務報表所採用之主要會計政策載於下文。除另有說明者外，此等政策於所呈列的年度貫徹應用。

2.1 編製基準

合併財務報表已根據由香港會計師公會（「香港會計師公會」）頒佈的全部適用香港財務報告準則（「香港財務報告準則」）按歷史成本價例編製，並已就按公允價值列賬的可供出售金融資產及投資物業的重估而作出調整。

上文附註1所述就上市進行的重組指涉及合併控股股東王先生控制的多間實體，及以共同控股股東合併會計法列賬。此等實體的淨資產採用控股股東而言的現有賬面值合併。業績由最早呈報日期或合併實體首次受到共同控股股東控制的日期（若為較後發生日期）而不依據本集團實際取得擁有權的日期予以合併。於重組發生之時概無確認為商譽代價之金額或收購人於被收購人的可識別資產、負債及或有負債的公平淨值超出成本之金額。

編製符合香港財務報告準則的合併財務報表需要使用若干關鍵會計估算。管理層在應用本集團會計政策過程中亦需行使其判斷。涉及高度的判斷或高度複雜性的範疇或涉及對合併財務報表屬重大假設和估算的範疇在附註4中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The Reorganisation for the Listing referred to in Note 1 above involved combination of a number of entities that were under the common control of the Controlling Shareholder, Mr. Wang, and was accounted for using merger accounting. The net assets of these entities were consolidated using the existing book values from the Controlling Shareholder's perspective. The results were combined from the earliest date presented or since the date when the combining entities first came under the common control, where this was at a later date, regardless of the date the Group took actual ownership. No amount was recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time the Reorganisation took place.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2015年採納之香港財務報告準則之新修訂

以下對現有準則之新修訂於2015年1月1日開始之財政年度首次強制應用，而且與本集團之業務有關：

- 香港會計準則第19號(修訂本)「界定福利計劃：僱員供款」(對2014年7月1日或之後開始之年度生效)。該修訂對僅與當期服務有關的供款以及與多期服務有關的供款進行區分。該修訂允許與服務相關，但是並不根據服務期限的長短而變動的供款於該項服務提供期間確認的相關成本中抵減。與服務相關且根據服務期限長短而變動的供款，須於服務期內按照與福利採用的相同分配方法進行分攤。
- 2010-2012週期的年年度改進，影響以下四項準則：香港財務報告準則第8號「經營分部」、香港會計準則第16號「物業、廠房及設備」、香港會計準則第24號「關聯方披露」及香港會計準則第38號「無形資產」(對2014年7月1日或之後開始之年度生效)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New amendments of HKFRSs adopted by the Group in 2015*

The following new amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2015 and are relevant to the Group's operations.

- Amendment to HKAS 19 "Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 1 July 2014). The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.
- Amendments from annual improvements 2010-2012 cycle, affecting the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets" (effective for annual periods beginning on or after 1 July 2014).

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2015年採納之香港財務報告準則之新修訂 (續)

- 2011-2013週期的年度改進，影響以下三項準則：香港財務報告準則第3號「企業合併」、香港財務報告準則第13號「公允價值加量」及香港會計準則第40號「投資物業」(對2014年7月1日或之後開始之年度生效)。

於2015年1月1日起採納上述新修訂並無對本集團截至2015年12月31日止年度的經營業績及財務狀況產生任何重大影響。

(ii) 新香港公司條例

此外，新香港公司條例(第622章)第9部份「會計和審核」之規定於財政年度期間開始實施，因此合併財務報表若干資料之呈列及披露有所變動。

(iii) 本集團於2015年後將須採納的香港財務報告準則之新訂準則及修訂

若干香港財務報告準則的新訂準則及修訂本已頒佈但於2015年1月1日開始的年度仍未生效。該等與本集團營運相關的準則列示如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New amendments of HKFRSs adopted by the Group in 2015 (Cont'd)*

- Amendments from annual improvements 2011-2013 cycle, affecting the following 3 standards: HKFRS 3 “Business Combinations”, HKFRS 13 “Fair Value Measurement” and HKAS 40 “Investment Property” (effective for annual periods beginning on or after 1 July 2014).

The adoption of the above new amendments starting from 1 January 2015 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2015.

(ii) *New Hong Kong Companies Ordinance*

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(iii) *New standards and amendments of HKFRSs that are required to be adopted by the Group after 2015*

Certain new standards and amendments of HKFRSs have been published but are not yet effective for the annual period beginning on 1 January 2015. Those that are relevant to the Group's operations are as follows:

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(iii) 本集團於2015年後將須採納的香港財務報告準則之新訂準則及修訂 (續)

香港財務報告準則第14號	「監管遞延賬目」 (於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第11號 (修訂本)	收購於合營業務權益的會計法 (於2016年1月1日或之後開始之年度期間生效)
香港會計準則第16號及香港會計準則第38號 (修訂本)	澄清折舊及攤銷的認可方法 (於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產銷售或貢獻 (生效年度期間待定)
香港會計準則第27號 (修訂本)	於獨立財務報表的權益法 (於2016年1月1日或之後開始之年度期間生效)
2014年年度改進	修訂包括對2012年至2014年年度週期影響4項準則的改進項目的修改：香港財務報告準則第5號「持作出售的非流動資產及已終止經營項目」、香港財務報告準則第7號「金融工具：披露」、香港會計準則第19號「僱員福利」及香港會計準則第34號「中期財務報告」。(於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第15號	來自客戶合約的收入 (於2018年1月1日或之後開始之年度期間生效)
香港財務報告準則第9號	金融工具 (於2018年1月1日或之後開始之年度期間生效)
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號 (修訂本)	關於投資性主體：應用合併的例外規定 (於2016年1月1日或之後開始之年度期間生效)
香港會計準則第1號 (修訂本)	披露計劃 (於2016年1月1日或之後開始之年度期間生效)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) New standards and amendments of HKFRSs that are required to be adopted by the Group after 2015 (Cont'd)

HKFRS 14	Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016)
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016)
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods to be announced)
Amendment to HKAS 27	Equity method in separate financial statements (effective for annual periods beginning on or after 1 January 2016)
Annual improvements 2014	The amendments include changes from the 2012-2014 cycle of the annual improvements project that affect 4 standards: HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", HKFRS 7 "Financial Instruments: Disclosures", HKAS 19, "Employee Benefits" and HKAS 34 "Interim Financial Reporting". (effective for annual periods beginning on or after 1 January 2016)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception (effective for annual periods beginning on or after 1 January 2016)
Amendments to HKAS 1	Disclosure initiative (effective for annual periods beginning on or after 1 January 2016)

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(iii) 本集團於2015年後將須採納的香港財務報告準則之新訂準則及修訂 (續)

截至2015年12月31日止年度，本集團並無提早採納已頒佈但未生效的任何現有準則的新訂會計及財務報告準則或修訂。本集團正評估此等新訂準則及修訂的影響，並且不預期於生效採納時將對本集團之經營業績及財務狀況產生任何重大影響，惟本集團尚未準備納入的新財務報告準則香港財務報告準則第15號「來自客戶合約的收入」(於2018年1月1日或之後開始之年度期間生效)除外。

2.2 子公司

2.2.1 合併

子公司指本集團有權控制的一間實體(包括結構化實體)。當本集團因參與一間實體之業務而可或有權獲得可變回報且有能力憑藉其對該實體行使權力而影響該等回報時，則視為本集團控制該實體。子公司於控制權轉移至本集團之日起全面合併入賬。子公司自控制權終止當日起終止合併入賬。

集團內公司間交易、結餘及因集團內公司間交易而產生之收支會予以對銷。確認於資產的公司間交易所產生的溢利和虧損亦予以對銷。子公司的會計政策已按需要作出改動，以確保與本集團所採納者相符。

子公司的業績及權益中的非控股權益分別於合併財務狀況表、合併利潤表、合併全面收益表及合併權益變動表中單獨列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) *New standards and amendments of HKFRSs that are required to be adopted by the Group after 2015 (Cont'd)*

The Group has not early adopted any new accounting and financial reporting standards or amendments to existing standards which have been issued but are not yet effective for the year ended 31 December 2015. The Group is in the process of making an assessment on the impact of these new standards and amendments and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018) which the Group is not yet in a position to conclude.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併

本集團採用如下文所述的收購會計法為業務合併列賬，惟如上文附註2.1所述的方法入賬的重組除外。

根據收購會計法，收購一家子公司的轉讓代價包括所轉讓資產、所產生的對被收購人前所有者之負債及本集團所發行股權的公允價值。所轉讓代價亦包括任何或有對價安排所產生的資產及負債的公允價值。收購相關成本於產生時列為開支。於業務合併時所收購的可識別資產及所承擔的負債及或有負債，初始按收購日的公允價值計量。按逐項收購基準，本集團以公允價值或非控股權益按比例應佔被收購人可識別淨資產已確認金額，確認任何被收購人非控股權益。

倘業務合併分階段進行，本集團先前持有的被收購人股本權益於收購日期的賬面值會按收購日期的公允價值重新計量；有關重新計量產生的損益在合併利潤表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) Business combinations

The Group applies the acquisition method as described below to account for business combinations, except for the Reorganisation which had been accounted for as stated in Note 2.1 above.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated statement of income.

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 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併 (續)

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值的後續變動，將按照香港會計準則第39號於合併利潤表作為其他全面收益變動確認。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

已轉讓代價、於被收購人的任何非控股權益金額及任何先前於被收購人的股權於收購日期的公允價值超過所收購可識別淨資產的公允價值的差額入賬列作商譽。倘已轉讓代價、已確認非控股權益及先前已計量所持股權的總和少於議價購買情況下所收購子公司可識別淨資產的公允價值，則該差額會直接於合併利潤表內確認。

(ii) 不導致失去控制權的子公司所有權權益變動

不導致失去控制權的與非控制權益進行的交易入賬列作權益交易一即以他們作為擁有人的身份與其他擁有人進行交易。任何已付代價公允價值與所購買相關應佔子公司淨資產賬面值的差額列作權益。向非控制性權益出售產生的盈虧亦列作權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) *Business combinations (Cont'd)*

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held equity interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in consolidated statement of income.

(ii) *Changes in ownership interests in subsidiaries without loss of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the other owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(iii) 出售子公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允價值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公允價值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益。

2.2.2 獨立財務報表

於本公司財務狀況表中，於子公司之投資乃以成本扣除減值入賬。成本亦包括與投資直接相關的應佔成本。子公司之業績按已收及應收股息計入公司之賬內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.2 獨立財務報表 (續)

當收到於子公司的股息時，而該股息超過子公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方淨資產（包括商譽）在合併財務報表之賬面值時，則必須對有關投資進行減值測試。

2.3 聯營公司

聯營公司指本集團對其有重大影響但無控制權或共同控制權的所有實體，一般擁有其20%至50%投票權的股權。於聯營公司的投資乃以權益法入賬。根據權益法，投資初始按成本確認，並會增減賬面值以確認投資者在收購日期後佔被投資方損益及其他儲備變動的比例。本集團於聯營公司的投資包括於收購時已識別的商譽（經扣除任何累計減值虧損）。

倘於聯營公司的所有權權益減少，而重大影響力獲保留，則先前於其他全面收益確認的金額僅有按比例部分重新劃分為損益（倘適用）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.2 Separate financial statements (Cont'd)

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

Associates or associated companies are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other reserve movements of the investee after the date of acquisition. The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.3 聯營公司 (續)

本集團所佔聯營公司的收購後盈虧乃於合併利潤表內確認，而其所佔其他全面收益收購後變動則於其他全面收益內確認，並相應調整投資的賬面金額。當本集團應佔聯營公司虧損相等於或超過其於聯營公司的權益（包括任何其他無抵押應收款項）時，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔法定或推定義務或支付款項。本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並於合併利潤表「應佔聯營公司利潤／（虧損）」確認有關金額。

來自本集團與聯營公司間上游及下游交易的損益於本集團的財務報表中確認並以無關連投資者於聯營公司的權益為限。未變現虧損亦會對銷，除非有關交易證明所轉讓資產已出現減值。聯營公司的會計政策已作必要更改，以確保與本集團所採納者保持一致。

於聯營公司投資所產生的攤薄盈虧在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associates (Cont'd)

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movement in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.4 合營安排

根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團享有的收購後利潤或虧損以及其他綜合收益變動的份額。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益（包括任何實質上構成本集團在該合營淨投資的長期權益），則本集團不確認進一步虧損，除非本集團已產生義務或已代合營企業付款。

本集團與其合營企業之間的未變現交易利得按本集團在該等合營企業的權益予以對消。未變現虧損也予以對消，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策如有需要已改變以符合本集團採納的政策。

2.5 分部報告

經營分部乃以與提交予主要經營決策者（「主要經營決策者」）的內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部表現，並已確定為作出戰略決策的王先生。

管理層根據主要經營決策者審核的用於作出戰略決策的報告釐定經營分部。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Joint arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Mr. Wang who makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.6 外幣換算

(i) 功能及呈列貨幣

本集團的各實體財務報表所列的項目，均以該實體經營所在主要經濟環境所使用的貨幣（「功能貨幣」）計量。由於本集團的大部份資產及營運位於中國，故其財務報表以人民幣呈列，人民幣乃本公司的功能貨幣及本集團的呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日的現行匯率換算為功能貨幣，或於項目獲重新計量時按估值日期的匯率換算。因上述交易結算及按年底匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於合併利潤表內確認。

與借貸及現金及現金等價物有關的匯兌收益及虧損在利潤表內的「融資收入或成本」項下呈列。所有其他匯兌收益及虧損在利潤表內的「其他收益或虧損－淨額」項下呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income within 'other gains or losses – net'.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.6 外幣換算 (續)

(iii) 集團公司

倘本集團的所有實體 (全部均非採用嚴重通脹經濟體系的貨幣) 的功能貨幣有別於呈列貨幣，則其業績及財務狀況會按下列方法換算為呈列貨幣：

- (a) 現時集團實體的每份財務狀況表內的資產與負債按該財務狀況表結算日的收市匯率換算；
- (b) 現時集團實體的每份利潤表及全面收益表內的收入及開支按平均匯率換算；及
- (c) 所產生的所有兌換差額乃於其他全面收益內確認及計算，並於權益項目下累積。

收購境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在其他全面收益中入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation (Cont'd)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position of the Group entities are translated at the closing date of that statement of financial position;
- (b) income and expenses for each statement of income and statement of comprehensive income of the Group entities are translated at average exchange rate; and
- (c) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

合併財務報表附註

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2 重大會計政策概要 (續)

2.7 物業、廠房和設備

物業、廠房和設備按歷史成本減累計折舊及任何減值虧損入賬。資產的初始成本包括購入價及令該資產處於所擬運作狀況及地點之任何直接應佔成本。

當與項目有關的未來經濟利益可能流入本集團，而該項目的成本能夠可靠地計量時，則會將該項目其後產生的成本計入該項資產的賬面值內或確認為獨立資產（如適當）。其他所有維修及保養成本乃於其產生的會計期間內自合併利潤表扣除。

物業、廠房和設備的折舊按估計可使用年期以直線法分配其成本減其殘值，有關年限如下：

— 樓宇	30年
— 汽車	5-10年
— 傢俬、裝置及設備	5-10年
— 租賃物業裝修	3-5年

資產殘值及可使用年期均會於各報告期末時被檢討，並在適當情況下作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額。

出售盈虧乃透過比較所得款項與賬面值而釐定，並作為「其他收益／（虧損）-淨額」於合併利潤表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

– Buildings	30 years
– Motor vehicles	5-10 years
– Furniture, fittings and equipment	5-10 years
– Leasehold improvements	3-5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the consolidated statement of income.

合併財務報表附註

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2 重大會計政策概要 (續)

2.8 投資物業

持作長期租金收入或資本增值或兩者兼備且並非本集團所佔用的物業分類為投資物業。投資物業也包括正在建造或開發供未來作投資物業使用之物業。

投資物業包括根據經營租賃持有的土地及本集團擁有的樓宇。根據經營租賃持有的土地如能符合投資物業餘下的定義，則分類為投資物業並入賬。在此情況下，經營租賃視為融資租賃入賬。

投資物業初始按其成本計量，包括相關的交易成本及相關的（如適用）借貸成本。於初始確認後，投資物業按公允價值列賬。公允價值變動於合併利潤表確認及單獨呈列。

公允價值是根據活躍市價並經（如必要）就特定資產之性質、位置或狀況之任何差異作出調整而釐定。倘無法獲得該等資料，則本集團會使用可替代估值法，如較不活躍市場的近期價格或經折現現金流量預測。這些估值乃於各結算日由外部估值師實施。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings owned by the Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In this case, the operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statement of income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.8 投資物業 (續)

倘公允價值能可靠計量，建設中物業按公允價值計量。倘無法可靠地釐定公允價值，則建設中投資物業於公允價值可以釐定或工程竣工前（以較早者為準）將以成本計量。此物業於該日的公允價值與當時賬面值之間的任何差額均在合併利潤表中確認。重新發展以持續作投資物業用途的投資物業，或市場活躍度降低的投資物業將繼續以公允價值計量。

其後支出只有在與該支出有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才撥入在資產的賬面值中。其他所有維修及保養成本於產生時支銷。

當與另一方就完工待售物業訂立經營租賃合約及租賃開始時，物業轉撥至投資物業。於轉撥日期的物業公允價值與其當時賬面值的差額於利潤表中確認為其他收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties (Cont'd)

Property under construction is measured at fair value if the fair value is considered to be reliably measurable. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statement of income. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When an operating lease contract is entered into with another party on a property originally held for sale and upon the commencement of the lease, the property is transferred to investment property. The difference between the fair value of the property at the date of transfer and its then carrying amount is recognised as other gain in the statement of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.9 無形資產

商標

本集團商標乃按歷史成本法列賬的單獨購入商標。商標有特定使用年限並按成本減累計攤銷列賬。攤銷乃按直線法將商標的成本分攤至10年的估計可使用年期計算。

電腦軟件

本集團的電腦軟件包括按購入及使用該特定軟件所產生的成本作資本化處理的購入電腦軟件。這些成本按五年之估計可使用年期攤銷。

2.10 於子公司、聯營公司、合營企業及非金融資產投資的減值

沒有確定使用年限的資產或尚未可供使用的資產毋須攤銷，但會每年進行減值測試。當發生事件或情況變化顯示資產賬面值未必可收回時，會檢討該等須攤銷資產有否減值。減值虧損按資產賬面值超出其可收回金額的差額確認。可收回金額為資產公允價值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量的最低水準（現金產生單位）分類。非金融資產如出現減值，則會於各結算日期檢討可否撥回減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Intangible assets

Trademarks

Trademarks of the Group are separately acquired trademarks which are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

Computer software

Computer software of the Group comprises acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.11 完工待售或在建銷售物業

完工待售或在建銷售物業按成本及可變現淨值兩者的較低者列賬於流動資產。完工待售或在建銷售物業成本包括土地租賃成本、建造支出、資本化借款成本及於發展期間產生的其他直接成本。持有的物業成本按其未售出之物業成本按獲比例分配之該發展項目之全部發展成本計量。可變現淨值為管理層根據現行市況釐定之在通常業務過程中的估計銷售價，減預計至竣工需產生的其他成本及銷售時需產生的營銷成本。

2.12 土地使用權

中國的所有土地均為國有且無單獨的土地所有權。本集團收購土地使用權從而進行物業開發。用於開發供出售的土地使用權作為存貨，並按成本值與可變現淨值兩者的較低者列賬，其中屬於正常營運週期內的土地使用權分類為流動資產並計入完工待售或在建銷售物業，而屬於正常營運週期以外的土地使用權分類為非流動資產。屬於投資物業的土地使用權分類為投資物業（附註2.8）。

自用的土地使用權列入土地使用權，以直線法於租期內攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.12 Land use rights

All land in the PRC is stated-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.8).

Land use rights for self-use are recorded under land use rights, which are amortised over the period of the lease using the straight-line method.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產

2.13.1 分類

本集團將金融資產分為以下類別：貸款及應收款項以及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於初始確認金融資產時決定其分類。

(i) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活躍市場並無報價。該等金融資產計入流動資產，惟到期日超過於報告期末起計12個月的項目則被分類為非流動資產。本集團貸款及應收款項於財務狀況表內包括「貿易和其他應收款項及預付款項」的若干項目及計入「現金和現金等價物」和「受限制現金」的銀行存款（附註15及附註17）。

(ii) 可供出售金融資產

可供出售金融資產屬於指定列入該類或不可歸入任何其他類別的非衍生工具。除非管理層有意於報告期末起計12個月內處置該投資，否則該等項目入賬列為非流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets. The Group's loans and receivables comprise certain items in "Trade and other receivables and prepayments" and bank deposits included in "cash and cash equivalents" and "restricted cash" in the statement of financial position (Note 15 and Note 17).

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.2 確認及計量

正常買賣金融資產在交易日(本集團承諾買賣該資產的日期)確認。對於以公允價值計量但其變動並非計入損益的所有金融資產，投資初始按公允價值加交易成本確認。當從投資收取現金流量的權利已屆滿或已轉讓，且本集團已實質上將擁有權的所有風險和回報轉讓時，即中止確認金融資產。可供出售金融資產其後按公允價值列賬。貸款及應收款項隨後使用實際利率法按已攤銷成本列賬。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益內確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入合併利潤表內。

可供出售證券的利息按實際利率法於合併利潤表內確認為部分其他收入。可供出售股權工具的股息於本集團確立收取股息之權利時於合併利潤表中確認為部分其他收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of income as part of other income when the Group's right to receive payments is established.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值

(i) 按攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。僅於有客觀證據顯示資產初始確認後發生的一項或多項事件引致減值(「虧損事件」)且虧損事件對一項或一組金融資產能可靠預計的估計未來現金流量有影響，則表示該項或該組資產已減值，並應計減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併利潤表確認。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在合併利潤表轉回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets

(i) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值 (續)

(ii) 分類為可供出售資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。

對於債務證券，倘存在任何有關證據，則累積虧損（按收購成本與當前公允價值之間的差額，減之前於損益確認的該金融資產的任何減值虧損計算）於權益剔除及於損益確認。倘可供出售的債務工具的公允價值於其後期間增加且該增加與減值虧損於損益確認後發生的事件有客觀關聯，則減值虧損通過合併利潤表撥回。

對於權益工具，證券的公允價值遠低於或長期低於其成本亦為該資產減值的證據。倘存在任何有關證據，則累積虧損（按收購成本與當前公允價值之間的差額，減之前於損益確認的該金融資產的任何減值虧損計算）於權益剔除及於損益確認。於合併利潤表確認的權益工具的減值虧損不通過合併利潤表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets (Cont'd)

(ii) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

合併財務報表附註

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.4 終止確認金融資產

金融資產 (或倘適用，一項金融資產的一部份或一組相若金融資產的一部份) 在下列情況下將予終止確認：

- 自該項資產收取現金流量的權利已屆滿；
- 本集團轉讓自該項資產收取現金流量的權利，或已根據一項「轉付」安排，承擔將所得現金流量全數付予第三方的責任，且不會嚴重延緩；或
- 本集團轉讓自該項資產收取現金流量的權利及(a)本集團已實質上轉讓該項資產的所有風險及回報；或(b)本集團並無實質上轉讓或保留該項資產的所有風險及回報，但已轉讓對該項資產的控制權。

倘本集團已轉讓其收取該項資產所產生現金流量的權利或已訂立轉付安排，但並無實質上轉讓或保留該項資產的所有風險及回報，亦無轉讓對該項資產的控制權，則該資產將視本集團繼續參與該資產的程度而確認入賬。在此情況下，本集團亦確認聯屬責任。已轉讓資產及聯屬責任以反映本集團所保留的權利及責任為基準計量。

以擔保已轉讓資產的方式繼續參與，乃按該資產的原賬面值及本集團可能被要求償還的代價最高金額 (以較低者為準) 計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

合併財務報表附註

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2 重大會計政策概要 (續)

2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表呈報其淨額。具有法律強制力的權力不得依賴於未來事件及能於正常業務過程中及於其中一方違約、無力償債或破產的情況下強制執行。

2.15 衍生金融工具

衍生工具於訂立衍生工具合約日期首次以公平值確認入賬，隨後按其公平值進行重估。公平值乃根據市場報價於活躍市場中獲得，包括近期市場交易及估值方法（包括現金流量折現模型及期權定價模型（如適用））。

對於不符合對沖會計處理的衍生金融工具，公平值變動即刻於合併利潤表中確認。

2.16 貿易和其他應收款項

貿易和其他應收款項初始以公允價值確認，其後利用實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項之原有條款收回所有款項時，即就貿易和其他應收款項設定減值撥備。債務人的重大財務困難、債務人可能會破產或進行財務重組以及違約或拖欠款項被認為是應收款項減值的跡象。撥備金額為資產之賬面值與按原有實際利率折現之估計未來現金流量之現值之差額。資產之賬面值透過使用撥備賬戶削減，而有關虧損金額則在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of either party.

2.15 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

For derivative financial instruments which do not qualify for hedge accounting, changes in fair value are recognised in the consolidated statement of income.

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of income.

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2 重大會計政策概要 (續)

2.16 貿易和其他應收款項 (續)

倘貿易和其他應收款項被視為無法收回，則與撥備賬目撇銷。其後收回先前撇銷的金額將貸記入合併利潤表內。

貿易和其他應收款項計入流動資產，惟於報告期起計超過12個月者（或倘於正常營運週期外，則可較長），則分類為非流動資產。

2.17 現金和現金等價物

現金和現金等價物包括手頭現金、銀行通知存款及原定到期日為三個月或以內之高流動性其他短期投資。

2.18 股本

普通股分類為權益。直接歸屬於發行新股或期權的新增成本在權益中列為所得款項之減項（扣除稅項）。

2.19 貿易和其他應付款項

貿易和其他應付款項乃就日常業務過程中購買供應商提供的產品或服務而應支付的義務。倘貿易及其他應付款項的支付日期在報告期起計12個月內（如仍在正常營運週期中，則可較長），其被分類為流動負債。否則，分類為非流動負債。

貿易和其他應付款項初始以公允價值確認，其後利用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Trade and other receivables (Cont'd)

When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income.

Trade and other receivables are included in current assets, except for those maturing more than twelve months after the reporting period (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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2 重大會計政策概要 (續)

2.20 借款及借貸成本

借款初始按公允價值扣除所產生的交易成本予以確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間的任何差額使用實際利率法於借款期間在合併利潤表內確認。

在貸款很有可能部份或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部份或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則借款將被劃分為流動負債。

直接歸屬於收購、建設或生產合資格資產（即需要經過相當長時間才能達到預定用途或銷售狀態的資產）的一般及特定借款成本，計入該等資產的成本，直至該等資產基本達到預定用途或銷售狀態。就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。其他借款成本於其產生期間支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific 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. Other borrowing costs are expensed in the period when they are incurred.

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅

期間的稅項開支包括即期稅項及遞延稅項。稅項乃於合併利潤表內確認，惟與於其他全面收益或直接於權益確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

即期所得稅支出根據本公司及其子公司營運及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例受詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關繳納的稅款設定撥備。

對於資產及負債的稅基與其於合併財務報表的賬面值的暫時性差額，使用負債法確認遞延所得稅。然而，倘遞延所得稅乃因首次確認交易（並非業務合併）中的資產或負債而產生，且進行有關交易時並無影響會計或應課稅利潤或虧損，則不予入賬。遞延所得稅乃按結算日前已頒佈或實質上已頒佈，並預期將於相關遞延所得稅資產變現或遞延所得稅負債清償時應用的稅率（及法律）計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

遞延所得稅資產是就可能有未來應課稅利潤而就此可使用暫時性差額而確認。

遞延所得稅乃就於子公司、聯營公司及合營安排的投資產生的暫時差額而撥備，惟倘本集團可控制暫時差額撥回的遞延所得稅負債時間，且暫時差額有可能在可預見將來不會獲撥回則除外。一般而言，本集團無法控制給予聯營公司的暫時差額撥回。僅於有協議賦予本集團能力控制撥回未確認暫時差額時除外。

因投資子公司、聯營公司及共同控制實體而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅溢利抵銷可動用暫時差額則除外。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準結算結餘時，遞延所得稅資產與負債將予互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax (Cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2 重大會計政策概要 (續)

2.22 員工福利

根據中國內地規則及法規，本集團的中國內地員工須參加中國內地有關省市政府管理的多項界定供款退休福利計劃，據此，本集團及中國內地員工須每月按員工薪金的特定百分比向該等計劃供款，惟無需超過若干上限。

省市級政府承諾承擔根據上述計劃應付的全部現有及未來中國內地員工退休福利責任。除每月供款外，本集團毋須就其員工承擔其他退休金付款或其他退休後福利的責任。這些計劃的資產與本集團其他資產分開持有，並由市級和省級政府獨立管理的基金保管。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Employee benefits

In accordance with the rules and regulations of mainland China, the mainland China based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the mainland China under which the Group and the mainland China based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland China based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the municipal and provincial governments.

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付

本集團實行數項以權益償付首次公開發售前股份獎勵計劃，在該等計劃下，本集團獲取僱員及若干前僱員、高級僱員及業務合夥人提供的服務作為本公司股本工具（獎勵）的對價。現任僱員及若干前僱員、高級僱員及業務合夥人為獲取股份而提供的服務的公允價值確認為費用。該等予以支銷的總金額乃經參考獲授予股份的公允價值釐定：

- 包括任何市場業績條件；
- 不包括任何服務及非市場業績可行權條件的影響；及
- 包括任何非可行權條件的影響。

非市場績效歸屬條件包括在有關預期歸屬的股份數目的假設中。列作開支的總金額乃在歸屬期確認，歸屬期即符合所有特定歸屬情況的期間。於各報告期末，本集團會根據非市場績效歸屬條件修改其估計預期將歸屬的股份數目。於合併利潤表內確認修改原來估計數字（如有）的影響，以及須對權益作出的相應調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments

The Group operates an equity-settled pre-IPO share award scheme, under which the Group receives services from employees and certain former employees, officers and business partners as consideration for equity instruments (awards) of the Company. The fair value of the current employee and certain former employees, officers and business partners services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity.

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付 (續)

本公司向本集團子公司的僱員授予其股份，被視為資本投入。所獲得僱員服務的公允價值乃參考授出日期的公允價值計量，於歸屬期內確認為增加對子公司的投資，並相應計入本公司的權益賬。

2.24 撥備及或有負債

倘本集團因過往事件而現時須承擔法定或推定責任，且履行該等責任可能須動用資源，及所涉及的金額能可靠估計時，則確認撥備。未來營運虧損毋須確認撥備。

倘存在多項相若責任時，履行該等責任是否需要動用資源在考慮整體責任之類別後釐定。即使同一類別之任何一項責任可能須動用資源的可能性極低，亦須確認撥備。

撥備採用反映當時市場對金錢時間值和有關責任固有風險之評估的稅前比率按照預期需履行有關責任之開支之現值計量。隨著時間消逝而增加的撥備確認為利息開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments (Cont'd)

The grant by the Company of its shares to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity account of the Company.

2.24 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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2 重大會計政策概要 (續)

2.24 撥備及或有負債 (續)

或有負債乃一項因過往事件可能產生的責任，而該責任的存在僅可由一項或多項並非由本集團全權控制之日後不明朗事件之存在與否確定。或有負債亦可為因不大可能需要動用經濟資源或承擔之金額未能可靠地估量而未確認之過往事件產生之現有承擔。

或有負債不予確認，但會於合併財務報表附註中披露。倘支付之可能性出現變動致使有可能需支付，則或有負債將確認為撥備。

2.25 收入確認

收入包括本集團在日常業務過程中出售物業及服務之已收或應收代價之公允價值。收入在扣除退貨、回扣及折扣及經撤銷本集團公司間銷售後予以呈列。收入確認如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Provisions and contingent liabilities (Cont'd)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

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2 重大會計政策概要 (續)

2.25 收入確認 (續)

(i) 出售物業

出售物業的收入於物業的風險及回報已轉讓予買方 (即有關物業已竣工時) 並根據銷售協議將物業交付買家, 且能合理確保收回有關應收款項時, 方予以確認。收入確認日期前就已售物業收取的按金及分期付款於合併財務狀況表內的流動負債下記錄為「預售物業預收款項」。

(ii) 租金收入

來自經營租賃所出租物業的租金收入, 以直線法在租賃期內確認。

(iii) 服務收入

服務收入於相關的提供服務已提供, 並能夠可靠地估計收入及成本總額, 且能合理確保收回有關應收款項時確認。

(iv) 利息收入

利息收入利用實際利率法按時間比例確認。當應收款項出現減值時, 本集團將其賬面值減至其可收回金額 (即按工具的原實際利率貼現的估計未來現金流量), 並繼續沖抵折現作為利息收入。減值貸款和應收款項的利息收入利用原實際利率確認。

(v) 股息收入

股息收入在收取股息之權利獲確定時確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue recognition (Cont'd)

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as "Advances from pre-sale of properties" in the consolidated statement of financial position under current liabilities.

(ii) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

(iii) Service income

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectibility of the related receivables is reasonably assured.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

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2 重大會計政策概要 (續)

2.26 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公允價值確認。與成本有關的政府補貼將會遞延，並於擬補償之成本所需進行配對的期間內於合併利潤表內確認。作為開支或已產生的虧損的補償金或向本集團旗下企業提供即時財務援助而成為應收款項（並無日後相關成本）的政府補貼，乃於其成為應收款項的期間確認為收入。

2.27 財務擔保負債

本集團就銀行按揭信貸為若干購房者提供財務擔保。

財務擔保負債初步按公允價值加作出相關財務擔保負債直接產生的交易成本確認。於首次確認後，有關合約按履行現有責任所需開支的最佳估計現值與首次確認金額減累計攤銷的較高者計量。

財務擔保負債當且僅當合約列明的責任已解除或註銷或屆滿時方於財務狀況表中終止確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of income over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.27 Financial guarantee liabilities

The Group provides financial guarantees for certain property purchasers on mortgage facilities with banks.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.28 經營租賃

出租人保留所有權的絕大部份風險及回報的租賃均列為經營租賃。根據經營租賃支付的款項(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法自合併利潤表扣除。

2.29 股息分派

向本公司股東分派的股息於股息獲本公司股東正式批准的期間在本集團及本公司財務報表中確認，並在適用時作為負債入賬。

2.30 結算日後事項

提供本集團於報告期末狀況的其他資料的報告期後事項(「調整事項」)於合併財務報表中反映。並非調整事項的報告期後事項如涉及金額重大則在附註中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised, as a liability where applicable, in the Group's and the Company's financial statements in the period in which the dividends are properly approved by the Company's shareholders.

2.30 Subsequent events

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period ("adjusting events") are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

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

3 財務風險管理及金融工具

3.1 財務風險因素

本集團的業務承受多項財務風險：市場風險（包括外匯風險、價格風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並尋求方法盡量降低對本集團財務業績可能構成的不利影響。

3.1.1 市場風險

(i) 外匯風險

除部份融資活動（包括首次公開發售、銀行借貸及發行優先票據乃以港元（「港元」）或美元（「美元」）計值）外，本集團僅於中國從事房地產的開發、銷售及管理，幾乎所有交易均以人民幣計值。於2015年12月31日，本集團主要的資產及負債以人民幣計值，惟若干現金及借款以港元或美元計值。

本公司及其全部子公司的功能貨幣為人民幣。因此，以港元或美元計值的現金及借款面臨外匯風險。港元及美元兌人民幣的匯率波動將影響本集團的經營業績。本集團目前並無外匯對沖政策。然而，管理層密切監控外匯風險並於必要時採取行動。

於2015年12月31日，如人民幣兌港元及美元升值／貶值5%，而所有其他可變因素維持不變，年度除稅後溢利將上升／下降人民幣243,829,000元（2014年：人民幣179,933,000元），主要因為換算以港元及美元計值的銀行結餘及借貸的淨外匯收益／虧損所致。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all the transactions denominated in RMB, except for certain financing activities, including the initial public offering, borrowings from banks and issuance of senior notes which are denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD"). As of 31 December 2015, majority of the Group's assets and liabilities are denominated in RMB except that certain cash and borrowings are denominated in HKD or USD.

The Company and all of its subsidiaries' functional currency is RMB. Accordingly, cash and borrowings denominated in HKD or USD is subject to foreign exchange risk. Fluctuations in the exchange rates of HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2015, if RMB had strengthened/weakened by 5%, against HKD and USD with all other variables held constant, post-tax profit for the year would have been RMB243,829,000 (2014: RMB179,933,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of HKD and USD denominated bank deposits and borrowings.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(ii) 價格風險

由於本集團所持投資在合併財務狀況表內被分類為可供出售金融資產，故本集團承受價格風險。

董事認為，本集團就其投資所承受的價格風險並不重大，概因本集團訂有政策，不會作出對本集團財務業績可能造成不利影響的重大投資。所有投資須經董事長批准後方可進行。

下表概述分類為可供出售股本證券的公允價值上升／下跌5%，該證券收益／虧損對本集團其他全面收益增加／減少的影響。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group and classified on the consolidated statements of financial position as available-for-sale financial assets.

In the opinion of the directors, the Group's exposure to price risk with regard to its investments is not significant since it is the Group's policy not to invest significant amounts that might have a detrimental impact to the Group's financial results. All investments must be approved by the Chairman of the Board before they may be entered into.

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

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
— 上調5%	— 5 percent higher	12,664	10,777
— 下調5%	— 5 percent lower	(12,664)	(10,777)

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險

除銀行現金存款以及部分貿易及其他應收款項外，本集團並無其他重大計息資產。

本集團承受的利率變動風險主要來自借款。浮息借款使本集團承受現金流量利率風險。固息借款則令本集團承受公允價值利率風險。本集團並無對沖其現金流量或公允價值利率風險。利率及償還借款的條款於附註21披露。

由於預期銀行存款和部分貿易及其他應收款項的利率不會出現大幅波動，管理層預期利率變動不會對計息資產產生重大影響。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk

Except for cash deposits in the bank and certain balances in trade and other receivables, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 21.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits and certain balances in trade and other receivables are not expected to change significantly.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險 (續)

於2015年和2014年12月31日，倘浮息借款利率上調／下調50個基點，而所有其他變量保持不變，則本集團截至2015年和2014年12月31日止年度的除稅後利潤和資本化利息變動如下：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk (Cont'd)

As at 31 December 2015 and 2014, if interest rates on borrowings with floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest of the Group for the years ended 31 December 2015 and 2014 would have changed as follows:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
除稅後利潤增加／(減少)	Post-tax profit increase/(decrease)		
－ 上調50個基點	－ 50 basis points higher	(4,688)	(3,604)
－ 下調50個基點	－ 50 basis points lower	4,688	3,604
資本化利息增加／(減少)	Capitalised interest increase/(decrease)		
－ 上調50個基點	－ 50 basis points higher	13,363	14,778
－ 下調50個基點	－ 50 basis points lower	(13,363)	(14,778)

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.2 信貸風險

本集團並無重大集中信貸風險。合併財務狀況表中列示的銀行存款和貿易和其他應收款項賬面值指本集團就其金融資產承受的最大信貸風險。

現金交易限於信貸質量較高的金融機構。下表載列於2015年和2014年12月31日的銀行存款結餘：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk

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

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2015 and 2014:

		於12月31日 As at 31 December	
交易對手	Counter party	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
於中國四大國有銀行的存款	Deposits with the four major state-owned banks of the PRC	4,423,855	4,611,176
於中國其他上市銀行的存款	Deposits with other listed banks of the PRC	1,614,070	584,392
於其他銀行的存款	Deposits with other banks	1,718,280	2,229,795
		7,756,205	7,425,363

管理層預期不會因該等交易對手的不履約行為而產生任何虧損。

Management does not expect any losses from non-performance of these counterparties.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.2 信貸風險 (續)

本集團採取政策以確保物業銷售予財務狀況相對良好及能支付適當比例首期付款的買家。同時，倘買家拖欠付款，本集團有權取消銷售合同，並將相關物業投入市場重新銷售。因此，銷售物業產生的信貸風險有限。

其他應收款項主要包括於日常業務過程中應收關連方款項和按金。本集團密切監控這些其他應收款項以確保在面臨違約的風險時採取行動收回結餘。

3.1.3 流動資金風險

本集團管理層旨在從內部銷售所得款項及充足的承諾信貸融資維持足夠現金以滿足其物業項目的營運需求和承諾。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk (Cont'd)

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payment. Meanwhile, the Group has the right to cancel the sales contract in the event that the buyers default in payment, and put the underlying properties back to the market for re-sale. Therefore, the credit risk from sales of properties is limited.

Other receivables mainly comprise receivables from related parties and deposits made in the ordinary course of business. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3.1.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.3 流動資金風險 (續)

下表乃根據於2015年及2014年12月31日至合同到期日的剩餘期間，按相關到期組別分析本集團金融負債。表內披露的金額為合同未貼現現金流量。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Liquidity risk (Cont'd)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2015 and 2014 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		一年以內 Within 1 year 人民幣千元 RMB'000	一至二年 Between 1 and 2 years 人民幣千元 RMB'000	二至五年 Between 2 and 5 years 人民幣千元 RMB'000	五年以上 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2015年12月31日	As at 31 December 2015					
借款本金	Borrowings, principal	3,870,860	7,303,020	7,157,590	517,188	18,848,658
支付借款利息	Interest payments on borrowings	1,226,562	999,917	766,562	59,603	3,052,644
貿易和其他應付款項	Trade and other payables	19,645,278	–	–	–	19,645,278
應付股息	Dividends payable	1,092	–	–	–	1,092
有關購買本集團物業而 獲授按揭額度的擔保 (附註36)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 36)	4,440,681	935,456	–	–	5,376,137
		29,184,473	9,238,393	7,924,152	576,791	46,923,809
於2014年12月31日	As at 31 December 2014					
借款本金	Borrowings, principal	3,376,189	2,645,900	7,775,450	240,000	14,037,539
支付借款利息	Interest payments on borrowings	1,012,771	828,445	1,188,334	15,595	3,045,145
貿易和其他應付款項	Trade and other payables	11,628,909	–	–	–	11,628,909
應付股息	Dividends payable	1,157	–	–	–	1,157
有關購買本集團物業而 獲授按揭額度的擔保 (附註36)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 36)	4,178,965	299,670	–	–	4,478,635
		20,197,991	3,774,015	8,963,784	255,595	33,191,385

附註：借款利息沒有考慮到未來借貸，並且分別根據2015年和2014年12月31日所持借款計算。浮動利息分別使用2015年和2014年12月31日的當時利率估算。

Note: The interest on borrowings is calculated based on borrowings held as at 31 December 2015 and 2014, respectively, without taking into account future borrowings. Floating-rate interests are estimated using the current interest rate as at 31 December 2015 and 2014, respectively.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.3 流動資金風險 (續)

鑒於相關業務的動態性質，本集團的管理層會密切監控流動資金的風險並採取以下措施管理流動資金風險：

- i) 編製年度現金流量預測並按月更新該預測以反映最新變化及密切監控流動資金風險；
- ii) 與主要銀行和其他金融機構保持戰略合作關係以在適當時取得信貸額度；
- iii) 繼續取得長期融資信貸、附有抵押本集團物業的主要發行優先票據、項目銀行貸款或本集團視為適當的其他資金來源；
- iv) 積極推動銷售本集團竣工物業及預售在建物業。本集團亦會考慮靈活調整價格和銷量以管理流動資金風險。

3.2 資本風險管理

本集團的資本管理的目標乃為保障本集團能繼續營運，以為股東提供回報和維持最佳的資本結構以降低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、發行新股或出售資產以減少債務。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Liquidity risk (Cont'd)

Due to dynamic nature of the underlying business, the management of the Group is closely monitoring the risk of the liquidity and takes the following actions to manage the liquidity risk:

- i) prepares annual cash flow forecast and updates such forecast on a monthly basis to reflect the latest changes and monitor the liquidity risk closely;
- ii) maintains strategic cooperation with major banks and other financial institutions to secure credit facilities where appropriate;
- iii) continues to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of the Group's properties or other resources of funding which the Group considers appropriate;
- iv) proactively promotes the sales of the Group's completed properties and pre-sales of properties under development. The Group also considers the flexibility of adjusting the price and volume on sale of properties for management of liquidity risk.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理及金融工具 (續)

3.2 資本風險管理 (續)

本集團利用資產負債比率監察其資本。此比率按照債務淨額除以資本總額計算。債務淨額為借款總額減去現金和現金等價物。資本總額按合併財務狀況表所列示的權益總額加上債務淨額計算。

於2015年和2014年12月31日，本集團資產負債比率如下：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.2 Capital risk management (Cont'd)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios of the Group at 31 December 2015 and 2014 were as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
借款總額	Total borrowings	18,980,464	13,931,641
減：現金和現金等價物	Less: Cash and cash equivalents	(6,478,861)	(4,817,907)
債務淨額	Net debt	12,501,603	9,113,734
權益總額	Total equity	13,463,348	12,351,022
資本總額	Total capital	25,964,951	21,464,756
資產負債比率	Gearing ratio	48%	42%

資產負債比率於2015年12月31日增加，主要原因是借款總額結餘增加。

The increase in the gearing ratio as at 31 December 2015 resulted primarily from the increase in the balance of total borrowings.

合併財務報表附註

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3 財務風險管理及金融工具 (續)

3.3 公允價值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債的活躍市場報價（未經調整）（第一層）。
- 除第一層所包括的報價外，資產或負債的可直接（即如價格）或間接（即價格衍生品）觀察的輸入值（第二層）。
- 並非依據可觀察的市場數據而釐定的資產或負債的輸入值（即不可觀察輸入值）（第三層）。

本集團可供出售金融資產通過第三層按公允價值計量。

下表分別呈列本集團於2015年和2014年12月31日按公允價值計量的金融資產。請參閱附註7就投資物業按公允價值計量所作的披露。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

The available-for-sale financial assets of the Group are measured at fair value by Level 3.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2015 and 2014 respectively. See Note 7 for disclosures of the investment properties that are measured at fair value.

		第一層 Level 1 人民幣千元 RMB'000	第二層 Level 2 人民幣千元 RMB'000	第三層 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
可供出售金融資產 於2015年12月31日	Available-for-sale financial assets At 31 December 2015	—	—	337,702	337,702
於2014年12月31日	At 31 December 2014	—	—	287,385	287,385

截至2015年和2014年12月31日止年度第三層工具出現的變動載於附註11。

The changes in Level 3 instruments for the years ended 31 December 2015 and 2014 are presented in Note 11.

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3 財務風險管理及金融工具 (續)

3.3 公允價值估計 (續)

在活躍市場中交易的金融工具之公允價值是以於結算日的市場報價列賬。如果該報價可以容易地及規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或管理機構中獲得，並且這些報價是在真實、公平市場交易的基礎上定期呈現，該市場會被視為活躍。該工具計入第一層。

並非在活躍市場買賣的金融工具(例如場外衍生工具)公允價值以估值法釐定。該等估值法最大限度利用能獲取的可觀察市場數據而盡可能減少依賴實體的個體估計。倘計算工具公允價值需要的所有重要參數均為可觀察數據，則該工具計入第二層。

倘一項或多項重要參數並非基於可觀察市場數據，則該工具計入第三層。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.3 Fair value estimation (Cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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4 重大會計估計及判斷

估計及判斷乃根據過往經驗及其他因素（包括在當時情況下對未來事件之合理預期）作持續評估。管理層就未來作出多項估計及假設。按其定義，就此產生之會計估計甚少相等於相關實際結果。具有導致於下一個財政年度內對資產及負債賬面值出現重大調整的主要風險的估計及假設於下文討論。

4.1 直接應佔物業開發活動的開發成本

本集團分配部份土地及開發成本至完工待售及在建銷售物業。由於本集團若干物業開發項目分若干期開發和完成，整個項目的預算開發成本取決於對總開發成果的估算。根據經驗和開發項目的性質，管理層就未來事項作出多項在當時情況下屬合理的估計及假設。鑒於物業開發活動涉及的不確定性因素，相關實際業績可能會高於或低於報告期末估算的金額。估計及假設出現任何變動將對本集團日後數年的經營表現產生影響。

4.2 完工待售或在建銷售物業的減值撥備

管理層根據完工待售或在建銷售物業的估計可收回金額對這些物業計提減值撥備。鑒於中國物業市場的波動性，實際可收回金額可能會高於或低於報告期末的估計。撥備的任何增加或減少將對本集團日後年度的經營表現產生影響。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

4.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

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4 重大會計估計及判斷 (續)

4.3 中國土地增值稅

本集團需繳納中國土地增值稅。然而，由於有關稅項的實施及結算在中國各城市不同的稅務司法權區均有所不同，故須作出重大估計以釐定土地增值稅的金額。本集團根據管理層按其對多個稅務機關對稅務規則詮釋的理解作出的最佳估計，確認此等土地增值稅。最終稅款可能有別於最初錄得的金額，而有關差額將影響獲地方稅務機關確定該等稅項期間的所得稅開支。

4.4 即期及遞延所得稅

本集團須繳納中國企業所得稅。在釐定企業所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘這些事宜最終所得稅務與最初錄得的款額有所差異，有關差額將會影響稅項獲釐定期間的所得稅開支。

倘管理層認為有可能日後會產生應課稅利潤以抵銷暫時性差異或稅務虧損，則確認此等暫時性差異及稅務虧損相關的遞延稅項資產。實際結果或會有所不同。

4.5 投資物業的公允價值

投資物業的公允價值乃採用估值方法釐定。有關判斷及假設已披露於附註7。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant estimate is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the periods in which such taxes have been finalised with local tax authorities.

4.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the income tax expense in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 7.

合併財務報表附註

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4 重大會計估計及判斷 (續)

4.6 子公司、合營企業及聯營公司的分類

在正常業務過程中，本集團透過與其他發展商或機構訂立合作協議而與該等人士發展物業。本集團與其他各方的權利和義務在項目公司的相關合作協議、組織章程等訂明。由於安排複雜，故確定項目公司是否本集團子公司、合資公司或聯營公司需作出重大判斷。

本集團根據安排的實質內容及附註2.2、2.3及2.4披露子公司、合營企業及聯營公司的定義而作出判斷。

4.7 合營安排

本集團存在若干合營安排而相關合約訂明全部相關主要活動須取得一致同意。

本集團合營安排的形式為有限公司，當中規定本集團及協議各方有權享有該等安排項下有限公司之資產淨值。因此，此項安排被歸類為合營企業。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.6 Classification of subsidiary, joint venture and associate

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, article of associations of the project companies, etc. Because of the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate of the Group.

The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in Notes 2.2, 2.3 and 2.4.

4.7 Joint arrangements

The Group has certain joint arrangements where the relevant contracts stipulate unanimous consent for all relevant key activities.

The Group's joint arrangements are structured as limited liability companies and provide the Group and the parties to the agreements with rights to the net assets of the limited liability companies under the arrangements. Therefore, these arrangements are classified as joint ventures.

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5 分部資料

管理層根據主要經營決策者審核的報告（用於作出戰略決策）釐定營運分部。王董事長被視為主要經營決策者。

在江蘇新城地產股份有限公司（「前B股公司」，江蘇新城）與前非B股公司進行業務重組及於本年度前B股公司成為其母公司新城控股集團有限公司（「A股公司」，新城控股）的全資子公司後，繼續以前B股公司及前非B股公司作為列報分部資料已不再合適。新的呈報分部如下：

- 新城控股集團有限公司，一家在上海證券交易所上市的公司（「A股公司」）。
- 非A股公司內的物業管理及其他服務公司（「非A股公司」）。

兩個新的營運分部就資源分配和業績評估向本集團主要經營決策者內部呈報信息的方式一致，概無合併營運分部以形成以上可呈報分部。比較分部資料已作重述。

A股公司主要從事作為出售或投資用途的住宅物業開發及多用途綜合樓開發，而非A股公司主要從事物業管理及其他服務包括若干尚在開發階段的新業務。集團總部費用亦主要包含於非A股公司分部。所有物業開發項目均位於中國，因此本集團的大部份收入來自中國，及大部份資產位於中國。

主要經營決策者根據除所得稅和投資物業公允價值收益前的收入和利潤的計量評估營運分部的業績。計量基準不包括所得稅開支及投資物業公允價值收益的影響。

5 SEGMENT INFORMATION

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

Following the restructure of certain businesses within the Group and Jiangsu Future Land Co., Ltd. (the “former B share company”, Jiangsu Future Land) became wholly-owned by its parent Future Land Holdings Co., Ltd. (the “A share company”, Future Land Holdings) through share swap during the year, the previous presentation of segment information based on former B share company and Non-B share companies is no longer considered appropriate. The new reporting segments are as follows:

- Future Land Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the “A share company”).
- Property management and other service companies not within the A share company (the “Non-A share companies”).

The two new operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments. Comparative segment information has been restated.

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in property management and other services including certain newly established businesses which are at state-up stage. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

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5 分部資料 (續)

5 SEGMENT INFORMATION (Cont'd)

		截至2015年12月31日止年度 Year ended 31 December 2015				
		A股公司 A share company 人民幣千元 RMB'000	非A股公司 Non-A share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	23,568,793	376,231	23,945,024	(109,135)	23,835,889
除所得稅開支前 分部利潤/(虧損)	Segment profit/(loss) before income tax expense	3,925,413	(510,438)	3,414,975	(51,021)	3,363,954
投資物業公允價值收益	Fair value gains on investment properties	815,106	–	815,106	–	815,106
財務收入	Finance income	108,965	427,445	536,410	(400,277)	136,133
融資成本	Finance costs	(210,722)	(840,262)	(1,050,984)	400,277	(650,707)
折舊和攤銷	Depreciation and amortisation	(94,779)	(12,598)	(107,377)	–	(107,377)
應佔聯營公司業績	Share of results of associates	123,269	(19,459)	103,810	–	103,810
應佔合營企業業績	Share of results of joint ventures	(61,905)	–	(61,905)	–	(61,905)

年度利潤對賬如下： A reconciliation to profit for the year is as follows:

對銷後除所得稅開支前 的分部利潤總額	Total segment profits before income tax expense after elimination					3,363,954
所得稅開支	Income tax expense					(1,507,717)
年度利潤	Profit for the year					1,856,237

		於2015年12月31日 As at 31 December 2015				
分部資產	Segment assets	67,802,116	8,346,038	76,148,154	(5,329,261)	70,818,893
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	169,586	130,541	300,127	–	300,127
於合營企業的投資	Investments in joint ventures	2,019,775	–	2,019,775	–	2,019,775
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	5,469,571	340,425	5,809,996	–	5,809,996
分部負債	Segment liabilities	53,930,586	8,754,220	62,684,806	(5,329,261)	57,355,545

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5 分部資料 (續)

5 SEGMENT INFORMATION (Cont'd)

		截至2014年12月31日止年度 (重述) Year ended 31 December 2014 (Restated)				
		A股公司 A share company 人民幣千元 RMB'000	非A股公司 Non-A share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	20,674,198	44,472	20,718,670	–	20,718,670
除所得稅開支前 分部利潤/(虧損)	Segment profit/(loss) before income tax expense	2,960,020	(38,172)	2,921,848	–	2,921,848
投資物業公允價值收益	Fair value gains on investment properties	365,994	–	365,994	–	365,994
財務收入	Finance income	81,387	306,521	387,908	(270,900)	117,008
融資成本	Finance costs	(106,380)	(417,322)	(523,702)	270,900	(252,802)
折舊和攤銷	Depreciation and amortisation	(35,109)	(1,356)	(36,465)	–	(36,465)
應佔聯營公司業績	Share of results of associates	2,849	–	2,849	–	2,849
應佔合營企業業績	Share of results of joint ventures	(10,195)	–	(10,195)	–	(10,195)

年度利潤對賬如下： A reconciliation to profit for the year is as follows:

對銷後除所得稅開支前 的分部利潤總額	Total segment profits before income tax expense after elimination					2,921,848
所得稅開支	Income tax expense					(1,242,561)
年度利潤	Profit for the year					1,679,287

		於2014年12月31日 (重述) As at 31 December 2014 (Restated)				
分部資產	Segment assets	51,113,798	6,071,220	57,185,018	(3,543,297)	53,641,721
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	46,317	100,000	146,317	–	146,317
於合營企業的投資	Investments in joint ventures	861,055	–	861,055	–	861,055
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	3,809,419	6,445	3,815,864	–	3,815,864
分部負債	Segment liabilities	38,863,698	5,970,298	44,833,996	(3,543,297)	41,290,699

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

6 物業、廠房和設備

6 PROPERTY, PLANT AND EQUIPMENT

		樓宇	汽車	傢俬、裝置 及設備	在建工程	租賃 物業裝修	合計
		Buildings	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Leasehold improvements	Total
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015						
成本	Cost	499,095	44,532	228,361	–	58,496	830,484
累計折舊	Accumulated depreciation	(12,928)	(15,047)	(30,341)	–	(31,016)	(89,332)
賬面淨值	Net book value	486,167	29,485	198,020	–	27,480	741,152
截至2015年12月31日止年度	Year ended 31 December 2015						
年初賬面淨值	Opening net book amount	486,167	29,485	198,020	–	27,480	741,152
收購子公司(附註33)	Acquisition of subsidiaries (Note 33)	325,163	465	195,956	–	–	521,584
添置	Additions	751,079	14,964	119,253	148,128	69,281	1,102,705
出售(附註34)	Disposals (Note 34)	–	(612)	(660)	–	–	(1,272)
成本調整	Cost adjustment	(2,491)	–	–	–	–	(2,491)
折舊費用(附註27)	Depreciation charge (Note 27)	(21,989)	(4,752)	(41,187)	–	(32,337)	(100,265)
年末賬面淨值	Closing net book amount	1,537,929	39,550	471,382	148,128	64,424	2,261,413
於2015年12月31日	At 31 December 2015						
成本	Cost	1,572,846	58,233	538,992	148,128	127,777	2,445,976
累計折舊	Accumulated depreciation	(34,917)	(18,683)	(61,610)	–	(63,353)	(184,563)
賬面淨值	Net book value	1,537,929	39,550	471,382	148,128	64,424	2,261,413

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2015年12月31日止年度 For the year ended 31 December 2015

6 物業、廠房和設備 (續)

6 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

		樓宇	汽車	傢俬、裝置 及設備	租賃 物業裝修	租賃 物業裝修	合計
		Buildings	Motor vehicles	Furniture, fittings and equipment	Leasehold improvements	Leasehold improvements	Total
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2014年1月1日	At 1 January 2014						
成本	Cost	59,138	37,024	46,998	–	32,620	175,780
累計折舊	Accumulated depreciation	(8,133)	(12,331)	(19,157)	–	(20,150)	(59,771)
賬面淨值	Net book value	51,005	24,693	27,841	–	12,470	116,009
截至2014年12月31日止年度	Year ended 31 December 2014						
年初賬面淨值	Opening net book amount	51,005	24,693	27,841	–	12,470	116,009
添置	Additions	–	8,575	183,466	–	25,876	217,917
自完工待售 物業轉撥	Transfer from properties held for sale	439,957	–	–	–	–	439,957
出售 (附註34)	Disposals (Note 34)	–	(311)	(565)	–	–	(876)
折舊費用 (附註27)	Depreciation charge (Note 27)	(4,795)	(3,472)	(12,722)	–	(10,866)	(31,855)
年末賬面淨值	Closing net book amount	486,167	29,485	198,020	–	27,480	741,152
於2014年12月31日	At 31 December 2014						
成本	Cost	499,095	44,532	228,361	–	58,496	830,484
累計折舊	Accumulated depreciation	(12,928)	(15,047)	(30,341)	–	(31,016)	(89,332)
賬面淨值	Net book value	486,167	29,485	198,020	–	27,480	741,152

本集團的折舊費用人民幣50,816,000元(2014年：人民幣9,027,000元)已於銷售成本中扣除，人民幣6,830,000元(2014年：人民幣1,991,000元)於銷售及營銷成本中扣除及人民幣42,619,000元(2014年：人民幣20,837,000元)於行政開支中扣除。

於2015年12月31日，賬面總值為人民幣642,805,000元(2014年：人民幣40,859,000元)的物業、廠房和設備已抵押作本集團借款的抵押品(附註21)。

2015年的添置主要包括總成本人民幣746,252,000元的辦公大樓及其裝修、傢俬及裝置，以及總成本人民幣238,612,000元的智能快遞櫃。

The Group's depreciation charges of RMB50,816,000 (2014: RMB9,027,000) has been charged in cost of sales, RMB6,830,000 (2014: RMB1,991,000) in selling and marketing costs and RMB42,619,000 (2014: RMB20,837,000) in administrative expenses.

Property, plant and equipment with a total carrying amount of RMB642,805,000 as at 31 December 2015 (2014: RMB40,859,000) were pledged as collateral for the Group's borrowings (Note 21).

The addition for year 2015 included mainly an office building and its renovation, furniture and fittings with total cost of RMB746,252,000, and intelligent express cabinet with total cost of RMB238,612,000.

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

7 投資物業

7 INVESTMENT PROPERTIES

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初結餘	Opening balance	5,936,000	3,307,000
增加	Additions	4,024,025	1,055,555
公允價值調整所得收益淨額	Net gains from fair value adjustments	815,106	365,994
自完工待售物業轉撥	Transfer from properties held for sale	78,869	1,077,000
期末結餘	Closing balance	10,854,000	5,936,000

本集團持有的投資物業均為位於中國的商用物業。

Investment properties held by the Group are all commercial properties located in the PRC.

截至2015年12月31日止年度，於投資物業資本化的借貸成本約為人民幣67,468,419元（2014年：人民幣55,911,290元）。

Borrowing costs capitalised in investment properties for the year ended 31 December 2015 were approximately RMB67,468,419 (2014: RMB55,911,290).

截至2015年12月31日止年度，借款資本化率為5.47%（2014年：7.77%）。

The capitalisation rate of borrowing was 5.47% for the year ended 31 December 2015 (2014: 7.77%).

公允價值分層

Fair value hierarchy

本集團所有投資物業的公允價值均以第三層計量，有重大不可觀察輸入資料。

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

年內並無在第一、二及三層之間轉移。

There were no transfers between Level 1, 2 and 3 during the year.

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

7 投資物業 (續)

使用重大不可觀察輸入值 (第3層)
進行公允價值計量

7 INVESTMENT PROPERTIES (Cont'd)

Fair value measurements using significant unobservable inputs (Level 3)

		已竣工 Completed 人民幣千元 RMB'000	在建 Under development 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015	4,361,000	1,575,000	5,936,000
添置	Additions	934,347	3,089,678	4,024,025
項目竣工	Completion of projects	2,396,419	(2,396,419)	–
公允價值調整所得淨收益	Net gains from fair value adjustments	306,365	508,741	815,106
自完工待售物業轉撥	Transfer from properties held for sale	78,869	–	78,869
於2015年12月31日	At 31 December 2015	8,077,000	2,777,000	10,854,000
計入損益中的年末持有 資產的年度總利得或 損失，包括在「投資 物業公允價值收益」 項下	Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	306,365	508,741	815,106
計入損益中的年末持有 資產未實現利得或 損失的變動	Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	306,365	508,741	815,106

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

7 投資物業 (續)

使用重大不可觀察輸入值 (第3層)
進行公允價值計量 (續)

7 INVESTMENT PROPERTIES (Cont'd)

Fair value measurements using significant
unobservable inputs (Level 3) (Cont'd)

		已竣工 Completed 人民幣千元 RMB'000	在建 Under development 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014	3,151,000	156,000	3,307,000
添置	Additions	–	1,055,555	1,055,555
資本化其後開支	Capitalised subsequent expenditure	134,651	–	134,651
公允價值調整所得	Net gains from fair value adjustments			
淨收益		2,549	363,445	365,994
自完工待售物業轉撥	Transfer from properties held for sale	1,077,000	–	1,077,000
出售	Disposals	(4,200)	–	(4,200)
於2014年12月31日	At 31 December 2014	4,361,000	1,575,000	5,936,000
計入損益中的年末持有 資產的年度總利得或 損失，包括在「投資 物業公允價值收益」 項下	Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	2,549	363,445	365,994
計入損益中的年末持有 資產未實現利得或 損失的變動	Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	2,549	363,445	365,994

本集團的估值過程

所有投資物業於2015年及2014年12月31日由獨立專業合資格估值師戴德梁行有限公司進行重估。

本集團的財務部將會審閱獨立估值師所進行的估值，包括：

- 查核獨立估值報告內的所有重要輸入值；
- 與上一年度的估值報告進行比較時評估物業估值變動；
- 與獨立估值師進行討論。

Valuation processes of the Group

All investment properties were revalued as at 31 December 2015 and 2014 by DTZ Debenham Tie Leung Limited, the independent professional qualified valuer.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

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

7 投資物業 (續)

估值方法

本集團就在建的投資物業採取投資法，並計及所用的建設成本及完成該開發項目將產生的成本以反映已竣工開發項目的質量，依據是該物業將根據本集團最近開發計劃予以開發和完成。就已竣工投資物業而言，估值乃根據投資法透過將來自現有租約的淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算，並經參考於活躍市場上的比較價格後作出。

年內估值方法並無變動。

7 INVESTMENT PROPERTIES (Cont'd)

Valuation techniques

For investment properties under construction, the Group adopted investment approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market.

There were no changes to the valuation techniques during the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 投資物業（續）

有關使用重大不可觀察輸入值（第3層）進行公允價值計量的資料：

說明	於2015年 12月31日 的公允價值	估值方法
Description	Fair value at 31 December 2015 (人民幣千元) (RMB'000)	Valuation technique(s)

已竣工商用物業 Completed commercial property	8,077,000 (2014: 4,361,000)	投資法 Investment approach
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7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3):

不可觀察輸入值	不可觀察輸入值的範圍	不可觀察輸入值與 公允價值的關係
Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
租期收益率 Term yield	經計及可資比較物業的收益率及 反映所擔保及將收取租期收入 的確定性的調整，租期收益率 為4.0%-5.5%(2014年： 4.0%-5.5%)。 Term yield of 4.0%-5.5% (2014: 4.0%-5.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	租期收益率越高， 公允價值越低 The higher the term yield, the lower the fair value
復歸收益率 Reversionary yield	經計及可資比較物業的年度單位 市場租金收入及單位市場價值， 復歸收益率為5.5%-6.5% (2014年：4.5%-6.5%)。 Reversionary yield of 5.5%-6.5% (2014: 4.5%-6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高， 公允價值越低 The higher the reversionary yield, the lower the fair value
各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣32元／平方米至每月人民 幣352元／平方米（2014年：每月 人民幣12元／平方米至每月人民幣 349元／平方米） RMB32 – RMB352 (2014: RMB12 – RMB349) per square metre per month	市場單位租金越高， 公允價值越高 The higher the market unit rent, the higher the fair value

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：(續)

於2015年
12月31日
的公允價值
估值方法
Fair value at
31 December
2015
(人民幣千元)

說明
Description
2,777,000
(2014: 1,575,000)
投資法，有至竣工
的估計成本
Investment
approach with
estimated costs
to complete

7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3): (Cont'd)

不可觀察輸入值
不可觀察輸入值的範圍
Relationship of
unobservable
inputs to fair value
Unobservable
inputs
Range of unobservable inputs

說明	於2015年 12月31日 的公允價值	估值方法	不可觀察輸入值	不可觀察輸入值的範圍	不可觀察輸入值與 公允價值的關係
Description	(RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
在建商用物業 Commercial property under development	2,777,000 (2014: 1,575,000)	投資法，有至竣工 的估計成本 Investment approach with estimated costs to complete	復歸收益率 Reversionary yield	經計及可資比較物業的年度單位市場 租金收入及單位市場價值，復歸收 益率為6.5% (2014年：6.5%)。 Reversionary yield of 6.5% (2014: 6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高， 公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣23元／平方米至每月人民 幣190元／平方米 (2014年：每月 人民幣20元／平方米至每月人民幣 179元／平方米) RMB23 – RMB190 (2014: RMB20 – RMB179) per square metre per month	市場單位租金越高， 公允價值越高 The higher the market unit rent, the higher the fair value
			至竣工的估計建設 成本 Estimated construction costs to completion	人民幣203,435,000元至人民幣 394,538,000元 (2014年： 人民幣163,346,000元至 人民幣455,619,000元) RMB203,435,000 – RMB394,538,000 (2014: RMB 163,346,000 – RMB455,619,000)	估計建設成本越高， 公允價值越低 The higher the estimated construction costs, the lower the fair value
			持有及發展物業至 竣工所需的估計 利潤率 Estimated profit margin required to hold and develop property to completion	物業價值的13%至25% (2014年：8%至15%) 13% – 25% (2014: 8% – 15%) of property value	所需利潤率越高， 公允價值越低 The higher the profit margin required, the lower the fair 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

7 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：(續)

租金單價乃視乎實際位置、物業類型和質量，並計及估值日期的市場數據和預測而估算。本集團於估算收益率時計及市場數據。已產生的建設成本以會計記錄中所述的已產生的實際成本為基準，而將產生的建設成本以建築物業的最新預算為基準。

倘假設將產生的租金單價、收益率、建設成本和所需利潤率較管理層的預測數據增加或減少10%，於2015年和2014年12月31日之投資物業的賬面值將變動如下：

7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3): (Cont'd)

The rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date. The Group considers the market data when estimating the yield rate. Construction costs incurred are based on the actual costs incurred as reflected in the accounting records, while the construction costs to incur are based on the most updated budget for the construction of the properties.

Were the rental rate, yield rate, the construction costs to incur and the profit margin required assumed to increase or decrease by 10% from management's estimate, the carrying amount of investment properties as at 31 December 2015 and 2014 would have changed as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 租金單價增加10%	－ rental rate 10 percent higher	1,163,503	586,747
－ 租金單價減少10%	－ rental rate 10 percent lower	(1,172,985)	(591,747)
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 所用收益率增加10%	－ yield rate used 10 percent higher	(913,371)	(482,402)
－ 所用收益率減少10%	－ yield rate used 10 percent lower	1,005,035	538,999
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 將產生的建設成本增加10%	－ construction costs to incur 10 percent higher	(222,727)	(135,641)
－ 將產生的建設成本減少10%	－ construction costs to incur 10 percent lower	235,442	135,641
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 所需利潤率增加10%	－ profit margin required 10 percent higher	(62,282)	(33,275)
－ 所需利潤率減少10%	－ profit margin required 10 percent lower	76,588	34,069

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截至2015年12月31日止年度 For the year ended 31 December 2015

7 投資物業 (續)

就已竣工物業而言，估值乃透過將現有租約的未來淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算或運用直接比較法，假設各項物業按現有狀況交吉出售，並參考有關市場的可比較銷售交易作出。下列已竣工投資物業租金收入已於合併利潤表內確認：

7 INVESTMENT PROPERTIES (Cont'd)

For completed properties, valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market. The following rental income from completed investment properties has been recognised in the consolidated statement of income:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
租金收入	Rental income	153,172	105,740

於2015年12月31日，賬面總值約為人民幣2,534,031,000元（2014年：人民幣3,258,044,000元）的投資物業已抵押作本集團借款的抵押品（附註21）。

Investment properties with a total carrying amount of RMB2,534,031,000 as at 31 December 2015 (2014: RMB3,258,044,000) were pledged as collateral for the Group's borrowings (Note 21).

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

8 無形資產

8 INTANGIBLE ASSETS

		商標 Trademarks 人民幣千元 RMB'000	電腦軟件 Computer software 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015			
成本	Cost	800	29,230	30,030
累計攤銷	Accumulated amortisation	(800)	(11,656)	(12,456)
賬面淨值	Net book amount	–	17,574	17,574
截至2015年12月31日止年度	Year ended 31 December 2015			
年初賬面淨值	Opening net book amount	–	17,574	17,574
收購子公司 (附註33)	Acquisition of subsidiaries (Note 33)	–	1	1
添置	Additions	–	25,847	25,847
攤銷費用(附註27)	Amortisation charge (Note 27)	–	(7,112)	(7,112)
年末賬面淨值	Closing net book amount	–	36,310	36,310
於2015年12月31日	At 31 December 2015			
成本	Cost	800	55,078	55,878
累計攤銷	Accumulated amortisation	(800)	(18,768)	(19,568)
賬面淨值	Net book amount	–	36,310	36,310
於2014年1月1日	At 1 January 2014			
成本	Cost	800	16,882	17,682
累計攤銷	Accumulated amortisation	(800)	(7,046)	(7,846)
賬面淨值	Net book amount	–	9,836	9,836
截至2014年12月31日止年度	Year ended 31 December 2014			
年初賬面淨值	Opening net book amount	–	9,836	9,836
添置	Additions	–	12,348	12,348
攤銷費用(附註27)	Amortisation charge (Note 27)	–	(4,610)	(4,610)
年末賬面淨值	Closing net book amount	–	17,574	17,574
於2014年12月31日	At 31 December 2014			
成本	Cost	800	29,230	30,030
累計攤銷	Accumulated amortisation	(800)	(11,656)	(12,456)
賬面淨值	Net book amount	–	17,574	17,574

截至2015年及2014年12月31日止年度，
本集團無形資產的攤銷費用已悉數計入
行政開支。

The Group's amortisation charges of intangible assets have all
been included in administrative expenses for the years ended 31
December 2015 and 2014.

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

9 於聯營公司的投資

9 INVESTMENTS IN ASSOCIATES

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初結餘	Opening balance	146,317	43,468
增加	Additions	50,000	100,000
應佔業績	Share of results	103,810	2,849
期末結餘	Ending balance	300,127	146,317

於2015年及2014年12月31日於聯營
公司的投資性質

Nature of investments in associates as at 31
December 2015 and 2014

實體名稱 Name of entity	營業地點 / 註冊成立國家 Place of business / country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2015年 2015	2014年 2014	
上海藍天創業房地產有限公司 (「上海藍天」) (a) Shanghai Lan Tian Business Development Property Co., Ltd. (“Shanghai Lan Tian”) (a)	中國上海 Shanghai, PRC	25%	20%	權益法 Equity
上海萬之城房地產開發有限公司 (「上海萬之城」) (b) Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (“Shanghai Wan Zhi Cheng”) (b)	中國上海 Shanghai, PRC	50%	50%	權益法 Equity
鎮江威信廣廈模塊住宅工業有限公司 (「鎮江威信」) (c) Atlantic Modular System Ltd. (“AMS”) (c)	中國江蘇鎮江 Zhenjiang Jiangsu, PRC	26%	22%	權益法 Equity

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

9 於聯營公司的投資 (續)

(a) 於2015年，上海藍天的其他投資者減資人民幣10,000,000元。相應地，本集團股權由20%增加至25%。

(b) 上海萬之城在2011年3月29日成立。本集團擁有該公司50%的股權。

儘管本集團持有上海萬之城50%的股權，但本集團將其於上海萬之城的投資列作聯營公司核算。根據與上海萬之城其他50%股權持有人訂立的合同，其他投資者以大多數董事會席位和其他合約權利控制上海萬之城。然而，本集團可對上海萬之城施加重大影響。

(c) 本集團於2014年12月收購鎮江威信22%權益，代價為人民幣100,000,000，其中50%已於2014年支付，而其餘50%已於2015年12月31日支付。

本集團於2015年6月向鎮江威信注入人民幣50,000,000的資本金，權益由22%增加至26%。於2015年12月31日，該額外資本金已支付。

本集團所有聯營公司均為私營公司，其股權並無市場報價。

本集團沒有與其聯營公司權益有關的承擔及或然負債。

9 INVESTMENTS IN ASSOCIATES (Cont'd)

(a) In 2015, the other investor of Shanghai Lan Tian reduced its paid-in capital by RMB10,000,000, and accordingly the Group's equity interest increased from 20% to 25%.

(b) Shanghai Wan Zhi Cheng was established on 29 March 2011. The Group owns 50% of equity interest in this company.

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

(c) The Group acquired 22% interest of AMS in December 2014 at a consideration of RMB100,000,000, of which 50% had been paid in 2014 and the remaining 50% has been paid as of 31 December 2015.

The Group injected a capital of RMB50,000,000 into AMS in June 2015 with interest increased from 22% to 26%. Such additional capital has been paid as of 31 December 2015.

All of the Group's associates are private companies and there are no quoted market prices available for such equity interests.

There are no commitments and contingent liabilities relating to the Group's interests in the associates.

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

9 於聯營公司的投資 (續)

聯營公司財務資料概要

以下載列以權益法入賬的聯營公司財務資料概要。

財務狀況表概要

9 INVESTMENTS IN ASSOCIATES (Cont'd)

Summarised financial information for associates

Set out below are the summarised financial information for associates which are accounted for using the equity method.

Summarised statement of financial position

		上海藍天 Shanghai Lan Tian		上海萬之城 Shanghai Wan Zhi Cheng		鎮江威信 AMS	
		於12月31日 As at 31 December		於12月31日 As at 31 December		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
流動	Current						
資產	Assets	40,768	50,277	548,433	1,783,231	108,664	48,472
負債	Liabilities	(337)	–	(229,557)	(1,719,438)	(226,919)	(166,358)
流動資產／(負債)	Total current net						
淨值總額	assets/(liabilities)	40,431	50,277	318,876	63,793	(118,255)	(117,886)
非流動	Non-current						
資產	Assets	–	–	294	8,840	204,111	245,409
負債	Liabilities	–	–	–	–	–	(20,000)
非流動資產／(負債)	Total non-current net						
淨值總額	assets/(liabilities)	–	–	294	8,840	204,111	225,409
資產淨值	Net assets	40,431	50,277	319,170	72,633	85,856	107,523

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

9 於聯營公司的投資 (續)

全面收益表概要

9 INVESTMENTS IN ASSOCIATES (Cont'd)

Summarised statement of comprehensive income

		上海藍天 Shanghai Lan Tian 截至12月31日止年度 Year ended 31 December		上海萬之城 Shanghai Wan Zhi Cheng 截至12月31日止年度 Year ended 31 December		鎮江威信 AMS 截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
收入	Revenue	–	–	1,505,796	460,623	129,563	54,121
除所得稅前利潤／(虧損)	Profit/(loss) before income tax	171	11	328,742	7,650	(71,667)	(19,357)
所得稅(開支)／抵免	Income tax (expense)/credit	(17)	–	(82,205)	(1,953)	–	–
除稅後利潤／(虧損)	Post-tax profit/(loss)	154	11	246,537	5,697	(71,667)	(19,357)
其他全面收益	Other comprehensive income	–	–	–	–	–	–
全面收益／(虧損) 總額	Total comprehensive income/(loss)	154	11	246,537	5,697	(71,667)	(19,357)
自聯營公司收取的股息	Dividends received from associates	–	–	–	–	–	–

上述資料為聯營公司財務報表所呈列金額(並非本集團享有此等金額的份額)，並已就本集團與聯營公司間之會計政策差異作出調整。

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and not the Group's share of those amounts.

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

9 於聯營公司的投資 (續)

財務資料概要對賬

所呈列財務資料概要與本集團於聯營公司之權益賬面值之對賬。

9 INVESTMENTS IN ASSOCIATES (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in associates.

		上海藍天 Shanghai Lan Tian		上海萬之城 Shanghai Wan Zhi Cheng		鎮江威信 AMS	
		截至12月31日止年度 Year ended 31 December		截至12月31日止年度 Year ended 31 December		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初資產淨值	Opening net assets	50,277	50,266	72,633	66,936	107,523	20,947
年度利潤／(虧損)	Profit/(loss) for the year	154	11	246,537	5,697	(71,667)	(19,357)
其他全面收益	Other comprehensive income	—	—	—	—	—	—
(削減)／注資	Capital (reduction)/injection	(10,000)	—	—	—	50,000	105,933
期末資產淨值	Closing net assets	40,431	50,277	319,170	72,633	85,856	107,523
於聯營公司的權益	Interests in associates	10,108	10,055	159,585	36,317	22,417	23,655
商譽及調整	Goodwill and adjustments	—	—	—	—	108,125	76,345
賬面值	Carrying value	10,000	10,000	159,585	36,317	130,542	100,000

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

10 於合營企業的投資

10 INVESTMENTS IN JOINT VENTURES

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初結餘	Opening balance	861,055	10,000
增加	Additions	1,220,625	861,250
應佔業績	Share of results	(61,905)	(10,195)
期末結餘	Ending balance	2,019,775	861,055

於2015年及2014年12月31日 於合營企業的投資性質

Nature of investments in joint ventures as at 31 December 2015 and 2014

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December	計量方法 Measurement method
		2015年 2015	2014年 2014
上海新城旭地房地產有限公司 (「上海旭地」) Shanghai Xincheng Xudi Real Estate Co., Ltd. (“Shanghai Xudi”)	中國上海 Shanghai, PRC	50%	50%
蘇州新城萬瑞房地產有限公司 (「蘇州萬瑞」) (a) Suzhou Future Land Wanrui Real Estate Co., Ltd. (“Suzhou Wanrui”) (a)	中國江蘇蘇州 Suzhou Jiangsu, PRC	68%	68%
南京新城萬隆房地產有限公司 (「南京萬隆」) (a) Nanjing Future Land Wanlong Real Estate Co., Ltd. (“Nanjing Wanlong”) (a)	中國江蘇南京 Nanjing Jiangsu, PRC	70%	70%
青島卓越新城置業有限公司 (「青島卓越」) Qingdao Zhuoyue Future Land Property Co., Ltd. (“Qingdao Zhuoyue”)	中國山東青島 Qiangdao Shangdong, PRC	50%	50%

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

10 於合營企業的投資 (續)

於2015年及2014年12月31日 於合營企業的投資性質 (續)

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Nature of investments in joint ventures as at 31 December 2015 and 2014 (Cont'd)

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2015年 2015	2014年 2014	
上海恒固房地產有限公司 (「上海恒固」) (a) Shanghai Henggu Real Estate Co., Ltd. (“Shanghai Henggu”) (a)	中國上海 Shanghai, PRC	28%	—	權益法 Equity
上海松銘房地產有限公司 (「上海松銘」) (a) Shanghai Songming Real Estate Co., Ltd. (“Shanghai Songming”) (a)	中國上海 Shanghai, PRC	16%	—	權益法 Equity
昆山德睿房地產有限公司 (「昆山德睿」) (a) Kunshan Derui Real Estate Co., Ltd. (“Kunshan Derui”) (a)	中國江蘇昆山 Kushan Jiangsu, PRC	40%	—	權益法 Equity
常熟中置房地產有限公司 (「常熟中置」) (a) Changshu Zhongzhi Real Estate Co., Ltd. (“Changshu Zhongzhi”) (a)	中國江蘇常熟 Changshu Jiangsu, PRC	65%	—	權益法 Equity
常熟萬中城房地產有限公司 (「常熟萬中城」) (a) Changshu Wanzhongcheng Real Estate Co., Ltd. (“Changshu Wanzhongcheng”) (a)	中國江蘇常熟 Changshu Jiangsu, PRC	10%	—	權益法 Equity

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

10 於合營企業的投資 (續)

於2015年及2014年12月31日 於合營企業的投資性質 (續)

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Nature of investments in joint ventures as at 31 December 2015 and 2014 (Cont'd)

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2015年 2015	2014年 2014	
南京新城廣閣房地產有限公司 (「南京廣閣」) (a) Nanjing Future Land Guanghong Real Estate Development Co., Ltd. ("Nanjing Guanghong") (a)	中國江蘇南京 Nanjing Jiangsu, PRC	69%	—	權益法 Equity
蘇州城弘房地產開發有限公司 (「蘇州城弘」) Suzhou Chenghong Real Estate Development Co., Ltd. ("Suzhou Chenghong")	中國江蘇蘇州 Suzhou Jiangsu, PRC	50%	—	權益法 Equity
上海權坤投資有限公司 (「上海權坤」) Shanghai Quankun Investment Co., Ltd. ("Shanghai Quankun")	中國上海 Shanghai, PRC	50%	—	權益法 Equity
上海新鑰投資有限公司 (「上海新鑰」) Shanghai Xinyao Investment Co., Ltd. ("Shanghai Xinyao")	中國上海 Shanghai, PRC	50%	—	權益法 Equity
成都新城萬博房地產發展有限公司 (「成都萬博」) (a) Chengdu Future Land Wanbo Real Estate Development Co., Ltd. ("Chengdu Wanbo") (a)	中國四川成都 Chengdu Sichuan, PRC	11%	—	權益法 Equity

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

10 於合營企業的投資 (續)

於2015年及2014年12月31日 於合營企業的投資性質 (續)

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Nature of investments in joint ventures as at 31 December 2015 and 2014 (Cont'd)

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2015年 2015	2014年 2014	
台州新城萬博房地產發展有限公司 (「台州萬博」) (a) Taizhou Future Land Wanbo Real Estate Development Co., Ltd. (「Taizhou Wanbo」) (a)	中國浙江台州 Taizhou Zhejiang, PRC	40%	—	權益法 Equity
義烏吾悅房地產發展有限公司 (「義烏吾悅」) Yiwu Injoy Real Estate Development Co., Ltd. (「Yiwu Injoy」)	中國浙江義烏 Yiwu Zhejiang, PRC	50%	—	權益法 Equity

(a) 儘管由本集團持有概約50%股權，本集團於該等公司的投資入賬列作合營企業。根據投資協議及組織章程細則，本集團及其他投資者將共同控制該等公司項目發展及銷售物業以及其他主要相關業務。

本集團所有合營企業均為私營公司，其股份並無市場報價。

附註35(c)呈列與合營企業權益有關的承擔。本集團沒有與合營企業權益有關的或然負債。

(a) The Group accounts for its investments in these companies as joint ventures although the Group holds more or less than 50% of equity interest. According to the investment agreements and articles of associations, the Group and the other investors will jointly control the project development and sales of properties as well as other key relevant activities of these companies.

All of the Group's joint ventures are private companies and there are no quoted market prices available for such equity interests.

The commitments relating to the Group's interests in joint ventures are presented in Note 35(c). There are no contingent liabilities relating to the Group's interests in the joint ventures.

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

10 於合營企業的投資 (續)

重大合營企業財務資料概要

以下載列以權益法入賬的重大合營企業財務資料概要。

重大合營企業財務狀況表概要

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Summarised financial information for material joint ventures

Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method.

Summarised statement of financial position for material joint ventures

		上海旭地		蘇州萬瑞		南京萬隆		常熟中置		台州萬博	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Changshu Zhongzhi		Taizhou Wanbo	
		於12月31日		於12月31日		於12月31日		於12月31日		於12月31日	
		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
		2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
流動	Current										
資產	Assets	1,202,546	1,143,768	1,979,754	824,550	6,162,864	3,440,938	1,290,008	2,008,096		
負債	Liabilities	(491,057)	(375,162)	(1,230,162)	(668,814)	(2,560,971)	(153,008)	(43,848)	(822,275)		
流動資產淨值總額	Total current net assets	711,489	768,606	749,592	155,736	3,601,893	3,287,930	1,246,160	1,185,821		
非流動	Non-current										
資產	Assets	107	136	9,205	129	20,525	3,055	1,031	3,893		
負債	Liabilities	(550,000)	(656,000)	(490,000)	-	(2,684,000)	(2,300,000)	(800,000)	(200,000)		
非流動(負債)/	Total non-current net										
資產淨值總額	(liabilities)/assets	(549,893)	(655,864)	(480,795)	129	(2,663,475)	(2,296,945)	(798,969)	(196,107)		
資產淨值	Net assets	161,596	112,742	268,797	155,865	938,418	990,985	447,191	989,714		

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10 於合營企業的投資 (續)

重大合營企業全面收益表概要

		上海旭地		蘇州萬瑞		南京萬隆		常熟中置		台州萬博	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Changshu Zhongzhi		Taizhou Wanbo	
		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度	
		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
		2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
收入	Revenue	756,291	-	-	-	-	-	-	-	-	-
除所得稅前利潤／(虧損)	Profit/(loss) before income tax	62,719	(7,174)	(36,683)	(514)	(69,777)	(11,972)	(3,725)	(13,198)	(13,198)	(13,198)
所得稅(開支)／抵免	Income tax expense/(credit)	(13,865)	-	8,990	129	17,210	2,957	916	2,912	2,912	2,912
除稅後利潤／(虧損)	Post-tax profit/(loss)	48,854	(7,174)	(27,693)	(385)	(52,567)	(9,015)	(2,809)	(10,286)	(10,286)	(10,286)
其他全面收益	Other comprehensive income	-	-	-	-	-	-	-	-	-	-
全面收益／(虧損) 總額	Total comprehensive income/(loss)	48,854	(7,174)	(27,693)	(385)	(52,567)	(9,015)	(2,809)	(10,286)	(10,286)	(10,286)
自合營公司收取的股息	Dividends received from joint ventures	-	-	-	-	-	-	-	-	-	-

上述資料為合營企業財務報表所呈列金額(並非本集團享有此等金額的份額)，並已就本集團與合營企業間之會計政策差異作出調整。

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Summarised statement of comprehensive income for material joint ventures

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, and not the Group's share of those amounts.

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10 於合營企業的投資 (續)

重大合營企業財務資料概要對賬

所呈列財務資料概要與本集團於合營企業之權益賬面值之對賬。

10 INVESTMENTS IN JOINT VENTURES (Cont'd)

Reconciliation of summarised financial information for material joint ventures

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in joint ventures.

		上海旭地		蘇州萬瑞		南京萬隆		常熟中置		台州萬博	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Changshu Zhongzhi		Taizhou Wanbo	
		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度	
		Year ended		Year ended		Year ended		Year ended		Year ended	
		31 December		31 December		31 December		31 December		31 December	
		2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年	2015年	2014年
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
期初資產淨值	Opening net assets	112,742	19,916	155,865	–	990,985	–	–	–	–	–
年度利潤／(虧損)	Profit/(Loss) for the year	48,854	(7,174)	(27,693)	(385)	(52,567)	(9,015)	(2,809)	(10,286)	(10,286)	
其他全面收益	Other comprehensive income	–	–	–	–	–	–	–	–	–	–
注資	Capital injection	–	100,000	140,625	156,250	–	1,000,000	450,000	1,000,000		
期末資產淨值	Closing net assets	161,596	112,742	268,797	155,865	938,418	990,985	447,191	989,714		
於合營企業的權益	Interests in joint ventures	80,798	56,371	182,782	105,988	656,892	693,690	290,674	395,886		
賬面值	Carrying value	78,718	56,377	182,782	105,988	656,892	693,690	290,674	394,845		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11 可供出售金融資產

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初結餘	Opening balance	287,385	221,187
收購子公司(附註33)	Acquisition of subsidiaries (Note 33)	1,100	–
收購	Acquisitions	75,961	42,756
資本減少	Capital reduction	(13,744)	(3,558)
公允價值調整所得(虧損)/ 收益淨值	Net (loss)/gain from fair value adjustment	(13,000)	27,000
期末結餘	Ending balance	337,702	287,385
減：非即期部分	Less: Non-current portion	(337,702)	(287,385)
即期部分	Current portion	–	–

可供出售金融資產包括以下各項：

Available-for-sale financial assets include the following:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
未上市證券：	Unlisted securities:		
– 股權證券 – 中國	– Equity securities – PRC	233,985	259,629
– 股權證券 – 美國	– Equity securities – US	103,717	27,756
		337,702	287,385

未上市證券公允價值乃按估值方法計算。該公允價值處於公允價值分層第三層(見附註3.3)。

The fair value of the unlisted securities is based on valuation techniques. The fair value is within level 3 of the fair value hierarchy (see Note 3.3).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2015年12月31日止年度 For the year ended 31 December 2015

12 土地使用權

此餘額主要為一項待場地取得所需批准重新規劃作商業用途後將用於物業開發並銷售的自用土地使用權，自用辦公樓的土地使用權以及於2015年新增的收購子公司獲得的自用土地使用權（附註33）。於2015年12月31日，賬面總值為人民幣287,148,000元的土地使用權已抵押作本集團借款的抵押品（2014年：人民幣87,398,000元）（附註21）。

攤銷費用為人民幣924,000元（2014年：人民幣231,000元）。

13 租賃土地預付款項

本集團於2015年12月31日預付人民幣6,799,095,000元用於購買租賃土地（2014年：人民幣3,263,529,000元）。

14 完工待售或在建銷售物業

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
將予開發的租賃土地	Leasehold land to be developed	856,948	1,190,513
在建銷售物業	Properties under development for sale	25,922,795	21,903,641
完工待售物業	Properties held for sale	6,585,525	7,357,462
		33,365,268	30,451,616
減：減值虧損撥備	Less: Provision for impairment loss	(625,370)	(589,148)
		32,739,898	29,862,468

完工待售或在建銷售物業均位於中國。

截至2015年12月31日止年度，於在建銷售和完工待售物業中資本化的借款成本約為人民幣958,248,000元（2014年：人民幣987,427,000元）。

12 LAND USE RIGHTS

The balance represents mainly land use rights to be used for development of properties for sale in the future upon obtaining the necessary approval to re-zone the site for commercial use, land use rights for self-use of an office building, and addition in 2015 of land use rights for self-use from acquisition of a subsidiary (Note 33). As at 31 December 2015, land use rights with a total carrying amount of RMB287,148,000 were pledged as collateral for the Group's borrowings (2014: RMB87,398,000) (Note 21).

The amortisation charges of RMB924,000 (2014: RMB231,000) has been charged in cost of sales.

13 PREPAYMENTS FOR LEASEHOLD LAND

The Group made prepayments of RMB6,799,095,000 for the acquisition of leasehold land as at 31 December 2015 (2014: RMB3,263,529,000).

14 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

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

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2015 were approximately RMB958,248,000 (2014: RMB987,427,000).

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14 完工待售或在建銷售物業 (續)

截至2015年12月31日止年度，借款資本化率為8.27% (2014年：7.83%)。

於2015年及2014年12月31日，本集團以下將予開發的租賃土地、在建銷售物業和完工待售物業已抵押作本集團借款的抵押品 (附註21)。

14 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (Cont'd)

The capitalisation rate of borrowings was 8.27% for the year ended 31 December 2015 (2014: 7.83%).

As at 31 December 2015 and 2014, the Group's following leasehold land to be developed, properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 21).

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
已抵押的賬面值：	Carrying value pledged:		
在建銷售物業	Properties under development for sale	6,956,417	7,774,585
完工待售物業	Properties held for sale	228,101	702,667

截至2015年12月31日止年度，確認為開支及計入銷售成本的完工待售物業成本為人民幣17,227,055,000元 (2014年：人民幣15,104,584,000元)，連帶撥回的減值撥備人民幣206,273,000元 (2014年：撥回人民幣61,303,000元) 已貸記入銷售成本。

於2015年12月31日，總賬面值為人民幣10,657,299,000元 (2014年：人民幣8,365,403,000元) 的在建銷售物業與不預期於一年內竣工的物業項目相關，儘管可能會預售若干此等物業。所有在建租賃土地不預期於一年內竣工。完工待售或在建銷售物業的其他結餘預計可於一年內變賣。

For the year ended 31 December 2015, the cost of properties held for sale recognised as expense and included in cost of sales amounted to RMB17,227,055,000 (2014: RMB15,104,584,000), accompanying by a reversal of provision for impairment of RMB206,273,000 (2014: reversal of RMB61,303,000) credited to cost of sales.

As at 31 December 2015, properties under development for sale with a total carrying amount of RMB10,657,299,000 (2014: RMB8,365,403,000) were related to property projects which were not scheduled to complete within one year although pre-sales of some of these properties may occur. All the leasehold land to be developed were not scheduled to complete within one year. The other balances in properties held or under development for sale were expected to be recovered within one year.

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15 貿易和其他應收款項及預付款項

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
貿易應收款項	Trade receivables	13,231	11,364
應收票據	Notes receivable	17,570	31,317
貿易應收款項合計	Total trade receivables	30,801	42,681
減：應收款項減值撥備	Less: Provision for impairment of receivables	—	—
貿易應收款項 — 淨額	Trade receivables – net	30,801	42,681
應收關連方款項（附註37）	Receivables from related parties (Note 37)	2,566,717	1,101,436
應收一間子公司非控股股東款項	Receivable from a non-controlling shareholder of a subsidiary	63,388	33,388
應收其他合營企業投資者款項(a)	Receivables from other investors of joint ventures (a)	242,987	—
代第三方支付款項	Amounts paid on behalf of third parties	103,305	79,852
預付營業稅和附加費(b)	Prepaid business tax and surcharges (b)	882,437	730,807
預付所得稅和土地增值稅	Prepaid income tax and land appreciation tax (b)	622,174	528,950
預付物業管理費	Prepaid property management fees	33,268	—
預付建設成本	Prepayments for construction costs	102,772	113,017
辦公室樓宇預付款項(c)	Prepayments for office buildings (c)	—	878,436
設備預付款項(d)	Prepayments for equipment (d)	49,674	—
投標保證金(e)	Tender deposits (e)	1,302,280	200,358
於住房公積金中心的按金(f)	Deposits with public housing fund centres (f)	215,067	149,316
項目適時建設保證金(g)	Deposits for timely project construction (g)	—	54,711
物業維護保證金(h)	Deposits for property maintenance (h)	119,793	98,108
收購一間子公司保證金(i)	Deposit for acquisition of a subsidiary (i)	30,000	50,000
其他保證金	Other deposits	163,822	46,600
其他	Others	168,172	85,281
		6,696,657	4,192,941
減：其他應收款項及預付款項的非即期部份(c, d, h)	Less: Non-current portion of other receivables and prepayments (c, d, h)	(169,467)	(976,544)
即期部份	Current portion	6,527,190	3,216,397

貿易應收款項主要來自物業銷售和投資物業租賃。物業銷售的所得款項一般於簽訂有關買賣協議後三個月內收取，而物業租賃的租金一般預先收取。

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

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15 貿易和其他應收款項及預付款項 (續)

- (a) 除按中國人民銀行所報利率計息的人民幣120,000,000元外，應收其他合營企業投資者款項為無抵押、不計息，且無固定歸還條款。
- (b) 營業稅、附加費和土地增值稅於本集團收到客戶預付款時預徵收，此等預付稅項於相關收入確認前列作預付款項。此外，在計算應課稅收入時，按本集團收到的預付款的5%至15%計算的預計利潤需計入會計收入，據此預付的所得稅同樣列作預付款項。
- (c) 該項結餘指收購位於上海作自用或出租用途的辦公室樓宇的預付款項。本集團已於2015年完成該收購事項，而該金額已根據其各自用在轉撥至物業、廠房及設備及投資物業。
- (d) 此結餘為本集團新成立業務應用的設備智能快遞的預付款項
- (e) 此結餘為土地使用權競標的投標保證金，將於其後收回或轉撥至租賃土地預付款項。
- (f) 此結餘為向住房公積金中心支付的按金以擔保本集團若干購房者的住房公積金貸款。這些按金將於政府部門發出物業所有權證至這些購房者並向住房公積金中心提交時予以解除。

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

- (a) Except for an amount of RMB120,000,000 which bears interest at the same rate quoted by People's Bank of China, the receivables from other investors of joint ventures are unsecured, non-interest bearing and have no fixed repayment terms.
- (b) Business tax, surcharges and land appreciation tax are provisionally levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by the Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.
- (c) This balance represents prepayments for acquisition of office buildings located in Shanghai for self-use or lease-out purposes. The Group completed the acquisition in year 2015 and the amount was transferred to property, plant and equipment and investment property based on their respective use.
- (d) This balance represents prepayments for intelligent express cabinet, the equipment for a newly established business of the Group.
- (e) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (f) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.

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15 貿易和其他應收款項及預付款項 (續)

(g) 該項結餘為項目的適時建設保證金，已隨後於項目建設過程中收回，並預計在截至2015年12月31日止年度期間收回。

(h) 該項結餘為首次交付有關物業時支付的物業維護保證金，將於其後的十年內收回。

(j) 該項結餘指收購從事物業發展的子公司的按金。於2014年12月31日之按金乃為一間不同子公司支付，且該子公司之收購事項已於截至2015年12月31日止年度完成。

貿易應收款項及應收票據於2015年及2014年12月31日的賬齡如下：

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(g) This balance represents the deposits for timely project construction, which have been subsequently received in the course of construction and recovered during the year ended 31 December 2015.

(h) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.

(i) This balance represents a deposit for acquisition of a subsidiary which is engaged in property development. The deposit as at 31 December 2014 was made for a different subsidiary and the acquisition of such subsidiary had been completed during the year ended 31 December 2015.

The aging of trade receivables and notes receivable as at 31 December 2015 and 2014 are as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
一年內	Less than 1 year	28,485	42,681
一至二年	Between 1 and 2 years	2,316	–
		30,801	42,681

於2015年和2014年12月31日承受的最大信貸風險是上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2015年和2014年12月31日，貿易和其他應收款項的公允價值與其賬面值相若。

於2015年和2014年12月31日，貿易和其他應收款項及預付款項的賬面值主要以人民幣計值。

The maximum exposure to credit risk at 31 December 2015 and 2014 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2015 and 2014, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2015 and 2014, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

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16 子公司

於2015年及2014年12月31日本集團子公司及子公司就借款予以抵押的股份詳情載於附註40。

(a) 重大限制

現金及短期存款人民幣7,263,973,000元(2014年：人民幣7,013,860,000元)乃在中國子公司所持有，並受當地匯兌控制規例所規限。該等當地匯兌控制規例訂明對國家輸出資金(並非透過正常股息)的限制。

(b) 重大非控股權益

於2015年12月31日的非控股權益總額為人民幣292,979,000元(2014年：人民幣4,707,042,000元)，其中人民幣5,289,875,000元(2014年：無)屬於A股公司新城控股。於2014年12月31日，人民幣3,595,597,000元的非控股權益屬於前B股公司江蘇新城(附註5)，而人民幣891,150,000元則屬於蘇州凱拓房地產發展有限公司(「蘇州凱拓」)(見附註40(c))。其他子公司的非控股權益並不重大。

持有屬重大的非控股權益的子公司財務資料概要

以下載列持有對本集團屬重大的非控股權益的各子公司財務資料概要。有關與非控制權益進行的交易，請參閱附註38。

16 SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2015 and 2014 and shares of subsidiaries pledged for the Group's borrowings are set out in Note 40.

(a) Significant restrictions

Cash and short-term deposits of RMB7,263,973,000 (2014: RMB7,013,860,000) are held by subsidiaries in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

(b) Material non-controlling interests

The total non-controlling interests as at 31 December 2015 is RMB5,292,979,000 (2014: RMB4,707,042,000), among which RMB5,289,875,000 (2014: Nil) is for Future Land Holdings, the A share company. As at 31 December 2014, the non-controlling interest of RMB3,595,597,000 is for Jiangsu Future Land (Note 5), the former B share company and RMB891,150,000 is attributed to Suzhou Kaituo Development Co., Ltd. ("Suzhou Kaituo") (see Note 40(c)). The non-controlling interests in respect of other subsidiaries are not material.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 38 for transactions with non-controlling interests.

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16 子公司 (續)

(b) 重大非控股權益 (續)

財務狀況表概要

		新城控股 Future Land Holdings 2015年 2015 人民幣千元 RMB'000	江蘇新城 Jiangsu Future Land 2014年 2014 人民幣千元 RMB'000	蘇州凱拓 Suzhou Kaituo 2014年 2014 人民幣千元 RMB'000
流動	Current			
資產	Assets	51,435,269	29,232,226	2,194,379
負債	Liabilities	(42,022,622)	(20,675,800)	(1,184,773)
總流動資產淨值	Total current net assets	9,412,647	8,556,426	1,009,606
非流動	Non-current			
資產	Assets	16,366,847	4,665,904	515,847
負債	Liabilities	(11,907,964)	(4,929,703)	(3,511)
總非流動資產淨值	Total non-current net assets	4,458,883	(263,799)	512,336
資產淨值	Net assets	13,871,530	8,292,627	1,521,942

全面收益表概要

		新城控股 Future Land Holdings 2015年 2015 人民幣千元 RMB'000	江蘇新城 Jiangsu Future Land 2014年 2014 人民幣千元 RMB'000	蘇州凱拓 Suzhou Kaituo 2014年 2014 人民幣千元 RMB'000
收入	Revenue	23,568,793	17,100,229	1,169,993
除投資物業公允價值收益 或虧損和所得稅開支前 的利潤	Profit before fair value gains or losses on investment properties and income tax expense	3,110,307	2,141,988	452,146
投資物業公允價值 收益／(虧損)	Fair value gains/(losses) on investment properties	815,106	—	(14,132)
所得稅開支	Income tax expense	(1,525,809)	(867,086)	(163,988)
除稅後利潤	Post-tax profit	2,399,604	1,274,902	274,026
全面收益總額	Total comprehensive income	2,389,854	1,295,152	274,026
分配至非控股權益的 全面收益總額	Total comprehensive income allocated to non-controlling interests	817,547	559,278	95,909
向非控股權益支付的股息	Dividends paid to non-controlling interests	275,577	67,512	—

16 SUBSIDIARIES (Cont'd)

(b) Material non-controlling interests (Cont'd)

Summarised statement of financial position

Summarised statement of comprehensive income

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16 子公司 (續)

(b) 重大非控股權益 (續)

現金流量表概要

16 SUBSIDIARIES (Cont'd)

(b) Material non-controlling interests (Cont'd)

Summarised cash flows

		新城控股 Future Land Holdings 2015年 2015 人民幣千元 RMB'000	江蘇新城 Jiangsu Future Land 2014年 2014 人民幣千元 RMB'000	蘇州凱拓 Suzhou Kaituo 2014年 2014 人民幣千元 RMB'000
經營活動所得現金流量	Cash flows from operating activities			
經營活動所得現金	Cash generated from operations	454,123	4,103,119	177,328
已付利息	Interest paid	(760,047)	(595,969)	(11,582)
已付所得稅	Income tax paid	(1,411,278)	(1,069,634)	(22,765)
經營活動 (所用) / 所得	Net cash (used in)/generated from operating activities	(1,717,202)	2,437,516	142,981
現金淨額				
投資活動所用	Net cash used in investing activities	(797,933)	(1,935,174)	(341,816)
現金淨額				
融資活動所得 / (所用)	Net cash generated from/(used in) financing activities	3,792,191	(2,013,247)	253,738
現金淨額				
現金和現金等價物	Net increase/(decrease) in cash and cash equivalents	1,277,056	(1,510,905)	54,903
增加 / (減少) 淨額				
年初的現金和現金等價物	Cash and cash equivalents at beginning of the year	4,257,952	4,270,619	153,247
現金和現金等價物的匯兌虧損	Exchange loss on cash and cash equivalents	(14,501)	—	—
年末的現金和現金等價物	Cash and cash equivalents at end of the year	5,520,507	2,759,714	208,150

上述資料為對銷集團內公司間交易前的金額。

The information above is the amount before intra-group transactions elimination.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17 銀行和手頭現金

17 CASH AT BANK AND ON HAND

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	7,518,279	6,947,114
以美元計值	Denominated in USD	151,201	484,036
以港元計值	Denominated in HKD	93,034	5,316
		7,762,514	7,436,466

於2015年12月31日，本集團銀行存款的實際利率為1.79%（2014年：1.49%）。

The effective interest rate on the Group's bank deposits as at 31 December 2015 was 1.79% (2014: 1.49%).

本集團的現金和現金等價物釐定如下：

Cash and cash equivalents of the Group were determined as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand	7,762,514	7,436,466
減：受限制現金	Less: Restricted cash	(1,283,653)	(2,618,559)
		6,478,861	4,817,907

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17 銀行和手頭現金 (續)

本集團的受限制現金包括以下各項：

17 CASH AT BANK AND ON HAND (Cont'd)

Restricted cash of the Group comprised of the following:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
作為項目建設簽發保函的保證金	Deposits for letters of guarantee issued for project construction	150,693	166,084
票據保證金	Margin deposits for notes issued	438,153	450,594
購房者按揭貸款保證金(a)	Deposits as security for property purchasers' mortgage loans (a)	130,831	88,239
作為借款抵押的存款 (附註21)	Deposits pledged for borrowings (Note 21)	563,976	1,913,642
		1,283,653	2,618,559

(a) 這些受限制銀行存款用於確保本集團若干購房者根據若干城市的地方法規能取得銀行貸款。這些存款將於物業所有權證由政府部門發出給這些購房者並向按揭銀行提交時予以解除。

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the mortgage banks.

18 股本

(a) 法定股本

18 SHARE CAPITAL

(a) Authorised shares

		法定股本數目 Number of authorised shares 港元股份 HKD share
於2014年1月1日、2014年12月31日及 於2015年12月31日	As at 1 January 2014, 31 December 2014 and 31 December 2015	10,000,000,000

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18 股本 (續)

(b) 已發行股份

18 SHARE CAPITAL (Cont'd)

(b) Issued shares

		已發行股份數目 Number of issued shares 每股0.001港元 HKD0.001 each	普通股 Ordinary shares 人民幣 RMB
於2014年1月1日及 於2014年12月31日	As at 1 January 2014 and 31 December 2014	5,668,000,000	4,617,069
股份回購	Buy-back of shares	(10,000,000)	(8,146)
於2015年12月31日	As at 31 December 2015	5,658,000,000	4,608,923

股份回購

本公司於2015年9月30日、10月2日、10月5日、10月22日及10月23日於聯交所累計收購其10,000,000股股份，並於2015年11月3日註銷該等股份。收購該等股份所支付的總金額為10,875,760港元（相當於人民幣8,911,000元），其中人民幣8,903,000元已從股東權益範圍內其他儲備中扣除（附註20）。

Buy-back of shares

The Company accumulatively acquired 10,000,000 of its shares through purchases on the Stock Exchange on 30 September, 2 October, 5 October, 22 October and 23 October 2015, and cancelled the shares on 3 November 2015. The total amount paid to acquire the shares was HKD10,875,760 (equivalent to RMB8,911,000), of which RMB8,903,000 were deducted from other reserves within shareholders' equity (Note 20).

19 以股份為基礎的支付

根據2011年9月12日的決議案，本公司採納首次公開發售前股份獎勵計劃（「股份獎勵計劃」）。根據股份獎勵計劃，合共159,800,000股股份和21,250,000股股份分別發行和授予選定現任僱員（包括董事）和若干第三方。第三方包括前僱員和若干第三方公司。授予第三方公司的股份乃為認可其過往服務。

至於授予現任僱員（包括董事）的股份，在本公司於2012年6月30日前在香港聯合交易所有限公司主板上市及僱員於各歸屬期末仍在職的情況下，授出的股份可分別於2012年、2013年、2014年和2015年12月31日分四等份歸屬。

19 SHARE-BASED PAYMENTS

Pursuant to a resolution dated 12 September 2011, the Company adopted a Pre-IPO share award scheme (the "Share Award Scheme"). Under the Share Award Scheme, a total number of 159,800,000 shares and 21,250,000 shares were issued and granted to selected current employees (including directors) and certain third parties, respectively. The third parties include former employees and certain third party companies. The shares granted to third parties are for recognition of their past services.

For shares granted to current employees (including directors), subject to the meeting of the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 and the employee being still on service at the end of each vesting period, the granted shares can be vested in four equal tranches on 31 December 2012, 2013, 2014 and 2015, respectively.

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19 以股份為基礎的支付 (續)

於2012年6月30日，本公司修訂以股份支付的條件，延長本公司於2012年6月30日前於香港聯合交易所有限公司主板上市這項要求至2013年12月31日前。

根據股份獎勵計劃授出的股份於2011年9月15日（授出日期）的公允價值為人民幣119,766,309元，此價值根據資產基礎法釐定，且總體業績亦通過使用市場法反復審核。根據資產基礎法釐定各項資產／負債的價值須使用多種估值法／技術，如投資物業使用剩餘法估值，而非流通股則使用可資比較公司法估值，並以期權定價模式幫助釐定非流動性折扣。

截至2015年12月31日止年度，本集團就本公司授予現任僱員的股份確認人民幣8,104,056元（附註29）（2014年：人民幣18,228,000元）的費用。

下表披露於截至2015年12月31日止年度授予選定僱員的本公司股份變動及於2015年12月31日尚未行使的本公司股份：

19 SHARE-BASED PAYMENTS (Cont'd)

On 30 June 2012, the Company modified the condition for the share-based payments by extending the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 to 31 December 2013.

The fair value of the shares granted under the Share Award Scheme as at 15 September 2011, the grant date, was RMB119,766,309, and was determined using the asset-based approach and the overall result was also cross-checked by using the market approach. Various valuation methods/techniques were applied to determine the value of each asset/liability under the asset-based approach, for example the investment properties were valued using the residual method while the non-tradable shares were valued using the comparable company method with option pricing model to help determine the illiquidity discount.

For the year ended 31 December 2015, the Group recognised an expense of RMB8,104,056 (Note 29) (2014: RMB18,228,000) in relation to the share award by the Company to the current employees.

The following table discloses the movement of the Company's shares granted to the selected employees for the year ended 31 December 2015 and outstanding at 31 December 2015:

僱員	Employees	獎勵股份數目 Number of awarded shares
於2015年1月1日尚未行使	Outstanding as at 1 January 2015	79,300,000
年內歸屬	Vested during the year	(39,025,000)
年內未分配	Unallocated during the year	(1,250,000)
於2015年12月31日尚未行使	Outstanding as at 31 December 2015	39,025,000

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20 本公司權益持有人應佔的儲備

20 RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

		股份溢價 Share premium 人民幣千元 RMB'000 (附註(a)) (Note (a))	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註(b)) (Note (b))	合計 Total 人民幣千元 RMB'000
於2015年1月1日的結餘	Balance at 1 January 2015	1,395,840	275,193	5,968,330	7,639,363
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	1,030,890	1,030,890
其他全面虧損	Other comprehensive loss				
– 可供出售金融資產公允價值變動，扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	–	(6,381)	–	(6,381)
年度全面收益總額	Total comprehensive income for the year	–	(6,381)	1,030,890	1,024,509
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃（附註19）	Pre-IPO share award scheme (Note 19)				
– 現任僱員服務價值	– value of current employee services	–	8,104	–	8,104
股份回購（附註18）	Buy-back of shares (Note 18)	–	(8,903)	–	(8,903)
股息（附註32）	Dividends (Note 32)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	(799)	–	(284,199)
子公司向非控股股東權益變動產生的淨虧損（附註38(b), (c), (d) (e), (f), 附註33(c)）	Net loss from changes of non-controlling interests in subsidiaries (Note 38(b), (c), (d), (e), (f), Note 33(c))	–	(213,913)	–	(213,913)
直接於權益確認與擁有人的交易總額	Total transactions with owners, recognized directly in equity	(283,400)	(214,712)	–	(498,112)
於2015年12月31日的結餘	Balance at 31 December 2015	1,112,440	54,100	6,999,220	8,165,760
代表：	Representing:				
建議末期股息（附註(c)）	Proposed final dividend (Note (c))	282,900			282,900
其他	Others	829,540			7,882,860
		1,112,440			8,165,760

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20 本公司權益持有人應佔的儲備 (續)

20 RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

		股份溢價 Share premium 人民幣千元 RMB'000 (附註(a)) (Note (a))	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註(b)) (Note (b))	合計 Total 人民幣千元 RMB'000
於2014年1月1日的結餘	Balance at 1 January 2014	1,679,240	95,182	4,942,609	6,717,031
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	1,025,721	1,025,721
其他全面收益	Other comprehensive income				
— 可供出售金融資產公允價值變動，扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	–	11,428	–	11,428
年度全面收益總額	Total comprehensive income for the year	–	11,428	1,025,721	1,037,149
與擁有人進行的交易	Transactions with owners				
首次公開發售前	Pre-IPO share award scheme (Note 19)				
股份獎勵計劃 (附註19)					
— 現任僱員服務價值	– value of current employee services	–	18,228	–	18,228
股息 (附註32)	Dividends (Note 32)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	18,228	–	(265,172)
向非控股權益收購子公司額外權益所得的收益 (附註38)	Gains from acquisition of additional interest in subsidiaries from non-controlling interests (Note 38)	–	150,355	–	150,355
直接於權益確認與擁有人的交易總額	Total transactions with owners, recognized directly in equity	(283,400)	168,583	–	(114,817)
於2014年12月31日的結餘	Balance at 31 December 2014	1,395,840	275,193	5,968,330	7,639,363
代表：	Representing:				
建議末期股息 (附註(c))	Proposed final dividend (Note (c))	283,400			283,400
其他	Others	1,112,440			7,355,963
		1,395,840			7,639,363

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20 本公司權益持有人應佔的儲備 (續)

(a) 於2012年11月29日，本公司就上市按每股1.45港元發行1,418,000,000股每股0.001港元的港元普通股，並籌得總額約2,056,100,000港元（相等於人民幣1,668,936,000元）的款項。所得款項超過發行1,418,000,000股港元普通股面值共為人民幣1,150,992元的金額為人民幣1,667,785,008元，扣除發行新股直接相關的費用共人民幣65,165,000元後為人民幣1,602,620,008元，此金額撥入股份溢價賬。

(b) 根據中國公司法與本公司中國子公司的組織章程細則，這些子公司每年須將其法定利潤（經抵銷任何過往年度虧損後）的10%撥入法定盈餘公積金（「公積金」）賬戶。當公積金結餘達到這些子公司註冊資本／股本的50%後，則可選擇是否進一步轉撥公積金。公積金可用於抵銷過往年度虧損或增加繳足資本。然而，在作該等用途後，有關公積金須不少於註冊資本／股本的25%。

除清盤外，公積金不可用作分派現金股息，並受到若干相關中國法規所限制。

於2015年12月31日，這些子公司的歸屬於本公司擁有人的公積金總額達人民幣1,901,352,000元（2014年：人民幣1,486,884,000元）。這些金額計入本集團的保留盈利。

(c) 根據開曼群島公司法（2003年修訂版）第34條及本公司的組織章程細則，如本公司具備償還能力且本公司組織章程細則有所規定，則可以本公司的股份溢價向股東作出分派。有關建議末期股息的詳情載列於附註32。

20 RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

(a) On 29 November 2012, the Company issued 1,418,000,000 HKD ordinary shares of HKD0.001 each at HKD1.45 per share in connection with the Listing, and raised gross proceeds of approximately HKD2,056,100,000 (equivalent to RMB1,668,936,000). The excess of RMB1,667,785,008 over the par value of RMB1,150,992 for the 1,418,000,000 HKD ordinary shares issued, net of the relevant incremental costs of RMB65,165,000 directly contributable to the new shares issued, was credited to “share premium” with amount of RMB1,602,620,008.

(b) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve (“SSR”) account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

As at 31 December 2015, total SSR of these subsidiaries attributable to owners of the Company amounted to RMB1,901,352,000 (2014: RMB1,486,884,000). These amounts were included in retained earnings of the Group.

(c) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the articles of association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the articles of association of the Company. Details of the proposed final dividend are set out in Note 32.

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截至2015年12月31日止年度 For the year ended 31 December 2015

21 借款

21 BORROWINGS

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
非即期、有抵押：	Non-current, secured:		
– 銀行貸款(a)	– Bank loans (a)	4,871,367	4,987,700
– 2018年1月到期的優先票據 (「2018年票據」) (b (i))	– Senior notes due January 2018 (“2018 Notes”) (b (i))	1,363,656	1,199,712
– 2016年4月到期的優先票據 (「2016年票據」) (b (ii))	– Senior notes due April 2016 (“2016 Notes”) (b (ii))	1,496,719	1,486,844
– 2019年7月到期的優先票據 (「2019年票據」) (b (iii))	– Senior notes due July 2019 (“2019 Notes”) (b (iii))	2,229,185	2,091,577
– 2017年11月到期的優先票據 (「2017年票據」) (b (iv))	– Senior notes due November 2017 (“2017 Notes”) (b (iv))	1,589,524	–
非即期、無抵押：	Non-current, unsecured:		
– 2019年7月到期的公司債券 (「2019年債券」) (c (i))	– Corporate bonds due July 2019 (“2019 Bonds”) (c(i))	1,988,410	1,981,419
– 2020年11月到期的公司債券 (「2020年債券」) (c (ii))	– Corporate bonds due November 2020 (“2020 Bonds”) (c(ii))	2,978,474	–
– 2018年11月到期的公司債券 (「2018年債券」) (c (iii))	– Corporate bonds due November 2018 (“2018 Bonds”) (c(iii))	1,982,129	–
		18,499,464	11,747,252
減：長期借款的即期部份	Less: Current portion of long-term borrowings	(3,494,575)	(1,191,800)
		15,004,889	10,555,452
即期、有抵押：	Current, secured:		
– 銀行貸款(a)	– Bank loans (a)	481,000	2,184,389
長期借款的即期部份	Current portion of long-term borrowings	3,494,575	1,191,800
		3,975,575	3,376,189

(a) 本集團的該等銀行貸款由將予開發的租賃土地、在建物業、完工待售物業(附註14)、投資物業(附註7)、土地使用權(附註12)、物業、廠房和設備(附註6)、子公司股份(附註40)和銀行存款(附註17)抵押及／或由本公司的子公司相互擔保。

(a) These bank loans of the Group are secured by leasehold land to be developed, properties under development, properties held for sale (Note 14), investment properties (Note 7), land use rights (Note 12), property, plant and equipment (Note 6), shares of subsidiaries (Note 40) and bank deposits (Note 17) of the Group and/or guaranteed by subsidiaries of the Company for each other.

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21 借款 (續)

(b) 優先票據

(i) 2018年票據

於2013年1月，本公司發行本金額為2億美元的五年期優先票據（「2018年票據」），該等票據於新加坡證券交易所上市。2018年票據以美元計值，按年利率10.25%計息，自2013年7月31日開始於每個年度的1月31日及7月31日或與之最接近的營業日每半年過後支付。

根據2018年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的1月31日起12個月期間已贖回票據，則本公司可於2016年1月31日或之後任何時間及不時贖回全部或部份2018年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

年份	Year	贖回價格 Redemption Price
自2016年1月31日至 2017年1月30日	31 January 2016 to 30 January 2017	105.1250%
2017年1月31日及之後	31 January 2017 and thereafter	102.5625%

21 BORROWINGS (Cont'd)

(b) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of USD200,000,000 ("2018 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21 借款 (續)

(b) 優先票據 (續)

(i) 2018年票據 (續)

- 本公司可於2016年1月31日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2018年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。
- 本公司可於2016年1月31日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

- At any time prior to 31 January 2016, 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 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2015年12月31日止年度 For the year ended 31 December 2015

21 借款 (續)

(b) 優先票據 (續)

(i) 2018年票據 (續)

於2015年12月3日，本公司宣佈，所有未贖回的2018年票據將於2016年1月31日（「贖回日期」）按相當於本金額105.1250%另加截至贖回日期應計及未付利息（如有）的贖回價格悉數贖回。故此於2015年12月31日的餘額整體作為短期負債核算，並納入所產生的淨虧損。本公司其後於2016年1月31日完成贖回。

(ii) 2016年票據

2013年4月，本公司發行本金額為人民幣1,500,000,000元的三年期優先票據（「2016年票據」），該等票據於新加坡證券交易所上市。2016年票據以人民幣計值，按年利率9.75%計息，自2013年10月23日開始於每個年度的4月23日及10月23日或與之最接近的營業日每半年過後支付。

根據2016年票據的條款，本公司可酌情贖回全部但非部份2016年票據，贖回價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

On 3 December 2015, the Company announced that all the outstanding 2018 Notes will be redeemed in full on 31 January 2016 (the "Redemption Date") at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. Accordingly the entire outstanding amount as at 31 December 2015 is treated as current liability and the net loss arising is accounted for. The Company subsequently completed the redemption on 31 January 2016.

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("2016 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear interest rate at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2015年12月31日止年度 For the year ended 31 December 2015

21 借款 (續)

(b) 優先票據 (續)

(iii) 2019年票據

2014年7月，本公司發行本金額為350,000,000美元的五年期優先票據（「2019年票據」），該等票據於新加坡證券交易所上市。2019年票據以美元計值，按固定年利率10.25%計息，自2015年1月21日開始於每個年度的1月21日及7月21日或與之最接近的營業日每半年過後支付。

根據2019年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的7月21日起12個月期間已贖回票據，則本公司可於2017年7月21日或之後任何時間及不時贖回全部或部份2019年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

年份	Year	贖回價格 Redemption Price
自2017年7月21日至 2018年7月20日	21 July 2017 to 20 July 2018	105.1250%
2018年7月21日及之後	21 July 2018 and thereafter	102.5625%

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 ("2019 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

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21 借款 (續)

(b) 優先票據 (續)

(iii) 2019年票據 (續)

- 本公司可於2017年7月21日之前任何時間酌情贖回全部而非部份票據，贖回價格等於2019年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。
- 本公司可於2017年7月21日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes (Cont'd)

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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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21 借款 (續)

(b) 優先票據 (續)

(iv) 2017年票據

於2015年11月，本公司發行本金額為250,000,000美元的兩年期優先票據（「2017年票據」），於新加坡證券交易所有限公司上市。2017年票據以美元計值，按每年6.25%計息，自2015年11月12日開始於每個年度的5月12日及11月12日或與之最近的營業日每半年過後支付。

根據2017年票據的條款，本公司可酌情贖回全部但非部份2017年票據，實惠價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

提早贖回權被視為嵌入式衍生工具而與主合約並無密切關連。董事會認為，本公司現時無計劃提早贖回及上述提早贖回權之公允價值於初步確認時及於2015年及2014年12月31日並不重大。2018年票據的提早贖回系由於有機會以更低成本發行新的票據以償還舊的票據。

上述優先票據為一般責任，由若干非根據中國法律註冊成立的子公司擔保（「子公司擔保人」），及由若干原子公司擔保人的股份作抵押。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iv) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 ("2017 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 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.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2015 and 2014. The early redemption of the 2018 Notes only occurred because an opportunity arose to issue new Notes at a lower cost to replace old Notes.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC ("Subsidiary Guarantors"), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

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21 借款 (續)

(c) 公司債券

(i) 2019年債券

於2014年7月，前B股公司發行本金額為人民幣20億元的五年期公司債券（「2019年債券」）。該等債券於上海證券交易所上市。2019年債券以人民幣計值，首三年按年利率8.9%計息，自2015年7月23日開始於每個年度的7月23日或與之最接近的營業日每年過後支付。

根據2019年債券的條款，前B股公司可於第三年終結時酌情贖回全部2019年債券，贖回價格等於債券本金的100%加直至贖回日期為止之應計和未付利息。倘前B股公司於第三年結束時放棄酌情贖回，前B股公司可酌情調升利率0至100個基點並於餘下期間固定，而債券持有人可酌情按相等於債券本金額100%加直至售回日期為止的應計及未付利息的價格向前B股公司售回全部或部份債券。

A股公司承接前B股公司2019債券的工作正在進行中。

21 BORROWINGS (Cont'd)

(c) Corporate bonds

(i) 2019 Bonds

In July 2014, the former B share company, issued five-year corporate bonds with principal amount of RMB2,000,000,000 ("2019 Bonds"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds are in the process of being transferred from the former B Share company to the A Share company.

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21 借款 (續)

(c) 公司債券 (續)

(ii) 2020年債券

於2015年11月，A股公司發行本金額為人民幣3,000,000,000元的五年期公司債券（「2020年債券」）。該等債券於上海證券交易所上市。2020年債券以人民幣計值，首三年按年利率4.5%計息，自2016年11月3日開始於每個年度的11月3日或與之最接近的營業日每年過後支付。

根據2020年債券的條款，A股公司可於第三年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

21 BORROWINGS (Cont'd)

(c) Corporate bonds (Cont'd)

(ii) 2020 Bonds

In November 2015, the A share company issued five-year corporate bonds with principal amount of RMB3,000,000,000 ("2020 Bonds"), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

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21 借款 (續)

(c) 公司債券 (續)

(iii) 2018年債券

於2015年11月，A股公司發行本金額為人民幣2,000,000,000元的三年期非上市公司債券（「2018年債券」）。2018年債券以人民幣計值，首兩年按年利率6.0%計息，自2016年11月10日開始於每個年度的11月10日或與之最接近的營業日每年過後支付。

根據2018年債券的條款，A股公司可酌情於第二年末調整利息（期內剩餘時間內為固定），債券持有人可酌情將債券按等於債券本金的100%加直至售回日期為止的應計及未付利息的售價向A股公司售回全部或部分債券。

於2015年及2014年12月31日，非流動借款的到期情況列示如下：

21 BORROWINGS (Cont'd)

(c) Corporate bonds (Cont'd)

(iii) 2018 Bonds

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 ("2018 Bonds"), which were not listed. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The maturity of non-current borrowings as at 31 December 2015 and 2014 are as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
一至兩年	Between 1 and 2 years	7,276,492	2,632,744
二至五年	Between 2 and 5 years	7,211,209	7,682,708
超過五年	Over 5 years	517,188	240,000
		15,004,889	10,555,452

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21 借款 (續)

於2015年 和2014年12月31日，加權平均實際利率列示如下：

21 BORROWINGS (Cont'd)

The weighted average effective interest rates as at 31 December 2015 and 2014 were as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
銀行借款	Bank borrowings	6.51%	5.71%
優先票據	Senior notes	10.02%	10.81%
公司債券	Corporate bonds	6.58%	9.33%

非流動借款的賬面值及公允價值如下：

The carrying amounts and fair value of the non-current borrowings are as follows:

		賬面值 Carrying amount		公允價值 Fair value	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
銀行借款	Bank borrowings	4,237,167	3,795,900	4,237,167	3,795,900
2018年票據	2018 Notes	–	1,199,712	–	1,211,024
2016年票據	2016 Notes	–	1,486,844	–	1,503,315
2019年票據	2019 Notes	2,229,185	2,091,577	2,467,081	2,074,723
2017年票據	2017 Notes	1,589,524	–	1,612,718	–
2019年債券	2019 Bonds	1,988,410	1,981,419	2,300,000	2,120,000
2020年債券	2020 Bonds	2,978,474	–	3,015,000	–

2018年票據、2016年票據、2019年票據、2017年票據、2019年債券及2020年債券的公允價值乃按活躍市場報價計算，處於公允價值分層的第一層。

未上市的2018年債券的公允價值乃按公允價值分層第三層範圍內的估方法計算。於2015年12月31日，2015年債券的公允價與帳面值相約

The fair value for 2018 Notes, 2016 Notes, 2019 Notes, 2017 Notes, 2019 Bonds and 2020 Bonds are based on quoted prices in active markets and are within Level 1 of the fair value hierarchy.

The fair value of 2018 Bonds, which were not listed, are based on valuation techniques and are within Level 3 of the fair value hierarchy. As at 31 December 2015, the fair value of 2018 Bonds were approximate to the carrying amount.

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21 借款 (續)

銀行借款的公允價值與其賬面值相若。
公允價值以現金流量利用合適利率折現
計算，處於公允價值分層的第二層。

本集團借款的利率變動風險及合同重新
定價日或到期日（以較早者為準）如下：

21 BORROWINGS (Cont'd)

The fair value for bank borrowings approximates their carrying amount. The fair value is based on cash flows discounted using appropriate rates and are within Level 2 of the fair value hierarchy.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

		六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
計入非流動負債的借款： Borrowings included in non-current liabilities:						
於2015年12月31日	As at 31 December 2015	1,450,000	2,278,867	11,276,022	–	15,004,889
於2014年12月31日	As at 31 December 2014	2,050,000	1,745,900	6,759,552	–	10,555,452
計入流動負債的借款： Borrowings included in current liabilities:						
於2015年12月31日	As at 31 December 2015	3,735,575	240,000	–	–	3,975,575
於2014年12月31日	As at 31 December 2014	3,054,189	322,000	–	–	3,376,189

於2015年12月31日，按固定息率計息的
借款本金總額為人民幣17,550,776,000
元（2014年：人民幣9,029,791,000元）。

As at 31 December 2015, the aggregate principal of borrowings amounted to RMB17,550,776,000 are at fixed interest rates (2014: RMB9,029,791,000).

本集團借款的賬面值以下列貨幣計值：

The carrying values of the Group's borrowings are denominated in the following currencies:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
人民幣	RMB	13,798,099	9,960,963
美元	USD	5,182,365	3,970,678
		18,980,464	13,931,641

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22 預售物業預收款項

本集團在物業竣工及可供交付前開始銷售物業並向客戶收取款項。這些向客戶收取的款項在相關銷售確認前列作預售物業預收款項。

22 ADVANCES FROM PRE-SALE OF PROPERTIES

The Group starts sales of properties and collection of proceeds from customers before the properties are completed and ready for delivery. Such proceeds from customers are recorded as advances from pre-sale of properties before relevant sales are recognised.

23 貿易和其他應付款項

23 TRADE AND OTHER PAYABLES

		於12月31日 As at 31 December	
		2015年 2015	2014年 2014
貿易應付款項	Trade payables	11,790,817	9,571,298
應付票據	Notes payable	452,723	452,310
應收子公司非控股股東的 暫借款(a)	Advances from non-controlling shareholders of subsidiaries (a)	37,541	336,980
營業稅和其他應付稅項	Business and other taxes payable	203,290	274,413
代收保養及裝修費	Maintenance & decoration fees collected on behalf	197,418	180,844
應計工資	Accrued payroll	159,506	119,809
應付利息	Interest payable	296,775	282,508
項目建設投標保證金	Deposits for construction biddings	273,580	137,768
代收契稅	Deed tax collected on behalf	85,935	46,710
應付關連方款項(附註37)	Payables to related parties (Note 37)	4,905,802	437,329
應還臨時借用資金(b)	Temporary funding payables (b)	162,908	18,000
有關收購聯營公司的應付款項 (附註9)	Payable related to acquisition of an associate (Note 9)	–	50,000
物業項目潛在投資所得金額(c)	Amounts received for potential investments in property projects (c)	1,280,247	–
其他	Others	161,532	115,162
		20,008,074	12,023,131

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23 貿易和其他應付款項 (續)

- (a) 於2014年12月31日的暫借款已於截至2015年12月31日止年度悉數償還。於2015年12月31日的暫借款系由本集團的部份員工，包括關鍵管理人員設立的企業為投資本集團的部份子公司而提供的款項。該暫借款不計息、無抵押且無固定歸還條款。
- (b) 應還臨時借用資金均為應付非關聯方款項，不計息且無抵押。
- (c) 此等金額將於投地不成功後歸還或在成功投地後作為對方於本集團新設子公司或合營企業的投入。此等金額無抵押、不計息並且沒有固定償還日期。

貿易應付款項及應付票據於2015年及2014年12月31日的賬齡分析如下：

23 TRADE AND OTHER PAYABLES (Cont'd)

- (a) The advance as at 31 December 2014 had been fully repaid during year ended 31 December 2015. The advances as at 31 December 2015 are provided by an entity established by certain employees including key management of the Group who had chosen to invest in some subsidiaries of the Group. The advances are non-interest bearing, unsecured and have no fixed repayment terms.
- (b) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.
- (c) These amounts will either be returned back upon unsuccessful land biddings or be treated as the other parties' contribution to a new subsidiary or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.

The aging analysis of trade payables and notes payable as at 31 December 2015 and 2014 are as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
一年內	Less than 1 year	11,783,054	9,601,173
一至二年	Between 1 and 2 years	275,441	272,280
二至三年	Between 2 and 3 years	81,400	93,203
三年以上	Over 3 years	103,645	56,952
		12,243,540	10,023,608

於2015年和2014年12月31日，貿易和其他應付款項的公允價值與其賬面值相若。

As 31 December 2015 and 2014, the fair value of trade and other payables approximate their carrying amounts.

於2015年和2014年12月31日，貿易和其他應付款項的賬面值主要以人民幣計值。

As at 31 December 2015 and 2014, the carrying amounts of trade and other payables are primarily denominated in RMB.

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24 遞延所得稅

24 DEFERRED INCOME TAX

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
將可收回的遞延稅項資產	Deferred tax assets to be recovered		
– 十二個月內	– within 12 months	70,885	153,949
– 十二個月後	– after 12 months	508,928	345,226
		579,813	499,175
將予結清的遞延稅項負債	Deferred tax liabilities to be settled		
– 十二個月內	– within 12 months	(112,680)	(90,706)
– 十二個月後	– after 12 months	(641,990)	(595,554)
		(754,670)	(686,260)
遞延稅項負債淨額	Deferred tax liabilities, net	(174,857)	(187,085)

遞延所得稅賬目的變動列示如下：

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

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
年初	At beginning of year	(187,085)	66,816
貸記／(支銷) 合併利潤表 (附註30)	Credited/(charged) to the consolidated statement of income (Note 30)	8,978	(247,151)
貸記／(支銷) 其他全面收益	Credited/(charged) to other comprehensive income	3,250	(6,750)
年末	At end of year	(174,857)	(187,085)

於2015年12月31日，人民幣179,151,000元的遞延所得稅資產和遞延所得稅負債已相互抵銷(2014年：人民幣54,235,000元)。

As at 31 December 2015, deferred income tax assets and deferred income tax liabilities amounted to RMB179,151,000 were offset (2014: RMB54,235,000).

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24 遞延所得稅 (續)

於截至2015年及2014年12月31日止年度，遞延所得稅資產和負債的原額變動（未經考慮抵銷同一稅務司法權區內的結餘）列示如下：

遞延所得稅資產

		稅務虧損	完工待售 物業撥備	應計費用	土地增值稅	對銷 公司間交易	合計
		Tax losses	Provisions for properties held for sale	Accruals	Land appreciation tax	Elimination of inter-company transactions	
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015	173,601	147,287	33,999	195,409	3,114	553,410
貸記／(支銷) 合併利潤表	Credited/(charged) to the consolidated statement of income	217,411	9,056	(1,959)	(15,840)	(3,114)	205,554
於2015年12月31日	At 31 December 2015	391,012	156,343	32,040	179,569	–	758,964
於2014年1月1日	At 1 January 2014	276,424	67,055	10,736	227,252	513	581,980
(支銷)／貸記合併利潤表	(Charged)/credited to the consolidated statement of income	(102,823)	80,232	23,263	(31,843)	2,601	(28,570)
於2014年12月31日	At 31 December 2014	173,601	147,287	33,999	195,409	3,114	553,410

根據中國法律和法規，稅務虧損可結轉五年以抵銷未來應課稅利潤。倘若有充足應課稅利潤可供遞延稅項資產動用，則確認此等未動用稅務虧損的遞延稅項資產。

本集團並未就於2015年12月31日金額為人民幣40,648,000元（2014年：人民幣407,063,000元）的稅務虧損確認相應的遞延所得稅資產人民幣162,590,000元（2014年：人民幣101,766,000元）。所有這些稅務虧損將於五年內到期。

24 DEFERRED INCOME TAX (Cont'd)

The gross movement in deferred income tax assets and liabilities for the years ended 31 December 2015 and 2014, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

		稅務虧損	完工待售 物業撥備	應計費用	土地增值稅	對銷 公司間交易	合計
		Tax losses	Provisions for properties held for sale	Accruals	Land appreciation tax	Elimination of inter-company transactions	
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015	173,601	147,287	33,999	195,409	3,114	553,410
貸記／(支銷) 合併利潤表	Credited/(charged) to the consolidated statement of income	217,411	9,056	(1,959)	(15,840)	(3,114)	205,554
於2015年12月31日	At 31 December 2015	391,012	156,343	32,040	179,569	–	758,964
於2014年1月1日	At 1 January 2014	276,424	67,055	10,736	227,252	513	581,980
(支銷)／貸記合併利潤表	(Charged)/credited to the consolidated statement of income	(102,823)	80,232	23,263	(31,843)	2,601	(28,570)
於2014年12月31日	At 31 December 2014	173,601	147,287	33,999	195,409	3,114	553,410

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB40,648,000 (2014: RMB101,766,000) in respect of tax losses amounting to RMB162,590,000 as at 31 December 2015 (2014: RMB407,063,000). All these tax losses will expire within five years.

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24 遞延所得稅 (續)

遞延所得稅負債

24 DEFERRED INCOME TAX (Cont'd)

Deferred income tax liabilities

		公允價值 收益	收購子公司	對銷 公司間交易	車庫成本 分攤差異	中國子公司的未分配利潤	投資 物業折舊	合計
		Fair value gains	Acquisition of subsidiaries	Elimination of inter-company transactions	Carpark cost allocation differences	Undistributed profits of PRC subsidiaries	Depreciation of investment properties	Total
		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	人民幣千元 RMB'000 (附註(a)) (note (a))	人民幣千元 RMB'000	人民幣千元 RMB'000
於2015年1月1日	At 1 January 2015	415,468	2,421	15,891	236,171	34,987	35,557	740,495
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	203,777	(687)	(9,753)	(31,025)	13,100	21,164	196,576
貸記其他全面收益	Credited to other comprehensive income	(3,250)	-	-	-	-	-	(3,250)
於2015年12月31日	At 31 December 2015	615,995	1,734	6,138	205,146	48,087	56,721	933,821
於2014年1月1日	At 1 January 2014	292,453	3,046	8,356	167,602	24,408	19,299	515,164
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	116,265	(625)	7,535	68,569	10,579	16,258	218,581
支銷其他全面收益	Charged to other comprehensive income	6,750	-	-	-	-	-	6,750
於2014年12月31日	At 31 December 2014	415,468	2,421	15,891	236,171	34,987	35,557	740,495

(a) 於2015年12月31日，本集團已就中國境外投資者應佔若干中國子公司部份未匯出可供分配利潤在匯出時應支付的預扣稅確認遞延所得稅負債人民幣48,087,000元（2014年：人民幣34,987,000元）。

於2015年12月31日，本集團未就中國境外投資者應佔若干中國子公司為數人民幣4,217,378,000元（2014年：人民幣3,618,664,000元）的未匯出可分派利潤在匯出時應支付的預扣稅確認相關的遞延所得稅負債人民幣210,869,000元（2014年：人民幣180,933,000元），這乃由於該等利潤擬作為再投資。

(a) As at 31 December 2015, deferred income tax liabilities of RMB48,087,000 (2014: RMB34,987,000) have been recognised for the withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC.

As at 31 December 2015, deferred income tax liabilities of RMB210,869,000 (2014: RMB180,933,000) have not been recognised for the withholding tax that would be payable upon remittance, in respect of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC amounting to RMB4,217,378,000 (2014: RMB3,618,664,000) as such profits are intended to be reinvested.

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25 收入

截至2015年及2014年12月31日止年度，
本集團的收入包括以下各項：

25 REVENUE

Revenue of the Group consists of the following for the years
ended 31 December 2015 and 2014:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
銷售物業收入	Revenue from sales of properties	22,972,751	20,216,114
物業管理收入	Revenue from property management	391,526	282,889
租金收入	Rental income	171,951	127,830
其他	Others	299,661	91,837
		23,835,889	20,718,670

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26 其他收入／其他開支／其他收益－淨額 26 OTHER INCOME/OTHER EXPENSES/OTHER GAINS – NET

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
其他收入	Other income		
政府補貼	Government grants	12,413	30,350
可供出售金融資產股息收入(a)	Dividend income on available-for-sale financial assets (a)	6,256	6,553
		18,669	36,903
其他開支	Other expenses		
捐贈	Donations	(3,885)	(2,405)
其他收益－淨額	Other gains – net		
出售物業、廠房和設備產生的虧損	Losses on disposal of property, plant and equipment	(393)	(207)
取消物業銷售合約獲得之賠償	Compensation for cancellation of property sales contracts	10,218	10,967
完工待售物業轉撥至投資物業時產生的公允價值收益(b)	Fair value gains upon transfer of properties held for sale to investment properties (b)	–	99,064
其他	Others	4,328	(4,197)
		14,153	105,627

(a) 股息收入來自非上市投資。

(a) The dividend income is from unlisted investment.

(b) 於2014年，本集團將一項零售物業由完工待售物業轉撥至投資物業。於轉撥時的公允價值人民幣1,077,000,000元與當時賬面值人民幣977,936,000元的差額確認為其他收益。

(b) In year 2014, the Group transferred a retail property from properties held for sale to investment property. The difference between the fair value RMB1,077,000,000 upon transfer and the then carrying amount RMB977,936,000 was recognised as other gains.

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27 按性質劃分的開支

計入銷售成本、銷售和營銷成本及行政開支的開支分析如下：

27 EXPENSES BY NATURE

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

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
土地使用權成本	Land use rights costs	6,389,041	5,658,544
建設成本	Construction costs	9,802,580	8,637,339
資本化利息	Capitalised interest	829,161	747,398
營業稅及附加費(a)	Business tax and surcharges (a)	1,328,494	1,169,558
完工待售或在建銷售物業減值撥備	Provision for impairment of properties held or under development for sale	242,495	382,231
物業、廠房和設備折舊(附註6)	Depreciation of property, plant and equipment (Note 6)	100,265	31,855
無形資產攤銷(附註8)	Amortisation of intangible assets (Note 8)	7,112	4,610
銀行手續費	Bank charges	31,306	27,289
員工成本(附註29)	Staff costs (Note 29)	1,196,609	787,814
招待費	Entertainment expenses	78,317	67,719
印花稅及其他稅項	Stamp duty and other taxes	56,663	38,642
專業費用	Professional fees	43,742	19,549
核數師酬金	Auditors' remuneration		
— 核數師年度審計及中期審閱酬金	— Annual audit and interim review	2,400	3,200
— 非審計服務	— Non-audit services	1,054	324
銷售佣金	Sales commission	115,980	111,145
廣告及宣傳費用	Advertising and publicity costs	370,356	284,686
租賃開支	Rental expenses	39,119	38,733
差旅費用	Travelling expenses	73,946	42,449
其他開支	Other expenses	134,669	106,716
銷售成本、銷售和營銷開支及行政開支總計	Total cost of sales, selling and marketing expenses and administrative expenses	20,843,309	18,159,801

(a) 本集團的中國子公司須就其銷售物業收入和租金收入繳納5%的營業稅，而附加費則按應付營業稅的10%至12%繳納。

(a) The PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

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28 融資成本 — 淨額

28 FINANCE COSTS – NET

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
財務成本	Finance costs		
— 銀行貸款、優先票據及 公司債券	— Interest on bank loans, senior notes and corporate bonds	(1,393,157)	(1,291,029)
— 減：資本化利息 (附註7及附註14)	— Less: Interest capitalised (Note 7 and Note 14)	1,025,717	1,043,338
		(367,440)	(247,691)
— 與借貸有關的匯兌 (虧損)/收益淨額	— Net foreign exchange (losses)/gains relating to borrowings	(275,236)	7,955
— 與現金及現金等價物有關的 匯兌虧損淨額	— Net foreign exchange losses on cash and cash equivalents	(8,031)	(13,066)
融資成本總額(附註34)	Total finance costs (Note 34)	(650,707)	(252,802)
財務收入	Finance income		
— 銀行存款的利息收入(附註34)	— Interest income on bank deposits (Note 34)	136,133	117,008
融資成本淨額	Net finance costs	(514,574)	(135,794)

29 員工成本(包含董事酬金)

29 STAFF COSTS (INCLUDING
DIRECTORS' EMOLUMENTS)

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
工資和薪金	Wages and salaries	964,828	618,316
退休金	Pension	82,178	54,645
其他福利開支	Other welfare benefit expenses	141,499	96,625
首次公開發售前股份獎勵計劃 — 現任僱員價值(附註19)	Pre-IPO share award scheme — value of current employees (Note 19)	8,104	18,228
支銷利潤表(附註27)	Charged to statement of income (Note 27)	1,196,609	787,814
僱員數目	Number of employees	10,679	6,447

本集團的所有中國僱員參加由政府機構設立及管理的定額供款僱員社會保險計劃，包括退休、醫療、住房及其他福利計劃。本集團並無其他重大職工福利承諾。

All Chinese employees of the Group participate in defined contribution employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. The Group has no other substantial commitments to employees.

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29 員工成本（包含董事酬金）（續）

根據有關規定，本集團按僱員工資總額的一定比例且在不超过規定上限的基礎上承擔保險費及福利計劃供款，並向勞動和社會保障機構繳納。

(a) 董事及主要行政人員的酬金

董事及主要行政人員的酬金列示如下：

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(a) Directors' and chief executive's emoluments

The directors' and chief executive's emoluments are set out below:

董事姓名	Name of director	袍金	薪金及 其他津貼	績效獎金	退休計劃供款	首次公開 發售前股份 獎勵計劃	合計
		Fees	Salaries and other allowances	Performance related bonus	Retirement scheme contributions	Pre-IPO share award scheme	Total
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
截至2015年 12月31日止年度		Year ended 31 December 2015					
王先生(i)	Mr. Wang (i)	-	4,044	920	36	-	5,000
劉源滿	Liu Yuanman	-	2,124	840	36	224	3,224
呂小平	Lv Xiaoping	-	3,564	900	36	537	5,037
黃茂莉(vi)	Huang Maoli (vi)	-	97	-	-	-	97
梁志誠	Liang Zhicheng	-	3,564	900	36	-	4,500
王曉松	Wang Xiaosong	-	3,564	900	36	358	4,858
陳華康	Chen Huakang	250	-	-	-	-	250
朱增進	Zhu Zengjin	250	-	-	-	-	250
鍾偉	Zhong Wei	250	-	-	-	-	250
陳偉健(vii)	Chan Wai Kin (vii)	-	1,593	630	27	-	2,250
		750	18,550	5,090	207	1,119	25,716
截至2014年 12月31日止年度		Year ended 31 December 2014					
王先生(i)	Mr. Wang (i)	-	4,080	920	35	-	5,035
閔遠松(iii)	Min Yuansong (iii)	-	2,700	-	33	-	2,733
劉源滿	Liu Yuanman	-	2,160	840	35	415	3,450
呂小平	Lv Xiaoping	-	3,600	900	35	997	5,532
黃茂莉	Huang Maoli	-	2,160	840	-	-	3,000
梁志誠(iv)	Liang Zhicheng (iv)	-	360	145	6	-	511
王曉松	Wang Xiaosong	-	3,600	900	35	665	5,200
聶梅生(ii)	Nie Meisheng (ii)	188	-	-	-	-	188
陳華康	Chen Huakang	250	-	-	-	-	250
朱增進	Zhu Zengjin	250	-	-	-	-	250
鍾偉(v)	Zhong Wei (v)	21	-	-	-	-	21
		709	18,660	4,545	179	2,077	26,170

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29 員工成本（包含董事酬金）（續）

(a) 董事及主要行政人員的酬金（續）

- (i) 本公司的主要行政人員為王先生，其亦為本公司其中一名董事。
- (ii) 聶梅生女士於2014年10月7日辭任本公司獨立非執行董事。
- (iii) 閔遠松先生於2014年11月6日辭任本公司執行董事。
- (iv) 梁志誠先生於2014年11月6日獲委任為本公司執行董事。
- (v) 鍾偉先生於2014年12月3日獲委任為本公司獨立非執行董事。
- (vi) 黃茂莉女士於2015年3月8日辭任本公司執行董事。
- (vii) 陳偉健先生於2015年3月30日獲委任為本公司執行董事。

(b) 五名最高薪人士

截至2015年12月31日止年度，本集團五名最高薪酬人士包括五名（2014年：五名）董事，彼等之酬金已於上文呈列的分析中反映。

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

- (i) The chief executive of the Company is Mr. Wang, who is also one of the directors of the Company.
- (ii) Ms. Nie Meisheng resigned as independent non-executive director of the Company with effect from 7 October 2014.
- (iii) Mr. Min Yuansong resigned as executive director of the Company with effect from 6 November 2014.
- (iv) Mr. Liang Zhicheng was appointed as executive director of the Company with effect from 6 November 2014.
- (v) Mr. Zhong Wei was appointed as independent non-executive director of the Company with effect from 3 December 2014.
- (vi) Ms. Huang Maoli resigned as executive director of the Company with effect from 8 March 2015.
- (vii) Mr. Chan Wai Kin was appointed as executive director of the Company with effect from 30 March 2015.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2015 include five directors (2014: five) whose emoluments are reflected in the analysis presented above.

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29 員工成本（包含董事酬金）（續）

(c) 截至2015年及2014年12月31日止年度，概無董事或任何五名最高薪人士向本集團收取任何酬金作為加盟或在加盟或離開本集團時的獎勵或補償或作為離職補償。本集團年內亦無向任何第三方支付代價，以可獲得董事服務（二零一四年：無）。

(d) 於年末或年內任何時間，概無訂立以股東、與股東有關聯實體所控制的法團為受益人的貸款、准貸款及其他交易（二零一四年：無）。

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

(c) During the years ended 31 December 2015 and 2014, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office. Also, the Group did not pay consideration to any third parties for making available directors' services during the year (2014: Nil).

(d) No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2014: Nil).

30 所得稅開支

30 INCOME TAX EXPENSE

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
當期所得稅	Current income tax		
— 中國土地增值稅	— PRC land appreciation tax	614,529	597,135
— 中國企業所得稅	— PRC corporate income tax	902,166	398,275
		1,516,695	995,410
遞延所得稅（附註24）	Deferred income tax (Note 24)	(8,978)	247,151
年度列支的所得稅總額	Total income tax charged for the year	1,507,717	1,242,561

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30 所得稅開支 (續)

本集團除所得稅前利潤的所得稅有別於使用本集團旗下各公司所在國頒佈的稅率計算的理論金額，茲載列如下：

30 INCOME TAX EXPENSE (Cont'd)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	3,363,954	2,921,848
中國土地增值稅	PRC land appreciation tax	(614,529)	(597,135)
		2,749,425	2,324,713
按25%法定稅率計算的所得稅	Income tax calculated at statutory rate of 25%	687,356	581,178
不可扣減開支(a)	Non-deductible expenses (a)	221,931	55,602
非課稅收入	Non-taxable income	(37,966)	(1,638)
動用過往未確認的稅務虧損	Utilisation of previously unrecognised tax losses	—	(1,015)
未確認為遞延稅項資產的稅務虧損	Tax losses not recognised as deferred tax assets	—	344
過往年度稅項調整	Prior year tax adjustments	8,767	376
中國預扣稅	PRC withholding tax	13,100	10,579
中國土地增值稅	PRC land appreciation tax	614,529	597,135
所得稅開支總額	Total income tax expense	1,507,717	1,242,561

(a) 就所得稅而言，不可扣減開支主要來自優先票據的融資開支、有關股份獎勵的開支及不可扣減招待費的開支。

(a) Non-deductible expenses for income tax purposes mainly resulted from borrowing costs on senior notes, the expense in relation to the share award and non-deductible entertainment expense.

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30 所得稅開支 (續)

香港利得稅

本集團未對香港利得稅作出撥備，因為本集團於本年度並無來自香港的估計應課稅溢利（2014年：無）。

中國企業所得稅

根據中國企業所得稅法（「企業所得稅法」），本集團旗下於中國內地的子公司適用的企業所得稅率為25%。

企業所得稅法及其實施細則規定中國居民企業就2008年1月1日起產生的盈利向其中國境外的直接控股公司派發的股息須繳納10%的預扣稅，而於2008年1月1日前產生的未分派盈利則獲豁免繳納該預扣稅。根據中國與香港訂立的稅務協約安排，若直接控股公司成立於香港，可應用較低的5%預扣稅稅率。截至2015年12月31日止年度，本集團就其中國實體產生的部份盈利按5%的稅率計提中國預扣稅撥備人民幣13,100,000元（2014年：人民幣10,579,000元）。本集團能控制該等中國子公司的股息政策並已確定將不會於可見未來分派該等子公司的大部份盈利。

土地增值稅

中國土地增值稅以銷售物業所得款項減去可扣減開支（包括土地使用權租賃費用及所有物業開發開支）的土地增值按介乎30%至60%的累進稅率徵收，並於合併利潤表內列作所得稅開支。

30 INCOME TAX EXPENSE (Cont'd)

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2014: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2015, the Group accrued for PRC withholding tax with amount of RMB13,100,000 (2014: RMB10,579,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

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

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31 每股盈利

每股基本盈利乃按本公司權益持有人應佔本集團利潤除以年內已發行普通股加權平均數計算。

31 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		截至12月31日止年度 Year ended 31 December	
		2015年 2015	2014年 2014
本公司權益持有人應佔 合併利潤（人民幣千元）	Consolidated profit attributable to equity holders of the Company (RMB'000)	1,030,890	1,025,721
已發行普通股加權平均數（千股）	Weighted average number of ordinary shares in issue ('000)	5,666,411	5,668,000
每股基本盈利（人民幣元）	Basic earnings per share (RMB)	0.18	0.18

由於截至2015年及2014年12月31日止年度並無任何攤薄購股權和其他具潛在攤薄效應的已發行股份，故每股攤薄盈利與每股基本盈利相同。

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2015 and 2014, diluted earnings per share is the same as basic earnings per share.

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32 股息

32 DIVIDENDS

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
擬派末期股息每股普通股 人民幣0.05元 (2014年：人民幣0.05元)	Proposed final dividend of RMB0.05 (2014: RMB0.05) per ordinary share	282,900	283,400

年內並無宣派中期股息（2014年：零）。

No interim dividend was declared during the year (2014: Nil).

於2016年2月4日舉行的董事會會議上，董事建議使用股份溢價賬派發2015年度末期股息每股普通股人民幣0.05元。擬派股息並無於此等財務報表反映為應付股息，惟待股東於本公司應屆股東週年大會批准後將反映為截至2016年12月31日止年度的股份溢價賬撥付。

At a Board meeting held on 4 February 2016, the directors proposed a final dividend for 2015 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2016 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

於2015年5月21日舉行的本公司股東週年大會已批准使用股份溢價賬派發2014年末期股息每股普通股人民幣0.05元，共人民幣283,400,000元。該股息已於2015年內支付。

The final dividend in respect of 2014 of RMB0.05 per ordinary share using the share premium account, amounting to RMB283,400,000 in total was approved at the annual general meeting of the Company held on 21 May 2015. The amount was fully paid in 2015.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33 企業合併

- (a) 於2015年2月2日，本集團以總代價人民幣5,630,648元收購江蘇云柜網絡技術有限公司（「江蘇云柜」）100%的股權。於收購日期，江蘇云柜可識別淨資產總額為人民幣5,630,648元（包括現金及現金等價物人民幣622,802元），與代價金額相同。因此，並無確認商譽。
- (b) 於2015年10月12日，本集團以總代價人民幣642,033元收購常州市平安物業管理有限公司（「平安物業」）100%的股權。於收購日期，平安物業可識別淨資產總額為人民幣642,033元（包括現金及現金等價物人民幣996,939元），與代價金額相同。因此，並無確認商譽。
- (c) 於2015年10月20日，本集團以總代價人民幣392,000,000元收購江蘇金東方頤養園置業有限公司（「金東方」）70%股權並取得其控制權。

33 BUSINESS COMBINATIONS

- (a) On 2 February 2015, the Group acquired 100% equity interests in Jiangsu Yungui Network Technology Co., Ltd. ("Jiangsu Yungui"), for a total consideration of RMB5,630,648. On the acquisition date, total identifiable net assets of Jiangsu Yungui were RMB5,630,648 (including cash and cash equivalents of RMB622,802), which is same as the consideration amount. As such, no goodwill was recognised.
- (b) On 12 October 2015, the Group acquired 100% equity interests in Changzhou Pingan Property Management Co., Ltd. ("Pingan Property") for a total consideration of RMB642,033. On the acquisition date, total identifiable net assets of Pingan Property were RMB642,033 (including cash and cash equivalents of RMB996,939), which is the same as the consideration amount. As such, no goodwill was recognised.
- (c) On 20 October 2015, the Group acquired 70% equity interests and obtained the control of Jiangsu Jindongfang Yiyangyuan Property Co., Ltd. ("Jindongfang"), for a total consideration of RMB392,000,000.

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33 企業合併 (續)

下表概述於收購日期就金東方支付的代價、收購資產公允價值、所承擔負債及非控股權益。

33 BUSINESS COMBINATIONS (Cont'd)

The following table summarises the consideration paid for Jindongfang, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

於2015年10月20日	At 20 October 2015	人民幣千元 RMB'000
現金總代價	Total consideration in cash	392,000
可識別收購資產及 所承擔負債的確認金額：	Recognised amounts of identifiable assets acquired and liabilities assumed:	
現金及現金等價物	Cash and cash equivalents	343,053
物業、廠房及設備	Property, plant and equipment	521,181
可供出售金融工具	Available-for-sale financial instruments	1,100
土地使用權	Land use rights	34,854
貿易及其他應收及預付款項	Trade and other receivables and prepayments	236,600
遞延所得稅負債	Deferred income tax liabilities	(3,889)
貿易及其他應付款項	Trade and other payables	(542,385)
長期借款的即期部分	Current portion of long-term borrowings	(30,000)
可識別淨資產總額	Total identifiable net assets	560,514
減：非控股權益	Less: Non-controlling interest	(168,514)
所收購的淨資產	Net assets acquired	392,000

於非上市公司金東方的非控股權益公允價值乃利用收購金東方70%股本所用購入價估計。該購入價經過市場參與者於估計金東方非控股權益公允價值時將考慮其缺乏控制權及適銷性的調整。

The fair value of the non-controlling interest in Jindongfang, an unlisted company, was estimated by using the purchase price paid for acquisition of 70% stake in Jindongfang. This purchase price was adjusted for the lack of control and lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest in Jindongfang.

於收購日期，經測量金東方70%股權公允價值，其可識別資產總額為人民幣392,000,000元，與代價金額相同。因此，並無確認商譽。

On the acquisition date, total identifiable net assets of Jindongfang were RMB392,000,000 as a result of measuring at fair value its 70% equity interest, which is same as the consideration amount. As such, no goodwill was recognised.

於合併利潤表所載收入中，金東方自2015年10月20日貢獻人民幣36,584元。金東方於同期亦貢獻虧損人民幣876,504元。

The revenue included in the consolidated income statement since 20 October 2015 contributed by Jindongfang was RMB36,584. Jindongfang also contributed loss of RMB876,504 over the same period.

倘於2015年1月1日合併金東方，合併利潤表將呈列備考收入人民幣23,836,011,000元及除所得稅前收益人民幣3,367,230,000元。

Had Jindongfang been consolidated from 1 January 2015, the consolidated income statement would show pro-forma revenue of RMB23,836,011,000 and profit before income tax of RMB3,367,230,000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 經營活動所得現金

34 CASH GENERATED FROM OPERATIONS

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	3,363,954	2,921,848
就下列各項作出調整：	Adjustments for:		
— 折舊（附註27）	— Depreciation (Note 27)	100,265	31,855
— 攤銷	— Amortisation	8,036	4,841
— 出售物業、廠房和設備 產生的虧損（附註26）	— Losses on disposal of property, plant and equipment (Note 26)	393	207
— 首次公開發售前股份獎勵 計劃開支（附註19）	— Pre-IPO share award scheme expenses (Note 19)	8,104	18,228
— 投資物業公允價值收益 （附註7）	— Fair value gains on investment properties (Note 7)	(815,106)	(365,994)
— 完工待售物業轉撥至投資物業時 產生的公允價值收益（附註26）	— Fair value gains upon transfer of properties held for sale to investment properties (Note 26)	—	(99,064)
— 就完工待售（或在建銷售） 物業計提撥備（附註27）	— Accrual of provision for properties held (or under development) for sale (Note 27)	242,495	382,231
— 完工待售（或在建銷售） 物業撥備撥回（附註14）	— Reversal of provision for properties held (or under development) for sale (Note 14)	(206,273)	(61,303)
— 應佔聯營公司業績（附註9）	— Share of results of associates (Note 9)	(103,810)	(2,849)
— 應佔合營企業業績（附註10）	— Share of results of joint ventures (Note 10)	61,905	10,195
— 可供出售金融資產股息收入 （附註26）	— Dividend income on available-for-sale financial assets (Note 26)	(6,256)	(6,553)
— 融資成本（附註28）	— Finance costs (Note 28)	367,440	247,691
— 與借貸有關的匯兌虧損／（收益） 淨額（附註28）	— Net foreign exchange losses/(gains) relating to borrowings (Note 28)	275,236	(7,955)
— 與現金及現金等價物有關的 匯兌虧損淨額（附註28）	— Net foreign exchange losses on cash and cash equivalents (Note 28)	8,031	13,066
— 利息收入（附註28）	— Interest income (Note 28)	(136,133)	(117,008)
營運資金變動	Changes in working capital		
— 與經營活動相關的受限制 現金（附註17）	— Restricted cash relating to operating activities (Note 17)	(14,760)	107,489
— 租賃土地預付款項	— Prepayments for leasehold land	(3,535,566)	21,969
— 完工待售或在建銷售物業 （不包括資本化利息）	— Properties held or under development for sale (excluding capitalised interest)	(2,032,397)	(1,915,540)
— 貿易及其他應收款項及 預付款項	— Trade and other receivables and prepayments	(1,254,614)	(858,357)
— 預售物業預收款項	— Advances from pre-sale of properties	2,763,630	2,928,973
— 貿易和其他應付款項	— Trade and other payables	1,207,699	1,659,139
經營活動所得現金	Cash generated from operations	302,273	4,913,109

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34 經營活動所得現金 (續)

於合併現金流量表內，出售物業、廠房和設備的所得款項包括：

34 CASH GENERATED FROM OPERATIONS (Cont'd)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
賬面淨值 (附註6)	Net book value (Note 6)	1,272	876
出售物業、廠房和設備產生的虧損 (附註26)	Losses on disposal of property, plant and equipment (Note 26)	(393)	(207)
出售物業、廠房和設備所得款項	Proceeds from disposal of property, plant and equipment	879	669

非現金交易

如附註38所披露，主要非現金交易為新城控股通過換股吸收合併江蘇新城地產，皆為本集團子公司。

Non-cash transaction

The principal non-cash transaction is the absorption and merger of the Jiangsu Future Land by Future Land Holdings, both are subsidiaries of the Group, through share swap, as disclosed in Note 38.

35 承擔

(a) 物業開發支出承擔

於2015年及2014年12月31日，尚未發生但已作出承擔的物業開發支出如下：

35 COMMITMENTS

(a) Property development expenditure commitments

As at 31 December 2015 and 2014, property development expenditure committed but not yet incurred are as follows:

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
已訂約但未撥備	Contracted but not provided for	19,166,565	13,819,049

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35 承擔 (續)

(b) 經營租賃承擔

於2015年及2014年12月31日，就若干以不可撤銷經營租賃租入的辦公室樓宇而產生的未來最低租金支出總額需於以下期間支付：

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
一年內	Within 1 year	17,989	22,007
一至五年	1 to 5 years	40,448	42,039
五年後	After 5 years	26,882	33,846
		85,319	97,892

(c) 投資承擔

於2015年及2014年12月31日，投資承擔如下：

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
收購子公司承擔	Committed acquisition of a subsidiary	—	328,804
合營企業投資承擔	Committed investments in joint ventures	100,000	95,625
可供出售金融資產的投資承擔	Committed investments in available-for-sale financial assets	—	6,119
		100,000	430,548

35 COMMITMENTS (Cont'd)

(b) Operating lease commitments

As at 31 December 2015 and 2014, the future aggregate minimum rental expenses in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

(c) Investment commitments

As at 31 December 2015 and 2014, committed investments are as follows:

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35 承擔 (續)

(d) 經營租賃應收租金

於2015年及2014年12月31日，就土地及建築物以不可撤銷經營租賃租出而產生的未來最低租金收款總額將於以下期間收取：

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
一年內	Within 1 year	241,908	174,824
一至五年	1 to 5 years	645,172	364,198
五年後	After 5 years	300,702	151,552
		1,187,782	690,574

35 COMMITMENTS (Cont'd)

(d) Operating lease rentals receivable

As at 31 December 2015 and 2014, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

36 財務擔保及或有負債

(a) 按揭融資的擔保

於2015年及2014年12月31日，本集團就按揭融資提供財務擔保產生的或然負債如下：

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
就本集團物業的若干買家的按揭融資作出的擔保	Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	5,376,137	4,478,635

36 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at 31 December 2015 and 2014:

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36 財務擔保及或有負債 (續)

(a) 按揭融資的擔保 (續)

本集團已為本集團物業若干買家安排銀行融資，並就買家的還款責任提供擔保。該等擔保將按下列較早者終止：(i)房地產所有權證由政府部門發出給買家，此證一般在擔保登記完成後平均兩至三年內發出，並向按揭銀行提交時；或(ii)物業買家清償按揭貸款時。

根據擔保條款，在該等買家拖欠按揭還款時，本集團須負責向銀行償還買家拖欠的按揭本金連同應計利息及罰金，而本集團有權接收相關物業的法定業權及所有權。本集團的擔保期由授出按揭日期起開始。董事認為買家拖欠付款的可能性極小，因此，按公允價值計量的財務擔保並非重大。

(b) 公司擔保

於2015年及2014年12月31日，本集團的子公司就借款(附註21)相互提供若干企業擔保。董事認為各子公司有足夠財務資源償付其債務。

36 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (Cont'd)

(a) Guarantees on mortgage facilities (Cont'd)

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 21) as at 31 December 2015 and 2014. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

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37 關連方交易 (續)

(b) 與關連方的交易

於截至2015年12月31日止年度，本集團進行了以下關連方交易：

37 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties

During the year ended 31 December 2015, the Group has the following related party transactions:

		截至2015年12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
(i) 向關連方撥款			
– 上海佘山鄉村俱樂部有限公司	(i) Fundings to related parties	1,910,000	–
– 南京新城萬隆房地產有限公司	– Shanghai Sheshan Country Club Co., Ltd.	1,718,312	1,697,352
– 成都新城萬博物業發展有限公司	– Nanjing Future Land Wanlong Real Estate Co., Ltd.	822,868	–
– 青島卓越新城置業有限公司	– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	853,392	–
– 常州市武進區金東方頤養中心	– Qingdao Zhuoyue Future Land Property Co., Ltd.	462,856	–
– 台州新城萬博房地產發展有限公司	– Changzhou Wujin District Jindongfang Care Centre	287,366	–
– 蘇州新城萬瑞房地產有限公司	– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	202,000	434,000
– 常熟中置房地產有限公司	– Suzhou Future Land Wanrui Real Estate Co., Ltd.	153,050	–
– 昆山德睿房地產發展有限公司	– Changshu Zhongzhi Real Estate Co., Ltd.	148,010	–
– 鎮江威信廣廈模塊住宅工業有限公司	– Kunshan Derui Real Estate Development Co., Ltd.	30,000	–
– 上海松銘房地產發展有限公司	– Atlantic Modular System Ltd.	28,320	–
– 常熟萬中城房地產有限公司	– Shanghai Songming Real Estate Development Co., Ltd.	22,725	–
– 義烏吾悅房地產發展有限公司	– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	17,055	–
– 上海恒固房地產發展有限公司	– Yiwu Injoy Real Estate Development Co., Ltd.	11,200	–
	– Shanghai Henggu Real Estate Development Co., Ltd.	6,667,154	2,131,352
(ii) 來自關聯方的撥款			
– 南京新城萬隆房地產有限公司	(ii) Fundings from related parties	3,329,600	3,403,999
– 台州新城萬博房地產發展有限公司	– Nanjing Future Land Wanlong Real Estate Co., Ltd.	1,825,000	–
– 蘇州新城萬瑞房地產有限公司	– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	1,665,290	153,250
– 成都新城萬博物業發展有限公司	– Suzhou Future Land Wanrui Real Estate Co., Ltd.	1,573,000	–
– 青島卓越新城置業有限公司	– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	1,095,500	–
– 上海佘山鄉村俱樂部有限公司	– Qingdao Zhuoyue Future Land Property Co., Ltd.	874,330	–
– 常熟中置房地產有限公司	– Shanghai Sheshan Country Club Co., Ltd.	608,050	–
– 昆山德睿房地產發展有限公司	– Changshu Zhongzhi Real Estate Co., Ltd.	330,910	–
– 上海恒固房地產發展有限公司	– Kunshan Derui Real Estate Development Co., Ltd.	107,650	–
– 上海萬之城房地產開發有限公司	– Shanghai Henggu Real Estate Development Co., Ltd.	80,000	110,000
– 上海新城旭地房地產有限公司	– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	70,000	435,000
– 上海松銘房地產發展有限公司	– Shanghai Xincheng Xudi Real Estate Co., Ltd.	66,720	–
– 常熟萬中城房地產有限公司	– Shanghai Songming Real Estate Development Co., Ltd.	29,989	–
– 蘇州城弘房地產開發有限公司	– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	20,000	–
	– Suzhou Chenghong Real Estate Development Co., Ltd.	11,676,039	4,102,249

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37 關連方交易 (續)

(b) 與關連方的交易 (續)

37 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
(iii) 替關連方墊款	(iii) Paid on behalf of related parties		
– 義烏吾悅房地產發展有限公司	– Yiwu Injoy Real Estate Development Co., Ltd.	756,750	–
– 台州新城萬博房地產發展有限公司	– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	569,000	–
– 常熟中置房地產有限公司	– Changshu Zhongzhi Real Estate Co., Ltd.	288,863	–
– 成都新城萬博物業有限公司	– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	180,000	–
– 昆山德睿房地產發展有限公司	– Kunshan Derui Real Estate Development Co., Ltd.	131,100	–
– 常熟萬中城房地產有限公司	– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	79,977	–
– 南京新城萬隆房地產有限公司	– Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	1,501,753
– 青島卓越新城置業有限公司	– Qingdao Zhuoyue Future Land Property Co., Ltd.	–	433,780
– 蘇州新城萬瑞房地產有限公司	– Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	386,906
		2,005,690	2,322,439
(iv) 銷售服務	(iv) Sales of services		
– 上海萬之城房地產開發有限公司	– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	–	1,870
(v) 與非控股權益進行的交易 (附註38(a))	(v) Transactions with non-controlling interests (Note 38(a))		
– 王先生及王曉松先生	– Mr. Wang and Mr. Wang Xiaosong	–	184,145

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37 關連方交易 (續)

(b) 與關連方的交易 (續)

(vi) 佔用關連方擁有的物業

本集團若干子公司佔用王曉松先生擁有的總建築面積為720平方米的若干物業作營運用途，且毋須支付任何費用（與截至2014年12月31日止年度相同）。

(vii) 主要管理層報酬

主要管理層包括董事（執行和非執行）、財務總監、副總裁和總裁助理。就員工服務已付或應付予主要管理層之報酬列示如下：

37 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(vi) Occupation of properties owned by a related party

Some subsidiaries of the Group occupied certain properties with total gross floor areas of 720 square meters owned by Mr. Wang Xiaosong for operational use, which is free of charge (Same for the year ended 31 December 2014).

(vii) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and assistant presidents. The compensation paid or payable to key management for employee services is shown below:

		截至12月31日止年度 Year ended 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	39,974	41,459

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37 關連方交易 (續)

(b) 與關連方的交易 (續)

(viii) 為關聯方提供擔保

被擔保方	擔保金額	擔保起始日	擔保到期日	擔保是否 已經履行完畢
Guaranteed party	Guarantee amount 人民幣千元 RMB'000	Guarantee beginning date	Guarantee ending date	Guarantee fulfill or not
南京新城萬隆房地產有限公司 Nanjing Future Land Wanlong Real Estate Co., Ltd.	799,000	2015年1月30日 30 January 2015	2019年12月12日 12 December 2019	否 No
南京新城萬隆房地產有限公司 Nanjing Future Land Wanlong Real Estate Co., Ltd.	350,000	2015年9月28日 28 September 2015	2020年12月12日 12 December 2020	否 No
青島新城東郡房地產有限公司 Qingdao Future Land Dongjun Property Co., Ltd.	100,000	2015年9月30日 30 September 2015	2020年9月30日 30 September 2020	否 No
青島新城東郡房地產有限公司 Qingdao Future Land Dongjun Property Co., Ltd.	195,000	2015年3月19日 19 March 2015	2019年3月18日 18 March 2019	否 No
青島卓越東郡房地產有限公司 Qingdao Future Land Dongjun Property Co., Ltd.	305,000	2015年3月19日 19 March 2015	2019年3月18日 18 March 2019	否 No
常熟中置房地產開發有限公司 Changshu Zhongzhi Real Estate Co., Ltd.	260,000	2015年10月25日 25 October 2015	2019年4月28日 28 April 2019	否 No
常熟中置房地產開發有限公司 Changshu Zhongzhi Real Estate Co., Ltd.	390,000	2015年11月12日 12 November 2015	2020年11月12日 12 November 2020	否 No

(ix) 由關聯方提供的擔保

擔保方	擔保金額	擔保起始日	擔保到期日	擔保是否 已經履行完畢
Guaranteed By	Guarantee amount 人民幣千元 RMB'000	Guarantee beginning date	Guarantee ending date	Guarantee fulfill or not
王先生 Mr. Wang	600,000	2015年6月8日 8 June 2015	2015年12月22日 22 December 2015	是 Yes

37 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(viii) Guarantees provided to related parties

(ix) Guarantee provided by a related party

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37 關連方交易 (續)

(c) 關連方結餘

37 RELATED-PARTY TRANSACTIONS (Cont'd)

(c) Related-party balances

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
(i) 應收關連方款項 (附註13)	(i) Amounts due from related parties (Note 15)		
– 上海佘山鄉村俱樂部有限公司	– Shanghai Sheshan Country Club Co., Ltd.	1,035,670	–
– 義烏吾悅房地產發展有限公司	– Yiwu Wuyue Real Estate Development Co., Ltd.	773,805	–
– 常州市武進區金東方頤養中心	– Changzhou Wujin District Jindongfang Care Centre	462,856	–
– 青島卓越新城置業有限公司	– Qingdao Zhuoyue Future Land Property Co., Ltd.	191,672	433,780
– 常熟萬中城房地產有限公司	– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	72,714	–
– 鎮江威信廣廈模塊住宅工業有限公司	– Atlantic Modular System Ltd.	30,000	–
– 蘇州新城萬瑞房地產有限公司	– Suzhou Future Land Wanrui Real Estate Co., Ltd.	–	667,656
		2,566,717	1,101,436
(ii) 應付關連方款項 (附註23)	(ii) Amounts due to related parties (Note 23)		
– 南京新城萬隆房地產有限公司	– Nanjing Future Land Wanlong Real Estate Co., Ltd.	1,816,182	204,894
– 台州新城萬博房地產發展有限公司	– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	968,634	–
– 蘇州新城萬瑞房地產有限公司	– Suzhou Future Land Wanrui Real Estate Co., Ltd.	795,634	–
– 成都新城萬博物業發展有限公司	– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	570,132	–
– 上海萬之城房地產開發有限公司	– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	240,000	160,000
– 常熟中置房地產有限公司	– Changshu Zhongzhi Real Estate Co., Ltd.	166,137	–
– 上海新城旭地房地產有限公司	– Shanghai Xincheng Xudi Real Estate Co., Ltd.	142,435	72,435
– 上海恒固房地產發展有限公司	– Shanghai Henggu Real Estate Development Co., Ltd.	96,450	–
– 昆山德睿房地產發展有限公司	– Kunshan Derui Real Estate Development Co., Ltd.	51,798	–
– 上海松銘房地產發展有限公司	– Shanghai Songming Real Estate Development Co., Ltd.	38,400	–
– 蘇州城弘房地產開發有限公司	– Suzhou Chenghong Real Estate Development Co., Ltd.	20,000	–
		4,905,802	437,329

除若干應收上海佘山鄉村俱樂部有限公司人民幣950,000,000元(年利率為10%)和鎮江威信廣廈模塊住宅工業有限公司人民幣30,000,000元(年利率為0.01%)款項外,應收及應付關連方款項為無抵押、不計息及按要求償還。

由於所涉資金在接近年底時提供,於截至2015年12月31日止年度,從帶利息的關連方餘額收取或應收取的利息不重大。

Except for certain amounts due from Shanghai Sheshan Country Club Co., Ltd. of RMB950,000,000 (which bear annual interest of 10%) and from Atlantic Modular System Ltd. of RMB30,000,000 (which bear annual interest of 0.01%), the amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand.

Since the funds were provided near the year end, the amounts of interest received or receivable from the interest bearing related party balances are not material in 2015.

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38 與非控制權益進行的交易

- (a) 於2014年10月，本集團向王先生及王曉松先生收購常州新城萬德投資有限公司（「萬德」）餘下9.09%股權及新城控股餘下2.30%股權，總代價人民幣33,790,000元。於收購日期，萬德及新城控股非控制權益的賬面值為人民幣184,145,000元。本集團確認非控制權益減少人民幣184,145,000元及本公司擁有人應佔權益增加人民幣150,355,000元。年內萬德及新城控股所有權權益變動對本公司擁有人應佔權益的影響概述如下：

38 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- (a) In October 2014, the Group acquired the remaining 9.09% equity interest in Changzhou Future Land Wande Investment Co., Ltd. ("Wande") and the remaining 2.30% equity interest in Future Land Holdings from Mr. Wang and Mr. Wang Xiaosong for a total consideration of RMB33,790,000. The carrying amount of the non-controlling interests in Wande and Future Land Holdings on the date of acquisition was RMB184,145,000. The Group recognised a decrease in non-controlling interests of RMB184,145,000 and an increase in equity attributable to owners of the Company of RMB150,355,000. The effect of changes in the ownership interest of Wande and Future Land Holdings on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB' 000
所收購非控制權益的賬面值	Carrying amount of non-controlling interests acquired	184,145
向非控制權益支付的代價	Consideration paid to non-controlling interests	(33,790)
於權益確認的所付代價 節省差額	Saving from consideration paid recognised within equity	150,355

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38 與非控制權益進行的交易 (續)

- (b) 於2015年3月，前B股公司以總代價人民幣24,683,000元將其於江蘇新城物業服務有限公司及其子公司(「新城物業」)轉讓予常州富域發展有限公司(本集團全資子公司)。於收購日期，於新城物業非控制權益賬面值為人民幣3,693,000元。本集團確認非控制權益減少人民幣3,693,000元及本公司擁有人應佔權益減少人民幣20,990,000元。年內新城物業所有權權益變動對本公司擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控制權益的賬面值	Carrying amount of non-controlling interests acquired	3,693
向非控制權益支付的代價	Consideration paid to non-controlling interests	(24,683)
於權益確認的所付代價超出差額	Excess of consideration paid recognised within equity	(20,990)

- (c) 於2015年6月，第三方公司常州卓凡注資人民幣4,000,000元以收購新城物業6.25%股權。收取代價公允價值及轉讓的新城物業的淨資產賬面值之差人民幣3,025,000元錄得收益，已列入其他儲備。年內新城物業所有權權益變動對本公司擁有人應佔權益的影響概述如下：

38 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Cont'd)

- (b) In March 2015, the former B share company transferred all of its equity interest in Jiangsu Future Land Property Management Co., Ltd. and its subsidiary ("Future Land Property") to Changzhou Wealth Zone Development Co., Ltd. (a wholly owned subsidiary of the Group) for a total consideration of RMB24,683,000. The carrying amount of the non-controlling interests in Future Land Property on the date of acquisition was RMB3,693,000. The Group recognised a decrease in non-controlling interests of RMB3,693,000 and a decrease in equity attributable to owners of the Company of RMB20,990,000. The effect of changes in the ownership interest of Future Land Property on the equity attributable to owners of the Company during the year is summarised as follows:

- (c) In June 2015, a third party Changzhou Zhuofan injected a capital of RMB4,000,000 to acquire 6.25% equity interest of Future Land Property. The difference between fair value of consideration received and the relevant share transferred of the carrying value of net assets of Future Land Property of RMB3,025,000 representing gain is recorded in other reserves. The effect of changes in the ownership interest of Future Land Property on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB'000
所轉讓給非控制權益的淨資產賬面值	Carrying amount of net assets transferred to non-controlling interests	(975)
從非控制權益收取的代價	Consideration received from non-controlling interests	4,000
於權益確認的所收取代價超出差額	Excess of consideration received recognised within equity	3,025

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38 與非控制權益進行的交易 (續)

- (d) 於2015年12月，原持有前B股公司58.86%的A股公司以每股人民幣9.82元發行542,064,758股A股(「A股」)予前B股公司的所有股東(除A腔公司)，並透過換股方式吸收合併前B股公司(「合併」)。因此，前B股公司為A股公司的全資子公司。與此同時，A腔公司於上海交易所上市。於完成上述交易後，A股公司成為持有前B股公司全部資產、負債、業務、人員、合約及其他權利及責任的有效存續公司，而前B股公司於上海交易所除牌，其法人身份將註銷。

合併的代價乃A股公司透過發行A股支付。於換股吸收日期，於前B股公司非控制權益的賬面值為人民幣3,462,508,000元。年內前B股公司所有權權益變動對本公司擁有人應佔權益的影響概述如下：

38 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Cont'd)

- (d) In December 2015, the A share company, who originally held 58.86% of the former B share company, issued 542,064,758 A shares ("A Shares") at the price of RMB9.82 per share, to all shareholders of the former B share company, other than the A share company, and absorbs and merges the former B share company by way of share swap ("the Merger"). As such, the former B share company becomes a wholly-owned subsidiary of the A share company. At the same time, the A share company was listed on the Shanghai Stock Exchange. Upon completion of the transactions mentioned above, the A share company becomes the subsisting company which holds all the assets, liabilities, businesses, personnel, contracts and all other rights and obligations of the former B share company, whilst the former B share company was delisted from the Shanghai Stock Exchange and will be deregistered as a legal person.

The consideration for the Merger was satisfied by the issuance of A Shares by the A share company. The carrying amount of the non-controlling interests in the former B share company on the date of share swap was RMB3,462,508,000. The effect of changes in the ownership interest of the former B share company on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB'000
前B股公司非控制權益的賬面值	Carrying amount of non-controlling interests of the former B share company	3,462,508
轉讓至A股公司非控制權益的淨資產賬面值的淨資產賬面值	Carrying amount of net assets transferred to non-controlling interests of the A share company	(3,543,641)
非控制權益的淨變動	Net changes in non-controlling interests	(72,133)
資本化的交易費用	Transaction costs capitalised	(38,100)
子公司的非控制權益變動產生的淨虧損	Net loss from changes of non-controlling interest in subsidiaries	(110,233)

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38 與非控制權益進行的交易 (續)

- (e) 於2015年8月，第三方北京千石創富資本管理有限公司注資550,000,000元以取得南昌新城悅盛房地產發展有限公司20%股權。收取代價公允價值及南昌新城悅盛房地產發展有限公司淨資產賬面值人民幣562,139,000元的相關轉讓股份之差錄得虧損，已列入其他儲備。年內南昌新城悅盛房地產發展有限公司所有權權益變動對本公司擁有人應佔權益的影響概述如下：

38 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Cont'd)

- (e) In August 2015, a third party Beijing Qianshi Chuangfu Asset Management Co., Ltd. injected a capital of RMB550,000,000 to acquire 20% equity interest of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.. The difference between fair value of consideration received and the relevant share transferred of the carrying value of net assets of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. of RMB562,139,000 representing loss is recorded in other reserves. The effect of changes in the ownership interest of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB'000
轉讓給非控制權益的淨資產賬面值	Carrying amount of net assets transferred to a non-controlling interest	(562,139)
從非控制權益收取的代價	Consideration received from a non-controlling interest	550,000
於權益確認的所收取代價不足差額	Shortfall from consideration received recognised within equity	(12,139)

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38 與非控制權益進行的交易 (續)

- (f) 於2015年11月，第三方北京千石創富資本管理有限公司減資蘇州凱拓房地產發展有限公司129,800,000美元。此外，公司向北京千石創富資本管理有限公司支付其他代價人民幣73,576,000元。支付代價公允價值及蘇州凱拓房地產發展有限公司淨資產賬面值人民幣800,000,000元的相關轉讓股份之差錄得虧損，已列入其他儲備。年內蘇州凱拓房地產發展有限公司所有權權益變動對本公司擁有人應佔權益的影響概述如下：

38 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Cont'd)

- (f) In November 2015, a third party Beijing Qianshi Chuangfu Asset Management Co., Ltd. reduced a capital of USD129,800,000 of Suzhou Kaituo Development Co., Ltd.. In addition, the Company paid other consideration to Beijing Qianshi Chuangfu Asset Management Co., Ltd. with amount of RMB73,576,000. The difference between fair value of consideration paid and the relevant share acquired of the carrying value of net assets of Suzhou Kaituo Development Co., Ltd. of RMB800,000,000 representing loss is recorded in other reserves. The effect of changes in the ownership interest of Suzhou Kaituo Development Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB'000
所收購非控制權益的賬面值	Carrying amount of a non-controlling interest acquired	800,000
向非控制權益支付的代價	Consideration paid to a non-controlling interest	
— 非控制權益減少的資本金	— Capital reduction to a non-controlling interest	(800,000)
— 向非控制權益支付的其他代價	— Other consideration paid to a non-controlling interest	(73,576)
於權益確認的所付代價超出差額	Excess of consideration paid recognised within equity	(73,576)

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39 本公司財務狀況表及儲備變動

39 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

		於12月31日 As at 31 December	
		2015年 2015 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
	附註 Note		
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房和設備	Property, plant and equipment	2,927	–
投資物業	Investments in subsidiaries	476,344	468,240
		479,271	468,240
流動資產	Current assets		
貿易及其他應收款項	Trade and other receivables	6,454,820	5,643,068
現金和現金等價物	Cash and cash equivalents	352,389	8,623
		6,807,209	5,651,691
資產總額	Total assets	7,286,480	6,119,931
擁有人權益	OWNERS' EQUITY		
本公司權益持有人應佔	Capital and reserves attributable to equity holders of the Company		
股本及儲備			
股本：票面值	Share capital: nominal value	4,609	4,617
儲備	Reserves (a)	438,629	1,150,821
權益總額	Total equity	443,238	1,155,438
非流動負債	Non-current liabilities		
借款	Borrowings	3,818,709	4,778,133
流動負債	Current liabilities		
貿易和其他應付款項	Trade and other payables	164,158	186,360
借款	Borrowings	2,860,375	–
負債總額	Total liabilities	6,843,242	4,964,493
權益及負債總額	Total equity and liabilities	7,286,480	6,119,931

本公司資產負債表已於2016年2月4日獲董事會批准，並由下列董事代表董事會簽署：

Wang Zhenhua
王振華
Director
董事

The balance sheet of the Company was approved by the Board of Directors on 4 February 2016 and was signed on its behalf by:

Chan Wai Kin
陳偉健
Director
董事

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39 本公司財務狀況表及儲備變動 (續)

39 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (Cont'd)

(a) 本公司儲備變動

(a) Reserve movement of the Company

		股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	累計虧損 Accumulated losses 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2015年1月1日的結餘	Balance at 1 January 2015	1,395,840	108,191	(353,210)	1,150,821
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(427,993)	(427,993)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(427,993)	(427,993)
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃	Pre-IPO share award scheme				
– 現任僱員服務價值	– value of current employee services	–	8,104	–	8,104
股份回購	Buy-back of shares	–	(8,903)	–	(8,903)
股息	Dividends	(283,400)	–	–	(283,400)
擁有人的投入及分配總額	Total contributions by and distributions to owners	(283,400)	(799)	–	(284,199)
於2015年12月31日的結餘	Balance at 31 December 2015	1,112,440	107,392	(781,203)	438,629
代表：	Representing:				
建議末期股息	Proposed final dividend	282,900			282,900
其他	Others	829,540			155,729
		1,112,440			438,629
於2014年1月1日的結餘	Balance at 1 January 2014	1,679,240	89,963	(233,095)	1,536,108
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(120,115)	(120,115)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(120,115)	(120,115)
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃	Pre-IPO share award scheme				
– 現任僱員服務價值	– value of current employee services	–	18,228	–	18,228
股息	Dividends	(283,400)	–	–	(283,400)
擁有人的投入及分配總額	Total contributions by and distributions to owners	(283,400)	18,228	–	(265,172)
於2014年12月31日的結餘	Balance at 31 December 2014	1,395,840	108,191	(353,210)	1,150,821
代表：	Representing:				
建議末期股息	Proposed final dividend	283,400			283,400
其他	Others	1,112,440			867,421
		1,395,840			1,150,821

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40 子公司詳情

本集團子公司於2015及2014年12月31日的詳情載列如下：

40 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2015 and 2014 are as follows:

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
江蘇新城物業服務有限公司 Jiangsu Future Land Property Management Co., Ltd.	1996年3月26日 26 March 1996	64,000 (2014: 60,000)	64,000 (2014: 60,000)	93.75%	58.61%	物業管理 Property management
新城控股集團股份有限公司 (原新城控股集團有限公司) Future Land Holdings Co., Ltd.	1996年6月14日 14 June 1996	1,708,065 (2014: 1,100,000)	1,708,065 (2014: 1,100,000)	68.26%	100.00%	物業開發及銷售 Development and sale of properties
江蘇新城地產股份有限公司(a) Jiangsu Future Land Co., Ltd.(a)	1997年10月10日 10 October 1997	1,593,187	– (2014: 1,593,187)	68.26%	58.86%	物業開發及銷售 Development and sale of properties
常州新城房產開發有限公司 Changzhou Future Land Real Estate Development Co., Ltd.	1998年4月26日 26 April 1998	1,100,000	1,100,000	65.39%	56.39%	物業開發及銷售 Development and sale of properties
常州富城發展有限公司 Changzhou Wealthzone Development Co., Ltd.	2002年4月27日 27 April 2002	301,800	301,800	100.00%	100.00%	物業開發及銷售 Development and sale of properties
南京新城創置房地產有限公司 Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	2002年9月9日 9 September 2002	120,000	120,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
上海新城創置房地產有限公司 Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	2003年1月29日 29 January 2003	10,000	10,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
上海新城萬嘉房地產有限公司 Shanghai Future Land Wanjia Real Estate Co., Ltd.	2003年3月19日 19 March 2003	411,000 (2014: 410,000)	411,000 (2014: 410,000)	65.68%	56.64%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
上海新城萬嘉物業服務有限公司 Shanghai Future Land Wanjia Property Service Co., Ltd.	2003年11月27日 27 November 2003	10,000	10,000	93.75%	58.42%	物業管理 Property management
常州新龍創置房地產開發有限公司 Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	2004年9月16日 16 September 2004	350,000	350,000	67.69%	58.37%	物業開發及銷售 Development and sale of properties
蘇州新城萬嘉房地產有限公司 Suzhou Future Land Wanjia Real Estate Co., Ltd.	2004年9月17日 17 September 2004	100,000	100,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州新城萬嘉建築設計有限公司 Changzhou Future Land Wan Jia Construction Design Co., Ltd.	2005年5月20日 20 May 2005	3,000	3,000	66.54%	57.38%	建築設計及諮詢 Construction design and consulting
常州鼎佳房地產開發有限公司 Changzhou Dingjia Property Real Estate Development Co., Ltd.	2005年5月27日 27 May 2005	10,000	10,000	65.76%	56.70%	物業開發及銷售 Development and sale of properties
常州新城東郡房地產開發有限公司 Changzhou Future Land Dongjun Real Estate Development Co., Ltd.	2005年12月27日 27 December 2005	10,000	10,000	68.03%	58.66%	物業開發及銷售 Development and sale of properties
昆山新城創置發展有限公司 Kunshan Future Land Chuangzhi Development Co., Ltd.	2006年4月7日 7 April 2006	290,000	290,000	65.45%	56.44%	物業開發及銷售 Development and sale of properties
常州新城資產經營管理有限公司 Changzhou Future Land Assets Operation and Management Co., Ltd.	2006年10月24日 24 October 2006	1,000	1,000	67.97%	58.61%	資產運營及管理 Asset operation and management

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州新城置地房地產開發有限公司 Changzhou Future Land Zhidi Real Estate Development Co., Ltd.	2006年12月13日 13 December 2006	10,000	10,000	65.39%	56.39%	物業開發及銷售 Development and sale of properties
常州嘉馳汽車配件有限公司 Changzhou Jia Chi Auto Parts Co., Ltd.	2007年1月16日 16 January 2007	15,000	15,000	65.39%	56.39%	物業市場調研 Marketing research of properties
常州萬方新城房地產開發有限公司 Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	650,000	650,000	65.46%	56.45%	物業開發及銷售 Development and sale of properties
常州福隆房地產開發有限公司 Changzhou Fu Long Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	220,000	220,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
常州新城萬博置業有限公司 Changzhou Future Land Wanbo Property Co., Ltd.	2007年5月16日 16 May 2007	165,000	165,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海東郡房地產開發有限公司 Shanghai Dongjun Real Estate Development Co., Ltd.	2007年5月31日 31 May 2007	10,000 (2013: 400,000)	10,000 (2013: 400,000)	68.26%	58.86%	物業開發及銷售 Development and sale of properties
無錫新城萬嘉置業有限公司 Wuxi Future Land Wanjia Property Co., Ltd.	2007年8月14日 14 August 2007	420,500 (2014: 420,000)	420,500 (2014: 420,000)	68.26%	58.86%	物業開發及銷售 Development and sale of properties
蘇州新城創佳置業有限公司 Suzhou Future Land Chuangjia Property Co., Ltd.	2007年10月11日 11 October 2007	20,200 (2014: 10,000)	20,200 (2014: 10,000)	68.26%	58.86%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州萬嘉置業諮詢有限公司 Changzhou Wanjia Property Consultancy Co., Ltd.	2008年1月18日 18 January 2008	1,000	1,000	68.26%	58.86%	諮詢服務 Consulting
新城萬博置業有限公司 Future Land Wanbo Property Co., Ltd.	2008年1月24日 24 January 2008	800,000	800,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海新城創佳置業有限公司 Shanghai Future Land Chuangjia Property Co., Ltd.	2008年3月20日 20 March 2008	760,000	760,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州新城東昇房地產有限公司 Changzhou Future Land Dongsheng Real Estate Co., Ltd.	2009年6月4日 4 June 2009	10,000	10,000	68.03%	58.86%	物業開發及銷售 Development and sale of properties
南京新城創嘉房地產有限公司 Nanjing Future Land Chuangjia Real Estate Co., Ltd.	2009年7月2日 2 July 2009	18,000	18,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州新城金郡房地產有限公司 Changzhou Future Land Jinjun Real Estate Co., Ltd.	2009年9月11日 11 September 2009	1,297,780 (2014: 777,780)	777,780	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州市恒福置業有限公司 Changzhou Hengfu Property Co., Ltd.	2009年11月26日 26 November 2009	20,000	20,000	65.39%	56.39%	物業開發及銷售 Development and sale of properties
常州新城萬佳房地產有限公司 Changzhou Future Land Wanjia Real Estate Co., Ltd.	2009年12月10日 10 December 2009	50,000	50,000	65.39%	56.39%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州新城宏業房地產有限公司 Changzhou Future Land Hongye Real Estate Co., Ltd.	2009年12月28日 28 December 2009	780,000	780,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
南京新城萬嘉房地產有限公司 Nanjing Future Land Wanjia Real Estate Co., Ltd.	2010年1月13日 13 January 2010	311,000 (2014: 310,000)	311,000 (2014: 310,000)	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州新城創佳房地產開發有限公司 Changzhou Future Land Chuangjia Real Estate Co., Ltd.	2010年1月22日 22 January 2010	– (2014: 520,000)	520,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
上海新城創宏房地產有限公司 Shanghai Future Land Chuanghong Real Estate Co., Ltd.	2010年1月26日 26 January 2010	10,000	10,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州新城科達投資諮詢有限公司 Changzhou Future Land Keda Investment Consultancy Co., Ltd.	2010年2月4日 4 February 2010	500	500	68.26%	100.00%	諮詢服務 Consulting
常州新城經典建築設計有限公司 Changzhou Future Land Jingdian Architectural Design Co., Ltd.	2010年2月4日 4 February 2010	500	500	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海新城金郡房地產有限公司 Shanghai Future Land Jinjun Real Estate Co., Ltd.	2010年3月26日 26 March 2010	800,000 (2014: 820,000)	820,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
無錫新城創置房地產有限公司 Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	2010年5月6日 6 May 2010	500,000	500,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州新城萬盛房地產有限公司 Changzhou Future Land Wansheng Real Estate Co., Ltd.	2010年6月12日 12 June 2010	100,000	100,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
香港宏盛發展有限公司(b) Hong Kong Prosperity Development Ltd. (b)	2010年8月30日 30 August 2010	10	–	100.00%	100.00%	投資公司 Investment company
香港創拓發展有限公司(b) Hong Kong Achievement Development Limited (b)	2010年8月30日 30 August 2010	10	3	100.00%	100.00%	投資公司 Investment company
常州新城吾悅商業管理有限公司 Changzhou Future Land Injoy Commercial Management Co., Ltd.	2010年11月8日 8 November 2010	10,000	10,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海新城萬聖置業有限公司 Shanghai Future Land Wansheng Property Co., Ltd.	2010年11月10日 10 November 2010	10,000	10,000	100.00%	100.00%	物業開發及銷售 Development and sale of properties
南京新城允升房地產有限公司 Nanjing Future Land Yunsheng Real Estate Co., Ltd.	2010年11月19日 19 November 2010	860,000	860,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
無錫新城萬博置業有限公司 Wuxi Future Land Wanbo Property Co., Ltd.	2011年1月6日 6 January 2011	10,000	10,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立 / 成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
金壇市新城萬郡置業有限公司 Jintan Future Land Wanjun Property Co., Ltd.	2011年3月22日 22 March 2011	10,000	10,000	66.83%	78.19%	物業開發及銷售 Development and sale of properties
長沙新城萬博置業有限公司 Changsha Future Land Wanbo Property Co., Ltd.	2011年3月28日 28 March 2011	420,000	420,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海新城創域房地產有限公司 Shanghai Future Land Chuangyu Real Estate Co., Ltd.	2011年5月10日 10 May 2011	900,000	900,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
昆山新城創宏房地產有限公司 Kunshan Future Land Chuanghong Real Estate Co., Ltd.	2011年6月20日 20 June 2011	460,000	460,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
昆山新城創域房地產有限公司 Kunshan Future Land Chuangyu Real Estate Co., Ltd.	2011年6月23日 23 June 2011	300,000	300,000	68.26%	79.43%	物業開發及銷售 Development and sale of properties
常州新城瑞豐國際酒店有限公司 Changzhou Future Land Rui Yi International Co., Ltd.	2011年9月7日 7 September 2011	1,000	1,000	65.39%	56.39%	物業、酒店和會議管理 以及公寓租賃服務 Property, hotel and conference management; apartment leasing services
常州嘉楓市場調查有限公司 Changzhou Jiafeng Market Research Co., Ltd.	2011年9月15日 15 September 2011	5,000	5,000	65.39%	56.39%	物業市場調研 Marketing research of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州吾悅國際廣場商業管理有限公司 Changzhou Injoy International Plaza Commercial Management Co., Ltd.	2012年4月5日 5 April 2012	5,000	5,000	68.26%	100.00%	百貨商店管理 Department store management
武漢新城宏盛置業有限公司 Wuhan Future Land Hongsheng Property Co., Ltd.	2012年5月9日 9 May 2012	400,000	400,000	68.26%	100.00%	物業開發及銷售 Development and sale of properties
上海富銘房地產開發有限公司 Shanghai Fuming Real Estate Development Co., Ltd.	2009年9月7日 7 September 2009	638,000	638,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
蘇州新城創恒房地產有限公司 Suzhou Future Land Chuangheng Real Estate Co., Ltd.	2012年8月13日 13 August 2012	300,000	300,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
上海青浦吾悅商業管理有限公司 Shanghai Qingpu Injoy Commercial Management Co., Ltd.	2012年12月31日 31 December 2012	5,000	5,000	68.26%	100.00%	百貨商店管理 Department store management
上海新城寶郡置業有限公司 Shanghai Future Land Baojun Property Co., Ltd.	2013年1月16日 16 January 2013	360,000	360,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州萬盛商業管理有限公司 Changzhou Wansheng Property Management Co., Ltd.	2013年1月22日 22 January 2013	450,000	450,000	68.26%	100.00%	百貨商店管理 Department store management
南京新城創隆房地產有限公司 Nanjing Future Land Chuanglong Real Estate Co., Ltd.	2013年3月14日 14 March 2013	550,000	550,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州匯盛房地產發展有限公司 Changzhou Future Land Huisheng Development Co., Ltd.	2013年5月15日 15 May 2013	452,000	180,802	68.42%	100.00%	物業開發及銷售 Development and sale of properties
常州悅盛房地產發展有限公司 Changzhou Future Land Yuesheng Development Co., Ltd.	2013年5月15日 15 May 2013	612,000	612,000	68.42%	100.00%	物業開發及銷售 Development and sale of properties
常州卓盛房地產發展有限公司 Changzhou Future Land Zhuosheng Development Co., Ltd.	2013年5月15日 15 May 2013	756,000	303,309	68.42%	100.00%	物業開發及銷售 Development and sale of properties
豪泰環球有限公司(b) Heroic Time Global Limited (b)	2013年5月28日 28 May 2013	300	1	68.58%	100.00%	投資公司 Investment company
鎮江新城凱盛開發有限公司 Zhenjiang Kaisheng Development Co., Ltd.	2013年6月7日 7 June 2013	364,000 (2014: 270,000)	364,000 (2014: 270,000)	68.58%	100.00%	物業開發及銷售 Development and sale of properties
蘇州凱拓房地產發展有限公司 Suzhou Kaituo Development Co., Ltd.	2013年6月20日 20 June 2013	138,938 (2014: 1,228,800)	138,938 (2014: 1,261,515)	68.58% (c)	36.62% (c)	物業開發及銷售 Development and sale of properties
蘇州博盛房地產發展有限公司 Suzhou Bosheng Development Co., Ltd.	2013年6月20日 20 June 2013	693,360	710,015	58.67%	64.90%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
昇創有限公司(b) Exalt Creation Limited (b)	2013年6月27日 27 June 2013	300	1	68.58%	100.00%	投資公司 Investment company
蘇州新城創盛置業有限公司 Suzhou Future Land Chuangsheng Property Co., Ltd.	2013年7月1日 1 July 2013	30,000	30,000	47.78% (d)	41.20% (d)	物業開發及銷售 Development and sale of properties
香港鼎盛發展有限公司 (b) Hong Kong Flourishing Development Limited (b)	2013年7月16日 16 July 2013	8	–	68.58%	100.00%	投資公司 Investment company
香港恒宇發展有限公司 (b) Hong Kong Perpetual Development Limited (b)	2013年7月16日 16 July 2013	8	–	68.58%	100.00%	投資公司 Investment company
蘇州吾悅商業管理有限公司 Suzhou Injoy Commercial Management Co., Ltd.	2013年7月19日 19 July 2013	5,000	5,000	68.26%	100.00%	百貨商店管理 Department store management
常州德潤諮詢管理有限公司 Changzhou Derun Consultancy Co., Ltd.	2013年8月28日 28 August 2013	2,000	2,000	100.00%	100.00%	諮詢服務 Consulting
常州新城萬德投資有限公司 Changzhou Future Land Wande Investment Co., Ltd.	2013年9月9日 9 September 2013	200,000	200,000	100.00%	100.00%	投資公司 Investment company
茂源控股有限公司 (b) Flourish Source Holdings Limited (b)	2013年9月27日 27 September 2013	300	1	68.58%	100.00%	投資公司 Investment company

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
杭州新城創宏房地產開發有限公司 Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	2013年9月27日 27 September 2013	400,000	400,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
杭州新城鼎宏房地產開發有限公司 Hangzhou Future Land Dinghong Real Estate Development Co., Ltd.	2013年10月8日 8 October 2013	356,000 (2014: 100,000)	356,500 (2014: 100,000)	68.26%	58.86%	物業開發及銷售 Development and sale of properties
張家港鼎盛房地產有限公司 Zhangjiagang Dingsheng Real Estate Co., Ltd.	2013年10月25日 25 October 2013	720,000	734,538	68.58%	100.00%	物業開發及銷售 Development and sale of properties
優力有限公司 (b) Acele Limited (b)	2013年11月1日 1 November 2013	300	1	68.58%	100.00%	投資公司 Investment company
丹陽新城宏盛房地產發展有限公司 Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	2013年11月5日 5 November 2013	589,328 (2014: 450,000)	589,328 (2014: 460,210)	68.58%	100.00%	物業開發及銷售 Development and sale of properties
杭州新城創盛房地產開發有限公司 Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	2013年11月6日 6 November 2013	100,000	100,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
昆山新城萬龍房地產發展有限公司 Kunshan Future Land Wanlong Real Estate Development Co., Ltd.	2013年12月31日 31 December 2013	10,000	10,000	65.45%	56.44%	物業開發及銷售 Development and sale of properties
碧海控股有限公司 (b) Emerald Sea holdings Limited (b)	2013年11月12日 12 November 2013	300	–	100.00%	100.00%	投資公司 Investment company

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年	2014年	
				2015	2014	
上海嘉定華銳置業有限公司 Shanghai Jiading Huarui Real Estate Co., Ltd.	2014年1月9日 9 January 2014	350,000	350,000	65.68%	56.64%	物業開發及銷售 Development and sale of properties
香港卓盛發展有限公司 (b) Hong Kong Excellent Development Limited (b)	2014年1月10日 10 January 2014	8	–	68.58%	100.00%	投資公司 Investment company
香港益盛發展有限公司 (b) Hong Kong Grand Development Limited (b)	2014年1月10日 10 January 2014	8	–	68.58%	100.00%	投資公司 Investment company
香港悅盛發展有限公司 (b) Hong Kong Exaltation Development Limited (b)	2014年1月10日 10 January 2014	8	–	100.00%	100.00%	投資公司 Investment company
南通新城創置房地產有限公司 Nantong Future Land Chuangzhi Real Estate Co., Ltd.	2014年1月26日 26 January 2014	850,000	850,000	52.54%	45.31%	物業開發及銷售 Development and sale of properties
上海新城松郡房地產有限公司 Shanghai Future Land Songjun Real Estate Development Co., Ltd.	2014年3月13日 13 March 2014	470,000 (2014: 20,000)	470,000 (2014: 20,000)	65.68%	56.64%	物業開發及銷售 Development and sale of properties
常州市萬睿智能系統工程有限公司 Changzhou Wanrui Intelligent System Engineering Co., Ltd.	2014年3月19日 19 March 2014	1,000	1,000	93.75%	58.61%	工程設計及建造 Engineering design and construction
旭堡有限公司 (b) Dawn Castle Limited (b)	2014年5月12日 12 May 2014	300	–	100.00%	100.00%	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
青島新城創置房地產有限公司 Qingdao Future Land Chuangzhi Real Estate Co., Ltd.	2014年5月15日 15 May 2014	10,000	10,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
旭濤控股有限公司 (b) Dawnwave Holdings Limited (b)	2014年7月10日 10 July 2014	300	–	100.00%	100.00%	投資公司 Investment company
龍旺發展有限公司 (b) Dragon Boom Developments Limited (b)	2014年7月29日 29 July 2014	300	–	100.00%	100.00%	投資公司 Investment company
常州達順電梯有限公司 Changzhou Dashun Elevator Co., Ltd.	2012年5月31日 31 May 2012	3,000 (2014: 2,000)	3,000 (2014: 2,000)	93.75%	58.59%	升降機銷售及安裝 Sales and installation of elevator
龍邦投資有限公司 (b) Dragon State Investments Limited (b)	2014年8月12日 12 August 2014	300	–	100.00%	100.00%	投資公司 Investment company
捷帆有限公司 (b) Brisk Sail Limited (b)	2014年8月12日 12 August 2014	300	–	100.00%	100.00%	投資公司 Investment company
香港創域發展有限公司 (b) Hong Kong Chuangyu Development Limited (b)	2014年8月22日 22 August 2014	–	–	100.00%	100.00%	投資公司 Investment company
香港創匯發展有限公司 (b) Hong Kong Chuanghui Development Limited (b)	2014年8月22日 22 August 2014	–	–	100.00%	100.00%	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
香港匯盛發展有限公司 (b) Hong Kong Glorious Development Limited (b)	2014年8月22日 22 August 2014	8,000	7,951	68.26%	100.00%	投資公司 Investment company
上海吾悅投資管理有限公司 Shanghai Injoy Investment Management Co., Ltd.	2014年8月22日 22 August 2014	10,000	10,000 (2014: -)	68.26%	100.00%	投資公司 Investment company
南昌新城悅盛房地產發展有限公司 (a) Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. (a)	2014年8月29日 29 August 2014	1,164,129 (2014: 614,129)	1,164,129 (2014: 614,129)	54.86%	100.00%	物業開發及銷售 Development and sale of properties
通遠有限公司 (b) Afar Connect Limited (b)	2014年9月3日 3 September 2014	300	-	100.00%	100.00%	投資公司 Investment company
武漢新城創置置業有限公司 (a) Wuhai Future Land Chuangzhi Real Estate Co., Ltd. (a)	2014年9月11日 11 September 2014	10,000	10,000	68.26%	58.86%	物業開發及銷售 Development and sale of properties
錦名有限公司 (b) Acme Name Limited (b)	2014年9月12日 12 September 2014	300	-	100.00%	100.00%	投資公司 Investment company
香港景盛發展有限公司 (b) Hong Kong Jingsheng Development Limited (b)	2014年9月12日 12 September 2014	-	-	100.00%	100.00%	投資公司 Investment company
香港凱盛發展有限公司 (b) Hong Kong Kaisheng Development Limited (b)	2014年9月12日 12 September 2014	-	-	100.00%	100.00%	投資公司 Investment company
香港吾悅發展有限公司 Hong Kong Injoy Development Limited (b)	2014年9月12日 12 September 2014	8,000	16,093 (2014: 7,931)	68.26%	100.00%	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
盛洲有限公司 (b) Alpha Oasis Limited (b)	2014年9月19日 19 September 2014	300	–	100.00%	100.00%	投資公司 Investment company
香港恒軒發展有限公司 (b) Hong Kong Hengxuan Development Limited (b)	2014年9月24日 24 September 2014	1,036,711	1,036,711	76.20%	100.00%	投資公司 Investment company
常州創域諮詢管理有限公司 Changzhou Chuangyu Consultancy Co., Ltd.	2014年9月25日 25 September 2014	2,000	–	100.00%	100.00%	諮詢服務 Consulting
長春新城悅盛房地產發展有限公司 Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	2014年9月29日 29 September 2014	300,000	232,198	68.58%	100.00%	物業開發及銷售 Development and sale of properties
常州新橙信息技術有限公司 Changzhou Xincheng Information Technology Co., Ltd.	2014年9月30日 30 September 2014	1,000	1,000	100.00%	100.00%	資訊科技 Information technology
香港恒康發展有限公司 (b) Hong Kong Hengkang Development Limited (b)	2014年10月16日 16 October 2014	–	–	100.00%	100.00%	投資公司 Investment company
香港創智發展有限公司 (b) Hong Kong Chuangzhi Development Limited (b)	2014年10月16日 16 October 2014	–	–	100.00%	100.00%	投資公司 Investment company
香港恒昌發展有限公司 (b) Hong Kong Hengchang Development Limited (b)	2014年10月16日 16 October 2014	–	–	100.00%	100.00%	投資公司 Investment company

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
香港恒逸發展有限公司 (b) Hong Kong Hengyi Development Limited (b)	2014年10月16日 16 October 2014	–	–	100.00%	100.00%	投資公司 Investment company
香港創隆發展有限公司 (b) Hong Kong Chuanglong Development Limited (b)	2014年10月28日 28 October 2014	–	–	68.58%	100.00%	投資公司 Investment company
常州凱拓諮詢管理有限公司 Changzhou Kaituo Consultancy Co., Ltd.	2014年11月4日 4 November 2014	2,000	–	100.00%	100.00%	諮詢服務 Consulting
常州景旭諮詢管理有限公司 Changzhou Jingxu Consultancy Co., Ltd.	2014年11月6日 6 November 2014	2,000	–	100.00%	100.00%	諮詢服務 Consulting
常州金郡德諮詢管理有限公司 Changzhou Jinjunde Consultancy Co., Ltd.	2014年11月6日 6 November 2014	– (2014: 122,304)	12,230 (2014: 122,304)	100.00%	100.00%	諮詢服務 Consulting
丹陽新城吾悅商業管理有限公司 Danyang Future Land Injoy Commercial Management Co., Ltd.	2014年11月14日 14 November 2014	5,000	5,000 (2014: –)	68.26%	100.00%	百貨商店管理 Department store management
張家港新城吾悅商業管理有限公司 Zhangjiagang Future Land Injoy Commercial Management Co., Ltd.	2014年11月20日 20 November 2014	5,000	5,000	68.26%	100.00%	百貨商店管理 Department store management

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公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
上海橙貝信息技術有限公司 Shanghai Chengbei Information Technology Co., Ltd.	2014年11月26日 26 November 2014	10,000	10,000 (2014: 2,000)	100.00%	100.00%	資訊科技 Information technology
安慶新城悅盛房地產發展有限公司 Anqing Future Land Yuesheng Development Co., Ltd.	2014年12月1日 1 December 2014	100,000	100,000 (2014: -)	68.26%	100.00%	物業開發及銷售 Development and sale of properties
新城商業管理有限公司 Future Land Commercial Management Co., Ltd.	2014年12月2日 2 December 2014	50,000	50,000 (2014: -)	68.26%	100.00%	百貨商店管理 Department store management
常州新城宏昊商業管理有限公司 Changzhou Future Land Honghao Commercial Management Co., Ltd.	2014年12月5日 5 December 2014	20,000	20,000	68.26%	100.00%	百貨商店管理 Department store management
中愛集團有限公司 (b) ATL Group Limited (b)	2006年3月21日 21 March 2006	80	103 (2014: -)	100.00%	100.00%	投資公司 Investment company
常州創悅諮詢管理有限公司 Changzhou Chuangyue Consultancy Co., Ltd.	2014年12月11日 11 December 2014	1,000	-	100.00%	100.00%	諮詢服務 Consulting
常州恒軒諮詢管理有限公司 Changzhou Hengxuan Consultancy Co., Ltd.	2014年12月11日 11 December 2014	1,000	-	100.00%	100.00%	諮詢服務 Consulting

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公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州新城博源置業有限公司 Changzhou Future Land Boyuan Property Co., Ltd.	2014年12月12日 12 December 2014	10,000	–	100.00%	100.00%	物業開發及銷售 Development and sale of properties
濟南天鴻永業房地產有限公司* Jinan Tianhongyongye Real Estate Development Co., Ltd.*	2013年12月12日 12 December 2013	520,000	520,000	68.26%	–	物業開發及銷售 Development and sale of properties
常州創悅諮詢管理有限公司 Changzhou Chuangyue Consultancy Management Co., Ltd.	2014年12月11日 11 December 2014	1,000	–	100.00%	–	諮詢服務 Consulting
常州恒軒諮詢管理有限公司 Changzhou Hengxuan Consultancy Management Co., Ltd.	2014年12月11日 11 December 2014	1,000	–	100.00%	–	諮詢服務 Consulting
上海新城多奇妙企業管理諮詢有限公司 (原：上海孩兒寶投資管理有限公司) Shanghai Future Land Duoqimiao Business Management Consultancy Co., Ltd. (formerly: Shanghai Haierbao Investment Management Co., Ltd.)	2014年12月8日 8 December 2014	10,000	10,000	100.00%	100.00%	諮詢服務 Consulting

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
上海寶綠新城多奇妙企業管理諮詢有限公司 Shanghai Baolv Future Land Duoqimiao Business Management Consultancy Co.,Ltd.	2015年9月1日 1 September 2015	1,000	1,000	100.00%	—	諮詢服務 Consulting
上海寶郡新城多奇妙企業管理諮詢有限公司 Shanghai Baojun Future Land Duoqimiao Business Management Consultancy Co.,Ltd.	2015年9月8日 8 September 2015	1,000	1,000	100.00%	—	諮詢服務 Consulting
上海松潘新城多奇妙企業管理諮詢有限公司 Shanghai Songfan Future Land Duoqimiao Business Management Consultancy Co.,Ltd.	2015年10月23日 23 October 2015	1,000	—	100.00%	—	諮詢服務 Consulting
常州新城多奇妙企業管理諮詢有限公司 Changzhou Duoqimiao Business Management Consultancy Co.,Ltd.	2015年7月31日 31 July 2015	5,000	500	100.00%	—	諮詢服務 Consulting
揚州新城多奇妙企業管理諮詢有限公司 Yangzhou Future Land Duoqimiao Business Management Consultancy Co.,Ltd.	2015年8月20日 20 August 2015	1,000	1,000	100.00%	—	諮詢服務 Consulting
昆山新城多奇妙企業管理諮詢有限公司 Kunshan Future Land Duoqimiao Business Management Consultancy Co.,Ltd.	2015年10月26日 26 October 2015	1,000	—	100.00%	—	諮詢服務 Consulting

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州悅盛諮詢管理有限公司 Changzhou Yuesheng Consultancy Management Co.,Ltd.	2015年5月25日 25 May 2015	1,000	–	100.00%	–	諮詢服務 Consulting
上海橙居信息科技有限公司 Shanghai Chengju Information Technology Co., Ltd.	2015年6月8日 8 June 2015	5,000	5,000	100.00%	–	資訊科技 Information technology
江蘇雲拒網絡技術有限公司 (附註33) Jiangsu Yungui Internet Technology Co.,Ltd (Note 33)	2014年3月13日 13 March 2014	100,000	100,000	100.00%	–	資訊科技 Information technology
上海星軼戲院管理公司 Shanghai Xingyi Cinema Management Co.,Ltd	2015年1月16日 16 January 2015	100,000	–	100.00%	–	影院管理 Cinema Management
常州平安物業管理有限公司 (附註33) Changzhou Pingan Property Management Co., Ltd. (Note 33)	1999年9月2日 2 September 1999	500	500	93.75%	–	物業管理 Property management
新城發展投資有限公司 Future Land Development Investment Co.,Ltd.	2015年3月16日 16 March 2015	50,000	–	100.00%	–	投資公司 Investment company
海口新城萬博房地產發展有限公司 Haikou Future Land Wanbo Real Estate Development Co.,Ltd.	2015年1月5日 5 January 2015	100,000	100,000	68.26%	–	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
南京新城萬順房地產有限公司 Nanjing Future Land Wanshun Real Estate Co., Ltd.	2015年1月16日 16 January 2015	30,000	30,000	65.68%	–	物業開發及銷售 Development and sale of properties
上海松睿房地產發展有限公司 Shanghai Songrui Real Estate Development Co., Ltd.	2015年2月10日 10 February 2015	10,000	10,000	65.68%	–	物業開發及銷售 Development and sale of properties
南昌新城吾悅商業管理有限公司 Nanchang Future Land Injoy Business Management Co., Ltd.	2015年3月25日 25 March 2015	5,000	5,000	68.26%	–	百貨商店管理 Department store management
上海新城創賢房地產有限公司 Shanghai Future Land Chuangxian Real Estate Co., Ltd.	2015年4月1日 1 April 2015	245,000	10,000	65.68%	–	物業開發及銷售 Development and sale of properties
成都新城萬博物業發展有限公司 Chengdu Future Land Wanbo Property Development Co., Ltd.	2015年4月8日 8 April 2015	100,000	100,000	68.26%	–	物業開發及銷售 Development and sale of properties
金壇新城萬博房地產開發有限公司 Jintan Future Land Wanbo Real Estate Development Co., Ltd.	2015年4月10日 10 April 2015	100,000	335,000	68.26%	–	物業開發及銷售 Development and sale of properties
常州新城嘉睿置業有限公司 Changzhou Future Land Jiarui Property Co., Ltd.	2015年4月16日 16 April 2015	20,000	–	65.39%	–	物業開發及銷售 Development and sale of properties
安慶新城吾悅商業管理有限公司 Anqing Future Land Injoy Business Management Co., Ltd.	2015年4月16日 16 April 2015	5,000	5,000	68.26%	–	百貨商店管理 Department store management

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
長春新城吾悅商業管理有限公司 Changchun Future Land Injoy Business Management Co.,Ltd.	2015年5月27日 27 May 2015	10,000	10,000	68.26%	—	百貨商店管理 Department store management
永勝創投有限公司 (b) Ever Victory Ventures Limited (b)	2015年5月28日 28 May 2015	—	—	68.26%	—	投資公司 Investment company
尊鋒投資有限公司 (b) Premier Point Investments Limited (b)	2015年5月29日 29 May 2015	—	—	68.26%	—	投資公司 Investment company
永康企業有限公司 (b) Ever Health Enterprises Limited (b)	2015年6月12日 12 June 2015	—	—	68.26%	—	投資公司 Investment company
杭州松銘房地產諮詢有限公司 Hangzhou Songming Real Estate Consultancy Co.,Ltd.	2015年6月3日 3 June 2015	5,000	—	68.26%	—	諮詢服務 Consulting
杭州創隆房地產諮詢有限公司 Hangzhou Chuanglong Real Estate Consultancy Co.,Ltd.	2015年6月3日 3 June 2015	5,000	—	68.26%	—	諮詢服務 Consulting
金壇新城吾悅商業管理有限公司 Jintan Future Land Injoy Business Management Co.,Ltd.	2015年6月19日 19 June 2015	10,000	10,000	68.26%	—	百貨商店管理 Department store management

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
香港禧盛發展有限公司 (b) Hong Kong Xisheng Development Limited (b)	2015年6月19日 19 June 2015	–	–	68.26%	–	投資公司 Investment company
香港瑞盛發展有限公司 (b) Hong Kong Ruisheng Development Limited (b)	2015年6月19日 19 June 2015	–	–	68.26%	–	投資公司 Investment company
香港澤盛發展有限公司 (b) Hong Kong Zesheng Development Limited (b)	2015年6月19日 19 June 2015	–	–	68.26%	–	投資公司 Investment company
上海嘉牧投資管理有限公司 Shanghai Jiamu Investment Management Co.,Ltd.	2015年6月23日 23 June 2015	586,000	586,000	68.26%	–	諮詢服務 Consulting
杭州新城鼎佳房地產有限公司 Hangzhou Future Land Dingjia Real Estate Development Co.,Ltd.	2015年6月23日 23 June 2015	36,750	36,750	40.96% (e)	–	物業開發及銷售 Development and sale of properties
杭州松睿實業有限公司 Hangzhou Songrui Industry Co.,Ltd.	2015年6月24日 24 June 2015	380,000	–	68.26%	–	物業開發及銷售 Development and sale of properties
衢州新城萬博房地產開發有限公司 Quzhou Future Land Wanbo Real Estate Development Co.,Ltd.	2015年8月6日 6 August 2015	50,000	50,000	68.26%	–	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
寧波新城萬博房地產開發有限公司 Ningbo Future Land Wanbo Real Estate Development Co.,Ltd.	2015年8月3日 3 August 2015	100,000	100,000	68.26%	–	物業開發及銷售 Development and sale of properties
台州市黃岩新城吾悅商業管理有限公司 Taizhou Huangyan Future Land Injoy Real Estate Development Co.,Ltd.	2015年6月26日 26 June 2015	10,000	10,000	68.26%	–	百貨商店管理 Department store management
成都新城吾悅商業管理有限公司 Chengdu Future Land Injoy Business Management Co.,Ltd.	2015年8月7日 7 August 2015	10,000	10,000	68.26%	–	百貨商店管理 Department store management
海口新城吾悅商業管理有限公司 Haikou Future Land Injoy Business Management Co.,Ltd.	2015年8月5日 5 August 2015	10,000	10,000	68.26%	–	百貨商店管理 Department store management
桐鄉市新城吾悅商業管理有限公司 Tongxiang Future Land Injoy Business Management Co.,Ltd.	2015年9月6日 6 September 2015	10,000	10,000	68.26%	–	百貨商店管理 Department store management
寧波新城吾悅商業管理有限公司 Ningbo Future Land Injoy Business Management Co.,Ltd.	2015年8月19日 19 August 2015	10,000	10,000	68.26%	–	百貨商店管理 Department store management

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
嵊州新城禧盛房地產開發有限公司 Shengzhou Future Land Xisheng Real Estate Development Co.,Ltd.	2015年8月29日 29 August 2015	780,000	623,081	68.26%	—	物業開發及銷售 Development and sale of properties
鎮江悅盛房地產開發有限公司 Zhenjiang Yuesheng Real Estate Development Co.,Ltd.	2015年9月11日 11 September 2015	479,925	305,989	68.26%	—	物業開發及銷售 Development and sale of properties
寧波凱拓房地產有限公司 Ningbo Kaituo Real Estate Development Co.,Ltd.	2015年9月22日 22 September 2015	280,000	141,000	68.58%	—	物業開發及銷售 Development and sale of properties
桐鄉市卓盛房地產開發有限公司 Tongxiang Zhuosheng Real Estate Development Co.,Ltd.	2015年7月8日 8 July 2015	540,000	278,172	68.58%	—	物業開發及銷售 Development and sale of properties
南京新城創錦房地產有限公司 Nanjing Future Land Chuangjin Real Estate Development Co.,Ltd.	2015年11月25日 25 November 2015	30,000	30,000	65.68%	—	物業開發及銷售 Development and sale of properties
南京新城創匯房地產有限公司 Nanjing Future Land Chuanghui Real Estate Development Co.,Ltd.	2015年12月23日 23 December 2015	30,000	—	65.68%	—	物業開發及銷售 Development and sale of properties
武漢鑫瑞隆置業有限公司* Wuhan Xinruilongxiang Property Co.,Ltd.*	2009年7月17日 17 July 2009	10,000	10,000	68.26%	—	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
上海創澤房地產開發有限公司 Shanghai Chuangze Real Estate Development Co., Ltd.	2015年8月26日 26 August 2015	10,000	10,000	65.68%	—	物業開發及銷售 Development and sale of properties
上海模域商業經營管理有限公司 Shanghai Fuyu Commercial Operation Management Co., Ltd.	2015年9月24日 24 September 2015	10,000	10,000	65.68%	—	百貨商店管理 Department store management
上海迪裕商業管理有限公司 Shanghai Diyu Business Management Co., Ltd.	2015年10月28日 28 October 2015	20,000	20,000	65.68%	—	百貨商店管理 Department store management
上海龍卿房地產開發有限公司 Shanghai Longqing Real Estate Development Co., Ltd.	2015年11月2日 2 November 2015	10,000	10,000	65.68%	—	物業開發及銷售 Development and sale of properties
上海哈牧房地產開發有限公司 Shanghai Hanmei Real Estate Development Co., Ltd.	2015年11月2日 2 November 2015	10,000	10,000	65.68%	—	物業開發及銷售 Development and sale of properties
上海拓裕房地產開發有限公司 Shanghai Tuoyu Real Estate Development Co., Ltd.	2015年12月3日 3 December 2015	10,000	—	65.68%	—	物業開發及銷售 Development and sale of properties
常熟新城創宏房地產有限公司 Changshu Future Land Chuanghong Real Estate Co., Ltd.	2015年7月31日 31 July 2015	200,000	200,000	68.26%	—	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
無錫新恆置業有限公司* Wuxi Xinheng Property Co.,Ltd.*	2011年10月13日 13 October 2011	210,000	210,000	68.26%	—	物業開發及銷售 Development and sale of properties
杭州新城創佳房地產開發有限公司 Hangzhou Future Land Chuangjia Real Estate Development Co.,Ltd.	2015年10月22日 22 October 2015	30,000	—	68.26%	—	物業開發及銷售 Development and sale of properties
濟南天鴻永天房地產有限公司* Jinan Tianhongyongtian Real Estate Development Co.,Ltd.*	2015年1月6日 6 January 2015	100,000	100,000	68.26%	—	物業開發及銷售 Development and sale of properties
常州金東方護理院有限公司 Changzhou Jindongfang Huiyuan Co.,Ltd.	2015年11月30日 30 November 2015	30,000	30,000	45.78% (f)	—	護理服務 Care Service
江蘇金東方頤養園置業有限公司(附註33) Jiangsu Jindongfang Yiyangyuan Property Co.,Ltd. (Note 33)	2011年3月3日 3 March 2011	500,000	500,000	45.78% (f)	—	物業開發及銷售 Development and sale of properties
常州金東方醫院有限公司 Changzhou Jindongfang Hospital Co.,Ltd.	2015年11月30日 30 November 2015	30,000	30,000	45.78% (f)	—	護理服務 Care Service

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2015年 2015	2014年 2014	
常州金東方品質生活服務有限公司 Changzhou Jindongfang Pinzhi Life Service Co.,Ltd.	2015年7月30日 30 July 2015	1,500	1,500	30.52% (g)	—	包裝食品全銷及零售 Pre-packaged food wholesale and retail
蘇州貝嘉房地產諮詢有限公司 Suzhou Beijia Real Estate Consultancy Co.,Ltd.	2015年8月12日 12 August 2015	10,000	—	68.26%	—	房地產信息諮詢 Properties Consulting
蘇州晟天房地產諮詢有限公司 Suzhou Shengtian Real Estate Consultancy Co.,Ltd.	2015年8月12日 12 August 2015	10,000	—	68.26%	—	房地產信息諮詢 Properties Consulting
杭州鼎睿房地產諮詢有限公司 Hangzhou Dingrui Real Estate Consultancy Co.,Ltd.	2015年11月3日 3 November 2015	5,000	—	68.26%	—	房地產信息諮詢 Properties Consulting
杭州松隆房地產諮詢有限公司 Hangzhou Songlong Real Estate Consultancy Co.,Ltd.	2015年11月3日 3 November 2015	5,000	—	68.26%	—	房地產信息諮詢 Properties Consulting
杭州創域房地產諮詢有限公司 Hangzhou Chuangyu Real Estate Consultancy Co.,Ltd.	2015年11月3日 3 November 2015	5,000	—	68.26%	—	房地產信息諮詢 Properties Consulting

* 於2015，本集團收購該公司100%股權。董事認為，此項收購事項實質屬資產收購，而非業務合併，因此作為資產收購列賬。

* In 2015, the Group acquired 100% equity interest in these entities. The directors consider these acquisition are asset acquisition in substance rather than business combination and therefore are accounted for as asset acquisition.

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40 子公司詳情 (續)

- (a) 於2015年及2014年12月31日，本公司子公司若干股權已就借款予以抵押(附註21)。有關詳情，請參閱下表：

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (a) Certain equity interests in the subsidiaries of the Company were pledged for borrowings as at 31 December 2015 and 2014, respectively (Note 21). For details, please refer to the table below:

	於12月31日 As at 31 December	
	2015年 2015	2014年 2014
江蘇新城地產股份有限公司法人股數目(i) Number of legal person shares of Jiangsu Future Land Co., Ltd. (i)	—	50,000,000
武漢新城創置置業有限公司股權百分比 Percentage of equity interests in Wuhai Future Land Chuangzhi Real Estate Co., Ltd.	100%	—
南昌新城悅盛房地產發展有限公司股權百分比 Percentage of equity interests in Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.	100%	—

- (i) 於2014年12月31日，江蘇新城有限公司若干法人數目作為銀行借款抵押。於2015年12月31日，該項借款已全部償還且其抵押已相應解除。
- (b) 本公司於該等子公司直接或間接擁有股權，而該等子公司於其他子公司直接或間接擁有股權。該等子公司於香港或英屬處女群島成立，而所有其他子公司於中國內地成立。所有子公司均為有限公司。

- (i) Certain number of legal person shares of Jiangsu Future Land Co., Ltd. were pledged for bank borrowings as at 31 December 2014. Such borrowings had been fully repaid as at 31 December 2015 and the pledge had been released accordingly.
- (b) The Company has direct or indirect equity interests in these subsidiaries which have direct or indirect equity interests in the other subsidiaries. These subsidiaries were incorporated in Hong Kong or British Virgin Islands and all the other subsidiaries were established in mainland China. All the subsidiaries are limited liability companies.

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

40 子公司詳情 (續)

- (c) 於2013年6月20日，本集團成立蘇州凱拓房地產發展有限公司，原註冊資本為75,000,000美元。根據合作發展協議，第三方投資者其後注資129,800,000美元。經注資後，本集團於蘇州凱拓房地產發展有限公司的持股下跌至36.62%，而本集團享有65%的經營業績。於2015年6月及11月，本集團減資52,300,000美元，而第三方投資者減資129,800,000美元。經減資後，本集團於蘇州凱拓房地產發展有限公司直接控股增加至100%。

第三方投資者減資前，項目公司的營運環境和架構需要所有主要財務和營運政策在第三方投資者訂立前釐定。項目公司在任何重大方面不可以偏離其核定目的和設計。同時，根據多份法律檔（包括項目公司組織章程細則、投資協議及與協力廠商投資者訂立的其他協議），本集團保留在項目公司日常業務過程中和日常管理過程中對項目公司營運和管理的權力。

- (d) 本公司持有68.26%（2014年：58.86%）權益的子公司蘇州新城創佳置業有限公司持有該公司70%權益。因此，本集團擁有的實際比率為47.78%（2014年：41.20%），惟本公司對該公司擁有控制權。
- (e) 本公司持有68.26%權益的子公司杭州新城鼎宏房地產開發有限公司持有該公司60%權益。因此，本集團擁有的實際比率為40.96%，惟本公司對該公司擁有控制權。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (c) On 20 June 2013, the Group set up Suzhou Kaituo Development Co., Ltd. with the original registered capital of USD75,000,000. According to the cooperative development agreement, a third party investor injected the capital with amounts of USD129,800,000 thereafter. After the capital injection, the Group's share holding in Suzhou Kaituo Development Co., Ltd. dropped to 36.62% while the Group is entitled to 65% of the operating results. In June and November 2015, the Group reduced the capital of USD52,300,000 and the third party investor reduced the capital of USD129,800,000. After the capital reduction, the Group's direct share holding in Suzhou Kaituo Development Co., Ltd. increased to 100%.

Before the reduction of the third party investors, the operation environment and structure of the project company require that all the major financial and operating policies are determined before third party investor is entered into. The project company may not deviate from its approved purpose and design in any material respect. At the same time, according to various legal documents, including the articles of association of the project company, investment agreements and other agreements with the third party investor, the Group retains the power to operate and manage the project company in the ordinary course of business and the day-to-day management of the project company.

- (d) Suzhou Future Land Chuangjia Property Co., Ltd., the Company's 68.26% (2014: 58.86%) held subsidiary, holds 70% interests in this entity. Hence, the effective rate owned by the Group is 47.78% (2014: 41.20%), but the Company has control over the entity.
- (e) Hangzhou Future Land Dingghong Real Estate Development Co., Ltd., the Company's 68.26% held subsidiary, holds 60% interests in this entity. Hence, the effective rate owned by the Group is 40.96%, but the Company has control over the entity.

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

40 子公司詳情 (續)

- (f) 本公司持有65.39%權益的子公司常州新城嘉睿置業有限公司持有該公司70%權益。因此，本集團擁有的實際比率為45.78%，惟本公司對該公司擁有控制權。
- (g) 本公司持有45.78%權益的子公司江蘇金東方頤養園置業有限公司持有該公司66.67%權益。因此，本集團擁有的實際比率為30.52%，惟本公司對該公司擁有控制權。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (f) Changzhou Future Land Jiarui Property Co.,Ltd., the Company's 65.39% held subsidiary, holds 70% interests in these entities. Hence, the effective rate owned by the Group is 45.78%, but the Company has control over the entity.
- (g) Jiangsu Jindongfang Yiyangyuan Property Co.,Ltd., the Company's 45.78% held subsidiary, holds 66.67% interests in this entity. Hence, the effective rate owned by the Group is 30.52%, but the Company has control over the entity.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致新城發展控股有限公司股東

(於開曼群島註冊成立的有限責任公司)

本核數師(以下簡稱「我們」)已審計列載於第F-3頁至第F-169頁新城發展控股有限公司(以下簡稱「貴公司」)及其子公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於2014年12月31日的合併和公司財務狀況表與截至該日止年度的合併利潤表、合併全面收益表、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附註解釋資料。

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香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,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

我們的責任是根據我們的審計對該等合併財務報表作出意見,僅向整體股東報告我們的意見,除此之外本報告別無其他目的。我們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。

羅兵咸永道

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

We have audited the consolidated financial statements of Future Land Development Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages F-3 to F-169, which comprise the consolidated and company statement of financial position as at 31 December 2014, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
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獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。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合併財務報表存在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合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 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。

羅兵咸永道會計師事務所
執業會計師

香港，2015年2月16日

羅兵咸永道

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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.

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 judgement, 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 Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16 February 2015

合併財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2014年12月31日 As at 31 December 2014

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
附註 Note			
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房和設備	Property, plant and equipment	6 741,152	116,009
投資物業	Investment properties	7 5,936,000	3,307,000
無形資產	Intangible assets	8 17,574	9,836
於聯營公司的投資	Investments in associates	9 146,317	43,468
於合營企業的投資	Investments in joint ventures	10 861,055	10,000
遞延所得稅資產	Deferred income tax assets	24 499,175	499,738
可供出售金融資產	Available-for-sale financial assets	11 287,385	221,187
土地使用權	Land use rights	12 397,659	367,248
其他應收款項和預付款項	Other receivables and prepayments	15 976,544	198,538
		9,862,861	4,773,024
流動資產	Current assets		
租賃土地預付款項	Prepayments for leasehold land	13 3,263,529	3,285,498
完工待售或在建銷售物業	Properties held or under development for sale	14 29,862,468	28,728,964
貿易及其他應收款項和預付款項	Trade and other receivables and prepayments	15 3,216,397	2,112,831
受限制現金	Restricted cash	17 2,618,559	886,180
現金和現金等價物	Cash and cash equivalents	17 4,817,907	7,411,713
		43,778,860	42,425,186
資產總額	Total assets	53,641,721	47,198,210
所有者權益	OWNERS' EQUITY		
本公司權益持有人應佔	Capital and reserves attributable to equity holders of the Company		
股本及儲備			
已發行及繳足股本	Issued and fully paid capital	18 4,617	4,617
儲備	Reserves	20 7,639,363	6,717,031
		7,643,980	6,721,648
非控股權益	Non-controlling interests	4,707,042	3,876,311
權益總額	Total equity	12,351,022	10,597,959

合併財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2014年12月31日 As at 31 December 2014

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
附註 Note			
負債	LIABILITIES		
非流動負債	Non-current liabilities		
借款	Borrowings	21 10,555,452	11,715,075
遞延所得稅負債	Deferred income tax liabilities	24 686,260	432,922
		11,241,712	12,147,997
流動負債	Current liabilities		
貿易和其他應付款項	Trade and other payables	23 12,023,131	10,368,476
預售物業預收款項	Advances from pre-sale of properties	22 13,164,015	10,235,042
即期所得稅負債	Current income tax liabilities	1,484,495	1,673,306
借款	Borrowings	21 3,376,189	2,174,501
應付股息	Dividends payable	1,157	929
		30,048,987	24,452,254
負債總額	Total liabilities	41,290,699	36,600,251
權益及負債總額	Total equity and liabilities	53,641,721	47,198,210
流動資產淨值	Net current assets	13,729,873	17,972,932
資產總額減流動負債	Total assets less current liabilities	23,592,734	22,745,956

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

Wang Zhenhua

王振華

Director

董事

Liang Zhicheng

梁志誠

Director

董事

本公司財務狀況表

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

於2014年12月31日 As at 31 December 2014

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
	附註 Note		
資產	ASSETS		
非流動資產	Non-current assets		
於子公司的投資	Investments in subsidiaries	16	468,240
流動資產	Current assets		
貿易及其他應收款項	Trade and other receivables	15	5,643,068
現金和現金等價物	Cash and cash equivalents	17	8,623
			5,651,691
			3,841,965
資產總額	Total assets		6,119,931
			4,291,977
所有者權益	OWNERS' EQUITY		
本公司權益持有人應佔	Capital and reserves attributable to equity holders of the Company		
股本及儲備			
已發行及繳足股本	Issued and fully paid capital	18	4,617
儲備	Reserves	20	1,150,821
權益總額	Total equity		1,155,438
			1,540,725
非流動負債	Non-current liabilities		
借款	Borrowings	21	4,778,133
流動負債	Current liabilities		
貿易和其他應付款項	Trade and other payables	23	186,360
負債總額	Total liabilities		4,964,493
			2,751,252
權益及負債總額	Total equity and liabilities		6,119,931
			4,291,977
流動資產淨值	Net current assets		5,465,331
			3,757,788
資產總額減流動負債	Total assets less current liabilities		5,933,571
			4,207,800

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

Wang Zhenhua
王振華
Director
董事

Liang Zhicheng
梁志誠
Director
董事

合併利潤表

CONSOLIDATED STATEMENT OF INCOME

截至2014年12月31日止年度 For the year ended 31 December 2014

			截至12月31日止年度 Year ended 31 December	
			2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
		附註 Note		
收入	Revenue	25	20,718,670	20,771,255
銷售成本	Cost of sales	27	(16,844,627)	(16,088,038)
毛利	Gross profit		3,874,043	4,683,217
投資物業公允價值收益	Fair value gains on investment properties	7	365,994	37,839
銷售和營銷成本	Selling and marketing costs	27	(613,387)	(592,032)
行政開支	Administrative expenses	27	(701,787)	(680,028)
其他收入	Other income	26	36,903	151,674
其他開支	Other expenses	26	(2,405)	(4,152)
其他收益－淨額	Other gains－net	26	105,627	46,270
經營利潤	Operating profit		3,064,988	3,642,788
財務收入	Finance income	28	117,008	121,793
融資成本	Finance costs	28	(252,802)	(516,693)
融資成本－淨額	Finance costs－net		(135,794)	(394,900)
應佔聯營公司業績	Share of results of associates	9	2,849	(11,422)
應佔合營企業業績	Share of results of joint ventures	10	(10,195)	－
除所得稅前利潤	Profit before income tax		2,921,848	3,236,466
所得稅開支	Income tax expense	30	(1,242,561)	(1,519,329)
年度利潤	Profit for the year		1,679,287	1,717,137
應佔年度利潤：	Attributable to:			
本公司權益持有人	Equity holders of the Company		1,025,721	981,262
非控股權益	Non-controlling interests		653,566	735,875
			1,679,287	1,717,137
本公司權益持有人應佔利潤的每股盈利－基本及攤薄	Earnings per share for profit attributable to equity holders of the Company－Basic and diluted	31	RMB 0.18	RMB 0.17
股息	Dividends	32	283,400	283,400

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

合併全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2014年12月31日止年度 For the year ended 31 December 2014

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
年度利潤	Profit for the year	1,679,287	1,717,137
其他全面收益， 可於其後重新分類至損益	Other comprehensive income, which may be reclassified subsequently to profit or loss		
— 可供出售金融資產公允價值 變動，扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	20,250	–
年度全面收益總額	Total comprehensive income for the year	1,699,537	1,717,137
應佔年度全面收益總額：	Attributable to:		
本公司權益持有人	Equity holders of the Company	1,037,149	981,262
非控股權益	Non-controlling interests	662,388	735,875
		1,699,537	1,717,137

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000 (附註18) (Note 18)	股份溢價 Share premium 人民幣千元 RMB'000 (附註20) (Note 20)	其他儲備 Other reserves 人民幣千元 RMB'000 (附註20) (Note 20)	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註20) (Note 20)	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於2014年1月1日的結餘	Balance at 1 January 2014	4,617	1,679,240	95,182	4,942,609	6,721,648	3,876,311	10,597,959
全面收益	Comprehensive income							
年度利潤	Profit for the year	-	-	-	1,025,721	1,025,721	653,566	1,679,287
其他全面收益	Other comprehensive income							
－可供出售金融資產 公允價值變動， 扣除稅項	－ Change in fair value of available-for-sale financial assets, net of tax	-	-	11,428	-	11,428	8,822	20,250
全面收益總額	Total comprehensive income	-	-	11,428	1,025,721	1,037,149	662,388	1,699,537
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資本金	Capital injections from non-controlling interests	-	-	-	-	-	420,000	420,000
首次公開發售前股份 獎勵計劃（附註19） －現任僱員服務價值	Pre-IPO share award scheme (Note 19) － value of current employee services	-	-	18,228	-	18,228	-	18,228
2013年末期股息（附註32）	2013 final dividend (Note 32)	-	(283,400)	-	-	(283,400)	-	(283,400)
子公司股息	Dividends of subsidiaries	-	-	-	-	-	(67,512)	(67,512)
擁有人的投入及分配總額	Total contributions by and distributions to owners	-	(283,400)	18,228	-	(265,172)	352,488	87,316
向非控股股東收購子公司 額外權益所得的收益 （附註39）	Gains from acquisition of additional interests in subsidiaries from non-controlling interests (Note 39)	-	-	150,355	-	150,355	(184,145)	(33,790)
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognized directly in equity	-	-	150,355	-	150,355	(184,145)	(33,790)
於2014年12月31日的結餘	Balance at 31 December 2014	4,617	1,395,840	275,193	5,968,330	7,643,980	4,707,042	12,351,022

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

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000 (附註18) (Note 18)	股份溢價 Share premium 人民幣千元 RMB'000 (附註20) (Note 20)	其他儲備 Other reserves 人民幣千元 RMB'000 (附註20) (Note 20)	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註20) (Note 20)	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於2013年1月1日的結餘	Balance at 1 January 2013	4,617	1,962,640	(177,501)	3,961,347	5,751,103	2,643,924	8,395,027
全面收益	Comprehensive income							
年度利潤	Profit for the year	–	–	–	981,262	981,262	735,875	1,717,137
其他全面收益	Other comprehensive income	–	–	–	–	–	–	–
全面收益總額	Total comprehensive income	–	–	–	981,262	981,262	735,875	1,717,137
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資本金	Capital injections from non-controlling interests	–	–	–	–	–	809,000	809,000
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)	–	–	–	–	–	–	–
– 現任僱員服務價值	– value of current employee services	–	–	25,741	–	25,741	–	25,741
2012年末期股息 (附註32)	2012 final dividend (Note 32)	–	(283,400)	–	–	(283,400)	–	(283,400)
子公司股息	Dividends of subsidiaries	–	–	–	–	–	(65,546)	(65,546)
擁有人的投入及分配總額	Total contributions by and distributions to owners	–	(283,400)	25,741	–	(257,659)	743,454	485,795
向非控股股東收購子公司 額外權益所得的收益 (附註39)	Gain from acquisition of additional interest in a subsidiary from non-controlling interests (Note 39)	–	–	246,942	–	246,942	(246,942)	–
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognized directly in equity	–	(283,400)	272,683	–	(10,717)	496,512	485,795
於2013年12月31日的結餘	Balance at 31 December 2013	4,617	1,679,240	95,182	4,942,609	6,721,648	3,876,311	10,597,959

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

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

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
	附註 Note		
經營活動			
經營活動所得／(所用) 現金	34	4,913,109	(918,758)
已付利息		(1,113,357)	(1,241,203)
已付中國所得稅		(491,986)	(518,158)
已付中國土地增值稅		(839,221)	(589,730)
經營活動所得／(所用) 現金淨額		2,468,545	(3,267,849)
投資活動			
添置投資物業		(1,130,095)	(163,561)
添置物業、廠房及設備和 非流動資產預付款項		(1,096,353)	(34,431)
出售物業、廠房及設備所得款項	34	669	15,580
添置無形資產	8	(12,348)	(4,987)
於聯營公司的投資	9	(50,000)	—
於合營企業的投資	10	(861,250)	(10,000)
聯營公司投入的資本減少	9	—	175,000
收購可供出售金融資產	11	(42,756)	(40,000)
可供出售金融資產資本減少	11	3,558	—
出售子公司，扣除相關出售現金	37	—	89,843
已收股息	26	6,553	6,605
已收利息	28	119,215	121,793
投資活動(所用)／所得現金淨額		(3,062,807)	155,842
融資活動			
借款所得款項		10,204,075	15,652,864
發行優先票據所得款項		2,100,401	2,691,503
發行公司債券所得款項		1,978,520	—
償還借款		(14,246,532)	(14,006,687)
與融資活動相關的 受限制現金增加	17	(1,839,868)	371,815
向本公司權益持有人支付股息		(283,172)	(283,400)
向非控股股東支付股息		(67,512)	(65,422)
非控股權益投入的資本金		420,000	809,000
子公司非控股權益往來款		—	555,580
償還子公司非控股權益往來款		(218,600)	—
向非控股股東收購子公司 額外權益	39	(33,790)	—
融資活動(所用)／所得現金淨額		(1,986,478)	5,725,253
現金和現金等價物(減少)／ 增加淨額		(2,580,740)	2,613,246
年初的現金和現金等價物		7,411,713	4,852,130
現金及現金等價物匯兌損失	28	(13,066)	(53,663)
年末的現金和現金等價物	17	4,817,907	7,411,713

第F-11頁至第F-169頁的附註為財務報表的一部份。

The notes on pages F-11 to F-169 are an integral part of these financial statements.

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

新城發展控股有限公司（「本公司」）於2010年4月23日根據開曼群島公司法（2010年修訂本）在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands。

本公司及其子公司（統稱「本集團」）主要在中華人民共和國（「中國」）從事物業發展及物業投資業務。本公司的母公司為富域香港投資有限公司（「富域香港」），本公司的最終控股公司為First Priority Group Limited，兩家公司均於英屬處女群島註冊成立。本集團最終控股方為王振華先生（「王先生」或「控股股東」）。

為籌備本公司股份首次在香港聯合交易所有限公司（「聯交所」）主機板上市，本集團進行重組（「重組」），據此，本公司成為組成本集團各子公司之控股公司。重組之詳情載於本公司日期為2012年11月19日之招股章程。

本公司股份於2012年11月29日開始在香港聯合交易所有限公司（「聯交所」）主板上市（「上市」）。

除另有指明外，合併財務報表以人民幣千元（「人民幣千元」）為單位呈列。

本公司董事會（「董事會」）於2015年2月16日批准及授權刊發此等載於第F-3頁至第F-169頁的合併財務報表。

1 GENERAL INFORMATION

Future Land Development Holdings Limited (the "Company") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "Group") are property development and property investment in the People's Republic of China (the "PRC"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("Wealth Zone Hong Kong") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("Mr. Wang" or the "Controlling Shareholder").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has undertaken a reorganisation (the "Reorganisation") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 November 2012 (the "Listing").

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

These consolidated financial statements set out on pages F-3 to F-169 have been approved and authorized for issue by the board of directors (the "Board") of the Company on 16 February 2015.

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 重大會計政策概要

編製該合併財務報表所採用之主要會計政策載於下文。除另有說明者外，此等政策於所呈列的年度貫徹應用。

2.1 編製基準

合併財務報表已根據由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）按歷史成本慣例編製，並已就按公允價值列賬的可供出售金融資產及投資物業的重估而作出修訂。

本財政年度及可比較期間的合併財務報表乃按照前香港《公司條例》（第32章）的適用規定編製。

上文附註1所述就上市進行的重組指涉及合併控股股東王先生控制的多間實體，以及共同控股股東合併會計法列賬。此等實體的淨資產採用控股股東而言的現有賬面值合併。業績由最早呈報日期或合併實體首次受到共同控股股東控制的日期（若為較後發生日期）而不依據本集團實際取得擁有權的日期予以合併。於重組發生之時概無確認為商譽代價之金額或收購人於被收購人的可識別資產、負債及或有負債的公平淨值超出成本之金額。

編製符合香港財務報告準則的合併財務報表需要使用若干關鍵會計估算。管理層在應用本集團會計政策過程中亦需行使其判斷。涉及高度的判斷或高度複雜性的範疇或涉及對合併財務報表屬重大假設和估算的範疇在附註4中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The Reorganisation for the Listing referred to in Note 1 above involved combination of a number of entities that were under the common control of the Controlling Shareholder, Mr. Wang, and was accounted for using merger accounting. The net assets of these entities were consolidated using the existing book values from the Controlling Shareholder’s perspective. The results were combined from the earliest date presented or since the date when the combining entities first came under the common control, where this was at a later date, regardless of the date the Group took actual ownership. No amount was recognised in consideration for goodwill or excess of acquirers’ interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time the Reorganisation took place.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2014年採納之新修訂及詮釋

以下對現有準則之新修訂及詮釋於2014年1月1日開始之財政年度首次強制應用，而且與本集團之業務有關：

- 香港會計準則第36號(修訂本)「資產減值」中有關非金融資產可收回金額的披露(於2014年1月1日或之後開始之年度期間生效)。此修訂透過頒佈香港財務報告準則第13號，刪除了香港會計準則第36號包括的有關現金產生單位可收回金額的若干披露。
- 香港(國際財務報告詮釋委員會)詮釋第21號「徵費」(於2014年1月1日或之後開始之年度期間生效)。該詮釋載列如支付徵費責任屬於香港會計準則第37號「撥備」範圍內時對該責任的會計處理方法。該詮釋闡述產生徵費責任的事件及於何時確認有關責任。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New amendments and interpretation adopted by the Group in 2014*

The following new amendments and interpretation to existing standards are mandatory for the first time for the financial year beginning on 1 January 2014 and are relevant to the Group's operations.

- HKAS 36 (Amendment) "Impairment of Assets" on the recoverable amount disclosures for non-financial assets (effective for annual periods beginning on or after 1 January 2014). This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13.
- HK(IFRIC) 21 "Levies" (effective for annual periods beginning on or after 1 January 2014). The interpretation sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised.

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2014年採納之新修訂及詮釋 (續)

- 香港會計準則第32號(修訂本)「金融工具：呈報」有關金融資產與金融負債對銷(於2014年1月1日或之後開始之年度期間生效)。此修訂澄清，對銷的權利不得依賴於未來事件，亦必須在日常業務過程中及當出現違約、無力償債或破產時，所有對手方均可合法強制執行。此修訂亦考慮到結算機制。
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)有關「投資實體合併」(於2014年1月1日或之後開始之年度期間生效)。該等修訂意味頗多基金及類似實體將會獲豁免把彼等大部份的子公司作賬目合併。相反，彼等將通過損益按其公允價值計量。該等修訂賦予符合「投資主體」定義並顯示其特點的實體提供豁免。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New amendments and interpretation adopted by the Group in 2014* (Cont'd)

- HKAS 32 (Amendment) "Financial Instruments: Presentation" on offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014). This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.
- HKFRS 10, 12 and HKAS 27 (Amendments) "Consolidation for Investment Entities" (effective for annual periods beginning on or after 1 January 2014). These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics.

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2014年採納之新修訂及詮釋 (續)

- 香港會計準則第39號(修訂本)「金融工具：確認和計量」有關衍生工具更替(於2014年1月1日或之後年度生效)。該修訂考慮到有關「場外交易」衍生工具的立法修改以及中央對手方的設立。根據香港會計準則第39號，當衍生工具更替到中央對手方時，對沖會計法將會終止。此修訂就一項對沖工具的更替達到若干標準時，為對沖會計的終止提供緩衝。

於2014年1月1日起採納上述新修訂及詮釋並無對本集團截至2014年12月31日止年度的經營業績及財務狀況產生任何重大影響。

(ii) 本集團於2014年後將須採納的新訂準則及修訂

若干香港財務報告準則的新訂準則及修訂本已頒佈但於2014年1月1日開始的年度仍未生效。該等與本集團營運相關的準則列示如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New amendments and interpretation adopted by the Group in 2014* (Cont'd)

- HKAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" on the novation of derivatives (effective for annual periods beginning on or after 1 January 2014). This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under HKAS 39, novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

The adoption of the above new amendments and interpretation starting from 1 January 2014 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2014.

(ii) *New standards and amendments that are required to be adopted by the Group after 2014*

Certain new standards and amendments of HKFRSs have been published but are not yet effective for the annual period beginning on 1 January 2014. Those that are relevant to the Group's operations are as follows:

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 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2014年後將須採納的新訂準則及修訂 (續)

香港會計準則第19號 (修訂本)	界定福利計劃：僱員供款 (於2014年7月1日或之後開始之年度期間生效)
2012年之年度改進	有關年度改進包括對2010年至2012年年度週期影響下列4項準則的改進項目的修改：香港財務報告準則第8號「經營分部」、香港會計準則第16號「物業、廠房及設備」、香港會計準則第24號「關聯方披露」及香港會計準則第38號「無形資產」。(於2014年7月1日或之後開始的年度期間起生效)
2013年之年度改進	有關年度改進包括對2011年至2013年年度週期影響下列3項準則的改進項目的修改：香港財務報告準則第3號「企業合併」、香港財務報告準則第13號「公允價值計量」及香港會計準則第40號「投資物業」。(於2014年7月1日或之後開始的年度期間起生效)
香港財務報告準則第14號	「監管遞延賬目」 (於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第11號 (修訂本)	收購於合營業務權益的會計法 (於2016年1月1日或之後開始之年度期間生效)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) *New standards and amendments that are required to be adopted by the Group after 2014 (Cont'd)*

Amendment to HKAS 19	Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
Annual improvements 2012	The amendments include changes from the 2010-2012 cycle of the annual improvements project that affect the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets". (effective for annual periods beginning on or after 1 July 2014)
Annual improvements 2013	The amendments include changes from the 2011-2013 cycle of the annual improvements project that affect the following 3 standards: HKFRS 3 "Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property". (effective for annual periods beginning on or after 1 July 2014)
HKFRS 14	Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016)

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2014年後將須採納的新訂準則及修訂 (續)

香港會計準則第16號及香港會計準則第38號 (修訂本)	澄清折舊及攤銷的認可方法 (於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產銷售或貢獻 (於2016年1月1日或之後開始之年度期間生效)
香港會計準則第27號 (修訂本)	於獨立財務報表的權益法 (於2016年1月1日或之後開始之年度期間生效)
2014年年度改進	修訂包括對2012年至2014年年度週期影響4項準則的改進項目的修改：香港財務報告準則第5號「持作出售的非流動資產及已終止經營項目」、香港財務報告準則第7號「金融工具：披露」、香港會計準則第19號「僱員福利」及香港會計準則第34號「中期財務報告」。(於2016年1月1日或之後開始之年度期間生效)
香港財務報告準則第15號	來自客戶合約的收入 (於2017年1月1日或之後開始之年度期間生效)
香港財務報告準則第9號	金融工具 (於2018年1月1日或之後開始之年度期間生效)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) New standards and amendments that are required to be adopted by the Group after 2014 (Cont'd)

Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016)
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016)
Amendment to HKAS 27	Equity method in separate financial statements (effective for annual periods beginning on or after 1 January 2016)
Annual improvements 2014	The amendments include changes from the 2012-2014 cycle of the annual improvements project that affect 4 standards: HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", HKFRS 7 "Financial Instruments: Disclosures", HKAS 19, "Employee Benefits" and HKAS 34 "Interim Financial Reporting". (effective for annual periods beginning on or after 1 January 2016)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2014年後將須採納的新訂準則及修訂 (續)

截至2014年12月31日止年度，本集團並無提早採納已頒佈但未生效的任何現有準則的新訂會計及財務報告準則及修訂。本集團正評估此等新訂準則及修訂的影響，並且不預期於生效採納時將對本集團之經營業績及財務狀況產生任何重大影響，惟本集團尚未準備納入的新財務報告準則香港財務報告準則第15號「來自客戶合約的收入」(於2017年1月1日或之後開始之年度期間生效) 除外。

(iii) 新香港公司條例

此外，根據新香港公司條例(第622章)第358條，該條例第9部份「會計和審核」之規定於本公司自二零一四年三月三日或之後開始之首個財政年度(即二零一五年一月一日開始的財政年度)實施。本集團現正評估在首次應用新香港公司條例(第622章)第9部份之期間，《公司條例》之變動對綜合財務報表之預期影響。於目前為止，本集團得出結論為不會有重大影響，以及僅對綜合財務報表資料之呈列及披露造成影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) *New standards and amendments that are required to be adopted by the Group after 2014 (Cont'd)*

The Group has not early adopted any new accounting and financial reporting standards and amendments to existing standards which have been issued but are not yet effective for the year ended 31 December 2014. The Group is in the process of making an assessment on the impact of these new standards and amendments and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017) which the Group is not yet in a position to conclude.

(iii) *New Hong Kong Companies Ordinance*

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 (i.e. year beginning 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司

2.2.1 合併

子公司指本集團有權控制的一間實體 (包括結構化實體)。當本集團因參與一間實體之業務而可或有權獲得可變回報且有能力憑藉其對該實體行使權力而影響該等回報時，則視為本集團控制該實體。子公司於控制權轉移至本集團之日起全面合併入賬。子公司自控制權終止當日起終止合併入賬。

集團內公司間交易、結餘及因集團內公司間交易而產生之收支會予以對銷。確認於資產的公司間交易所產生的溢利和虧損亦予以對銷。子公司的會計政策已按需要作出改動，以確保與本集團所採納者相符。

子公司的業績及權益中的非控股權益分別於合併財務狀況表、合併利潤表、合併全面收益表及合併權益變動表中單獨列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併

本集團採用如下文所述的收購會計法為業務合併列賬，惟如上文附註2.1所述的方法入賬的重組除外。

根據收購會計法，收購一家子公司的轉讓代價包括所轉讓資產、所產生的對被收購人前所有者之負債及本集團所發行股權的公允價值。所轉讓代價亦包括任何或有對價安排所產生的資產及負債的公允價值。收購相關成本於產生時列為開支。於業務合併時所收購的可識別資產及所承擔的負債及或有負債，初始按收購日的公允價值計量。按逐項收購基準，本集團以公允價值或非控股權益按比例應佔被收購人可識別淨資產已確認金額，確認任何被收購人非控股權益。

倘業務合併分階段進行，本集團先前持有的被收購人股本權益於收購日期的賬面值會按收購日期的公允價值重新計量；有關重新計量產生的損益在合併利潤表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) Business combinations

The Group applies the acquisition method as described below to account for business combinations, except for the Reorganisation which had been accounted for as stated in Note 2.1 above.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併 (續)

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值的後續變動，將按照香港會計準則第39號於合併利潤表作為其他全面收益變動確認。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

已轉讓代價、於被收購人的任何非控股權益金額及任何先前於被收購人的股權於收購日期的公允價值超過所收購可識別淨資產的公允價值的差額入賬列作商譽。倘已轉讓代價、已確認非控股權益及先前已計量所持股權的總和少於議價購買情況下所收購子公司可識別淨資產的公允價值，則該差額會直接於合併利潤表內確認。

(ii) 不導致失去控制權的子公司所有權權益變動

不導致失去控制權的與非控制權益進行的交易入賬列作權益交易一即以他們作為擁有人的身份與其他擁有人進行交易。任何已付代價公允價值與所購買相關應佔子公司淨資產賬面值的差額列作權益。向非控制性權益出售產生的盈虧亦列作權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) Business combinations (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held equity interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in consolidated statement of income.

(ii) Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the other owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(iii) 出售子公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允價值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公允價值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益。

2.2.2 獨立財務報表

於本公司財務狀況表中，於子公司之投資乃以成本扣除減值入賬（附註16）。成本亦包括與投資直接相關的應佔成本。子公司之業績按已收及應收股息計入公司之賬內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment (Note 16). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.2 獨立財務報表 (續)

當收到於子公司的股息時，而該股息超過子公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方淨資產（包括商譽）在合併財務報表之賬面值時，則必須對有關投資進行減值測試。

2.3 聯營公司

聯營公司指本集團對其有重大影響但無控制權或共同控制權的所有實體，一般擁有其20%至50%投票權的股權。於聯營公司的投資乃以權益法入賬。根據權益法，投資初始按成本確認，並會增減賬面值以確認投資者在收購日期後佔被投資方損益及其他儲備變動的比例。本集團於聯營公司的投資包括於收購時已識別的商譽（經扣除任何累計減值虧損）。

倘於聯營公司的所有權權益減少，而重大影響力獲保留，則先前於其他全面收益確認的金額僅有按比例部分重新劃分為損益（倘適用）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.2 Separate financial statements (Cont'd)

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

Associates or associated companies are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other reserve movements of the investee after the date of acquisition. The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

合併財務報表附註

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2 重大會計政策概要 (續)

2.3 聯營公司 (續)

本集團所佔聯營公司的收購後盈虧乃於合併利潤表內確認，而其所佔其他全面收益收購後變動則於其他全面收益內確認，並相應調整投資的賬面金額。當本集團應佔聯營公司虧損相等於或超過其於聯營公司的權益（包括任何其他無抵押應收款項）時，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔法定或推定義務或支付款項。本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並於合併利潤表「應佔聯營公司利潤／（虧損）」確認有關金額。

來自本集團與聯營公司間上游及下游交易的損益於本集團的財務報表中確認並以無關連投資者於聯營公司的權益為限。未變現虧損亦會對銷，除非有關交易證明所轉讓資產已出現減值。聯營公司的會計政策已作必要更改，以確保與本集團所採納者保持一致。

於聯營公司投資所產生的攤薄盈虧在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associates (Cont'd)

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movement in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.4 合營安排

根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團享有的收購後利潤或虧損以及其他綜合收益變動的份額。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益（包括任何實質上構成本集團在該合營淨投資的長期權益），則本集團不確認進一步虧損，除非本集團已產生義務或已代合營企業付款。

本集團與其合營企業之間的未變現交易利得按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策如有需要已改變以符合本集團採納的政策。

2.5 分部報告

經營分部乃以與提交予主要經營決策者（「主要經營決策者」）的內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部表現，並已確定為作出戰略決策的王先生。

管理層根據主要經營決策者審核的用於作出戰略決策的報告釐定經營分部。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Joint arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Mr. Wang who makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.6 外幣換算

(i) 功能及呈列貨幣

本集團的各實體財務報表所列的項目，均以該實體經營所在主要經濟環境所使用的貨幣（「功能貨幣」）計量。由於本集團的大部份資產及營運位於中國，故其財務報表以人民幣呈列，人民幣乃本公司的功能貨幣及本集團的呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日的現行匯率換算為功能貨幣，或於項目獲重新計量時按估值日期的匯率換算。因上述交易結算及按年底匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於合併利潤表內確認。

與借貸及現金及現金等價物有關的匯兌收益及虧損在利潤表內的「融資收入或成本」項下呈列。所有其他匯兌收益及虧損在利潤表內的「其他收益或虧損－淨額」項下呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income within 'other gains or losses – net'.

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 重大會計政策概要 (續)

2.6 外幣換算 (續)

(iii) 集團公司

倘本集團的所有實體 (全部均非採用嚴重通脹經濟體系的貨幣) 的功能貨幣有別於呈列貨幣，則其業績及財務狀況會按下列方法換算為呈列貨幣：

- (a) 現時集團實體的每份財務狀況表內的資產與負債按該財務狀況表結算日的收市匯率換算；
- (b) 現時集團實體的每份利潤表及全面收益表內的收入及開支按平均匯率換算；及
- (c) 所產生的所有兌換差額乃於其他全面收益內確認及計算，並於權益項目下累積。

收購境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在其他全面收益中入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation (Cont'd)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position of the Group entities are translated at the closing date of that statement of financial position;
- (b) income and expenses for each statement of income and statement of comprehensive income of the Group entities are translated at average exchange rate; and
- (c) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.7 物業、廠房和設備

物業、廠房和設備按歷史成本減累計折舊及任何減值虧損入賬。資產的初始成本包括購入價及令該資產處於所擬運作狀況及地點之任何直接應佔成本。

當與項目有關的未來經濟利益可能流入本集團，而該項目的成本能夠可靠地計量時，則會將該項目其後產生的成本計入該項資產的賬面值內或確認為獨立資產（如適當）。其他所有維修及保養成本乃於其產生的會計期間內自合併利潤表扣除。

物業、廠房和設備的折舊按估計可使用年期以直線法分配其成本減其殘值，有關年限如下：

— 樓宇	30年
— 汽車	5-10年
— 傢俬、裝置及設備	5-10年
— 租賃物業裝修	3-5年

資產殘值及可使用年期均會於各報告期末時被檢討，並在適當情況下作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額。

出售盈虧乃透過比較所得款項與賬面值而釐定，並作為「其他收益／（虧損）-淨額」於合併利潤表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

– Buildings	30 years
– Motor vehicles	5-10 years
– Furniture, fittings and equipment	5-10 years
– Leasehold improvements	3-5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.8 投資物業

持作長期租金收入或資本增值或兩者兼備且並非本集團所佔用的物業分類為投資物業。投資物業也包括正在建造或開發供未來作投資物業使用之物業。

投資物業包括根據經營租賃持有的土地及本集團擁有的樓宇。根據經營租賃持有的土地如能符合投資物業餘下的定義，則分類為投資物業並入賬。在此情況下，經營租賃視為融資租賃入賬。

投資物業初始按其成本計量，包括相關的交易成本及相關的（如適用）借貸成本。於初始確認後，投資物業按公允價值列賬。公允價值變動於合併利潤表確認及單獨呈列。

公允價值是根據活躍市價並經（如必要）就特定資產之性質、位置或狀況之任何差異作出調整而釐定。倘無法獲得該等資料，則本集團會使用可替代估值法，如較不活躍市場的近期價格或經折現現金流量預測。這些估值乃於各結算日由外部估值師實施。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings owned by the Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In this case, the operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statement of income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

合併財務報表附註

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2 重大會計政策概要 (續)

2.8 投資物業 (續)

倘公允價值能可靠計量，建設中物業按公允價值計量。倘無法可靠地釐定公允價值，則建設中投資物業於公允價值可以釐定或工程竣工前（以較早者為準）將以成本計量。此物業於該日的公允價值與當時賬面值之間的任何差額均在合併利潤表中確認。重新發展以持續作投資物業用途的投資物業，或市場活躍度降低的投資物業將繼續以公允價值計量。

其後支出只有在與該支出有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才撥入在資產的賬面值中。其他所有維修及保養成本於產生時支銷。

當與另一方就完工待售物業訂立經營租賃合約及租賃開始時，物業轉撥至投資物業。於轉撥日期的物業公允價值與其當時賬面值的差額於利潤表中確認為其他收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties (Cont'd)

Property under construction is measured at fair value if the fair value is considered to be reliably measurable. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statement of income. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When an operating lease contract is entered into with another party on a property originally held for sale and upon the commencement of the lease, the property is transferred to investment property. The difference between the fair value of the property at the date of transfer and its then carrying amount is recognised as other gain in the statement of income.

合併財務報表附註

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2 重大會計政策概要 (續)

2.9 無形資產

商標

本集團商標乃按歷史成本法列賬的單獨購入商標。商標有特定使用年限並按成本減累計攤銷列賬。攤銷乃按直線法將商標的成本分攤至10年的估計可使用年期計算。

電腦軟件

本集團的電腦軟件包括按購入及使用該特定軟件所產生的成本作資本化處理的購入電腦軟件。這些成本按五年之估計可使用年期攤銷。

2.10 於子公司、聯營公司、合營企業及非金融資產投資的減值

沒有確定使用年限的資產或尚未可供使用的資產毋須攤銷，但會每年進行減值測試。當發生事件或情況變化顯示資產賬面值未必可收回時，會檢討該等須攤銷資產有否減值。減值虧損按資產賬面值超出其可收回金額的差額確認。可收回金額為資產公允價值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量的最低水準（現金產生單位）分類。非金融資產如出現減值，則會於各結算日期檢討可否撥回減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Intangible assets

Trademarks

Trademarks of the Group are separately acquired trademarks which are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

Computer software

Computer software of the Group comprises acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.11 完工待售或在建銷售物業

完工待售或在建銷售物業按成本及可變現淨值兩者的較低者列賬於流動資產。完工待售或在建銷售物業成本包括土地租賃成本、建造支出、資本化借款成本及於發展期間產生的其他直接成本。持有的物業成本按其未售出之物業成本按獲比例分配之該發展項目之全部發展成本計量。可變現淨值為管理層根據現行市況釐定之在通常業務過程中的估計銷售價，減預計至竣工需產生的其他成本及銷售時需產生的營銷成本。

2.12 土地使用權

中國的所有土地均為國有且無單獨的土地所有權。本集團收購土地使用權從而進行物業開發。用於開發供出售的土地使用權作為存貨，並按成本值與可變現淨值兩者的較低者列賬，其中屬於正常營運週期內的土地使用權分類為流動資產並計入完工待售或在建銷售物業，而屬於正常營運週期以外的土地使用權分類為非流動資產。屬於投資物業的土地使用權分類為投資物業（附註2.8）。

自用的土地使用權列入土地使用權，以直線法於租期內攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.12 Land use rights

All land in the PRC is stated-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.8).

Land use rights for self-use are recorded under land use rights, which are amortised over the period of the lease using the straight-line method.

合併財務報表附註

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2 重大會計政策概要 (續)

2.13 金融資產

2.13.1 分類

本集團將金融資產分為以下類別：貸款及應收款項以及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於初始確認金融資產時決定其分類。

(i) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活躍市場並無報價。該等金融資產計入流動資產，惟到期日超過於報告期末起計12個月的項目則被分類為非流動資產。本集團貸款及應收款項於財務狀況表內包括「貿易和其他應收款項及預付款項」的若干項目及計入「現金和現金等價物」和「受限制現金」的銀行存款（附註15及附註17）。

(ii) 可供出售金融資產

可供出售金融資產屬於指定列入該類或不可歸入任何其他類別的非衍生工具。除非管理層有意於報告期末起計12個月內處置該投資，否則該等項目入賬列為非流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets. The Group's loans and receivables comprise certain items in "Trade and other receivables and prepayments" and bank deposits included in "cash and cash equivalents" and "restricted cash" in the statement of financial position (Note 15 and Note 17).

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.2 確認及計量

正常買賣金融資產在交易日 (本集團承諾買賣該資產的日期) 確認。對於以公允價值計量但其變動並非計入損益的所有金融資產，投資初始按公允價值加交易成本確認。當從投資收取現金流量的權利已屆滿或已轉讓，且本集團已實質上將擁有權的所有風險和回報轉讓時，即中止確認金融資產。可供出售金融資產其後按公允價值列賬。貸款及應收款項隨後使用實際利率法按已攤銷成本列賬。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益內確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入合併利潤表內。

可供出售證券的利息按實際利率法於合併利潤表內確認為部分其他收入。可供出售股權工具的股息於本集團確立收取股息之權利時於合併利潤表中確認為部分其他收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of income as part of other income when the Group's right to receive payments is established.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值

(i) 按攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。僅於有客觀證據顯示資產初始確認後發生的一項或多項事件引致減值(「虧損事件」)且虧損事件對一項或一組金融資產能可靠預計的估計未來現金流量有影響,則表示該項或該組資產已減值,並應計減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組,以及有可觀察數據顯示估計未來現金流有可計量的減少,例如與違約有相互關連的拖欠情況或經濟狀況改變。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值 (續)

(i) 按攤銷成本列賬的資產 (續)

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併利潤表確認。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在合併利潤表轉回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets (Cont'd)

(i) *Assets carried at amortised cost* (Cont'd)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值 (續)

(ii) 分類為可供出售資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。

對於債務證券，倘存在任何有關證據，則累積虧損（按收購成本與當前公允價值之間的差額，減之前於損益確認的該金融資產的任何減值虧損計算）於權益剔除及於損益確認。倘可供出售的債務工具的公允價值於其後期間增加且該增加與減值虧損於損益確認後發生的事件有客觀關聯，則減值虧損通過合併利潤表撥回。

對於權益工具，證券的公允價值遠低於或長期低於其成本亦為該資產減值的證據。倘存在任何有關證據，則累積虧損（按收購成本與當前公允價值之間的差額，減之前於損益確認的該金融資產的任何減值虧損計算）於權益剔除及於損益確認。於合併利潤表確認的權益工具的減值虧損不通過合併利潤表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets (Cont'd)

(ii) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.4 終止確認金融資產

金融資產 (或倘適用，一項金融資產的一部份或一組相若金融資產的一部份) 在下列情況下將予終止確認：

- 自該項資產收取現金流量的權利已屆滿；
- 本集團轉讓自該項資產收取現金流量的權利，或已根據一項「轉付」安排，承擔將所得現金流量全數付予第三方的責任，且不會嚴重延緩；或
- 本集團轉讓自該項資產收取現金流量的權利及(a)本集團已實質上轉讓該項資產的所有風險及回報；或(b)本集團並無實質上轉讓或保留該項資產的所有風險及回報，但已轉讓對該項資產的控制權。

倘本集團已轉讓其收取該項資產所產生現金流量的權利或已訂立轉付安排，但並無實質上轉讓或保留該項資產的所有風險及回報，亦無轉讓對該項資產的控制權，則該資產將視本集團繼續參與該資產的程度而確認入賬。在此情況下，本集團亦確認聯屬責任。已轉讓資產及聯屬責任以反映本集團所保留的權利及責任為基準計量。

以擔保已轉讓資產的方式繼續參與，乃按該資產的原賬面值及本集團可能被要求償還的代價最高金額 (以較低者為準) 計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

合併財務報表附註

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2 重大會計政策概要 (續)

2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表呈報其淨額。具有法律強制力的權力不得依賴於未來事件及能於正常業務過程中及於其中一方違約、無力償債或破產的情況下強制執行。

2.15 衍生金融工具

衍生工具於訂立衍生工具合約日期首次以公平值確認入賬，隨後按其公平值進行重估。公平值乃根據市場報價於活躍市場中獲得，包括近期市場交易及估值方法（包括現金流量折現模型及期權定價模型（如適用））。

對於不符合對沖會計處理的衍生金融工具，公平值變動即刻於合併利潤表中確認。

2.16 貿易和其他應收款項

貿易和其他應收款項初始以公允價值確認，其後利用實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項之原有條款收回所有款項時，即就貿易和其他應收款項設定減值撥備。債務人的重大財務困難、債務人可能會破產或進行財務重組以及違約或拖欠款項被認為是應收款項減值的跡象。撥備金額為資產之賬面值與按原有實際利率折現之估計未來現金流量之現值之差額。資產之賬面值透過使用撥備賬戶削減，而有關虧損金額則在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of either party.

2.15 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

For derivative financial instruments which do not qualify for hedge accounting, changes in fair value are recognised in the consolidated statement of income.

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.16 貿易和其他應收款項 (續)

倘貿易和其他應收款項被視為無法收回，則與撥備賬目撇銷。其後收回先前撇銷的金額將貸記入合併利潤表內。

貿易和其他應收款項計入流動資產，惟於報告期起計超過12個月者（或倘於正常營業週期外，則可較長），則分類為非流動資產。

2.17 現金和現金等價物

現金和現金等價物包括手頭現金、銀行通知存款及原定到期日為三個月或以內之高流動性其他短期投資。

2.18 股本

普通股分類為權益。直接歸屬於發行新股或期權的新增成本在權益中列為所得款項之減項（扣除稅項）。

2.19 貿易和其他應付款項

貿易和其他應付款項乃就日常業務過程中購買供應商提供的產品或服務而應支付的義務。倘貿易及其他應付款項的支付日期在報告期起計12個月內（如仍在正常營運週期中，則可較長），其被分類為流動負債。否則，分類為非流動負債。

貿易和其他應付款項初始以公允價值確認，其後利用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Trade and other receivables (Cont'd)

When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income.

Trade and other receivables are included in current assets, except for those maturing more than twelve months after the reporting period (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

2 重大會計政策概要 (續)

2.20 借款及借貸成本

借款初始按公允價值扣除所產生的交易成本予以確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間的任何差額使用實際利率法於借款期間在合併利潤表內確認。

在貸款很有可能部份或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部份或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則借款將被劃分為流動負債。

直接歸屬於收購、建設或生產合資格資產（即需要經過相當長時間才能達到預定用途或銷售狀態的資產）的一般及特定借款成本，計入該等資產的成本，直至該等資產基本達到預定用途或銷售狀態。就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。其他借款成本於其產生期間支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific 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. Other borrowing costs are expensed in the period when they are incurred.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅

期間的稅項開支包括即期稅項及遞延稅項。稅項乃於合併利潤表內確認，惟與於其他全面收益或直接於權益確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

即期所得稅支出根據本公司及其子公司營運及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例受詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關繳納的稅款設定撥備。

對於資產及負債的稅基與其於合併財務報表的賬面值的暫時性差額，使用負債法確認遞延所得稅。然而，倘遞延所得稅乃因首次確認交易（並非業務合併）中的資產或負債而產生，且進行有關交易時並無影響會計或應課稅利潤或虧損，則不予入賬。遞延所得稅乃按結算日前已頒佈或實質上已頒佈，並預期將於相關遞延所得稅資產變現或遞延所得稅負債清償時應用的稅率（及法律）計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

遞延所得稅資產是就可能有未來應課稅利潤而就此可使用暫時性差額而確認。

遞延所得稅乃就於子公司、聯營公司及合營安排的投資產生的暫時差額而撥備，惟倘本集團可控制暫時差額撥回的遞延所得稅負債時間，且暫時差額有可能在可預見將來不會獲撥回則除外。一般而言，本集團無法控制給予聯營公司的暫時差額撥回。僅於有協議賦予本集團能力控制撥回未確認暫時差額時除外。

因投資子公司、聯營公司及共同控制實體而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅溢利抵銷可動用暫時差額則除外。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準結算結餘時，遞延所得稅資產與負債將予互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax (Cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2 重大會計政策概要 (續)

2.22 員工福利

根據中國內地規則及法規，本集團的中國內地員工須參加中國內地有關省市管理的多項界定供款退休福利計劃，據此，本集團及中國內地員工須每月按員工薪金的特定百分比向該等計劃供款，惟無需超過若干上限。

省市級政府承諾承擔根據上述計劃應付的全部現有及未來中國內地員工退休福利責任。除每月供款外，本集團毋須就其員工承擔其他退休金付款或其他退休後福利的責任。這些計劃的資產與本集團其他資產分開持有，並由市級和省級政府獨立管理的基金保管。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Employee benefits

In accordance with the rules and regulations of mainland China, the mainland China based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the mainland China under which the Group and the mainland China based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland China based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the municipal and provincial governments.

合併財務報表附註

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付

本集團實行數項以權益償付首次公開發售前股份獎勵計劃，在該等計劃下，本集團獲取僱員及若干前僱員、高級僱員及業務合夥人提供的服務作為本公司股本工具（獎勵）的對價。現任僱員及若干前僱員、高級僱員及業務合夥人為獲取股份而提供的服務的公允價值確認為費用。該等予以支銷的總金額乃經參考獲授予股份的公允價值釐定：

- 包括任何市場業績條件；
- 不包括任何服務及非市場業績可行權條件的影響；及
- 包括任何非可行權條件的影響。

非市場績效歸屬條件包括在有關預期歸屬的股份數目的假設中。列作開支的總金額乃在歸屬期確認，歸屬期即符合所有特定歸屬情況的期間。於各報告期末，本集團會根據非市場績效歸屬條件修改其估計預期將歸屬的股份數目。於合併利潤表內確認修改原來估計數字（如有）的影響，以及須對權益作出的相應調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments

The Group operates an equity-settled pre-IPO share award scheme, under which the Group receives services from employees and certain former employees, officers and business partners as consideration for equity instruments (awards) of the Company. The fair value of the current employee and certain former employees, officers and business partners services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity.

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付 (續)

本公司向本集團子公司的僱員授予其股份，被視為資本投入。所獲得僱員服務的公允價值乃參考授出日期的公允價值計量，於歸屬期內確認為增加對子公司的投資，並相應計入本公司的權益賬。

2.24 撥備及或有負債

倘本集團因過往事件而現時須承擔法定或推定責任，且履行該等責任可能須動用資源，及所涉及的金額能可靠估計時，則確認撥備。未來營運虧損毋須確認撥備。

倘存在多項相若責任時，履行該等責任是否需要動用資源在考慮整體責任之類別後釐定。即使同一類別之任何一項責任可能須動用資源的可能性極低，亦須確認撥備。

撥備採用反映當時市場對金錢時間值和有關責任固有風險之評估的稅前比率按照預期需履行有關責任之開支之現值計量。隨著時間消逝而增加的撥備確認為利息開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments (Cont'd)

The grant by the Company of its shares to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity account of the Company.

2.24 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

合併財務報表附註

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2 重大會計政策概要 (續)

2.24 撥備及或有負債 (續)

或有負債乃一項因過往事件可能產生的責任，而該責任的存在僅可由一項或多項並非由本集團全權控制之日後不明朗事件之存在與否確定。或有負債亦可為因不大可能需要動用經濟資源或承擔之金額未能可靠地估量而未確認之過往事件產生之現有承擔。

或有負債不予確認，但會於合併財務報表附註中披露。倘支付之可能性出現變動致使有可能需支付，則或有負債將確認為撥備。

2.25 收入確認

收入包括本集團在日常業務過程中出售物業及服務之已收或應收代價之公允價值。收入在扣除退貨、回扣及折扣及經撇銷本集團公司間銷售後予以呈列。收入確認如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Provisions and contingent liabilities (Cont'd)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

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2 重大會計政策概要 (續)

2.25 收入確認 (續)

(i) 出售物業

出售物業的收入於物業的風險及回報已轉讓予買方 (即有關物業已竣工時) 並根據銷售協議將物業交付買家, 且能合理確保收回有關應收款項時, 方予以確認。收入確認日期前就已售物業收取的按金及分期付款於合併財務狀況表內的流動負債下記錄為「預售物業預收款項」。

(ii) 租金收入

來自經營租賃所出租物業的租金收入, 以直線法在租賃期內確認。

(iii) 服務收入

服務收入於相關的提供服務已提供, 並能夠可靠地估計收入及成本總額, 且能合理確保收回有關應收款項時確認。

(iv) 利息收入

利息收入利用實際利率法按時間比例確認。當應收款項出現減值時, 本集團將其賬面值減至其可收回金額 (即按工具的原實際利率貼現的估計未來現金流量), 並繼續沖抵折現作為利息收入。減值貸款和應收款項的利息收入利用原實際利率確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue recognition (Cont'd)

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as "Advances from pre-sale of properties" in the consolidated statement of financial position under current liabilities.

(ii) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

(iii) Service income

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectibility of the related receivables is reasonably assured.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

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2 重大會計政策概要 (續)

2.25 收入確認 (續)

(v) 股息收入

股息收入在收取股息之權利獲確定時確認。

2.26 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公允價值確認。與成本有關的政府補貼將會遞延，並於擬補償之成本所需進行配對的期間內於合併利潤表內確認。作為開支或已產生的虧損的補償金或向本集團旗下企業提供即時財務援助而成為應收款項（並無日後相關成本）的政府補貼，乃於其成為應收款項的期間確認為收入。

2.27 財務擔保負債

本集團就銀行按揭信貸為若干購房者提供財務擔保。

財務擔保負債初步按公允價值加作出相關財務擔保負債直接產生的交易成本確認。於首次確認後，有關合約按履行現有責任所需開支的最佳估計現值與首次確認金額減累計攤銷的較高者計量。

財務擔保負債當且僅當合約列明的責任已解除或註銷或屆滿時方於財務狀況表中終止確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue recognition (Cont'd)

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of income over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.27 Financial guarantee liabilities

The Group provides financial guarantees for certain property purchasers on mortgage facilities with banks.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

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2 重大會計政策概要 (續)

2.28 經營租賃

出租人保留所有權的絕大部份風險及回報的租賃均列為經營租賃。根據經營租賃支付的款項(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法自合併利潤表扣除。

2.29 股息分派

向本公司股東分派的股息於股息獲本公司股東正式批准的期間在本集團及本公司財務報表中確認，並在適用時作為負債入賬。

2.30 結算日後事項

提供本集團於報告期末狀況的其他資料的報告期後事項(「調整事項」)於合併財務報表中反映。並非調整事項的報告期後事項如涉及金額重大則在附註中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised, as a liability where applicable, in the Group's and the Company's financial statements in the period in which the dividends are properly approved by the Company's shareholders.

2.30 Subsequent events

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period ("adjusting events") are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

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3 財務風險管理及金融工具

3.1 財務風險因素

本集團的業務承受多項財務風險：市場風險（包括外匯風險、價格風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並尋求方法盡量降低對本集團財務業績可能構成的不利影響。

3.1.1 市場風險

(i) 外匯風險

除部份融資活動（包括首次公開發售、銀行借貸及發行優先票據乃以港元（「港元」）或美元（「美元」）計值）外，本集團僅於中國從事房地產的開發、銷售及管理，幾乎所有交易均以人民幣計值。於2014年12月31日，本集團主要的資產及負債以人民幣計值，惟若干現金及借款以港元或美元計值。

本公司及其全部子公司的功能貨幣為人民幣。因此，以港元或美元計值的現金及借款面臨外匯風險。港元及美元兌人民幣的匯率波動將影響本集團的經營業績。本集團目前並無外匯對沖政策。然而，管理層密切監控外匯風險並於必要時採取行動。

於2014年12月31日，如人民幣兌港元及美元升值／貶值5%，而所有其他可變因素維持不變，年度除稅後溢利將上升／下降人民幣179,933,000元（2013年：人民幣47,647,000元），主要因為換算以港元及美元計值的銀行結餘及借貸的淨外匯收益／虧損所致。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all the transactions denominated in RMB, except for certain financing activities, including the initial public offering, borrowings from banks and issuance of senior notes which are denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD"). As of 31 December 2014, majority of the Group's assets and liabilities are denominated in RMB except that certain cash and borrowings are denominated in HKD or USD.

The Company and all of its subsidiaries' functional currency is RMB. Accordingly, cash and borrowings denominated in HKD or USD is subject to foreign exchange risk. Fluctuations in the exchange rates of HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2014, if RMB had strengthened/weakened by 5%, against HKD and USD with all other variables held constant, post-tax profit for the year would have been RMB179,933,000 (2013: RMB47,647,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of HKD and USD denominated bank deposits and borrowings.

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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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(ii) 價格風險

由於本集團所持投資在合併財務狀況表內被分類為可供出售金融資產，故本集團承受價格風險。

董事認為，本集團就其投資所承受的價格風險並不重大，概因本集團訂有政策，不會作出對本集團財務業績可能造成不利影響的重大投資。所有投資須經董事長批准後方可進行。

下表概述分類為可供出售股本證券的公允價值上升／下跌5%，該證券收益／虧損對本集團其他全面收益增加／減少的影響。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group and classified on the consolidated statements of financial position as available-for-sale financial assets.

In the opinion of the directors, the Group's exposure to price risk with regard to its investments is not significant since it is the Group's policy not to invest significant amounts that might have a detrimental impact to the Group's financial results. All investments must be approved by the Chairman of the Board before they may be entered into.

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

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
— 上調5%	— 5 percent higher	10,777	8,295
— 下調5%	— 5 percent lower	(10,777)	(8,295)

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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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險

除銀行現金存款外，本集團並無其他重大計息資產。

本集團承受的利率變動風險主要來自借款。浮息借款使本集團承受現金流量利率風險。固息借款則令本集團承受公允價值利率風險。本集團並無對沖其現金流量或公允價值利率風險。利率及償還借款的條款於附註21披露。

由於預期銀行存款的利率不會出現大幅波動，管理層預期利率變動不會對計息資產產生重大影響。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk

Except for cash deposits in the bank, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 21.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險 (續)

於2014年和2013年12月31日，倘浮息借款利率上調／下調50個基點，而所有其他變量保持不變，則本集團截至2014年和2013年12月31日止年度的除稅後利潤和資本化利息變動如下：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk (Cont'd)

As at 31 December 2014 and 2013, if interest rates on borrowings with floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest of the Group for the years ended 31 December 2014 and 2013 would have changed as follows:

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
除稅後利潤增加／(減少)	Post-tax profit increase/(decrease)		
－ 上調50個基點	- 50 basis points higher	(3,604)	(6,361)
－ 下調50個基點	- 50 basis points lower	3,604	6,361
資本化利息增加／(減少)	Capitalised interest increase/(decrease)		
－ 上調50個基點	- 50 basis points higher	14,778	35,379
－ 下調50個基點	- 50 basis points lower	(14,778)	(35,379)

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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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.2 信貸風險

本集團並無重大集中信貸風險。合併財務狀況表中列示的銀行存款和貿易和其他應收款項賬面值指本集團就其金融資產承受的最大信貸風險。

現金交易限於信貸質量較高的金融機構。下表載列於2014年和2013年12月31日的銀行存款結餘：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk

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

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2014 and 2013:

		於12月31日 As at 31 December	
交易對手	Counter party	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
於中國四大國有銀行的存款	Deposits with the four major state-owned banks of the PRC	4,611,176	6,901,344
於中國其他上市銀行的存款	Deposits with other listed banks of the PRC	584,392	870,278
於其他銀行的存款	Deposits with other banks	2,229,795	521,408
		7,425,363	8,293,030

管理層預期不會因該等交易對手的不履約行為而產生任何虧損。

Management does not expect any losses from non-performance of these counterparties.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.2 信貸風險 (續)

本集團採取政策以確保物業銷售予財務狀況相對良好及能支付適當比例首期付款的買家。同時，倘買家拖欠付款，本集團有權取消銷售合同，並將相關物業投入市場重新銷售。因此，銷售物業產生的信貸風險有限。

其他應付款項主要包括於日常業務過程中應收關連方款項和按金。本集團密切監控這些其他應收款項以確保在面臨違約的風險時採取行動收回結餘。

3.1.3 流動資金風險

本集團管理層旨在從內部銷售所得款項及充足的承諾信貸融資維持足夠現金以滿足其物業項目的營運需求和承諾。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk (Cont'd)

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payment. Meanwhile, the Group has the right to cancel the sales contract in the event that the buyers default in payment, and put the underlying properties back to the market for re-sale. Therefore, the credit risk from sales of properties is limited.

Other receivables mainly comprise receivables from related parties and deposits made in the ordinary course of business. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3.1.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.3 信貸風險 (續)

下表乃根據於2014年及2013年12月31日至合同到期日的剩餘期間，按相關到期組別分析本集團金融負債。表內披露的金額為合同未貼現現金流量。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Liquidity risk (Cont'd)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2014 and 2013 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		一年以內 Within 1 year 人民幣千元 RMB'000	一至二年 Between 1 and 2 years 人民幣千元 RMB'000	二至五年 Between 2 and 5 years 人民幣千元 RMB'000	五年以上 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2014年12月31日	As at 31 December 2014					
借款本金 (附註21)	Borrowings, principal (Note 21)	3,376,189	2,645,900	7,775,450	240,000	14,037,539
支付借款利息	Interest payments on borrowings	1,012,771	828,445	1,188,334	15,595	3,045,145
貿易和其他應付款項	Trade and other payables	11,628,909	–	–	–	11,628,909
應付股息	Dividends payable	1,157	–	–	–	1,157
有關購買本集團物業而獲授 按揭額度的擔保 (附註36)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 36)	4,178,965	299,670	–	–	4,478,635
		20,197,991	3,774,015	8,963,784	255,595	33,191,385
於2013年12月31日	As at 31 December 2013					
借款本金 (附註21)	Borrowings, principal (Note 21)	2,174,501	4,043,500	6,983,880	740,000	13,941,881
支付借款利息	Interest payments on borrowings	976,258	764,017	647,021	83,629	2,470,925
貿易和其他應付款項	Trade and other payables	10,007,801	–	–	–	10,007,801
應付股息	Dividends payable	929	–	–	–	929
有關購買本集團物業而獲授 按揭額度的擔保 (附註36)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 36)	2,783,155	197,561	–	–	2,980,716
		15,942,644	5,005,078	7,630,901	823,629	29,402,252

附註： 借款利息沒有考慮到未來借貸，並且根據2014年和2013年12月31日所持借款計算。浮動利息分別使用2014年和2013年12月31日的當時利率估算。

Note: The interest on borrowings is calculated based on borrowings held as at 31 December 2014 and 2013 without taking into account future borrowings. Floating-rate interests are estimated using the current interest rate as at 31 December 2014 and 2013, respectively.

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

3 財務風險管理及金融工具 (續)

3.1 財務風險因素 (續)

3.1.3 信貸風險 (續)

鑒於相關業務的動態性質，本集團的管理層會密切監控流動資金的風險並採取以下措施管理流動資金風險：

- i) 編製年度現金流量預測並按月更新該預測以反映最新變化及密切監控流動資金風險；
- ii) 與主要銀行和其他金融機構保持戰略合作關係以在適當時取得信貸額度；
- iii) 繼續取得長期融資信貸、附有抵押本集團物業的主要發行優先票據、項目銀行貸款或本集團視為適當的其他資金來源；
- iv) 積極推動銷售本集團竣工物業及預售在建物業。本集團亦會考慮靈活調整價格和銷量以管理流動資金風險。

3.2 資本風險管理

本集團的資本管理的目標乃為保障本集團能繼續營運，以為股東提供回報和維持最佳的資本結構以降低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、發行新股或出售資產以減少債務。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Liquidity risk (Cont'd)

Due to dynamic nature of the underlying business, the management of the Group is closely monitoring the risk of the liquidity and takes the following actions to manage the liquidity risk:

- i) prepares annual cash flow forecast and updates such forecast on a monthly basis to reflect the latest changes and monitor the liquidity risk closely;
- ii) maintains strategic cooperation with major banks and other financial institutions to secure credit facilities where appropriate;
- iii) continues to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of the Group's properties or other resources of funding which the Group considers appropriate;
- iv) proactively promotes the sales of the Group's completed properties and pre-sales of properties under development. The Group also considers the flexibility of adjusting the price and volume on sale of properties for management of liquidity risk.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理及金融工具 (續)

3.2 資本風險管理 (續)

本集團利用資產負債比率監察其資本。此比率按照債務淨額除以資本總額計算。債務淨額為借款總額減去現金和現金等價物。資本總額按合併財務狀況表所列示的權益總額加上債務淨額計算。

於2014年和2013年12月31日，本集團資產負債比率如下：

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.2 Capital risk management (Cont'd)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios of the Group at 31 December 2014 and 2013 were as follows:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
借款總額	Total borrowings	13,931,641	13,889,576
減：現金和現金等價物	Less: Cash and cash equivalents	(4,817,907)	(7,411,713)
債務淨額	Net debt	9,113,734	6,477,863
權益總額	Total equity	12,351,022	10,597,959
資本總額	Total capital	21,464,756	17,075,822
資產負債比率	Gearing ratio	42%	38%

資產負債比率於2014年12月31日增加，主要原因是現金及現金等價物結餘較少導致債務淨額結餘較高。

The increase in the gearing ratio as at 31 December 2014 resulted primarily from a higher net debt balance, because of lower balance of cash and cash equivalents.

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

3 財務風險管理及金融工具 (續)

3.3 公允價值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債的活躍市場報價（未經調整）（第一層）。
- 除第一層所包括的報價外，資產或負債的可直接（即如價格）或間接（即價格衍生物）觀察的輸入值（第二層）。
- 並非依據可觀察的市場數據而釐定的資產或負債的輸入值（即不可觀察輸入值）（第三層）。

本集團可供出售金融資產通過第三層按公允價值計量。

下表分別呈列本集團於2014年和2013年12月31日按公允價值計量的金融資產。請參閱附註7就投資物業按公允價值計量所作的披露。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

The available-for-sale financial assets of the Group are measured at fair value by Level 3.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2014 and 2013 respectively. See Note 7 for disclosures of the investment properties that are measured at fair value.

		第一層 Level 1 人民幣千元 RMB'000	第二層 Level 2 人民幣千元 RMB'000	第三層 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
可供出售金融資產	Available-for-sale financial assets				
於2014年12月31日	At 31 December 2014	—	—	287,385	287,385
於2013年12月31日	At 31 December 2013	—	—	221,187	221,187

截至2014年和2013年12月31日止年度第三層工具出現的變動載於附註11。

The changes in Level 3 instruments for the years ended 31 December 2014 and 2013 are presented in Note 11.

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

3 財務風險管理及金融工具 (續)

3.3 公允價值估計 (續)

在活躍市場中交易的金融工具之公允價值是以於結算日的市場報價列賬。如果該報價可以容易地及規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或管理機構中獲得，並且這些報價是在真實、公平市場交易的基礎上定期呈現，該市場會被視為活躍。該工具計入第一層。

並非在活躍市場買賣的金融工具（例如場外衍生工具）公允價值以估值法釐定。該等估值法最大限度利用能獲取的可觀察市場數據而盡可能減少依賴實體的個體估計。倘計算工具公允價值需要的所有重要參數均為可觀察數據，則該工具計入第二層。

倘一項或多項重要參數並非基於可觀察市場數據，則該工具計入第三層。

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

3.3 Fair value estimation (Cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

4 重大會計估計及判斷

估計及判斷乃根據過往經驗及其他因素（包括在當時情況下對未來事件之合理預期）作持續評估。管理層就未來作出多項估計及假設。按其定義，就此產生之會計估計甚少相等於相關實際結果。具有導致於下一個財政年度內對資產及負債賬面值出現重大調整的主要風險的估計及假設於下文討論。

4.1 直接應佔物業開發活動的開發成本

本集團分配部份土地及開發成本至完工待售及在建銷售物業。由於本集團若干物業開發項目分若干期開發和完成，整個項目的預算開發成本取決於對總開發成果的估算。根據經驗和開發項目的性質，管理層就未來事項作出多項在當時情況下屬合理的估計及假設。鑒於物業開發活動涉及的不確定性因素，相關實際業績可能會高於或低於報告期末估算的金額。估計及假設出現任何變動將對本集團日後數年的經營表現產生影響。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

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

4 重大會計估計及判斷 (續)

4.2 完工待售或在建銷售物業的減值撥備

管理層根據完工待售或在建銷售物業的估計可收回金額對這些物業計提減值撥備。鑒於中國物業市場的波動性，實際可收回金額可能會高於或低於報告期末的估計。撥備的任何增加或減少將對本集團日後年度的經營表現產生影響。

4.3 中國土地增值稅

本集團需繳納中國土地增值稅。然而，由於有關稅項的實施及結算在中國各城市不同的稅務司法權區均有所不同，故須作出重大估計以釐定土地增值稅的金額。本集團根據管理層按其對多個稅務機關對稅務規則詮釋的理解作出的最佳估計，確認此等土地增值稅。最終稅款可能有別於最初錄得的金額，而有關差額將影響獲地方稅務機關確定該等稅項期間的所得稅開支。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

4.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant estimate is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the periods in which such taxes have been finalised with local tax authorities.

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

4 重大會計估計及判斷 (續)

4.4 即期及遞延所得稅

本集團須繳納中國企業所得稅。在釐定企業所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘這些事宜最終所得稅務與最初錄得的款額有所差異，有關差額將會影響稅項釐定期間的所得稅開支。

倘管理層認為有可能日後會產生應課稅利潤以抵銷暫時性差異或稅務虧損，則確認此等暫時性差異及稅務虧損相關的遞延稅項資產。實際結果或會有所不同。

4.5 投資物業的公允價值

投資物業的公允價值乃採用估值方法釐定。有關判斷及假設已披露於附註7。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the income tax expense in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 7.

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

4 重大會計估計及判斷 (續)

4.6 子公司、合營企業及聯營公司的分類

在正常業務過程中，本集團透過與其他發展商或機構訂立合作協議而與該等人士發展物業。本集團與其他各方的權利和義務在項目公司的相關合作協議、組織章程等訂明。由於安排複雜，故確定項目公司是否本集團子公司、合資公司或聯營公司需作出重大判斷。

本集團根據安排的實質內容及附註2.2、2.3及2.4披露子公司、合營企業及聯營公司的定義而作出判斷。

4.7 合營安排

本集團存在若干合營安排而相關合約訂明全部相關主要活動須取得一致同意。

本集團合營安排的形式為有限公司，當中規定本集團及協議各方有權享有該等安排項下有限公司之資產淨值。因此，此項安排被歸類為合營企業。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.6 Classification of subsidiary, joint venture and associate

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, article of associations of the project companies, etc. Because of the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate of the Group.

The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in Notes 2.2, 2.3 and 2.4.

4.7 Joint arrangements

The Group has certain joint arrangements where the relevant contracts stipulate unanimous consent for all relevant key activities.

The Group's joint arrangements are structured as limited liability companies and provide the Group and the parties to the agreements with rights to the net assets of the limited liability companies under the arrangements. Therefore, these arrangements are classified as joint ventures.

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

5 分部資料

管理層根據主要經營決策者審核的報告（用於作出戰略決策）釐定營運分部。王董事長被視為主要經營決策者。

本集團通過兩個營運分部管理業務，這與就資源分配和業績評估向本集團主要經營決策者內部呈報信息的方式一致。概無合併營運分部以形成以下可呈報分部：

- 江蘇新城地產股份有限公司，一家其境內上市外資股於上海證券交易所上市的公司（「B股公司」）。
- 不屬於B股公司的物業項目（「非B股公司」）。

B股公司主要從事住宅物業開發，而非B股公司主要從事多用途綜合樓開發。所有物業開發項目均位於中國，因此本集團的大部份收入來自中國，及大部份資產位於中國。

主要經營決策者根據除所得稅和投資物業公允價值收益前的收入和利潤的計量評估營運分部的業績。計量基準不包括所得稅開支及投資物業公允價值收益的影響。

5 SEGMENT INFORMATION

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

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Jiangsu Future Land Co., Ltd., a company listed on the Shanghai Stock Exchange with domestically listed foreign investment shares (the "B share company").
- Property projects not within the B share company (the "Non-B share companies").

The B share company is mainly engaged in development of residential properties, while the Non-B share companies are mainly engaged in development of mixed-use complexes. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax and fair value gains on investment properties. The measurement basis excludes the effects of income tax expense and fair value gains on investment properties.

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

5 分部資料 (續)

5 SEGMENT INFORMATION (Cont'd)

截至2014年12月31日止年度
Year ended 31 December 2014

		B股公司 B share company 人民幣千元 RMB'000	非B股公司 Non-B share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	17,100,229	3,642,588	20,742,817	(24,147)	20,718,670
除投資物業公允價值 收益和所得稅開支 前分部利潤	Segment profit before fair value gains on investment properties and income tax expense	2,141,988	510,452	2,652,440	(96,586)	2,555,854
財務收入	Finance income	67,816	49,192	117,008	–	117,008
融資成本	Finance costs	(18,514)	(234,288)	(252,802)	–	(252,802)
折舊和攤銷	Depreciation and amortisation	(21,751)	(14,714)	(36,465)	–	(36,465)
應佔聯營公司業績	Share of results of associates	2,849	–	2,849	–	2,849
應佔合營企業業績	Share of results of joint ventures	(10,195)	–	(10,195)	–	(10,195)

年度利潤對賬如下：

A reconciliation to profit for the year is as follows:

對銷後除投資物業 公允價值收益和 所得稅開支前的 分部利潤總額	Total segment profits before fair value gains on investment properties and income tax expense after elimination					2,555,854
投資物業公允價值收益	Fair value gains on investment properties					365,994
所得稅開支	Income tax expense					(1,242,561)
年度利潤	Profit for the year					1,679,287

於2014年12月31日
As at 31 December 2014

分部資產	Segment assets	33,898,130	19,748,283	53,646,413	(4,692)	53,641,721
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	46,317	100,000	146,317	–	146,317
於合營企業的投資	Investments in joint ventures	861,055	–	861,055	–	861,055
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	2,617,606	1,198,258	3,815,864	–	3,815,864
分部負債	Segment liabilities	25,605,503	15,689,888	41,295,391	(4,692)	41,290,699

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5 分部資料 (續)

5 SEGMENT INFORMATION (Cont'd)

截至2013年12月31日止年度
Year ended 31 December 2013

		B股公司 B share company 人民幣千元 RMB'000	非B股公司 Non-B share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	16,583,969	4,188,605	20,772,574	(1,319)	20,771,255
除投資物業公允價值 收益和所得稅開支 前分部利潤	Segment profit before fair value gains on investment properties and income tax expense	2,973,596	318,804	3,292,400	(93,773)	3,198,627
財務收入	Finance income	52,466	69,327	121,793	–	121,793
融資成本	Finance costs	(66,254)	(450,439)	(516,693)	–	(516,693)
折舊和攤銷	Depreciation and amortisation	(16,371)	(5,500)	(21,871)	–	(21,871)
應佔聯營公司業績	Share of results of an associate	(11,422)	–	(11,422)	–	(11,422)

年度利潤對賬如下：

A reconciliation to profit for the year is as follows:

對銷後除投資物業 公允價值收益和 所得稅開支前的 分部利潤總額	Total segment profits before fair value gains on investment properties and income tax expense after elimination					3,198,627
投資物業公允價值收益	Fair value gains on investment properties					37,839
所得稅開支	Income tax expense					(1,519,329)
年度利潤	Profit for the year					1,717,137

於2013年12月31日
As at 31 December 2013

分部資產	Segment assets	33,886,077	13,334,828	47,220,905	(22,695)	47,198,210
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	43,468	–	43,468	–	43,468
於合營企業的投資	Investment in a joint venture	10,000	–	10,000	–	10,000
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	29,933	173,046	202,979	–	202,979
分部負債	Segment liabilities	27,005,135	9,617,811	36,622,946	(22,695)	36,600,251

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截至2014年12月31日止年度 For the year ended 31 December 2014

6 物業、廠房和設備

本集團

6 PROPERTY, PLANT AND EQUIPMENT

Group

		樓宇	汽車	傢俬、裝置 及設備	租賃 物業裝修	合計
		Buildings	Motor vehicles	Furniture, fittings and equipment	Leasehold improvements	Total
		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	人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014					
成本	Cost	59,138	37,024	46,998	32,620	175,780
累計折舊	Accumulated depreciation	(8,133)	(12,331)	(19,157)	(20,150)	(59,771)
賬面淨值	Net book value	51,005	24,693	27,841	12,470	116,009
截至2014年12月31日止年度	Year ended 31 December 2014					
年初賬面淨值	Opening net book amount	51,005	24,693	27,841	12,470	116,009
添置	Additions	–	8,575	183,466	25,876	217,917
自完工待售物業轉撥	Transfer from properties held for sale	439,957	–	–	–	439,957
出售(附註34)	Disposals (Note 34)	–	(311)	(565)	–	(876)
折舊費用(附註27)	Depreciation charge (Note 27)	(4,795)	(3,472)	(12,722)	(10,866)	(31,855)
年末賬面淨值	Closing net book amount	486,167	29,485	198,020	27,480	741,152
於2014年12月31日	At 31 December 2014					
成本	Cost	499,095	44,532	228,361	58,496	830,484
累計折舊	Accumulated depreciation	(12,928)	(15,047)	(30,341)	(31,016)	(89,332)
賬面淨值	Net book value	486,167	29,485	198,020	27,480	741,152

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

6 物業、廠房和設備 (續)

本集團 (續)

		樓宇	汽車	傢俬、裝置 及設備	租賃 物業裝修	合計
		Buildings	Motor vehicles	Furniture, fittings and equipment	Leasehold improvements	Total
		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	人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013					
成本	Cost	59,320	29,297	37,152	48,946	174,715
累計折舊	Accumulated depreciation	(6,307)	(13,166)	(14,881)	(23,287)	(57,641)
賬面淨值	Net book value	53,013	16,131	22,271	25,659	117,074
截至2013年12月31日止年度	Year ended 31 December 2013					
年初賬面淨值	Opening net book amount	53,013	16,131	22,271	25,659	117,074
添置	Additions	–	12,221	12,884	9,326	34,431
出售 (附註34)	Disposals (Note 34)	(113)	(1,121)	(397)	(14,412)	(16,043)
折舊費用 (附註27)	Depreciation charge (Note 27)	(1,895)	(2,538)	(6,917)	(8,103)	(19,453)
年末賬面淨值	Closing net book amount	51,005	24,693	27,841	12,470	116,009
於2013年12月31日	At 31 December 2013					
成本	Cost	59,138	37,024	46,998	32,620	175,780
累計折舊	Accumulated depreciation	(8,133)	(12,331)	(19,157)	(20,150)	(59,771)
賬面淨值	Net book value	51,005	24,693	27,841	12,470	116,009

本集團的折舊費用人民幣9,027,000元 (2013年：無) 已於銷售成本中扣除，人民幣1,991,000元 (2013年：人民幣2,093,000元) 於銷售及營銷成本中扣除及人民幣20,837,000元 (2013年：人民幣17,360,000元) 於行政開支中扣除。

於2014年12月31日，賬面總值為人民幣40,859,000元 (2013年：人民幣42,332,000元) 的物業、廠房和設備已抵押作本集團借款的抵押品 (附註21)。

2014年的添置主要包括總成本人民幣608,507,000元的酒店大樓及其裝修、傢俬及裝置。

6 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group (Cont'd)

The Group's depreciation charges of RMB9,027,000 (2013: Nil) has been charged in cost of sales, RMB1,991,000 (2013: RMB2,093,000) in selling and marketing costs and RMB20,837,000 (2013: RMB17,360,000) in administrative expenses.

Property, plant and equipment with a total carrying amount of RMB40,859,000 as at 31 December 2014 (2013: RMB42,332,000) were pledged as collateral for the Group's borrowings (Note 21).

The addition for year 2014 included mainly a hotel building and its renovation, furniture and fittings with total cost of RMB608,507,000.

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

7 投資物業

7 INVESTMENT PROPERTIES

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
期初結餘	Opening balance	3,307,000	3,105,600
增加	Additions	1,055,555	127,825
資本化其後開支	Capitalised subsequent expenditure	134,651	35,736
公允價值調整所得收益淨額	Net gains from fair value adjustments	365,994	37,839
自完工待售物業轉撥	Transfer from properties held for sale	1,077,000	–
出售	Disposals	(4,200)	–
期末結餘	Closing balance	5,936,000	3,307,000

本集團持有的投資物業均為位於中國的商用物業。

Investment properties held by the Group are all commercial properties located in the PRC.

截至2014年12月31日止年度，於投資物業資本化的借貸成本約為人民幣55,911,290元（2013年：無）。

Borrowing costs capitalised in investment properties for the year ended 31 December 2014 were approximately RMB55,911,290 (2013: Nil).

截至2014年12月31日止年度，借款資本化率為7.77%（2013年：無）。

The capitalisation rate of borrowing was 7.77% for the year ended 31 December 2014 (2013: Nil).

公允價值分層

本集團所有投資物業的公允價值均以第三層計量，有重大不可觀察輸入資料。

Fair value hierarchy

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

年內並無在第一、二及三層之間轉移。

There were no transfers between Level 1, 2 and 3 during the year.

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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

7 投資物業 (續)

使用重大不可觀察輸入值 (第3層) 進行公允價值計量

7 INVESTMENT PROPERTIES (Cont'd)

Fair value measurements using significant unobservable inputs (Level 3)

		已竣工 Completed 人民幣千元 RMB'000	在建 Under development 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014	3,151,000	156,000	3,307,000
添置	Additions	–	1,055,555	1,055,555
資本化其後開支	Capitalised subsequent expenditure	134,651	–	134,651
公允價值調整所得淨收益	Net gains from fair value adjustments	2,549	363,445	365,994
自完工待售物業轉撥	Transfer from properties held for sale	1,077,000	–	1,077,000
出售	Disposals	(4,200)	–	(4,200)
於2014年12月31日	At 31 December 2014	4,361,000	1,575,000	5,936,000
計入損益中的年末持有資產 的年度總利得或損失， 包括在「投資物業 公允價值收益」項下	Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	2,549	363,445	365,994
計入損益中的年末持有資產 未實現利得或損失的變動	Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	2,549	363,445	365,994

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7 投資物業 (續)

使用重大不可觀察輸入值 (第3層) 進行公允價值計量 (續)

7 INVESTMENT PROPERTIES (Cont'd)

Fair value measurements using significant unobservable inputs (Level 3) (Cont'd)

		已竣工 Completed 人民幣千元 RMB'000	在建 Under development 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013	3,105,600	–	3,105,600
添置	Additions	–	127,825	127,825
資本化其後開支	Capitalised subsequent expenditure	35,736	–	35,736
公允價值調整所得收益淨額	Net gains from fair value adjustments	9,664	28,175	37,839
於2013年12月31日	At 31 December 2013	3,151,000	156,000	3,307,000
計入損益中的年末持有資產的年度總利得或損失，包括在「投資物業公允價值收益」項下	Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	9,664	28,175	37,839
計入損益中的年末持有資產未實現利得或損失的變動	Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	9,664	28,175	37,839

本集團的估值過程

所有投資物業於2014年及2013年12月31日由獨立專業合資格估值師戴德梁行有限公司進行重估。

本集團的財務部將會審閱獨立估值師所進行的估值，包括：

- 查核獨立估值報告內的所有重要輸入值；
- 與上一年度的估值報告進行比較時評估物業估值變動；
- 與獨立估值師進行討論。

Valuation processes of the Group

All investment properties were revalued as at 31 December 2014 and 2013 by DTZ Debenham Tie Leung Limited, the independent professional qualified valuer.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

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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

7 投資物業 (續)

估值方法

本集團就在建的投資物業採取投資法，並計及所用的建設成本及完成該開發項目將產生的成本以反映已竣工開發項目的質量，依據是該物業將根據本集團最近開發計劃予以開發和完成。就已竣工投資物業而言，估值乃根據投資法透過將來自現有租約的淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算，並經參考於活躍市場上的比較價格後作出。

年內估值方法並無變動。

7 INVESTMENT PROPERTIES (Cont'd)

Valuation techniques

For investment properties under construction, the Group adopted investment approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market.

There were no changes to the valuation techniques during the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：

說明	於2014年 12月31日 的公平值 Fair value at 31 December 2014 (人民幣千元) (RMB'000)	估值方法 Valuation technique(s)	不可觀察輸入值 Unobservable inputs	不可觀察輸入值的範圍 Range of unobservable inputs	不可觀察輸入值與 公允價值的關係 Relationship of unobservable inputs to fair value
已竣工商用物業 Completed commercial property	4,361,000 (2013: 3,151,000)	投資法 Investment approach	租期收益率 Term yield	經計及可資比較物業的收益率及反映所擔保及將收取租期收入的確定性的調整，租期收益率為4.0%-5.5%(2013年：4.5%-5.5%)。 Term yield of 4.0%-5.5% (2013: 4.5%-5.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	租期收益率越高，公允價值越低 The higher the term yield, the lower the fair value
			復歸收益率 Reversionary yield	經計及可資比較物業的年度單位市場租金收入及單位市場價值，復歸收益率為4.5%-6.5%(2013年：5.5%-6.5%)。 Reversionary yield of 4.5%-6.5% (2013: 5.5%-6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高，公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位租金 Market unit rent of individual unit	每月人民幣12元／平方米至每月人民幣349元／平方米 (2013年：每月人民幣30元／平方米至每月人民幣317元／平方米) RMB12 – RMB349 (2013: RMB30 – RMB317) per square metre per month	市場單位租金越高，公允價值越高 The higher the market unit rent, the higher the fair value

7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3):

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：(續)

說明	於2014年 12月31日 的公平值 Fair value at 31 December 2014 (人民幣千元) (RMB'000)	估值方法	不可觀察輸入值	不可觀察輸入值的範圍	不可觀察輸入值與 公允價值的關係
Description		Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
在建商用物業 Commercial property under development	1,575,000 (2013: 156,000)	投資法，有至竣工的 估計成本 Investment approach with estimated costs to complete	復歸收益率 Reversionary yield	經計及可資比較物業的年度單位市場 租金收入及單位市場價值，復歸收 益率為6.5% (2013年：7.0%)。 Reversionary yield of 6.5% (2013: 7.0%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高， 公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣20元／平方米至每月人民 幣179元／平方米 (2013年：每月 人民幣33元／平方米至每月人民幣 135元／平方米) RMB20 – RMB179 (2013: RMB33 – RMB135) per square metre per month	市場單位租金越高， 公允價值越高 The higher the market unit rent, the higher the fair value
			至竣工的估計建設 成本 Estimated construction costs to completion	人民幣163,346,000元至人民幣 455,619,000元 (2013年：人民幣 548,288,000元) RMB163,346,000 – RMB 455,619,000 (2013: RMB 548,288,000)	估計建設成本越高， 公允價值越低 The higher the estimated construction costs, the lower the fair value
			持有及發展物業至 竣工所需的估計 利潤率 Estimated profit margin required to hold and develop property to completion	物業價值的8%至15% (2013年：20%) 8% – 15% (2013: 20%) of property value	所需利潤率越高， 公允價值越低 The higher the profit margin required, the lower the fair value

7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value
measurements using significant
unobservable inputs (Level 3): (Cont'd)

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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

7 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：(續)

租金單價乃視乎實際位置、物業類型和質量，並計及估值日期的市場數據和預測而估算。本集團於估算收益率時計及市場數據。已產生的建設成本以會計記錄中所述的已產生的實際成本為基準，而將產生的建設成本以建築物業的最新預算為基準。

倘假設將產生的租金單價、收益率、建設成本和所需利潤率較管理層的預測數據增加或減少10%，於2014年和2013年12月31日之投資物業的賬面值將變動如下：

7 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3): (Cont'd)

The rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date. The Group considers the market data when estimating the yield rate. Construction costs incurred are based on the actual costs incurred as reflected in the accounting records, while the construction costs to incur are based on the most updated budget for the construction of the properties.

Were the rental rate, yield rate, the construction costs to incur and the profit margin required assumed to increase or decrease by 10% from management's estimate, the carrying amount of investment properties as at 31 December 2014 and 2013 would have changed as follows:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 租金單價增加10%	－ rental rate 10 percent higher	586,747	292,594
－ 租金單價減少10%	－ rental rate 10 percent lower	(591,747)	(294,723)
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 所用收益率增加10%	－ yield rate used 10 percent higher	(482,402)	(253,566)
－ 所用收益率減少10%	－ yield rate used 10 percent lower	538,999	283,968
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 將產生的建設成本增加10%	－ construction costs to incur 10 percent higher	(135,641)	(49,258)
－ 將產生的建設成本減少10%	－ construction costs to incur 10 percent lower	135,641	49,258
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 所需利潤率增加10%	－ profit margin required 10 percent higher	(33,275)	(10,199)
－ 所需利潤率減少10%	－ profit margin required 10 percent lower	34,069	10,522

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7 投資物業 (續)

就已竣工物業而言，估值乃透過將現有租約的未來淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算或運用直接比較法，假設各項物業按現有狀況交吉出售，並參考有關市場的可比較銷售交易作出。下列已竣工投資物業租金收入已於合併利潤表內確認：

租金收入	Rental income
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本集團於投資物業的權益按其賬面淨值分析如下：

在中國，	In the PRC, held on:
按原本40年租約持有（而於2014年12月31日，餘下未到期年期為32至40年之間）	Leases with original term of 40 years (and remaining unexpired period between 32 to 40 years as at 31 December 2014)
按原本70年租約持有	Leases with original term of 70 years

於2014年12月31日，賬面總值約為人民幣3,258,044,000元（2013年：人民幣3,236,563,000元）的投資物業已抵押作本集團借款的抵押品（附註21）。

7 INVESTMENT PROPERTIES (Cont'd)

For completed properties, valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market. The following rental income from completed investment properties has been recognised in the consolidated statement of income:

截至12月31日止年度 Year ended 31 December

2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
105,740	81,110

The Group's interests in investment properties at their net book values are analysed as follows:

於12月31日 As at 31 December

2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
5,936,000	3,302,800
—	4,200
5,936,000	3,307,000

Investment properties with a total carrying amount of RMB3,258,044,000 as at 31 December 2014 (2013: RMB3,236,563,000) were pledged as collateral for the Group's borrowings (Note 21).

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8 無形資產

本集團

8 INTANGIBLE ASSETS

Group

		商標 Trademarks 人民幣千元 RMB'000	電腦軟件 Computer software 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014			
成本	Cost	800	16,882	17,682
累計攤銷	Accumulated amortisation	(800)	(7,046)	(7,846)
賬面淨值	Net book amount	–	9,836	9,836
截至2014年12月31日止年度	Year ended 31 December 2014			
年初賬面淨值	Opening net book amount	–	9,836	9,836
添置	Additions	–	12,348	12,348
攤銷費用(附註27)	Amortisation charge (Note 27)	–	(4,610)	(4,610)
年末賬面淨值	Closing net book amount	–	17,574	17,574
於2014年12月31日	At 31 December 2014			
成本	Cost	800	29,230	30,030
累計攤銷	Accumulated amortisation	(800)	(11,656)	(12,456)
賬面淨值	Net book amount	–	17,574	17,574
於2013年1月1日	At 1 January 2013			
成本	Cost	800	11,895	12,695
累計攤銷	Accumulated amortisation	(747)	(4,681)	(5,428)
賬面淨值	Net book amount	53	7,214	7,267
截至2013年12月31日止年度	Year ended 31 December 2013			
年初賬面淨值	Opening net book amount	53	7,214	7,267
添置	Additions	–	4,987	4,987
攤銷費用(附註27)	Amortisation charge (Note 27)	(53)	(2,365)	(2,418)
年末賬面淨值	Closing net book amount	–	9,836	9,836
於2013年12月31日	At 31 December 2013			
成本	Cost	800	16,882	17,682
累計攤銷	Accumulated amortisation	(800)	(7,046)	(7,846)
賬面淨值	Net book amount	–	9,836	9,836

截至2014年及2013年12月31日止年度，本集團無形資產的攤銷費用已悉數計入行政開支。

The Group's amortisation charges of intangible assets have all been included in administrative expenses for the years ended 31 December 2014 and 2013.

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9 於聯營公司的投資 — 本集團

9 INVESTMENTS IN ASSOCIATES – GROUP

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
期初結餘	Opening balance	43,468	229,890
增加	Additions	100,000	–
資本減少	Capital reduction	–	(175,000)
應佔業績	Share of results	2,849	(11,422)
期末結餘	Ending balance	146,317	43,468

於2014年及2013年12月31日於聯營公司的投資性質

Nature of investments in associates as at 31 December 2014 and 2013

實體名稱 Name of entity	營業地點 / 註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2014年 2014	2013年 2013	
上海藍天創業房地產有限公司 (「上海藍天」) Shanghai Lan Tian Business Development Property Co., Ltd. (“Shanghai Lan Tian”)	中國上海 Shanghai, PRC	20%	20%	權益法 Equity
上海萬之城房地產開發有限公司 (「上海萬之城」) (a) Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (“Shanghai Wan Zhi Cheng”) (a)	中國上海 Shanghai, PRC	50%	50%	權益法 Equity
鎮江威信廣廈模塊住宅工業有限公司 (「鎮江威信」) (b) Atlantic Modular System Ltd. (“AMS”) (b)	中國江蘇鎮江 Zhenjiang Jiangsu, PRC	22%	–	權益法 Equity

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9 於聯營公司的投資 – 本集團 (續)

- (a) 上海萬之城在2011年3月29日成立。本集團擁有該公司50%的股權。於2013年，上海萬之城減資350,000,000元。相應地，本集團由該公司收回人民幣175,000,000元，並將其沖減於聯營企業的投資。

儘管本集團持有上海萬之城50%的股權，但本集團將其於上海萬之城的投資列作聯營公司核算。根據與上海萬之城其他50%股權持有人訂立的合同，其他投資者以大多數董事會席位和其他合約權利控制上海萬之城。然而，本集團可對上海萬之城施加重大影響。

- (b) 本集團於2014年12月收購鎮江威信22%權益，代價為人民幣100,000,000，其中50%已於2014年12月31日支付，而其餘50%入賬列作貿易和其他應付款項。

上述所有聯營公司均為私營公司，其股份並無市場報價。

本集團沒有與其聯營公司權益有關的承擔及或然負債。

9 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

- (a) Shanghai Wan Zhi Cheng was established on 29 March 2011. The Group owns 50% of equity interest in this company. In 2013, Shanghai Wan Zhi Cheng reduced its paid in capital by RMB350,000,000 and accordingly the Group received RMB175,000,000 from the company and recorded it as a reduction of investment in an associate.

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

- (b) The Group acquired 22% interest of AMS in December 2014 at a consideration of RMB100,000,000, of which 50% has been paid as of 31 December 2014 and the remaining 50% were recorded as trade and remaining payables.

All of the above associates are private companies and there are no quoted market prices available for such shares.

There are no commitments and contingent liabilities relating to the Group's interests in the associates.

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

9 於聯營公司的投資 — 本集團 (續)

聯營公司財務資料概要

以下載列以權益法入賬的聯營公司財務資料概要。

財務狀況表概要

9 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

Summarised financial information for associates

Set out below are the summarised financial information for associates which are accounted for using the equity method.

Summarised statement of financial position

		上海藍天 Shanghai Lan Tian		上海萬之城 Shanghai Wan Zhi Cheng		鎮江威信 AMS
		於12月31日 As at 31 December		於12月31日 As at 31 December		於12月31日 As at 31 December
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
流動	Current					
資產	Assets	50,277	50,266	1,783,231	1,728,449	48,472
負債	Liabilities	–	–	(1,719,438)	(1,624,824)	(166,358)
流動資產／(負債)	Total current net					
淨值總額	assets/(liabilities)	50,277	50,266	63,793	103,625	(117,886)
非流動	Non-current					
資產	Assets	–	–	8,840	10,811	245,409
負債	Liabilities	–	–	–	(47,500)	(20,000)
非流動資產／(負債)	Total non-current net					
淨值總額	assets/(liabilities)	–	–	8,840	(36,689)	225,409
資產淨值	Net assets	50,277	50,266	72,633	66,936	107,523

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

9 於聯營公司的投資 — 本集團 (續)

全面收益表概要

		上海藍天 Shanghai Lan Tian		上海萬之城 Shanghai Wan Zhi Cheng		鎮江威信 AMS
		截至12月31日止年度 Year ended 31 December		截至12月31日止年度 Year ended 31 December		截至12月31日 止年度 Year ended 31 December
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
收入	Revenue	–	–	460,623	916,314	54,121
除所得稅前利潤／(虧損)	Profit/(loss) before income tax	11	(11)	7,650	(30,420)	(19,357)
所得稅 (開支)／抵免	Income tax (expense)/credit	–	(8)	(1,953)	7,575	–
除稅後利潤／(虧損)	Post-tax profit/(loss)	11	(19)	5,697	(22,845)	(19,357)
其他全面收益	Other comprehensive income	–	–	–	–	–
全面收益／(虧損) 總額	Total comprehensive income/(loss)	11	(19)	5,697	(22,845)	(19,357)
自聯營公司收取的股息	Dividends received from associates	–	–	–	–	–

上述資料為聯營公司財務報表所呈列金額 (並非本集團享有此等金額的份額)，並已就本集團與聯營公司間之會計政策差異作出調整。

9 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

Summarised statement of comprehensive income

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and not the Group's share of those amounts.

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

9 於聯營公司的投資 — 本集團 (續)

財務資料概要對賬

所呈列財務資料概要與本集團於聯營公司之權益賬面值之對賬。

9 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in associates.

		上海藍天 Shanghai Lan Tian		上海萬之城 Shanghai Wan Zhi Cheng		鎮江威信 AMS
		截至12月31日止年度 Year ended 31 December		截至12月31日止年度 Year ended 31 December		截至12月31日 止年度 Year ended 31 December
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000
期初資產淨值	Opening net assets	50,266	50,285	66,936	439,781	20,947
年度利潤／(虧損)	Profit/(loss) for the year	11	(19)	5,697	(22,845)	(19,357)
其他全面收益	Other comprehensive income	–	–	–	–	–
(削資)／注資	Capital (reduction)/injection	–	–	–	(350,000)	105,933
期末資產淨值	Closing net assets	50,277	50,266	72,633	66,936	107,523
於聯營公司的權益	Interests in associates	10,055	10,053	36,317	33,468	23,655
商譽及調整	Goodwill and adjustments	–	–	–	–	76,345
賬面值	Carrying value	10,000	10,000	36,317	33,468	100,000

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

10 於合營企業的投資 – 本集團

10 INVESTMENTS IN JOINT VENTURES – GROUP

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
期初結餘	Opening balance	10,000	–
增加	Additions	861,250	10,000
應佔業績	Share of results	(10,195)	–
期末結餘	Ending balance	861,055	10,000

於2014年及2013年12月31日於合營企業的投資性質

Nature of investments in joint ventures as at 31 December 2014 and 2013

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	所有權權益百分比 於12月31日 % of ownership interest as at 31 December		計量方法 Measurement method
		2014年 2014	2013年 2013	
上海新城旭地房地產有限公司 (「上海旭地」) Shanghai Xincheng Xudi Real Estate Co., Ltd. (“Shanghai Xudi”)	中國上海 Shanghai, PRC	50%	50%	權益法 Equity
蘇州新城萬瑞房地產有限公司 (「蘇州萬瑞」) (a) Suzhou Future Land Wanrui Real Estate Co., Ltd. (“Suzhou Wanrui”) (a)	中國江蘇蘇州 Suzhou Jiangsu, PRC	68%	–	權益法 Equity
南京新城萬隆房地產有限公司 (「南京萬隆」) (b) Nanjing Future Land Wanlong Real Estate Co., Ltd. (“Nanjing Wanlong”) (b)	中國江蘇南京 Nanjing Jiangsu, PRC	70%	–	權益法 Equity
青島卓越新城置業有限公司 (「青島卓越」) Qingdao Zhuoyue Future Land Property Co., Ltd. (“Qingdao Zhuoyue”)	中國山東青島 Qiangdao Shangdong, PRC	50%	–	權益法 Equity

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

10 於合營企業的投資 – 本集團 (續)

(a) 儘管由本集團持有68%股權，本集團於蘇州萬瑞的投資入賬列作合營企業。根據投資協議及組織章程細則，本集團及其他投資者將共同控制蘇州萬瑞項目發展及銷售物業以及其他主要相關業務。

(b) 儘管由本集團持有70%股權，本集團於南京萬隆的投資入賬列作合營企業。根據投資協議及組織章程細則，本集團及其他投資者將共同控制南京萬隆項目發展及銷售物業以及其他主要相關業務。

上述所有合營企業均為私營公司，其股份並無市場報價。

附註35(c)呈列與合營企業權益有關的承擔。本集團沒有與合營企業權益有關的或然負債。

10 INVESTMENTS IN JOINT VENTURES – GROUP (Cont'd)

(a) The Group accounts for its investment in Suzhou Wanrui as a joint venture although the Group holds 68% of equity interest. According to the investment agreement and articles of association, the Group and the other investor will jointly control the project development and sales of properties as well as other key relevant activities of Suzhou Wanrui.

(b) The Group accounts for its investment in Nanjing Wanlong as a joint venture although the Group holds 70% of equity interest. According to the investment agreement and articles of association, the Group and the other investor will jointly control the project development and sales of properties as well as other key relevant activities of Nanjing Wanlong.

All of the above joint ventures are private companies and there are no quoted market prices available for such shares.

The commitments relating to the Group's interest in joint ventures are presented in Note 35(c). There are no contingent liabilities relating to the Group's interest in the joint ventures.

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

10 於合營企業的投資 — 本集團 (續)

合營企業財務資料概要

以下載列以權益法入賬的合營企業財務資料概要。

財務狀況表概要

		上海旭地		蘇州萬瑞		南京萬隆		青島卓越	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Qingdao Zhuoyue	
		於12月31日		於12月31日		於12月31日		於12月31日	
		As at		As at		As at		As at	
		31 December		31 December		31 December		31 December	
		2014年	2013年	2014年	2014年	2014年	2014年	2014年	2014年
		2014	2013	2014	2014	2014	2014	2014	2014
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
流動	Current								
資產	Assets	1,143,768	745,011	824,550	3,440,938	877,248			
負債	Liabilities	(375,162)	(725,130)	(668,814)	(153,008)	(867,565)			
流動資產淨值總額	Total current net assets	768,606	19,881	155,736	3,287,930	9,683			
非流動	Non-current								
資產	Assets	136	35	129	3,055	–			
負債	Liabilities	(656,000)	–	–	(2,300,000)	–			
非流動 (負債)/	Total non-current net								
資產淨值總額	(liabilities)/assets	(655,864)	35	129	(2,296,945)	–			
資產淨值	Net assets	112,742	19,916	155,865	990,985	9,683			

10 INVESTMENTS IN JOINT VENTURES – GROUP (Cont'd)

Summarised financial information for joint ventures

Set out below are the summarised financial information for joint ventures which are accounted for using the equity method.

Summarised statement of financial position

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

10 於合營企業的投資 — 本集團 (續)

全面收益表概要

		上海旭地		蘇州萬瑞		南京萬隆		青島卓越	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Qingdao Zhuoyue	
		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度		截至12月31日止年度	
		Year ended		Year ended		Year ended		Year ended	
		31 December		31 December		31 December		31 December	
		2014年	2013年	2014年	2013年	2014年	2013年	2014年	2013年
		2014	2013	2014	2013	2014	2013	2014	2013
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
收入	Revenue	—	—	—	—	—	—	—	—
除所得稅前虧損	Loss before income tax	(7,174)	(112)	(514)	(11,972)	(317)	—	—	—
所得稅抵免	Income tax credit	—	28	129	2,957	—	—	—	—
除稅後虧損	Post-tax loss	(7,174)	(84)	(385)	(9,015)	(317)	—	—	—
其他全面收益	Other comprehensive income	—	—	—	—	—	—	—	—
全面虧損總額	Total comprehensive loss	(7,174)	(84)	(385)	(9,015)	(317)	—	—	—
自合營公司收取的股息	Dividends received from joint ventures	—	—	—	—	—	—	—	—

上述資料為合營企業財務報表所呈列金額（並非本集團享有此等金額的份額），並已就本集團與合營企業間之會計政策差異作出調整。

10 INVESTMENTS IN JOINT VENTURES — GROUP (Cont'd)

Summarised statement of comprehensive income

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, and not the Group's share of those amounts.

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

10 於合營企業的投資 — 本集團 (續)

財務資料概要對賬

所呈列財務資料概要與本集團於合營企業之權益賬面值之對賬。

10 INVESTMENTS IN JOINT VENTURES — GROUP (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in joint ventures.

		上海旭地		蘇州萬瑞		南京萬隆		青島卓越	
		Shanghai Xudi		Suzhou Wanrui		Nanjing Wanlong		Qingdao Zhuoyue	
		截至12月31日止年度		於12月31日		於12月31日		於12月31日	
		Year ended		As at		As at		As at	
		31 December		31 December		31 December		31 December	
		2014年	2013年	2014年	2014年	2014年	2014年	2014年	2014年
		2014	2013	2014	2014	2014	2014	2014	2014
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
期初資產淨值	Opening net assets	19,916	—	—	—	—	—	—	—
年度虧損	Loss for the year	(7,174)	(84)	(385)	(9,015)	(317)	—	—	—
其他全面收益	Other comprehensive income	—	—	—	—	—	—	—	—
注資	Capital injection	100,000	20,000	156,250	1,000,000	10,000	—	—	—
期末資產淨值	Closing net assets	112,742	19,916	155,865	990,985	9,683	—	—	—
於合營企業的權益	Interests in joint ventures	56,371	9,958	105,988	693,690	4,842	—	—	—
賬面值	Carrying value	56,377	10,000	105,988	693,690	5,000	—	—	—

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

11 可供出售金融資產

本集團

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
期初結餘	Opening balance	221,187	181,187
收購	Acquisitions	42,756	40,000
資本減少	Capital reduction	(3,558)	–
公允價值調整所得收益	Net gain from fair value adjustment	27,000	–
期末結餘	Ending balance	287,385	221,187
減：非即期部分	Less: Non-current portion	(287,385)	(221,187)
即期部分	Current portion	–	–

可供出售金融資產包括以下各項：

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
期初結餘	Opening balance	221,187	181,187
收購	Acquisitions	42,756	40,000
資本減少	Capital reduction	(3,558)	–
公允價值調整所得收益	Net gain from fair value adjustment	27,000	–
期末結餘	Ending balance	287,385	221,187
減：非即期部分	Less: Non-current portion	(287,385)	(221,187)
即期部分	Current portion	–	–

Available-for-sale financial assets include the following:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
未上市證券：	Unlisted securities:		
– 股權證券 – 中國	– Equity securities – PRC	259,629	221,187
– 股權證券 – 美國	– Equity securities – US	27,756	–
		287,385	221,187

未上市證券公允價值乃按估值方法計算。該公允價值處於公允價值分層第三層（見附註3.3）。

The fair value of the unlisted securities is based on valuation techniques. The fair value is within level 3 of the fair value hierarchy (see Note 3.3).

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

12 土地使用權 — 本集團

此餘額主要為一項待場地取得所需批准重新規劃作商業用途後將用於物業開發並銷售的土地使用權，以及於2014年新增的自用土地使用權。於2014年12月31日，賬面總值為人民幣87,398,000元的土地使用權已抵押作本集團借款的抵押品（2013年：人民幣367,248,000元）（附註21）。

13 租賃土地預付款項 — 本集團

本集團於2014年12月31日預付人民幣3,263,529,000元用於購買租賃土地（2013年：人民幣3,285,498,000元）。

14 完工待售或在建銷售物業

本集團

將予開發的租賃土地	Leasehold land to be developed
在建銷售物業	Properties under development for sale
完工待售物業	Properties held for sale
減：減值虧損撥備	Less: Provision for impairment loss

完工待售或在建銷售物業均位於中國。

截至2014年12月31日止年度，於在建銷售和完工待售物業中資本化的借款成本約為人民幣987,427,000元（2013年：人民幣682,958,807元）。

12 LAND USE RIGHTS – GROUP

The balance represents mainly land use rights to be used for development of properties for sale in the future upon obtaining the necessary approval to re-zone the site for commercial use, and addition in 2014 of land use rights for self-use. As at 31 December 2014, land use rights with a total carrying amount of RMB87,398,000 were pledged as collateral for the Group's borrowings (2013: RMB367,248,000) (Note 21).

13 PREPAYMENTS FOR LEASEHOLD LAND – GROUP

The Group made prepayments of RMB3,263,529,000 for the acquisition of leasehold land as at 31 December 2014 (2013: RMB3,285,498,000).

14 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

Group

於12月31日
As at 31 December

		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
將予開發的租賃土地	Leasehold land to be developed	1,190,513	1,548,783
在建銷售物業	Properties under development for sale	21,903,641	19,493,659
完工待售物業	Properties held for sale	7,357,462	7,954,743
		30,451,616	28,997,185
減：減值虧損撥備	Less: Provision for impairment loss	(589,148)	(268,221)
		29,862,468	28,728,964

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

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2014 were approximately RMB987,427,000 (2013: RMB682,958,807).

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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

14 完工待售或在建銷售物業 (續)

截至2014年12月31日止年度，借款資本化率為7.83% (2013年：7.37%)。

於2014年及2013年12月31日，本集團以下將予開發的租賃土地、在建銷售物業和完工待售物業已抵押作本集團借款的抵押品 (附註21)。

14 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (Cont'd)

The capitalisation rate of borrowings was 7.83% for the year ended 31 December 2014 (2013: 7.37%).

As at 31 December 2014 and 2013, the Group's following leasehold land to be developed, properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 21).

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
已抵押的賬面值：	Carrying value pledged:		
將予開發的租賃土地	Leasehold land to be developed	—	322,704
在建銷售物業	Properties under development for sale	7,774,585	8,628,317
完工待售物業	Properties held for sale	702,667	768,023

截至2014年12月31日止年度，確認為開支及計入銷售成本的完工待售物業成本為人民幣15,104,584,000元 (2013年：人民幣14,803,610,000元)，連帶撥回的減值撥備人民幣61,303,000元 (2013年：撥回人民幣160,779,000元) 已貸記入銷售成本。

於2014年12月31日，總賬面值為人民幣8,365,403,000元 (2013年：人民幣6,600,726,000元) 的在建銷售物業與不預期於一年內竣工的物業項目相關，儘管可能會預售若干此等物業。所有在建租賃土地不預期於一年內竣工。完工待售或在建銷售物業的其他結餘預計可於一年內變賣。

For the year ended 31 December 2014, the cost of properties held for sale recognised as expense and included in cost of sales amounted to RMB15,104,584,000 (2013: RMB14,803,610,000), accompanying by a reversal of provision for impairment of RMB61,303,000 (2013: reversal of RMB160,779,000) credited to cost of sales.

As at 31 December 2014, properties under development for sale with a total carrying amount of RMB8,365,403,000 (2013: RMB6,600,726,000) were related to property projects which were not scheduled to complete within one year although pre-sales of some of these properties may occur. All the leasehold land to be developed were not scheduled to complete within one year. The other balances in properties held or under development for sale were expected to be recovered within one year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15 貿易和其他應收款項及預付款項

本集團

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Group

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
貿易應收款項	Trade receivables	11,364	2,250
應收票據	Notes receivable	31,317	4,400
貿易應收款項合計	Total trade receivables	42,681	6,650
減：應收款項減值撥備	Less: Provision for impairment of receivables	–	–
貿易應收款項 – 淨額	Trade receivables – net	42,681	6,650
應收關連方款項（附註38）	Receivables from related parties (Note 38)	1,101,436	362,565
與出售子公司相關的應收款項	Receivable in connection with the disposal of a subsidiary	–	35,156
應收一間子公司非控股股東款項	Receivable from a non-controlling shareholder of a subsidiary	33,388	–
代第三方支付款項	Amounts paid on behalf of third parties	79,852	41,964
預付營業稅和附加費(a)	Prepaid business tax and surcharges (a)	730,807	567,828
預付所得稅和土地增值稅(a)	Prepaid income tax and land appreciation tax (a)	528,950	382,333
預付建設成本	Prepayments for construction costs	113,017	157,406
辦公室樓宇預付款項(b)	Prepayments for office buildings (b)	878,436	–
投標保證金(c)	Tender deposits (c)	200,358	276,420
信託融資安排的保證金(d)	Deposit for trust financing arrangements (d)	–	125,000
於住房公積金中心的按金(e)	Deposits with public housing fund centres (e)	149,316	122,920
項目適時建設保證金(f)	Deposits for timely project construction (f)	54,711	101,125
物業維護保證金(g)	Deposits for property maintenance (g)	98,108	73,538
收購一間子公司保證金(h)	Deposit for acquisition of a subsidiary (h)	50,000	–
其他保證金	Other deposits	46,600	5,117
其他	Others	85,281	53,287
		4,192,941	2,311,369
減：其他應收款項及預付款項的 非即期部份(b, d, g)	Less: Non-current portion of other receivables and prepayments (b, d, g)	(976,544)	(198,538)
即期部份	Current portion	3,216,397	2,112,831

貿易應收款項主要來自物業銷售和投資物業租賃。物業銷售的所得款項一般於簽訂有關買賣協議後三個月內收取，而物業租賃的租金一般預先收取。

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

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截至2014年12月31日止年度 For the year ended 31 December 2014

15 貿易和其他應收款項及預付款項 (續)

- (a) 營業稅、附加費和土地增值稅於本集團收到客戶預付款時預徵收，此等預付稅項於相關收入確認前列作預付款項。此外，在計算應課稅收入時，按本集團收到的預付款的5%至15%計算的預計利潤需計入會計收入，據此預付的所得稅同樣列作預付款項。
- (b) 該項結餘指收購位於上海作自用或出租用途的辦公室樓宇的預付款項。
- (c) 此結餘為土地使用權競標的投標保證金，將於其後收回或轉撥至租賃土地預付款項。
- (d) 本集團就其子公司能獲得循環信託融資向 Jiangsu International Trust Co., Ltd 存入保證金人民幣125,000,000元。於2013年12月31日，該等子公司已向 Jiangsu International Trust Co., Ltd 悉數償還全部信託融資，保證金將入賬為其他應收款項。該保證金原訂於2015年退回。於2014年12月31日，信託融資安排已中斷且本集團已全數收回保證金。
- (e) 此結餘為向住房公積金中心支付的按金以擔保本集團若干購房者的住房公積金貸款。這些按金將於政府部門發出物業所有權證至這些購房者並向住房公積金中心提交時予以解除。
- (f) 該項結餘為項目的適時建設保證金，將隨後於項目建設過程中收回，並預計在未來12個月內收回。
- (g) 該項結餘為首次交付有關物業時支付的物業維護保證金，將於其後的十年內收回。
- (h) 該項結餘指收購從事物業發展的子公司的保證金。

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

- (a) Business tax, surcharges and land appreciation tax are provisionally levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by the Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.
- (b) This balance represents prepayments for acquisition of office buildings located in Shanghai for self-use or lease-out purposes.
- (c) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (d) The Group deposited RMB125,000,000 with Jiangsu International Trust Co., Ltd. for revolving trust financing to its subsidiaries. As at 31 December 2013, the subsidiaries had repaid all the trust financing to Jiangsu International Trust Co., Ltd. and the deposit was recorded as other receivable. Such deposit was originally scheduled to be refunded in 2015. As at 31 December 2014, the trust financing arrangements were discontinued and the Group fully collected back the deposit.
- (e) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.
- (f) This balance represents the deposits for timely project construction, which will be subsequently received in the course of construction and are expected to be recovered in the next 12 months.
- (g) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.
- (h) This balance represents a deposit for acquisition of a subsidiary which is engaged in property development.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15 貿易和其他應收款項及預付款項 (續)

貿易應收款項及應收票據於2014年及2013年12月31日的賬齡全部在1年內。

於2014年和2013年12月31日承受的最大信貸風險是上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2014年和2013年12月31日，貿易和其他應收款項的公允價值與其賬面值相若。

於2014年和2013年12月31日，貿易和其他應收款項及預付款項的賬面值主要以人民幣計值。

本公司

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The aging of trade receivables and notes receivable as at 31 December 2014 and 2013 are all within one year.

The maximum exposure to credit risk at 31 December 2014 and 2013 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2014 and 2013, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2014 and 2013, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

Company

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
應收關連方款項 (附註38)	Receivables from related parties (Notes 38)	5,643,068	3,832,174
其他應收賬款	Other receivables	—	2,294
		5,643,068	3,834,468

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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

15 貿易和其他應收款項及預付款項 (續)

應收關連方款項和其他應收款項於2014年及2013年12月31日賬齡分析如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一年內	Less than 1 year	2,385,902	3,834,468
一至二年	Between 1 and 2 years	3,257,166	–
		5,643,068	3,834,468

應收關連方款項和其他應收款項的公允價值與賬面值相若。

於2014年12月31日，應收子公司款項包括免息及無抵押款項人民幣2,339,059,000元，帶息款項人民幣3,033,110,000元，其加權平均利率為10.73%，以及應收利息人民幣270,899,000元，而於2013年12月31日的應收子公司款項為免息及無抵押。該等款項並無特定還款期。本公司的意向為應收子公司的款項只會於子公司擁有現金盈餘時才會收回。

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The aging of the receivables from related parties and other receivables as at 31 December 2014 and 2013 are as follows:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一年內	Less than 1 year	2,385,902	3,834,468
一至二年	Between 1 and 2 years	3,257,166	–
		5,643,068	3,834,468

The fair value of the receivables from related parties and other receivables approximate their carrying amounts.

As at 31 December 2014, the amounts due from subsidiaries include amounts of RMB2,339,059,000 which are interest-free and unsecured, amounts of RMB3,033,110,000 which are interest-bearing and carry a weighted average interest rate of 10.73%, and interest receivable of RMB270,899,000, while the amounts due from subsidiaries are interest-free and unsecured as at 31 December 2013. These amounts have no specific repayment terms. The Company's intention is that the amounts due from subsidiaries will only be recalled when the subsidiaries have surplus cash.

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15 貿易和其他應收款項及預付款項 (續)

應收關連方款項和其他應收款項賬面值以下列貨幣計值：

15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The carrying amounts of the receivables from related parties and other receivables are denominated in the following currencies:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
人民幣	RMB	2,485,257	2,487,464
美元	USD	2,465,853	926,190
港元	HKD	691,958	420,814
		5,643,068	3,834,468

16 於子公司的投資

本公司

(a) 於子公司的投資

16 INVESTMENTS IN SUBSIDIARIES

Company

(a) Investments in subsidiaries

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
未上市股權投資，按成本	Unlisted equity investments, at cost	468,240	450,012

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16 於子公司的投資 (續)

本公司間接持有的子公司江蘇新城地產股份有限公司為一家於上海證券交易所上市的B股公司。本集團持有的江蘇新城地產股份有限公司股數為937,728,000股股份。該等股份為法人股，不能自由買賣。於2014年12月31日，由於B股公司擬進行重組，故B股公司的股份買賣已暫停。於暫停買賣前的最後交易日（即2014年7月30日）報價為每股0.507美元。

本公司子公司於2014年及2013年12月31日的詳情載於合併財務報表附註40。於子公司的投資並無作出減值撥備。於子公司投資的增加來自授予本公司子公司僱員的首次公開發售前股份獎勵計劃（附註19）。

17 銀行和手頭現金

本集團

銀行和手頭現金	Cash at bank and on hand
以人民幣計值	Denominated in RMB
以美元計值	Denominated in USD
以港元計值	Denominated in HKD

於2014年12月31日，本集團銀行存款的實際利率為1.49%（2013年：1.70%）。

16 INVESTMENTS IN SUBSIDIARIES (Cont'd)

The Company's indirectly held subsidiary, Jiangsu Future Land Co., Ltd. is a Shanghai Stock Exchange listed B share company. The number of shares of Jiangsu Future Land Co., Ltd. held by the Group is 937,728,000 shares. Such shares were legal person shares and cannot be freely traded. As at 31 December 2014, the trading of the stock of the B share company was suspended due to the potential re-organisation of the B share company. The quoted price of the last trading date before suspension, which is 30 July 2014 was USD0.507 per share.

Particulars of the Company's subsidiaries as at 31 December 2014 and 2013 are set out in Note 40 to the consolidated financial statements. No provision for impairment has been made against investments in subsidiaries. The increase in investments in subsidiaries pertains to the Pre-IPO share award scheme (Note 19) granted to the employees of the Company's subsidiaries.

17 CASH AT BANK AND ON HAND

Group

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	6,947,114	7,898,005
以美元計值	Denominated in USD	484,036	308,965
以港元計值	Denominated in HKD	5,316	90,923
		7,436,466	8,297,893

The effective interest rate on the Group's bank deposits as at 31 December 2014 was 1.49% (2013: 1.70%).

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17 銀行和手頭現金 (續)

本集團的現金和現金等價物釐定如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand	7,436,466	8,297,893
減：受限制現金	Less: Restricted cash	(2,618,559)	(886,180)
		4,817,907	7,411,713

本集團的受限制現金包括以下各項：

17 CASH AT BANK AND ON HAND (Cont'd)

Cash and cash equivalents of the Group were determined as follows:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
作為項目建設簽發保函的保證金	Deposits for letters of guarantee issued for project construction	166,084	81,261
票據保證金	Margin deposits for notes issued	450,594	659,238
購房者按揭貸款保證金(a)	Deposits as security for property purchasers' mortgage loans (a)	88,239	71,907
作為借款抵押的存款 (附註21)	Deposits pledged for borrowings (Note 21)	1,913,642	73,774
		2,618,559	886,180

(a) 這些受限制銀行存款用於確保本集團若干購房者根據若干城市的地方法規能取得銀行貸款。這些存款將於物業所有權證由政府部門發出給這些購房者並向按揭銀行提交時予以解除。

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the mortgage banks.

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17 銀行和手頭現金 (續)

本公司

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	1,747	2,594
以美元計值	Denominated in USD	1,496	2,374
以港元計值	Denominated in HKD	5,380	2,529
		8,623	7,497

於2014年12月31日，本公司銀行存款的實際利率為0.07%（2013年：0.11%）。

The effective interest rate on the Company's bank deposits as at 31 December 2014 was 0.07% (2013: 0.11%).

18 股本

本集團和本公司

(a) 法定股本

18 SHARE CAPITAL

Group and Company

(a) Authorised shares

		法定股本數目 Number of authorised shares
		港元股份 HKD share
於2013年1月1日、於2013年12月31日及 2014年12月31日	As at 1 January 2013, 31 December 2013 and 31 December 2014	10,000,000,000

(b) 已發行股份

(b) Issued shares

		已發行股份數目 Number of issued shares 每股0.001港元 HKD0.001 each	普通股 Ordinary shares 人民幣 RMB
於2013年1月1日、於2013年 12月31日及2014年12月31日	As at 1 January 2013, 31 December 2013 and 31 December 2014	5,668,000,000	4,617,069

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19 以股份為基礎的支付

根據2011年9月12日的決議案，本公司採納首次公開發售前股份獎勵計劃（「股份獎勵計劃」）。根據股份獎勵計劃，合共159,800,000股股份和21,250,000股股份分別發行和授予選定現任僱員（包括董事）和若干第三方。第三方包括前僱員和若干第三方公司。授予第三方公司的股份乃為認可其過往服務。

至於授予現任僱員（包括董事）的股份，在本公司於2012年6月30日前在香港聯合交易所有限公司主板上上市及僱員於各歸屬期末仍在職的情況下，授出的股份可分別於2012年、2013年、2014年和2015年12月31日分四等份歸屬。

19 SHARE-BASED PAYMENTS

Pursuant to a resolution dated 12 September 2011, the Company adopted a Pre-IPO share award scheme (the “Share Award Scheme”). Under the Share Award Scheme, a total number of 159,800,000 shares and 21,250,000 shares were issued and granted to selected current employees (including directors) and certain third parties, respectively. The third parties include former employees and certain third party companies. The shares granted to third parties are for recognition of their past services.

For shares granted to current employees (including directors), subject to the meeting of the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 and the employee being still on service at the end of each vesting period, the granted shares can be vested in four equal tranches on 31 December 2012, 2013, 2014 and 2015, respectively.

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截至2014年12月31日止年度 For the year ended 31 December 2014

19 以股份為基礎的支付 (續)

於2012年6月30日，本公司修訂以股份支付的條件，延長本公司於2012年6月30日前於香港聯合交易所有限公司主板上市這項要求至2013年12月31日前。

根據股份獎勵計劃授出的股份於2011年9月15日（授出日期）的公允價值為人民幣119,766,309元，此價值根據資產基礎法釐定，且總體業績亦通過使用市場法反復審核。根據資產基礎法釐定各項資產／負債的價值須使用多種估值法／技術，如投資物業使用剩餘法估值，而非流通股則使用可資比較公司法估值，並以期權定價模式幫助釐定非流動性折扣。

截至2014年12月31日止年度，本集團就本公司授予現任僱員的股份確認人民幣18,228,000元（附註29）（2013年：人民幣25,741,000元）的費用。

下表披露於截至2014年12月31日止年度授予選定僱員的本公司股份變動及於2014年12月31日尚未行使的本公司股份：

19 SHARE-BASED PAYMENTS (Cont'd)

On 30 June 2012, the Company modified the condition for the share-based payments by extending the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 to 31 December 2013.

The fair value of the shares granted under the Share Award Scheme as at 15 September 2011, the grant date, was RMB119,766,309, and was determined using the asset-based approach and the overall result was also cross-checked by using the market approach. Various valuation methods/techniques were applied to determine the value of each asset/liability under the asset-based approach, for example the investment properties were valued using the residual method while the non-tradable shares were valued using the comparable company method with option pricing model to help determine the illiquidity discount.

For the year ended 31 December 2014, the Group recognised an expense of RMB18,228,000 (Note 29) (2013: RMB25,741,000) in relation to the share award by the Company to the current employees.

The following table discloses the movement of the Company's shares granted to the selected employees for the year ended 31 December 2014 and outstanding at 31 December 2014:

僱員	Employees	獎勵股份數目 Number of awarded shares
於2014年1月1日尚未行使	Outstanding as at 1 January 2014	128,575,000
年內歸屬	Vested during the year	(42,150,000)
年內未分配	Unallocated during the year	(7,125,000)
於2014年12月31日尚未行使	Outstanding as at 31 December 2014	79,300,000

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20 本公司權益持有人應佔的其他儲備

20 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

本集團	Group	股份溢價 Share premium 人民幣千元 RMB'000 (附註(a)) (note (a))	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註(b)) (note (b))	合計 Total 人民幣千元 RMB'000
於2014年1月1日的結餘	Balance at 1 January 2014	1,679,240	95,182	4,942,609	6,717,031
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	1,025,721	1,025,721
其他全面收益	Other comprehensive income				
– 可供出售金融資產公允價值變動，扣除稅項	– Change in fair value of available-for-sale financial assets, net of tax	–	11,428	–	11,428
年度全面收益總額	Total comprehensive income for the year	–	11,428	1,025,721	1,037,149
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)	–	18,228	–	18,228
– 現任僱員服務價值	– value of current employee services	(283,400)	–	–	(283,400)
股息 (附註32)	Dividends (Note 32)				
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	18,228	–	(265,172)
向非控股股東收購子公司 額外權益所得的收益 (附註39)	Gains from acquisition of additional interest in subsidiaries from non-controlling interests (Note 39)	–	150,355	–	150,355
直接於權益確認與擁有人的交易總額	Total transactions with owners, recognized directly in equity	(283,400)	168,583	–	(114,817)
於2014年12月31日的結餘	Balance at 31 December 2014	1,395,840	275,193	5,968,330	7,639,363
代表：	Representing:				
建議末期股息 (附註(c))	Proposed final dividend (Note (c))	283,400			283,400
其他	Others	1,112,440			7,355,963
		1,395,840			7,639,363
於2013年1月1日的結餘	Balance at 1 January 2013	1,962,640	(177,501)	3,961,347	5,746,486
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	981,262	981,262
其他全面收益	Other comprehensive income	–	–	–	–
年度全面收益總額	Total comprehensive income for the year	–	–	981,262	981,262
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)	–	25,741	–	25,741
– 現任僱員服務價值	– value of current employee services	(283,400)	–	–	(283,400)
股息 (附註32)	Dividends (Note 32)				
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	25,741	–	(257,659)
向非控股股東收購子公司 額外權益所得的收益 (附註39)	Gain from acquisition of additional interest in a subsidiary from non-controlling interests (Note 39)	–	246,942	–	246,942
直接於權益確認與擁有人的交易總額	Total transactions with owners, recognized directly in equity	(283,400)	272,683	–	(10,717)
於2013年12月31日的結餘	Balance at 31 December 2013	1,679,240	95,182	4,942,609	6,717,031
代表：	Representing:				
建議末期股息 (附註(c))	Proposed final dividend (Note (c))	283,400			283,400
其他	Others	1,395,840			6,433,631
		1,679,240			6,717,031

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截至2014年12月31日止年度 For the year ended 31 December 2014

20 本公司權益持有人應佔的其他儲備 (續)

20 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

本公司	Company	股份溢價 Share premium 人民幣千元 RMB'000 (附註(a)) (note (a))	其他儲備 Other reserves 人民幣千元 RMB'000	累計虧損 Accumulated losses 人民幣千元 RMB'000 (附註(b)) (note (b))	合計 Total 人民幣千元 RMB'000
於2014年1月1日的結餘	Balance at 1 January 2014	1,679,240	89,963	(233,095)	1,536,108
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(120,115)	(120,115)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(120,115)	(120,115)
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)				
– 現任僱員服務價值	– value of current employee services	–	18,228	–	18,228
股息 (附註32)	Dividends (Note 32)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	18,228	–	(265,172)
於2014年12月31日的結餘	Balance at 31 December 2014	1,395,840	108,191	(353,210)	1,150,821
代表：	Representing:				
建議末期股息 (附註(c))	Proposed final dividend (note (c))	283,400			283,400
其他	Others	1,112,440			867,421
		1,395,840			1,150,821
於2013年1月1日的結餘	Balance at 1 January 2013	1,962,640	64,222	(7,273)	2,019,589
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(225,822)	(225,822)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(225,822)	(225,822)
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註19)	Pre-IPO share award scheme (Note 19)				
– 現任僱員服務價值	– value of current employee services	–	25,741	–	25,741
股息 (附註32)	Dividends (Note 32)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	25,741	–	(257,659)
於2013年12月31日的結餘	Balance at 31 December 2013	1,679,240	89,963	(233,095)	1,536,108
代表：	Representing:				
建議末期股息 (附註(c))	Proposed final dividend (note (c))	283,400			283,400
其他	Others	1,395,840			1,252,708
		1,679,240			1,536,108

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20 本公司權益持有人應佔的其他儲備 (續)

(a) 於2012年11月29日，本公司就上市按每股1.45港元發行1,418,000,000股每股0.001港元的港元普通股，並籌得總額約2,056,100,000港元（相等於人民幣1,668,936,000元）的款項。所得款項超過發行1,418,000,000股港元普通股面值共為人民幣1,150,992元的金額為人民幣1,667,785,008元，扣除發行新股直接相關的費用共人民幣65,165,000元後為人民幣1,602,620,008元，此金額撥入股份溢價賬。

(b) 根據中國公司法與本公司中國子公司的組織章程細則，這些子公司每年須將其法定利潤（經抵銷任何過往年度虧損後）的10%撥入法定盈餘公積金（「公積金」）賬戶。當公積金結餘達到這些子公司註冊資本／股本的50%後，則可選擇是否進一步轉撥公積金。公積金可用於抵銷過往年度虧損或增加繳足資本。然而，在作該等用途後，有關公積金須不少於註冊資本／股本的25%。

除清盤外，公積金不可用作分派現金股息，並受到若干相關中國法規所限制。

於2014年12月31日，這些子公司的歸屬於本公司擁有人的公積金總額達人民幣1,486,884,000元（2013年：人民幣1,113,262,000元）。這些金額計入本集團的保留盈利。

(c) 根據開曼群島公司法（2003年修訂版）第34條及本公司的組織章程細則，如本公司具備償還能力且本公司組織章程細則有所規定，則可以本公司的股份溢價向股東作出分派。有關建議末期股息的詳情載列於附註32。

20 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

(a) On 29 November 2012, the Company issued 1,418,000,000 HKD ordinary shares of HKD0.001 each at HKD1.45 per share in connection with the Listing, and raised gross proceeds of approximately HKD2,056,100,000 (equivalent to RMB1,668,936,000). The excess of RMB1,667,785,008 over the par value of RMB1,150,992 for the 1,418,000,000 HKD ordinary shares issued, net of the relevant incremental costs of RMB65,165,000 directly contributable to the new shares issued, was credited to "share premium" with amount of RMB1,602,620,008.

(b) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

As at 31 December 2014, total SSR of these subsidiaries attributable to owners of the Company amounted to RMB1,486,884,000 (2013: RMB1,113,262,000). These amounts were included in retained earnings of the Group.

(c) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company. Details of the proposed final dividend are set out in Note 32.

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21 借款

21 BORROWINGS

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
非即期、有抵押及 向以下機構借入：	Non-current, secured and borrowed from:				
— 銀行(a)	— Banks (a)	4,987,700	10,179,459	—	—
— 2018年1月到期的優先票據 (「2018年票據」)(b (i))	— Senior notes due January 2018 (“2018 Notes”) (b (i))	1,199,712	1,189,147	1,199,712	1,189,147
— 2016年4月到期的優先票據 (「2016年票據」)(b (ii))	— Senior notes due April 2016 (“2016 Notes”) (b (ii))	1,486,844	1,477,928	1,486,844	1,477,928
— 2019年7月到期的優先票據 (「2019年票據」)(b (iii))	— Senior notes due July 2019 (“2019 Notes”) (b (iii))	2,091,577	—	2,091,577	—
非即期、無抵押及 向以下機構借入：	Non-current, unsecured and borrowed from:				
— 銀行	— Banks	—	400,000	—	—
— 2019年7月到期的公司債券 (「2019年債券」)(c)	— Corporate bonds due July 2019 (“2019 Bonds”) (c)	1,981,419	—	—	—
		11,747,252	13,246,534	4,778,133	2,667,075
減：長期借款的即期部份	Less: Current portion of long-term borrowings	(1,191,800)	(1,531,459)	—	—
		10,555,452	11,715,075	4,778,133	2,667,075
即期、有抵押及 向以下機構借入：	Current, secured and borrowed from:				
— 銀行(a)	— Banks (a)	2,184,389	643,042	—	—
長期借款的即期部份	Current portion of long-term borrowings	1,191,800	1,531,459	—	—
		3,376,189	2,174,501	—	—

(a) 本集團的該等銀行借款由將予開發的租賃土地、在建物業、完工待售物業(附註14)、投資物業(附註7)、土地使用權(附註12)、物業、廠房和設備(附註6)、子公司股份(附註40)和銀行存款(附註17)抵押或由本公司的子公司相互擔保。

(a) These bank borrowings of the Group are secured by leasehold land to be developed, properties under development, properties held for sale (Note 14), investment properties (Note 7), land use rights (Note 12), property, plant and equipment (Note 6), shares of subsidiaries (Note 40) and bank deposits (Note 17) of the Group or guaranteed by subsidiaries of the Company for each other.

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21 借款 (續)

(b) 優先票據

(i) 2018年票據

於2013年1月，本公司發行本金額為2億美元的五年期優先票據（「2018年票據」），該等票據於新加坡證券交易所上市。2018年票據以美元計值，按年利率10.25%計息，自2013年7月31日開始於每個年度的1月31日及7月31日或與之最接近的營業日每半年過後支付。

根據2018年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的1月31日起12個月期間已贖回票據，則本公司可於2016年1月31日或之後任何時間及不時贖回全部或部份2018年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

21 BORROWINGS (Cont'd)

(b) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of USD200,000,000 ("2018 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

年份	Year	贖回價格 Redemption Price
自2016年1月31日至2017年1月30日	31 January 2016 to 30 January 2017	105.1250%
2017年1月31日及之後	31 January 2017 and thereafter	102.5625%

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21 借款 (續)

(b) 優先票據 (續)

(i) 2018年票據 (續)

- 本公司可於2016年1月31日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2018年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。
- 本公司可於2016年1月31日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

- At any time prior to 31 January 2016, 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 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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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21 借款 (續)

(b) 優先票據 (續)

(ii) 2016年票據

2013年4月，本公司發行本金額為人民幣1,500,000,000元的三年期優先票據（「2016年票據」），該等票據於新加坡證券交易所上市。2016年票據以人民幣計值，按年利率9.75%計息，自2013年10月23日開始於每個年度的4月23日及10月23日或與之最近的營業日每半年過後支付。

根據2016年票據的條款，本公司可酌情贖回全部但非部份2016年票據，贖回價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

(iii) 2019年票據

2014年7月，本公司發行本金額為350,000,000美元的五年期優先票據（「2019年票據」），該等票據於新加坡證券交易所上市。2019年票據以美元計值，按固定年利率10.25%計息，自2015年1月21日開始於每個年度的1月21日及7月21日或與之最近的營業日每半年過後支付。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("2016 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear interest rate at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 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.

(iii) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 ("2019 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

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21 借款 (續)

(b) 優先票據 (續)

(iii) 2019年票據 (續)

根據2019年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的7月21日起12個月期間已贖回票據，則本公司可於2017年7月21日或之後任何時間及不時贖回全部或部份2019年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes (Cont'd)

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

年份	Year	贖回價格 Redemption Price
自2017年7月21日至2018年7月20日	21 July 2017 to 20 July 2018	105.1250%
2018年7月21日及之後	21 July 2018 and thereafter	102.5625%

- 本公司可於2017年7月21日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2019年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

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21 借款 (續)

(b) 優先票據 (續)

(iii) 2019年票據 (續)

- 本公司可於2017年7月21日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

提早贖回權被視為嵌入式衍生工具而與主合約並無密切關連。董事會認為，本公司現時無計劃提早贖回及上述提早贖回權之公允價值於初步確認時及於2014年及2013年12月31日並不重大。

上述優先票據為一般責任，由若干非根據中國法律註冊成立的子公司擔保（「子公司擔保人」），及由若干原子公司擔保人的股份作抵押。

21 BORROWINGS (Cont'd)

(b) Senior notes (Cont'd)

(iii) 2019 Notes (Cont'd)

- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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 early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2014 and 2013.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC ("Subsidiary Guarantors"), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

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21 借款 (續)

(c) 公司債券

於2014年7月，B股公司發行本金額為人民幣20億元的五年期公司債券（「2019年債券」）。該等債券於上海證券交易所上市。2019年債券以人民幣計值，首三年按年利率8.9%計息，自2015年7月23日開始於每個年度的7月23日或與之最接近的營業日每年過後支付。

根據2019年債券的條款，B股公司可於第三年終結時酌情贖回全部2019年債券，贖回價格等於債券本金的100%加直至贖回日期為止之應計和未付利息。倘B股公司於第三年結束時放棄酌情贖回，B股公司可酌情調升利率0至100個基點並於餘下期間固定，而債券持有人可酌情按相等於債券本金額100%加直至售回日期為止的應計及未付利息的價格向B股公司售回全部或部分債券。

21 BORROWINGS (Cont'd)

(c) Corporate bonds

In July 2014, the B share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 ("2019 Bonds"), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date. If the B share company waives the optional redemption at end of the third year, the B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

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21 借款 (續)

於2014年及2013年12月31日，非流動借款的到期情況列示如下：

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一至兩年	Between 1 and 2 years	2,632,744	4,043,500	1,486,844	–
二至五年	Between 2 and 5 years	7,682,708	6,931,575	3,291,289	2,667,075
超過五年	Over 5 years	240,000	740,000	–	–
		10,555,452	11,715,075	4,778,133	2,667,075

於2014年和2013年12月31日，加權平均實際利率列示如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銀行借款	Bank borrowings	5.71%	6.85%
優先票據	Senior notes	10.81%	10.72%
公司債券	Corporate bonds	9.33%	不適用 N/A

非流動借款的賬面值及公允價值如下：

The maturity of non-current borrowings as at 31 December 2014 and 2013 are as follows:

The weighted average effective interest rates as at 31 December 2014 and 2013 were as follows:

The carrying amounts and fair value of the non-current borrowings are as follows:

		本集團 Group				本公司 Company			
		賬面值 Carrying amount		公允價值 Fair value		賬面值 Carrying amount		公允價值 Fair value	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銀行借款	Bank borrowings	3,795,900	9,048,000	3,795,900	9,048,000	–	–	–	–
2018年票據	2018 Notes	1,199,712	1,189,147	1,211,024	1,225,075	1,199,712	1,189,147	1,211,024	1,225,075
2016年票據	2016 Notes	1,486,844	1,477,928	1,503,315	1,503,135	1,486,844	1,477,928	1,503,315	1,503,135
2019年票據	2019 Notes	2,091,577	–	2,074,723	–	2,091,577	–	2,074,723	–
2019年債券	2019 Bonds	1,981,419	–	2,120,000	–	–	–	–	–
		10,555,452	11,715,075	10,704,962	11,776,210	4,778,133	2,667,075	4,789,062	2,728,210

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21 借款 (續)

2018年票據、2016年票據、2019年票據及2019年債券的公允價值乃按活躍市場報價計算，處於公允價值分層的第一層。

銀行借款的公允價值與其賬面值相若。公允價值以現金流量利用合適利率折現計算，處於公允價值分層的第二層。

本集團借款的利率變動風險及合同重新定價日或到期日（以較早者為準）如下：

本集團 Group

		六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
計入非流動負債的借款：	Borrowings included in non-current liabilities:					
於2014年12月31日	As at 31 December 2014	2,050,000	1,745,900	6,759,552	–	10,555,452
於2013年12月31日	As at 31 December 2013	2,400,000	4,010,000	4,915,075	390,000	11,715,075
計入流動負債的借款：	Borrowings included in current liabilities:					
於2014年12月31日	As at 31 December 2014	3,054,189	322,000	–	–	3,376,189
於2013年12月31日	As at 31 December 2013	1,841,501	333,000	–	–	2,174,501

本公司 Company

		六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
計入非流動負債的借款：	Borrowings included in non-current liabilities:					
於2014年12月31日	As at 31 December 2014	–	–	4,778,133	–	4,778,133
於2013年12月31日	As at 31 December 2013	–	–	2,667,075	–	2,667,075
計入流動負債的借款：	Borrowings included in current liabilities:					
於2014年12月31日	As at 31 December 2014	–	–	–	–	–
於2013年12月31日	As at 31 December 2013	–	–	–	–	–

於2014年12月31日，按固定息率計息的借款本金總額為人民幣9,029,791,000元（2013年：人民幣5,117,617,000元）。

21 BORROWINGS (Cont'd)

The fair value for 2018 Notes, 2016 Notes, 2019 Notes and 2019 Bonds are based on quoted prices in active markets and are within Level 1 of the fair value hierarchy.

The fair value for bank borrowings approximates their carrying amount. The fair value is based on cash flows discounted using appropriate rates and are within Level 2 of the fair value hierarchy.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

	六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
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計入非流動負債的借款：	Borrowings included in non-current liabilities:				
於2014年12月31日	As at 31 December 2014	2,050,000	1,745,900	6,759,552	–
於2013年12月31日	As at 31 December 2013	2,400,000	4,010,000	4,915,075	390,000

計入流動負債的借款：	Borrowings included in current liabilities:				
於2014年12月31日	As at 31 December 2014	3,054,189	322,000	–	–
於2013年12月31日	As at 31 December 2013	1,841,501	333,000	–	–

	六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
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計入非流動負債的借款：	Borrowings included in non-current liabilities:				
於2014年12月31日	As at 31 December 2014	–	–	4,778,133	–
於2013年12月31日	As at 31 December 2013	–	–	2,667,075	–

計入流動負債的借款：	Borrowings included in current liabilities:				
於2014年12月31日	As at 31 December 2014	–	–	–	–
於2013年12月31日	As at 31 December 2013	–	–	–	–

As at 31 December 2014, the aggregate principal of borrowings amounted to RMB9,029,791,000 are at fixed interest rates (2013: RMB5,117,617,000).

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21 借款 (續)

本集團借款的賬面值以下列貨幣計值：

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
人民幣	RMB	9,960,963	12,634,887	1,486,844	1,477,928
美元	USD	3,970,678	1,254,689	3,291,289	1,189,147
		13,931,641	13,889,576	4,778,133	2,667,075

21 BORROWINGS (Cont'd)

The carrying values of the Group's borrowings are denominated in the following currencies:

22 預售物業預收款項 — 本集團

本集團在物業竣工及可供交付前開始銷售物業並向客戶收取款項。這些向客戶收取的款項在相關銷售確認前列作預售物業預收款項。

22 ADVANCES FROM PRE-SALE OF PROPERTIES – GROUP

The Group starts sales of properties and collection of proceeds from customers before the properties are completed and ready for delivery. Such proceeds from customers are recorded as advances from pre-sale of properties before relevant sales are recognised.

23 貿易和其他應付款項

本集團

23 TRADE AND OTHER PAYABLES

Group

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
貿易應付款項	Trade payables	9,571,298	8,276,829
應付票據	Notes payable	452,310	659,238
應還一間子公司非控股股東的 暫借款(a)	Advance from a non-controlling shareholder of a subsidiary (a)	336,980	555,580
營業稅和其他應付稅項	Business and other taxes payable	274,413	233,539
代收保養及裝修費	Maintenance & decoration fees collected on behalf	180,844	152,591
應計工資	Accrued payroll	119,809	127,136
應付利息	Interest payable	282,508	118,392
項目建設投標保證金	Deposits for construction biddings	137,768	70,594
代收契稅	Deed tax collected on behalf	46,710	34,770
應付關連方款項 (附註38)	Payables to related parties (Note 38)	437,329	50,000
應還臨時借用資金(b)	Temporary funding payables (b)	18,000	18,000
有關收購聯營公司的應付款項 (附註9)	Payable related to acquisition of an associate (Note 9)	50,000	—
其他	Others	115,162	71,807
		12,023,131	10,368,476

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23 貿易和其他應付款項 (續)

本集團 (續)

(a) 該暫借款不計息、無抵押且無固定歸還條款。但該暫借款享有優先返還權，優先於該子公司其他股東，包括本集團提供的暫借款及該子公司的其他融資債務（銀行借款除外）獲得償付。

(b) 應還臨時借用資金均為應付非關聯方款項，不計息且無抵押。

貿易應付款項及應付票據於2014年及2013年12月31日的賬齡分析如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一年內	Less than 1 year	9,601,173	8,673,152
一至二年	Between 1 and 2 years	272,280	178,168
二至三年	Between 2 and 3 years	93,203	56,826
三年以上	Over 3 years	56,952	27,921
		10,023,608	8,936,067

於2014年和2013年12月31日，貿易和其他應付款項的公允價值與其賬面值相若。

於2014年和2013年12月31日，貿易和其他應付款項的賬面值主要以人民幣計值。

23 TRADE AND OTHER PAYABLES (Cont'd)

Group (Cont'd)

(a) The advance is non-interest bearing, unsecured and has no fixed repayment terms. However the advance has repayment priority over any advances from other shareholders of the subsidiary, including those from the Group, and other borrowings (except for bank borrowings) to the subsidiary.

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

The aging analysis of trade payables and notes payable as at 31 December 2014 and 2013 are as follows:

As 31 December 2014 and 2013, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2014 and 2013, the carrying amounts of trade and other payables are primarily denominated in RMB.

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23 貿易和其他應付款項 (續)

本公司

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
應付利息	Interest payable	176,439	79,297
應付專業費用	Professional fees payable	9,921	4,880
		186,360	84,177

於2014年和2013年12月31日，貿易和其他應付款項賬齡分析全部少於1年。

於2014年和2013年12月31日，貿易和其他應付款項的公允價值與其賬面值相若。

於2014年和2013年12月31日，貿易和其他應付款項的賬面值以下列貨幣計值：

23 TRADE AND OTHER PAYABLES (Cont'd)

Company

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
		176,439	79,297
		9,921	4,880
		186,360	84,177

The aging analysis of trade and other payables as at 31 December 2014 and 2013 are all less than 1 year.

As 31 December 2014 and 2013, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2014 and 2013, the carrying amounts of trade and other payables are denominated in the following currencies:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
美元	USD	149,221	52,078
人民幣	RMB	32,170	27,219
港元	HKD	4,969	4,880
		186,360	84,177

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24 遞延所得稅

本集團

24 DEFERRED INCOME TAX

Group

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
將可收回的遞延稅項資產	Deferred tax assets to be recovered		
– 十二個月內	– within 12 months	153,949	45,059
– 十二個月後	– after 12 months	345,226	454,679
		499,175	499,738
將予結清的遞延稅項負債	Deferred tax liabilities to be settled		
– 十二個月內	– within 12 months	(90,706)	(35,810)
– 十二個月後	– after 12 months	(595,554)	(397,112)
		(686,260)	(432,922)
遞延稅項(負債)/資產淨額	Deferred tax (liabilities)/assets, net	(187,085)	66,816

遞延所得稅賬目的變動列示如下：

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

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
年初	At beginning of year	66,816	(41,679)
(支銷)/貸記合併利潤表 (附註30)	(Charged)/credited to the consolidated statement of income (Note 30)	(247,151)	108,495
支銷其他全面收益	Charged to other comprehensive income	(6,750)	–
年末	At end of year	(187,085)	66,816

於2014年12月31日，人民幣54,235,000元的遞延所得稅資產和遞延所得稅負債已相互抵銷(2013年：人民幣82,242,000元)。

As at 31 December 2014, deferred income tax assets and deferred income tax liabilities amounted to RMB54,235,000 were offset (2013: RMB82,242,000).

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24 遞延所得稅 (續)

於截至2014年及2013年12月31日止年度，遞延所得稅資產和負債的原額變動（未經考慮抵銷同一稅務司法權區內的結餘）列示如下：

遞延所得稅資產

		稅務虧損	完工待售 物業撥備	應計費用	土地增值稅	對銷 公司間交易	合計
		Tax losses	Provisions for properties held for sale	Accruals	Land appreciation tax	Elimination of inter-company transactions	
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014	276,424	67,055	10,736	227,252	513	581,980
(支銷)/貸記	(Charged)/credited to the consolidated						
合併利潤表	statement of income	(102,823)	80,232	23,263	(31,843)	2,601	(28,570)
於2014年12月31日	At 31 December 2014	173,601	147,287	33,999	195,409	3,114	553,410
於2013年1月1日	At 1 January 2013	167,802	87,353	4,590	147,946	925	408,616
貸記/(支銷) 合併利潤表	Credited/(charged) to the consolidated						
	statement of income	108,622	(20,298)	6,146	79,306	(412)	173,364
於2013年12月31日	At 31 December 2013	276,424	67,055	10,736	227,252	513	581,980

根據中國法律和法規，稅務虧損可結轉五年以抵銷未來應課稅利潤。倘若有充足應課稅利潤可供遞延稅項資產動用，則確認此等未動用稅務虧損的遞延稅項資產。

本集團並未就於2014年12月31日金額為人民幣407,063,000元（2013年：人民幣405,687,000元）的稅務虧損確認相應的遞延所得稅資產人民幣101,766,000元（2013年：人民幣101,422,000元）。所有這些稅務虧損將於五年內到期。

24 DEFERRED INCOME TAX (Cont'd)

The gross movement in deferred income tax assets and liabilities for the years ended 31 December 2014 and 2013, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB101,766,000 (2013: RMB101,422,000) in respect of tax losses amounting to RMB407,063,000 as at 31 December 2014 (2013: RMB405,687,000). All these tax losses will expire within five years.

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24 遞延所得稅 (續)

遞延所得稅負債

		公允價值 收益	收購子公司	對銷公司 間交易	車庫成本 分攤差異	中國子公司的未分配利潤	投資 物業折舊	合計
		Fair value gains	Acquisition of subsidiaries	Elimination of inter-company transactions	Carpark cost allocation differences	Undistributed profits of PRC subsidiaries	Depreciation of investment properties	Total
		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	人民幣千元 RMB'000 (附註(a)) (note (a))	人民幣千元 RMB'000	人民幣千元 RMB'000
於2014年1月1日	At 1 January 2014	292,453	3,046	8,356	167,602	24,408	19,299	515,164
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	116,265	(625)	7,535	68,569	10,579	16,258	218,581
支銷其他全面收益	Charged to other comprehensive income	6,750	-	-	-	-	-	6,750
於2014年12月31日	At 31 December 2014	415,468	2,421	15,891	236,171	34,987	35,557	740,495
於2013年1月1日	At 1 January 2013	282,993	3,120	6,363	145,182	12,637	-	450,295
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	9,460	(74)	1,993	22,420	11,771	19,299	64,869
於2013年12月31日	At 31 December 2013	292,453	3,046	8,356	167,602	24,408	19,299	515,164

(a) 於2014年12月31日，本集團已就中國境外投資者應佔若干中國子公司部份未匯出可供分配利潤在匯出時應支付的預扣稅確認遞延所得稅負債人民幣34,987,000元（2013年：人民幣24,408,000元）。

於2014年12月31日，本集團未就中國境外投資者應佔若干中國子公司為數人民幣3,618,664,000元（2013年：人民幣3,118,926,000元）的未匯出可分派利潤在匯出時應支付的預扣稅確認相關的遞延所得稅負債人民幣180,933,000元（2013年：人民幣155,946,000元），這乃由於該等利潤擬作為再投資。

24 DEFERRED INCOME TAX (Cont'd)

Deferred income tax liabilities

(a) As at 31 December 2014, deferred income tax liabilities of RMB34,987,000 (2013: RMB24,408,000) have been recognised for the withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC.

As at 31 December 2014, deferred income tax liabilities of RMB180,933,000 (2013: RMB155,946,000) have not been recognised for the withholding tax that would be payable upon remittance, in respect of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC amounting to RMB3,618,664,000 (2013: RMB3,118,926,000) as such profits are intended to be reinvested.

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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

25 收入

截至2014年及2013年12月31日止年度，本集團的營業額包括以下各項：

25 REVENUE

Turnover of the Group consists of the following for the years ended 31 December 2014 and 2013:

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
銷售物業收入	Revenue from sales of properties	20,216,114	20,421,811
物業管理收入	Revenue from property management	282,889	182,501
租金收入	Rental income	127,830	102,356
其他	Others	91,837	64,587
		20,718,670	20,771,255

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 其他收入／其他開支／其他收益－淨額

26 OTHER INCOME/OTHER EXPENSES/OTHER GAINS – NET

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
其他收入	Other income		
政府補貼	Government grants	30,350	63,694
可供出售金融資產股息收入(a)	Dividend income on available-for-sale financial assets (a)	6,553	6,605
政府徵用土地獲得之補償(b)	Compensation for land requisition by the government (b)	–	81,375
		36,903	151,674
其他開支	Other expenses		
捐贈	Donations	(2,405)	(4,152)
其他收益－淨額	Other gains – net		
出售一家子公司產生的收益(c)／(附註37)	Gain from disposal of a subsidiary (c)/(Note 37)	–	46,000
出售物業、廠房和設備產生的虧損	Losses on disposal of property, plant and equipment	(207)	(384)
取消物業銷售合約獲得之賠償	Compensation for cancellation of property sales contracts	10,967	9,734
完工待售物業轉撥至投資物業時產生的公允價值收益(d)	Fair value gains upon transfer of properties held for sale to investment properties (d)	99,064	–
其他	Others	(4,197)	(9,080)
		105,627	46,270

(a) 股息收入來自非上市投資。

(a) The dividend income is from unlisted investment.

(b) 於2013年11月27日，常州新城房產開發有限公司擁有的新機場公路項目的土地使用權由常州市新北國土儲備中心收回。徵用補償總額為人民幣127,986,600元，經扣除資產的賬面淨值後，人民幣81,375,000元收益獲確認。

(b) On 27 November 2013, the land use rights of new airport road project, owned by Changzhou Future Land Real Estate Development Co., Ltd., was recalled by Changzhou Xinbei Land Reserve Center. Total compensation for the requisition is RMB127,986,600 and after netting off the net book value of the assets, a gain of RMB81,375,000 was recognized.

(c) 於2013年12月13日，本集團向第三方出售於常州新城廣場置業有限公司的100%股權，產生收益人民幣46,000,000元。

(c) On 13 December 2013, the Group disposed of its 100% equity interests in Changzhou Future Land Guangchang Property Co., Ltd. to a third party, resulting in a gain of RMB46,000,000.

(d) 於2014年，本集團將一項零售物業由完工待售物業轉撥至投資物業。於轉撥時的公允價值人民幣1,077,000,000元與當時賬面值人民幣977,936,000元的差額確認為其他收益。

(d) In year 2014, the Group transferred a retail property from properties held for sale to investment property. The difference between the fair value RMB1,077,000,000 upon transfer and the then carrying amount RMB977,936,000 was recognised as other gains.

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27 按性質劃分的開支

計入銷售成本、銷售和營銷成本及行政開支的開支分析如下：

27 EXPENSES BY NATURE

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

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
土地使用權成本	Land use rights costs	5,658,544	4,770,651
建設成本	Construction costs	8,637,339	9,101,315
資本化利息	Capitalised interest	747,398	770,865
營業稅及附加費(a)	Business tax and surcharges (a)	1,169,558	1,166,306
完工待售或在建銷售 物業減值撥備	Provision for impairment of properties held or under development for sale	382,231	79,588
物業、廠房和設備折舊 (附註6)	Depreciation of property, plant and equipment (Note 6)	31,855	19,453
無形資產攤銷(附註8)	Amortisation of intangible assets (Note 8)	4,610	2,418
銀行手續費	Bank charges	27,289	18,610
員工成本(附註29)	Staff costs (Note 29)	787,814	609,667
招待費	Entertainment expenses	67,719	72,568
印花稅及其他稅項	Stamp duty and other taxes	38,642	56,295
專業費用	Professional fees	19,549	6,714
核數師酬金	Auditors' remuneration	3,200	3,200
銷售佣金	Sales commission	111,145	151,057
廣告及宣傳費用	Advertising and publicity costs	284,686	309,961
租賃開支	Rental expenses	38,733	36,820
差旅費用	Travelling expenses	42,449	27,805
其他開支	Other expenses	107,040	156,805
銷售成本、銷售和營銷成本及 行政開支總計	Total cost of sales, selling and marketing expenses and administrative expenses	18,159,801	17,360,098

(a) 本集團的中國子公司須就其銷售物業收入和租金收入繳納5%的營業稅，而附加費則按應付營業稅的10%至12%繳納。

(a) The PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

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28 融資成本 — 淨額

28 FINANCE COSTS – NET

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
財務成本	Finance costs		
— 銀行貸款、優先票據、 公司債券、信託融資 安排和來自其他金融機構 的借款的利息	— Interest on bank loans, senior notes, corporate bonds, trust financing arrangements and borrowings from other financial institutions	(1,291,029)	(1,209,771)
— 減：資本化利息 (附註7及附註14)	— Less: Interest capitalised (Note 7 and Note 14)	1,043,338	682,959
		(247,691)	(526,812)
— 與借貸有關的匯兌收益淨額	— Net foreign exchange gains relating to borrowings	7,955	63,782
— 與現金及現金等價物 有關的匯兌虧損淨額	— Net foreign exchange losses on cash and cash equivalents	(13,066)	(53,663)
融資成本總額 (附註34)	Total finance costs (Note 34)	(252,802)	(516,693)
財務收入	Finance income		
— 銀行存款的利息收入 (附註34)	— Interest income on bank deposits (Note 34)	117,008	121,793
融資成本淨額	Net finance costs	(135,794)	(394,900)

29 員工成本 (包含董事酬金)

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
工資和薪金	Wages and salaries	618,316	477,463
退休金	Pension	54,645	39,260
其他福利開支	Other welfare benefit expenses	96,625	67,203
首次公開發售前股份獎勵計劃 — 現任僱員價值 (附註19)	Pre-IPO share award scheme — value of current employees (Note 19)	18,228	25,741
支銷利潤表 (附註27)	Charged to statement of income (Note 27)	787,814	609,667
僱員數目	Number of employees	6,447	4,896

本集團的所有中國僱員參加由政府機構設立及管理的定額供款僱員社會保險計劃，包括退休、醫療、住房及其他福利計劃。本集團並無其他重大職工福利承諾。

All Chinese employees of the Group participate in defined contribution employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. The Group has no other substantial commitments to employees.

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29 員工成本（包含董事酬金）（續）

根據有關規定，本集團按僱員工資總額的一定比例且在不超過規定上限的基礎上承擔保險費及福利計劃供款，並向勞動和社會保障機構繳納。

(a) 董事及主要行政人員的酬金

董事及主要行政人員的酬金列示如下：

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(a) Directors' and chief executive's emoluments

The directors' and chief executive's emoluments are set out below:

董事姓名	Name of director	袍金 Fees	薪金及 其他津貼 Salaries and other allowances 人民幣千元 RMB'000	績效獎金 Performance related bonus 人民幣千元 RMB'000	退休計劃供款 Retirement scheme contributions 人民幣千元 RMB'000	首次公開 發售前股份 獎勵計劃 Pre-IPO share award scheme 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
截至2014年12月31日止年度 Year ended 31 December 2014							
王先生(i)	Mr. Wang (i)	-	4,080	920	35	-	5,035
閔遠松(iv)	Min Yuansong (iv)	-	2,700	-	33	-	2,733
劉源滿	Liu Yuanman	-	2,160	840	35	415	3,450
呂小平	Ly Xiaoping	-	3,600	900	35	997	5,532
黃茂莉	Huang Maoli	-	2,160	840	-	-	3,000
梁志誠(v)	Liang Zhicheng (v)	-	360	145	6	-	511
王曉松	Wang Xiaosong	-	3,600	900	35	665	5,200
聶梅生(iii)	Nie Meisheng (iii)	188	-	-	-	-	188
陳華康	Chen Huakang	250	-	-	-	-	250
朱增進	Zhu Zengjin	250	-	-	-	-	250
鍾偉(vi)	Zhong Wei (vi)	21	-	-	-	-	21
		709	18,660	4,545	179	2,077	26,170
截至2013年12月31日止年度 Year ended 31 December 2013							
王先生(i)	Mr. Wang (i)	-	1,767	3,200	33	-	5,000
譚為民(ii)	Tan Weimin (ii)	-	720	-	30	-	750
閔遠松	Min Yuansong	-	1,160	3,300	40	1,203	5,703
劉源滿	Liu Yuanman	-	867	2,100	33	752	3,752
呂小平	Ly Xiaoping	-	1,367	3,100	33	1,805	6,305
黃茂莉	Huang Maoli	-	1,080	1,920	-	-	3,000
王曉松	Wang Xiaosong	-	1,367	3,100	33	1,203	5,703
聶梅生	Nie Meisheng	250	-	-	-	-	250
陳華康	Chen Huakang	250	-	-	-	-	250
朱增進	Zhu Zengjin	250	-	-	-	-	250
		750	8,328	16,720	202	4,963	30,963

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29 員工成本（包含董事酬金）（續）

(a) 董事及主要行政人員的酬金（續）

- (i) 本公司的主要行政人員為王先生，其亦為本公司其中一名董事。
- (ii) 譚為民先生於2013年10月18日辭任本公司執行董事。
- (iii) 聶梅生女士於2014年10月7日辭任本公司獨立非執行董事。
- (iv) 閔遠松先生於2014年11月6日辭任本公司執行董事。
- (v) 梁志誠先生於2014年11月6日獲委任為本公司執行董事。
- (vi) 鍾偉先生於2014年12月3日獲委任為本公司獨立非執行董事。

(b) 五名最高薪人士

截至2014年12月31日止年度，本集團五名最高薪酬人士包括五名（2013年：五名）董事，彼等之酬金已於上文呈列的分析中反映。

- (c) 截至2014年及2013年12月31日止年度，概無董事或任何五名最高薪人士向本集團收取任何酬金作為加盟或在加盟或離開本集團時的獎勵或補償或作為離職補償。

29 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

- (i) The chief executive of the Company is Mr. Wang, who is also one of the directors of the Company.
- (ii) Mr. Tan Weimin resigned as executive director of the Company with effect from 18 October 2013.
- (iii) Ms. Nie Meisheng resigned as independent non-executive director of the Company with effect from 7 October 2014.
- (iv) Mr. Min Yuansong resigned as executive director of the Company with effect from 6 November 2014.
- (v) Mr. Liang Zhicheng was appointed as executive director of the Company with effect from 6 November 2014.
- (vi) Mr. Zhong Wei was appointed as independent non-executive director of the Company with effect from 3 December 2014.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2014 include five directors (2013: five) whose emoluments are reflected in the analysis presented above.

- (c) During the years ended 31 December 2014 and 2013, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

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30 所得稅開支

30 INCOME TAX EXPENSE

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
當期所得稅	Current income tax		
— 中國土地增值稅	— PRC land appreciation tax	597,135	866,582
— 中國企業所得稅	— PRC corporate income tax	398,275	761,242
遞延所得稅 (附註24)	Deferred income tax (Note 24)	995,410	1,627,824
		247,151	(108,495)
年度列支的所得稅總額	Total income tax charged for the year	1,242,561	1,519,329

本集團除所得稅前利潤的所得稅有別於使用本集團旗下各公司所在國頒佈的稅率計算的理論金額，茲載列如下：

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	2,921,848	3,236,466
中國土地增值稅	PRC land appreciation tax	(597,135)	(866,582)
		2,324,713	2,369,884
按25%法定稅率計算的所得稅	Income tax calculated at statutory rate of 25%	581,178	592,471
不可扣減開支(a)	Non-deductible expenses (a)	55,602	63,730
非課稅收入	Non-taxable income	(1,638)	(1,651)
動用過往未確認的稅務虧損	Utilisation of previously unrecognised tax losses	(1,015)	(15,147)
未確認為遞延稅項資產的稅務虧損	Tax losses not recognised as deferred tax assets	344	570
過往年度稅項調整	Prior year tax adjustments	376	1,003
中國預扣稅	PRC withholding tax	10,579	11,771
中國土地增值稅	PRC land appreciation tax	597,135	866,582
所得稅開支總額	Total income tax expense	1,242,561	1,519,329

(a) 就所得稅而言，不可扣減開支主要來自優先票據的利息開支、有關股份獎勵的開支及不可扣減招待費的開支。

(a) Non-deductible expenses for income tax purposes mainly resulted from interest expense on senior notes, the expense in relation to the share award and non-deductible entertainment expense.

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30 所得稅開支 (續)

香港利得稅

本集團未對香港利得稅作出撥備，因為本集團於本年度並無來自香港的估計應課稅溢利（2013年：無）。

中國企業所得稅

根據中國企業所得稅法（「企業所得稅法」），本集團旗下於中國內地的子公司適用的企業所得稅率為25%。

企業所得稅法及其實施細則規定中國居民企業就2008年1月1日起產生的盈利向其中國境外的直接控股公司派發的股息須繳納10%的預扣稅，而於2008年1月1日前產生的未分派盈利則獲豁免繳納該預扣稅。根據中國與香港訂立的稅務協約安排，若直接控股公司成立於香港，可應用較低的5%預扣稅稅率。截至2014年12月31日止年度，本集團就其中國實體產生的部份盈利按5%的稅率計提中國預扣稅撥備人民幣10,579,000元（2013年：人民幣11,771,000元）。本集團能控制該等中國子公司的股息政策並已確定將不會於可見未來分派該等子公司的大部份盈利。

土地增值稅

中國土地增值稅以銷售物業所得款項減去可扣減開支（包括土地使用權租賃費用及所有物業開發開支）的土地增值按介乎30%至60%的累進稅率徵收，並於合併利潤表內列作所得稅開支。

30 INCOME TAX EXPENSE (Cont'd)

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2013: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2014, the Group accrued for PRC withholding tax with amount of RMB10,579,000 (2013: RMB11,771,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

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

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31 每股盈利

每股基本盈利乃按本公司權益持有人應佔本集團利潤除以年內已發行普通股加權平均數計算。

31 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		截至12月31日止年度 Year ended 31 December	
		2014年 2014	2013年 2013
本公司權益持有人應佔 合併利潤（人民幣千元）	Consolidated profit attributable to equity holders of the Company (RMB'000)	1,025,721	981,262
已發行普通股加權平均數（千股）	Weighted average number of ordinary shares in issue ('000)	5,668,000	5,668,000
每股基本盈利（人民幣元）	Basic earnings per share (RMB)	0.18	0.17

由於截至2014年及2013年12月31日止年度並無任何攤薄購股權和其他具潛在攤薄效應的已發行股份，故每股攤薄盈利與每股基本盈利相同。

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2014 and 2013, diluted earnings per share is the same as basic earnings per share.

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32 股息

32 DIVIDENDS

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
擬派末期股息每股普通股 人民幣0.05元 (2013年：人民幣0.05元)	Proposed final dividend of RMB0.05 (2013: RMB0.05) per ordinary share	283,400	283,400

年內並無宣派中期股息（2013年：零）。

No interim dividend was declared during the year (2013: Nil).

於2015年2月16日舉行的董事會會議上，董事建議使用股份溢價賬派發2014年度末期股息每股普通股人民幣0.05元。擬派股息並無於此等財務報表反映為應付股息，惟待股東於本公司應屆股東週年大會批准後將反映為截至2015年12月31日止年度的股份溢價賬撥付。

At a Board meeting held on 16 February 2015, the directors proposed a final dividend for 2014 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2015 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

於2014年5月21日舉行的本公司股東週年大會已批准使用股份溢價賬派發2013年末期股息每股普通股人民幣0.05元，共人民幣283,400,000元。該股息已於2014年內支付。

The final dividend in respect of 2013 of RMB0.05 per ordinary share using the share premium account, amounting to RMB283,400,000 in total was approved at the annual general meeting of the Company held on 21 May 2014. The amount was fully paid in 2014.

33 本公司擁有人應佔虧損

33 LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

本公司於2010年4月23日註冊成立。截至2014年12月31日止年度，本公司擁有人應佔虧損分別為人民幣120,115,000元（2013年：人民幣225,822,000元），已於本公司財務報表中入賬。

The Company was incorporated on 23 April 2010. The loss attributable to owners of the Company for the year ended 31 December 2014 amounted to RMB120,115,000 (2013: RMB225,822,000), which have been dealt with in the financial statements of the Company.

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34 經營活動所得／(所用) 現金

34 CASH GENERATED FROM/(USED IN) OPERATIONS

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	2,921,848	3,236,466
就下列各項作出調整：	Adjustments for:		
– 折舊 (附註27)	– Depreciation (Note 27)	31,855	19,453
– 攤銷	– Amortisation	4,841	2,418
– 出售物業、廠房和設備 產生的虧損 (附註26)	– Losses on disposal of property, plant and equipment (Note 26)	207	384
– 出售一家子公司產生的收益 (附註26)	– Gains from disposal of a subsidiary (Note 26)	–	(46,000)
– 首次公開發售前股份獎勵 計劃支出 (附註19)	– Pre-IPO share award scheme expenses (Note 19)	18,228	25,741
– 投資物業公允價值收益 (附註7)	– Fair value gains on investment properties (Note 7)	(365,994)	(37,839)
– 完工待售物業轉撥至投資物業時 產生的公允價值收益 (附註26)	– Fair value gains upon transfer of properties held for sale to investment properties (Note 26)	(99,064)	–
– 就完工待售 (或在建銷售) 物業計提撥備 (附註27)	– Accrual of provision for properties held (or under development) for sale (Note 27)	382,231	79,588
– 完工待售 (或在建銷售) 物業撥備撥回 (附註14)	– Reversal of provision for properties held (or under development) for sale (Note 14)	(61,303)	(160,779)
– 應佔聯營公司業績 (附註9)	– Share of results of associates (Note 9)	(2,849)	11,422
– 應佔合營企業業績 (附註10)	– Share of results of joint ventures (Note 10)	10,195	–
– 可供出售金融資產股息收入 (附註26)	– Dividend income on available-for-sale financial assets (Note 26)	(6,553)	(6,605)
– 融資成本 (附註28)	– Finance costs (Note 28)	247,691	526,812
– 與借貸有關的匯兌收益淨額 (附註28)	– Net foreign exchange gains relating to borrowings (Note 28)	(7,955)	(63,782)
– 與現金及現金等價物有關的 匯兌虧損淨額 (附註28)	– Net foreign exchange losses on cash and cash equivalents (Note 28)	13,066	53,663
– 利息收入 (附註28)	– Interest income (Note 28)	(117,008)	(121,793)
營運資金變動	Changes in working capital		
– 與經營活動相關的受限制 現金 (附註17)	– Restricted cash relating to operating activities (Note 17)	107,489	(109,906)
– 租賃土地預付款項	– Prepayments for leasehold land	21,969	1,028,349
– 完工待售或在建銷售物業 (不包括資本化利息)	– Properties held or under development for sale (excluding capitalised interest)	(1,915,540)	(3,509,090)
– 貿易及其他應收款項及 預付款項	– Trade and other receivables and prepayments	(858,357)	(646,673)
– 預售物業預收款項	– Advances from pre-sale of properties	2,928,973	(1,428,827)
– 貿易及其他應付款項	– Trade and other payables	1,659,139	228,240
經營活動所得／(所用) 現金	Cash generated from/(used in) operations	4,913,109	(918,758)

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34 經營活動所得／(所用) 現金 (續)

於合併現金流量表內，出售物業、廠房和設備的所得款項包括：

34 CASH GENERATED FROM/(USED IN) OPERATIONS (Cont'd)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
賬面淨值 (附註6)	Net book value (Note 6)	876	16,043
出售物業、廠房和設備產生的虧損 (附註26)	Losses on disposal of property, plant and equipment (Note 26)	(207)	(384)
出售一間子公司產生的虧損	Loss on disposal of a subsidiary	—	(79)
出售物業、廠房和設備所得款項	Proceeds from disposal of property, plant and equipment	669	15,580

35 承擔

(a) 物業開發支出承擔

於2014年及2013年12月31日，尚未發生但已作出承擔的物業開發支出如下：

35 COMMITMENTS

(a) Property development expenditure commitments

As at 31 December 2014 and 2013, property development expenditure committed but not yet incurred are as follows:

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
已訂約但未撥備	Contracted but not provided for	13,819,049	11,748,357

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35 承擔 (續)

(b) 經營租賃承擔

於2014年及2013年12月31日，就若干以不可撤銷經營租賃租入的辦公室樓宇而產生的未來最低租金支出總額需於以下期間支付：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一年內	Within 1 year	22,007	12,234
一至五年	1 to 5 years	42,039	24,306
五年後	After 5 years	33,846	25,908
		97,892	62,448

(c) 投資承擔

於2014年及2013年12月31日，投資承擔如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
收購子公司承擔	Committed acquisition of a subsidiary	328,804	–
合營企業投資承擔	Committed investments in joint ventures	95,625	–
可供出售金融資產的投資承擔	Committed investments in available-for-sale financial assets	6,119	15,000
		430,548	15,000

35 COMMITMENTS (Cont'd)

(b) Operating lease commitments

As at 31 December 2014 and 2013, the future aggregate minimum rental expenses in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

(c) Investment commitments

As at 31 December 2014 and 2013, committed investments are as follows:

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35 承擔 (續)

(d) 經營租賃應收租金

於2014年及2013年12月31日，就土地及建築物以不可撤銷經營租賃租出而產生的未來最低租金收款總額將於以下期間收取：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
一年內	Within 1 year	174,824	83,349
一至五年	1 to 5 years	364,198	171,150
五年後	After 5 years	151,552	57,044
		690,574	311,543

36 財務擔保及或有負債

(a) 按揭融資的擔保

於2014年及2013年12月31日，本集團就按揭融資提供財務擔保產生的或然負債如下：

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
就本集團物業的若干買家的按揭融資作出的擔保	Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	4,478,635	2,980,716

35 COMMITMENTS (Cont'd)

(d) Operating lease rentals receivable

As at 31 December 2014 and 2013, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

36 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at 31 December 2014 and 2013:

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36 財務擔保及或有負債 (續)

(a) 按揭融資的擔保 (續)

本集團已為本集團物業若干買家安排銀行融資，並就買家的還款責任提供擔保。該等擔保將按下列較早者終止：(i)房地產所有權證由政府部門發出給買家，此證一般在擔保登記完成後平均兩至三年內發出，並向按揭銀行提交時；或(ii)物業買家清償按揭貸款時。

根據擔保條款，在該等買家拖欠按揭還款時，本集團須負責向銀行償還買家拖欠的按揭本金連同應計利息及罰金，而本集團有權接收相關物業的法定業權及所有權。本集團的擔保期由授出按揭日期起開始。董事認為買家拖欠付款的可能性極小，因此，按公允價值計量的財務擔保並非重大。

(b) 公司擔保

於2014年及2013年12月31日，本集團的子公司就借款（附註21）相互提供若干企業擔保。董事認為各子公司有足夠財務資源償付其債務。

36 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (Cont'd)

(a) Guarantees on mortgage facilities (Cont'd)

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 21) as at 31 December 2014 and 2013. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

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37 出售子公司及業務

(a) 出售常州新城廣場置業有限公司

於2013年12月13日，本集團以人民幣125,156,000元出售於常州新城廣場置業有限公司的100%股權。

37 DISPOSAL OF SUBSIDIARIES AND BUSINESS

(a) Disposal of Changzhou Future Land Guangchang Property Co., Ltd.

On 13 December 2013, the Group disposed of its 100% equity interests in Changzhou Future Land Guangchang Property Co., Ltd. at RMB125,156,000.

		人民幣千元 RMB'000
已收現金	Cash received	90,000
與出售子公司相關的應收款項	Receivable in connection with the disposal of a subsidiary	35,156
總代價	Total consideration	125,156
出售淨資產	Net assets disposed of	79,156
出售所得收益	Gain on disposal	46,000

上述出售事項的資產與負債總額如下：

The aggregated assets and liabilities in respect of the above disposal were as follows:

		人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	157
預付款項	Prepayments	6
貿易和其他應收款項	Trade and other receivables	41,545
完工待售或在建銷售物業	Properties held or under development for sale	38,022
物業、廠房和設備	Property, plant and equipment	79
遞延所得稅資產	Deferred income tax assets	4,716
貿易和其他應付款項	Trade and other payables	(5,369)
出售淨資產	Net assets disposed of	79,156
已收現金	Cash received	90,000
減：所出售子公司的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary disposed of	(157)
出售事項的淨現金流入	Net cash inflow from the disposal	89,843

2014年並無出售子公司及業務事宜。

There was no disposal of subsidiaries and business in 2014.

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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

38 關連方交易

(a) 關連方名稱及與關連方的關係

名稱 Name
王先生
Mr. Wang
王曉松先生
Mr. Wang Xiaosong
上海萬之城房地產開發有限公司
Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.
上海新城旭地房地產有限公司
Shanghai Xincheng Xudi Real Estate Co., Ltd.
南京新城萬隆房地產有限公司
Nanjing Future Land Wanlong Real Estate Co., Ltd.
蘇州新城萬瑞房地產有限公司
Suzhou Future Land Wanrui Real Estate Co., Ltd.
青島卓越新城置業有限公司
Qingdao Zhuoyue Future Land Property Co., Ltd.
香港宏盛發展有限公司
Hong Kong Prosperity Development Ltd.
香港創拓發展有限公司
Hong Kong Achievement Development Ltd.
碧海控股有限公司
Emerald Sea holdings Limited
豪泰環球有限公司
Heroic Time Global Ltd.
昇創有限公司
Exalt Creation Ltd.
茂源控股有限公司
Flourish Source Holdings Limited
優力有限公司
Aceled Limited
香港鼎盛發展有限公司
Hong Kong Flourishing Development Ltd.
香港恒宇發展有限公司
Hong Kong Perpetual Development Ltd.

38 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

關係 Relationship
本公司的控股股東及董事
The controlling shareholder and a director of the Company
王先生的家族成員
Family member of Mr. Wang
本集團的聯營公司
An associate of the Group
本集團的合營企業
A joint venture of the Group
本集團的合營企業
A joint venture of the Group
本集團的合營企業
A joint venture of the Group
本集團的合營企業
A joint venture of the Group
本公司的子公司
A subsidiary of the Company
本公司的子公司
A subsidiary of the Company
本公司的子公司
A subsidiary of the Company
本公司的子公司
A subsidiary of the Group
本公司的子公司
A subsidiary of the Group
本集團的子公司
A subsidiary of the Group
本集團的子公司
A subsidiary of the Group
本集團的子公司
A subsidiary of the Group
本集團的子公司
A subsidiary of the Group

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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

38 關連方交易 (續)

(a) 關連方名稱及與關連方的關係 (續)

名稱 Name
香港創匯發展有限公司
Hong Kong Chuanghui Development Limited
香港景盛發展有限公司
Hong Kong Jingsheng Development Limited
香港悅盛發展有限公司
Hong Kong Yuesheng Development Limited
香港創域發展有限公司
Hong Kong Chuangyu Development Limited
香港益盛發展有限公司
Hong Kong Grand Development Limited
香港卓盛發展有限公司
Hong Kong Excellent Development Limited
香港創隆發展有限公司
Hong Kong Chuanglong Development Limited
香港吾悅發展有限公司
Hong Kong Injoy Development Limited

38 RELATED-PARTY TRANSACTIONS (Cont'd)

(a) Name and relationship with related parties (Cont'd)

關係 Relationship
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group
本集團子公司
A subsidiary of the Group

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38 關連方交易 (續)

(b) 與關連方的交易

本集團

於截至2014年12月31日止年度，本集團進行了以下關連方交易：

38 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties

Group

During the year ended 31 December 2014, the Group has the following related party transactions:

		截至2014年12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
(i) 向關連方撥款	(i) Fundings to related parties		
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	1,697,352	—
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	434,000	—
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	—	362,565
		2,131,352	362,565
(ii) 來自關連方的撥款	(ii) Fundings from related parties		
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	3,403,999	—
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	435,000	—
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	153,250	—
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	110,000	230,000
		4,102,249	230,000
(iii) 替關連方墊款	(iii) Paid on behalf of related parties		
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	1,501,753	—
— 青島卓越新城置業有限公司	— Qingdao Zhuoyue Future Land Property Co., Ltd.	433,780	—
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	386,906	—
		2,322,439	—
(iv) 銷售服務	(iv) Sales of services		
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	1,870	3,240
(v) 與非控股權益進行的交易 (附註39)	(v) Transactions with non-controlling interests (Note 39)		
— 王先生及王曉松先生	— Mr. Wang and Mr. Wang Xiaosong	184,145	246,942

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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

38 關連方交易 (續)

(b) 與關連方的交易 (續)

(vi) 佔用關連方擁有的物業

本集團若干子公司佔用王曉松先生擁有的總建築面積為720平方米的若干物業作營運用途，且毋須支付任何費用（與截至2013年12月31日止年度相同）。

(vii) 主要管理層報酬

主要管理層包括董事（執行和非執行）、財務總監、副總裁和總裁助理。就員工服務已付或應付予主要管理層之報酬列示如下：

38 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(vi) Occupation of properties owned by a related party

Some subsidiaries of the Group occupied certain properties with total gross floor areas of 720 square meters owned by Mr. Wang Xiaosong for operational use, which is free of charge (Same for the year ended 31 December 2013).

(vii) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and assistant presidents. The compensation paid or payable to key management for employee services is shown below:

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	41,459	45,263

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38 關連方交易 (續)

(b) 與關連方的交易 (續)

本公司

38 RELATED-PARTY TRANSACTIONS

(Cont'd)

(b) Transactions with related parties

(Cont'd)

Company

		截至12月31日止年度 Year ended 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
(i) 向關連方撥款	(i) Fundings to related parties		
— 香港宏盛發展有限公司	— Hong Kong Prosperity Development Ltd.	1,534,020	2,970,844
— 香港創拓發展有限公司	— Hong Kong Achievement Development Ltd.	—	143,441
		1,534,020	3,114,285
(ii) 替關連方墊款	(ii) Paid on behalf of related parties		
— 香港創匯發展有限公司	— Hong Kong Chuanghui Development Ltd.	6,199	—
— 香港景盛發展有限公司	— Hong Kong Jingsheng Development Ltd.	98	—
— 香港悅盛發展有限公司	— Hong Kong Yuesheng Development Ltd.	54	—
— 香港創域發展有限公司	— Hong Kong Chuangyu Development Ltd.	48	—
— 香港益盛發展有限公司	— Hong Kong Grand Development Ltd.	29	—
— 香港卓盛發展有限公司	— Hong Kong Excellent Development Ltd.	24	—
— 碧海控股有限公司	— Emerald Sea holdings Ltd.	21	—
— 茂源控股有限公司	— Flourish Source Holdings Ltd.	21	—
— 優力有限公司	— Aceled Ltd.	21	—
— 香港創隆發展有限公司	— Hong Kong Chuanglong Development Ltd.	15	—
— 香港吾悅發展有限公司	— Hong Kong Injoy Development Ltd.	2	—
— 豪泰環球有限公司	— Heroic Time Global Ltd.	—	11
— 昇創有限公司	— Exalt Creation Ltd.	—	11
— 香港鼎盛發展有限公司	— Hong Kong Flourishing Development Ltd.	—	10
— 香港恒宇發展有限公司	— Hong Kong Perpetual Development Ltd.	—	10
		6,532	42
(iii) 來自關連方的利息收入	(iii) Interest income from a related party		
— 香港宏盛發展有限公司	— Hong Kong Prosperity Development Ltd.	270,899	—

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38 關連方交易 (續)

(c) 關連方結餘

本集團

38 RELATED-PARTY TRANSACTIONS

(Cont'd)

(c) Related-party balances

Group

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
(i) 應收關連方款項 (附註15)	(i) Amounts due from related parties (Note 15)		
— 蘇州新城萬瑞房地產有限公司	— Suzhou Future Land Wanrui Real Estate Co., Ltd.	667,656	—
— 青島卓越新城置業有限公司	— Qingdao Zhuoyue Future Land Property Co., Ltd.	433,780	—
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	—	362,565
		1,101,436	362,565
(ii) 應付關連方款項 (附註23)	(ii) Amounts due to related parties (Note 23)		
— 南京新城萬隆房地產有限公司	— Nanjing Future Land Wanlong Real Estate Co., Ltd.	204,894	—
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	160,000	50,000
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	72,435	—
		437,329	50,000

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38 關連方交易 (續)

(c) 關連方結餘 (續)

本公司

38 RELATED-PARTY TRANSACTIONS

(Cont'd)

(c) Related-party balances (Cont'd)

Company

		於12月31日 As at 31 December	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
(i) 應收關連方款項 (附註15)	(i) Amounts due from related parties (Note 15)		
— 香港宏盛發展有限公司	— Hong Kong Prosperity Development Ltd.	5,493,550	3,688,631
— 香港創拓發展有限公司	— Hong Kong Achievement Development Ltd.	142,944	143,501
— 香港創匯發展有限公司	— Hong Kong Chuanghui Development Ltd.	6,199	—
— 香港景盛發展有限公司	— Hong Kong Jingsheng Development Ltd.	98	—
— 香港悅盛發展有限公司	— Hong Kong Yuesheng Development Ltd.	54	—
— 香港創域發展有限公司	— Hong Kong Chuangyu Development Ltd.	48	—
— 香港益盛發展有限公司	— Hong Kong Grand Development Ltd.	29	—
— 香港卓盛發展有限公司	— Hong Kong Excellent Development Ltd.	24	—
— 碧海控股有限公司	— Emerald Sea holdings Ltd.	21	—
— 茂源控股有限公司	— Flourish Source Holdings Ltd.	21	—
— 優力有限公司	— Aceled Ltd.	21	—
— 香港創隆發展有限公司	— Hong Kong Chuanglong Development Ltd.	15	—
— 豪泰環球有限公司	— Heroic Time Global Ltd.	11	11
— 昇創有限公司	— Exalt Creation Ltd.	11	11
— 香港鼎盛發展有限公司	— Hong Kong Flourishing Development Ltd.	10	10
— 香港恒宇發展有限公司	— Hong Kong Perpetual Development Ltd.	10	10
— 香港吾悅發展有限公司	— Hong Kong Injoy Development Limited	2	—
		5,643,068	3,832,174

除附註15所述若干應收本公司子公司款項外，應收及應付關連方款項為無抵押、不計息及按要求償還。

Except for some amounts due from subsidiaries of the Company described in Note 15, the amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand.

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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

39 與非控制權益進行的交易

於2014年10月，本集團向王先生及王曉松先生收購常州新城萬德投資有限公司（「萬德」）餘下9.09%股權及新城控股集團有限公司（「新城控股」）餘下2.30%股權，總代價人民幣33,790,000元。於收購日期，萬德及新城控股非控制權益的賬面值為人民幣184,145,000元。本集團確認非控制權益減少人民幣184,145,000元及本公司擁有人應佔權益增加人民幣150,355,000元。年內萬德及新城控股所有權權益變動對本公司擁有人應佔權益的影響概述如下：

39 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In October 2014, the Group acquired the remaining 9.09% equity interest in Changzhou Future Land Wande Investment Co., Ltd. ("Wande") and the remaining 2.30% equity interest in Future Land Holdings Co., Ltd. ("Future Land Holdings") from Mr. Wang and Mr. Wang Xiaosong for a total consideration of RMB33,790,000. The carrying amount of the non-controlling interests in Wande and Future Land Holdings on the date of acquisition was RMB184,145,000. The Group recognised a decrease in non-controlling interests of RMB184,145,000 and an increase in equity attributable to owners of the Company of RMB150,355,000. The effect of changes in the ownership interest of Wande and Future Land Holdings on the equity attributable to owners of the Company during the year is summarised as follows:

		人民幣千元 RMB'000
所收購非控制權益的賬面值	Carrying amount of non-controlling interests acquired	184,145
向非控制權益支付的代價	Consideration paid to non-controlling interests	(33,790)
於權益確認的所付代價超出差額	Excess of consideration paid recognised within equity	150,355

於2013年9月23日，本集團注入資本人民幣200,000,000元以收購常州新城萬德投資有限公司（「萬德」）的90.91%股權，萬德為一家由常州新城萬博投資有限公司分拆的公司，由王振華先生及王曉松先生全資擁有，惟由於其原有總繳足資本人民幣20,000,000元，故其並非本集團子公司。萬德直接持有本集團子公司常州富域發展有限公司（「常州富域」）的6.22%股權。交易後，萬德成為本集團子公司，及常州富域的非控制權益比例由6.22%減少至0.57%。任何已付代價公允價值與所購買相關應佔常州富域淨資產賬面值人民幣246,942,000元的差額在其他儲備中列作收益。

On 23 September 2013, the Group injected a capital of RMB200,000,000 to acquire 90.91% equity interest of Changzhou Future Land Wande Investment Co., Ltd. ("Wande"), a company spun off from Changzhou Future Land Wanbo Investment Co., Ltd., which is wholly owned by Mr. Wang Zhenhua and Mr. Wang Xiaosong, but not a subsidiary of the Group, with its original total paid-in capital of RMB20,000,000. Wande directly holds 6.22% equity interest of Changzhou Wealthzone Development Co., Ltd. ("Changzhou Wealthzone"), a subsidiary of the Group. After the transaction, Wande became the subsidiary of the Group, and the non-controlling interest portion of Changzhou Wealthzone decreased from 6.22% to 0.57%. The difference between fair value of consideration paid and the relevant share acquired of the carrying value of net assets of Changzhou Wealthzone of RMB246,942,000 representing a gain is recorded in other reserves.

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40 子公司詳情

本集團子公司於2014年及2013年12月31日的詳情載列如下：

40 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2014 and 2013 are as follows:

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
江蘇新城物業服務有限公司 Jiangsu Future Land Property Management Co., Ltd.	1996年3月26日 26 March 1996	60,000 (2013: 5,000)	60,000 (2013: 5,000)	58.61%	56.94%	物業管理 Property management
新城控股集團有限公司 Future Land Holdings Co., Ltd.	1996年6月14日 14 June 1996	1,100,000 (2013: 600,000)	1,100,000 (2013: 600,000)	100.00%	97.15%	物業開發及銷售 Development and sale of properties
江蘇新城地產股份有限公司 Jiangsu Future Land Co., Ltd.	1997年10月10日 10 October 1997	1,593,187	1,593,187	58.86%	57.18%	物業開發及銷售 Development and sale of properties
常州新城房產開發有限公司 Changzhou Future Land Real Estate Development Co., Ltd.	1998年4月26日 26 April 1998	1,100,000	1,100,000	56.39%	54.78%	物業開發及銷售 Development and sale of properties
常州富城發展有限公司 Changzhou Wealthzone Development Co., Ltd.	2002年4月27日 27 April 2002	301,800 (2013: 321,800)	301,800 (2013: 321,800)	100.00%	99.43%	物業開發及銷售 Development sale of properties
南京新城創置房地產有限公司 Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	2002年9月9日 9 September 2002	120,000	120,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
上海新城創置房地產有限公司 Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	2003年1月29日 29 January 2003	10,000	10,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
上海新城萬嘉房地產有限公司 Shanghai Future Land Wanjia Real Estate Co., Ltd.	2003年3月19日 19 March 2003	410,000	410,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
上海新城萬嘉物業服務有限公司 Shanghai Future Land Wanjia Property Service Co., Ltd.	2003年11月27日 27 November 2003	10,000 (2013: 500)	10,000 (2013: 500)	58.42%	56.75%	物業管理 Property management
常州新龍創置房地產開發有限公司 Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	2004年9月16日 16 September 2004	350,000	350,000	58.37%	56.70%	物業開發及銷售 Development and sale of properties
蘇州新城萬嘉房地產有限公司 Suzhou Future Land Wanjia Real Estate Co., Ltd.	2004年9月17日 17 September 2004	100,000	100,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州新城萬嘉建築設計有限公司 Changzhou Future Land Wan Jia Construction Design Co., Ltd.	2005年5月20日 20 May 2005	3,000	3,000	57.38%	55.74%	建築設計及諮詢 Construction design and consulting
常州鼎佳房地產開發有限公司 Changzhou Dingjia Property Real Estate Development Co., Ltd.	2005年5月27日 27 May 2005	10,000	10,000	56.70%	55.09%	物業開發及銷售 Development and sale of properties
常州新城東郡房地產開發有限公司 Changzhou Future Land Dongjun Real Estate Development Co., Ltd.	2005年12月27日 27 December 2005	10,000	10,000	58.66%	56.99%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
昆山新城創置發展有限公司 Kunshan Future Land Chuangzhi Development Co., Ltd.	2006年4月7日 7 April 2006	290,000	290,000	56.44%	54.83%	物業開發及銷售 Development and sale of properties
常州新城資產經營管理有限公司 Changzhou Future Land Assets Operation and Management Co., Ltd.	2006年10月24日 24 October 2006	1,000	1,000	58.61%	56.94%	資產運營及管理 Asset operation and management
常州新城置地房地產開發有限公司 Changzhou Future Land Zhidi Real Estate Development Co., Ltd.	2006年12月13日 13 December 2006	10,000	10,000	56.39%	54.78%	物業開發及銷售 Development and sale of properties
常州嘉馳汽車配件有限公司 (原常州嘉楓市場調查有限公司) Changzhou Jia Chi Auto Parts Co., Ltd.	2007年1月16日 16 January 2007	15,000	15,000	56.39%	54.78%	物業市場調研 Marketing research of properties
常州萬方新城房地產開發有限公司 Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	650,000	650,000	56.45%	54.84%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
常州福隆房地產開發有限公司 Changzhou Fu Long Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	220,000	220,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties
常州新城萬博置業有限公司 Changzhou Future Land Wanbo Property Co., Ltd.	2007年5月16日 16 May 2007	165,000	165,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties
上海東郡房地產開發有限公司 Shanghai Dongjun Real Estate Development Co., Ltd.	2007年5月31日 31 May 2007	10,000 (2013: 400,000)	10,000 (2013: 400,000)	58.86%	57.18%	物業開發及銷售 Development and sale of properties
無錫新城萬嘉置業有限公司 Wuxi Future Land Wanjia Property Co., Ltd.	2007年8月14日 14 August 2007	420,000	420,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties
蘇州新城創佳置業有限公司 Suzhou Future Land Chuangjia Property Co., Ltd.	2007年10月11日 11 October 2007	10,000 (2013: 500,000)	10,000 (2013: 500,000)	58.86%	57.18%	物業開發及銷售 Development and sale of properties
常州萬嘉置業諮詢有限公司 Changzhou Wanjia Property Consultancy Co., Ltd.	2008年1月18日 18 January 2008	1,000	1,000	58.86%	57.18%	諮詢服務 Consulting

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
新城萬博置業有限公司 Future Land Wanbo Property Co., Ltd.	2008年1月24日 24 January 2008	800,000 (2013: 220,000)	800,000 (2013: 220,000)	100.00%	97.15%	物業開發及銷售 Development and sale of properties
上海新城創佳置業有限公司 Shanghai Future Land Chuangjia Property Co., Ltd.	2008年3月20日 20 March 2008	760,000	760,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州新城東昇房地產有限公司 Changzhou Future Land Dongsheng Real Estate Co., Ltd.	2009年6月4日 4 June 2009	10,000 (2013: 360,000)	10,000 (2013: 360,000)	58.86%	56.99%	物業開發及銷售 Development and sale of properties
南京新城創嘉房地產有限公司 Nanjing Future Land Chuangjia Real Estate Co., Ltd.	2009年7月2日 2 July 2009	18,000	18,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州新城金都房地產有限公司 Changzhou Future Land Jinjun Real Estate Co., Ltd.	2009年9月11日 11 September 2009	777,780 (2013: 700,000)	777,780 (2013: 700,000)	56.64%	54.78%	物業開發及銷售 Development and sale of properties
常州市恒福置業有限公司(a) Changzhou Hengfu Property Co., Ltd. (a)	2009年11月26日 26 November 2009	20,000	20,000	56.39%	54.78%	物業開發及銷售 Development and sale of properties
常州新城萬佳房地產有限公司 Changzhou Future Land Wanjia Real Estate Co., Ltd.	2009年12月10日 10 December 2009	50,000 (2013: 700,000)	50,000 (2013: 700,000)	56.39%	54.78%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
常州新城宏業房地產有限公司 Changzhou Future Land Hongye Real Estate Co., Ltd.	2009年12月28日 28 December 2009	780,000 (2013: 800,000)	780,000 (2013: 800,000)	100.00%	97.15%	物業開發及銷售 Development and sale of properties
南京新城萬嘉房地產有限公司 Nanjing Future Land Wanjia Real Estate Co., Ltd.	2010年1月13日 13 January 2010	310,000	310,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州新城創佳房地產開發有限公司 Changzhou Future Land Chuangjia Real Estate Co., Ltd.	2010年1月22日 22 January 2010	520,000	520,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
上海新城創宏房地產有限公司 Shanghai Future Land Chuanghong Real Estate Co., Ltd.	2010年1月26日 26 January 2010	10,000	10,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州新城科達投資諮詢有限公司 Changzhou Future Land Keda Investment Consultancy Co., Ltd.	2010年2月4日 4 February 2010	500	500	100.00%	97.15%	諮詢服務 Consulting
常州新城經典建築設計有限公司 Changzhou Future Land Jingdian Architectural Design Co., Ltd.	2010年2月4日 4 February 2010	500	500	100.00%	97.15%	物業開發及銷售 Development and sale of properties
上海新城金郡房地產有限公司 Shanghai Future Land Jinjun Real Estate Co., Ltd.	2010年3月26日 26 March 2010	820,000	820,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
無錫新城創置房地產有限公司 Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	2010年5月6日 6 May 2010	500,000	500,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties
常州新城萬盛房地產有限公司 Changzhou Future Land Wansheng Real Estate Co., Ltd.	2010年6月12日 12 June 2010	100,000 (2013: 120,000)	100,000 (2013: 120,000)	100.00%	97.53%	物業開發及銷售 Development and sale of properties
香港宏盛發展有限公司(b) Hong Kong Prosperity Development Ltd. (b)	2010年8月30日 30 August 2010	10	—	100.00%	100%	投資公司 Investment company
香港創拓發展有限公司(b) Hong Kong Achievement Development Limited (b)	2010年8月30日 30 August 2010	10	3	100.00%	100%	投資公司 Investment company
常州新城吾悅商業管理有限公司 Changzhou Future Land Injoy Commercial Management Co., Ltd.	2010年11月8日 8 November 2010	10,000	10,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties
上海新城萬聖置業有限公司 Shanghai Future Land Wansheng Property Co., Ltd.	2010年11月10日 10 November 2010	10,000	10,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties
南京新城允升房地產有限公司 Nanjing Future Land Yunsheng Real Estate Co., Ltd.	2010年11月19日 19 November 2010	860,000	860,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
常州新城宏業百貨有限公司 Changzhou Future Land Hongye Baihuo Co., Ltd.	2010年11月30日 30 November 2010	— (2013: 10,000)	— (2013: 10,000)	—	97.15%	百貨商店管理 Department store management
無錫新城萬博置業有限公司 Wuxi Future Land Wanbo Property Co., Ltd.	2011年1月6日 6 January 2011	10,000 (2013: 500,000)	10,000 (2013: 500,000)	100.00%	97.24%	物業開發及銷售 Development and sale of properties
金壇市新城萬郡置業有限公司 Jintan Future Land Wanjun Property Co., Ltd.	2011年3月22日 22 March 2011	10,000	10,000	78.19%	75.96%	物業開發及銷售 Development and sale of properties
長沙新城萬博置業有限公司 Changsha Future Land Wanbo Property Co., Ltd.	2011年3月28日 28 March 2011	420,000	420,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties
常州吾悅百貨有限公司 Changzhou Injoy Baihuo Co., Ltd.	2011年4月22日 22 April 2011	— (2013: 500)	— (2013: 500)	—	97.15%	百貨商店管理 Department store management
上海新城創域房地產有限公司 Shanghai Future Land Chuangyu Real Estate Co., Ltd.	2011年5月10日 10 May 2011	900,000 (2013: 589,000)	900,000 (2013: 589,000)	56.64%	55.02%	物業開發及銷售 Development and sale of properties
昆山新城創宏房地產有限公司 Kunshan Future Land Chuanghong Real Estate Co., Ltd.	2011年6月20日 20 June 2011	460,000	460,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
昆山新城創域房地產有限公司 Kunshan Future Land Chuangyu Real Estate Co., Ltd.	2011年6月23日 23 June 2011	300,000 (2013: 100,000)	300,000 (2013: 100,000)	79.43%	77.16%	物業開發及銷售 Development and sale of properties
常州新城瑞壹國際酒店有限公司 Changzhou Future Land Rui Yi International Co., Ltd.	2011年9月7日 7 September 2011	1,000	1,000	56.39%	54.78%	物業、酒店和會議管理以 及公寓租賃服務 Property, hotel and conference management; apartment leasing services
常州嘉楓市場調查有限公司 Changzhou Jiafeng Market Research Co., Ltd.	2011年9月15日 15 September 2011	5,000	5,000	56.39%	54.78%	物業市場調研 Marketing research of properties
常州吾悅國際廣場商業管理有限 公司 Changzhou Injoy International Plaza Commercial Management Co., Ltd.	2012年4月5日 5 April 2012	5,000	5,000	100.00%	97.15%	百貨商店管理 Department store management
武漢新城宏盛置業有限公司 Wuhan Future Land Hongsheng Property Co., Ltd.	2012年5月9日 9 May 2012	400,000	400,000	100.00%	97.15%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
上海富銘房地產開發有限公司* Shanghai Fuming Real Estate Development Co., Ltd.	2009年9月7日 7 September 2009	638,000	638,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
蘇州新城創恒房地產有限公司 Suzhou Future Land Chuangheng Real Estate Co., Ltd.	2012年8月13日 13 August 2012	300,000	300,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties
上海青浦吾悅商業管理有限公司 Shanghai Qingpu Injoy Commercial Management Co., Ltd.	2012年12月31日 31 December 2012	5,000	5,000	100.00%	97.15%	百貨商店管理 Department store management
上海新城寶郡置業有限公司 Shanghai Future Land Baojun Property Co., Ltd.	2013年1月16日 16 January 2013	360,000	360,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties
常州萬盛商業管理有限公司 Changzhou Wansheng Property Management Co., Ltd.	2013年1月22日 22 January 2013	450,000	450,000	100.00%	97.15%	百貨商店管理 Department store management
南京新城創隆房地產有限公司 Nanjing Future Land Chuanglong Real Estate Co., Ltd.	2013年3月14日 14 March 2013	550,000	550,000	56.64%	55.02%	物業開發及銷售 Development and sale of properties

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40 PARTICULARS OF SUBSIDIARIES (Cont'd)

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				2014年 2014	2013年 2013	
常州匯盛房地產發展有限公司 Changzhou Future Land Huisheng Development Co., Ltd.	2013年5月15日 15 May 2013	452,000	180,802	100.00%	98.57%	物業開發及銷售 Development and sale of properties
常州悅盛房地產發展有限公司 Changzhou Future Land Yuesheng Development Co., Ltd.	2013年5月15日 15 May 2013	612,000	612,000	100.00%	98.57%	物業開發及銷售 Development and sale of properties
常州卓盛房地產發展有限公司 Changzhou Future Land Zhuosheng Development Co., Ltd.	2013年5月15日 15 May 2013	756,000	303,309	100.00%	98.57%	物業開發及銷售 Development and sale of properties
豪泰環球有限公司(b) Heroic Time Global Limited (b)	2013年5月28日 28 May 2013	300	1 (2013: -)	100.00%	100.00%	投資公司 Investment company
鎮江新城凱盛開發有限公司 Zhenjiang Future Land Kaisheng Development Co., Ltd.	2013年6月7日 7 June 2013	270,000	270,000	100.00%	100.00%	物業開發及銷售 Development and sale of properties
蘇州凱拓房地產發展有限公司 Suzhou Future Land Kaituo Development Co., Ltd.	2013年6月20日 20 June 2013	1,228,800	1,261,515 (2013: 1,122,577)	36.62% (c)	36.62%	物業開發及銷售 Development and sale of properties
蘇州博盛房地產發展有限公司 Suzhou Future Land Bosheng Development Co., Ltd.	2013年6月20日 20 June 2013	693,360 (2013: 450,000)	710,015 (2013: 170,013)	64.90%	100.00%	物業開發及銷售 Development and sale of properties
昇創有限公司(b) Exalt Creation Limited (b)	2013年6月27日 27 June 2013	300	1 (2013: -)	100.00%	100.00%	投資公司 Investment company

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				2014年 2014	2013年 2013	
蘇州新城創盛置業有限公司 Suzhou Future Land Chuangsheng Property Co., Ltd.	2013年7月1日 1 July 2013	30,000	30,000	41.20% (d)	40.03%	物業開發及銷售 Development and sale of properties
香港鼎盛發展有限公司(b) Hong Kong Flourishing Development Limited (b)	2013年7月16日 16 July 2013	8	—	100.00%	100.00%	投資公司 Investment company
香港恒宇發展有限公司(b) Hong Kong Perpetual Development Limited (b)	2013年7月16日 16 July 2013	8	—	100.00%	100.00%	投資公司 Investment company
蘇州吾悅商業管理有限公司 Suzhou Injoy Commercial Management Co., Ltd.	2013年7月19日 19 July 2013	5,000	5,000	100.00%	97.15%	百貨商店管理 Department store management
常州德潤諮詢管理有限公司 Changzhou Derun Consultancy Co., Ltd.	2013年8月28日 28 August 2013	2,000	2,000	100.00%	100.00%	諮詢服務 Consulting
常州新城萬德投資有限公司 Changzhou Future Land Wande Investment Co., Ltd.	2013年9月9日 9 September 2013	200,000 (2013: 220,000)	200,000 (2013: 220,000)	100.00%	90.91%	投資公司 Investment company
茂源控股有限公司 Flourish Source Holdings Limited (b)	2013年9月27日 27 September 2013	300	1	100.00%	—	投資公司 Investment company
杭州新城創宏房地產開發有限公司 Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	2013年9月27日 27 September 2013	400,000 (2013: 320,000)	400,000 (2013: 320,000)	58.86%	57.18%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
杭州新城鼎宏房地產開發有限公司 Hangzhou Future Land Dingghong Real Estate Development Co., Ltd.	2013年10月8日 8 October 2013	100,000	100,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties
張家港鼎盛房地產有限公司 Zhangjiagang Future Land Dingsheng Real Estate Co., Ltd.	2013年10月25日 25 October 2013	720,000	734,538 (2013: 365,355)	100.00%	100.00%	物業開發及銷售 Development and sale of properties
優力有限公司 Aceled Limited (b)	2013年11月1日 1 November 2013	300	1	100.00%	—	投資公司 Investment company
丹陽新城宏盛房地產發展有限公司 Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	2013年11月5日 5 November 2013	450,000	460,210 (2013: 306,585)	100.00%	100.00%	物業開發及銷售 Development and sale of properties
杭州新城創盛房地產開發有限公司 Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	2013年11月6日 6 November 2013	100,000	100,000	58.86%	57.18%	物業開發及銷售 Development and sale of properties
常州賽福諮詢管理有限公司 Changzhou Saifu Consultancy Co., Ltd.	2013年11月27日 27 November 2013	— (2013: 122,216)	— (2013: 122,216)	—	100.00%	諮詢服務 Consulting
昆山新城萬龍房地產發展有限公司 Kunshan Future Land Wanlong Real Estate Development Co., Ltd.	2013年12月31日 31 December 2013	10,000	10,000	56.44%	54.83%	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
碧海控股有限公司 Emerald Sea holdings Limited (b)	2013年11月12日 12 November 2013	300	—	100.00%	—	投資公司 Investment company
上海嘉定華銳置業有限公司 Shanghai Jiading Huarui Real Estate Co., Ltd.*	2014年1月9日 9 January 2014	350,000	350,000	56.64%	—	物業開發及銷售 Development and sale of properties
香港卓盛發展有限公司 Hong Kong Excellent Development Limited (b)	2014年1月10日 10 January 2014	8	—	100.00%	—	投資公司 Investment company
香港益盛發展有限公司 Hong Kong Grand Development Limited (b)	2014年1月10日 10 January 2014	8	—	100.00%	—	投資公司 Investment company
香港悅盛發展有限公司 Hong Kong Exaltation Development Limited (b)	2014年1月10日 10 January 2014	8	—	100.00%	—	投資公司 Investment company
南通新城創置房地產有限公司 Nantong Future Land Chuangzhi Real Estate Co., Ltd.	2014年1月26日 26 January 2014	850,000	850,000	45.31% (e)	—	物業開發及銷售 Development and sale of properties
上海新城松郡房地產有限公司 Shanghai Future Land Songjun Real Estate Development Co., Ltd.	2014年3月13日 13 March 2014	20,000	20,000	56.64%	—	物業開發及銷售 Development and sale of properties
常州市萬睿智能系統工程有限公司 Changzhou Wanrui Intelligent System Engineering Co., Ltd.	2014年3月19日 19 March 2014	1,000	1,000	58.61%	—	工程設計及建造 Engineering design and construction

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
旭堡有限公司 Dawn Castle Limited (b)	2014年5月12日 12 May 2014	300	—	100.00%	—	投資公司 Investment company
青島新城創置房地產有限公司 Qingdao Future Land Chuangzhi Real Estate Co., Ltd.	2014年5月15日 15 May 2014	10,000	10,000	58.86%	—	物業開發及銷售 Development and sale of properties
旭濤控股有限公司 Dawnwave Holdings Limited (b)	2014年7月10日 10 July 2014	300	—	100.00%	—	投資公司 Investment company
龍旺發展有限公司 Dragon Boom Developments Limited (b)	2014年7月29日 29 July 2014	300	—	100.00%	—	投資公司 Investment company
常州達順電梯有限公司 Changzhou Dashun Elevator Co., Ltd.	2012年5月31日 31 May 2012	2,000	2,000	58.59%	—	升降機銷售及安裝 Sales and installation of elevator
龍邦投資有限公司 Dragon State Investments Limited (b)	2014年8月12日 12 August 2014	300	—	100.00%	—	投資公司 Investment company
捷帆有限公司 Brisk Sail Limited (b)	2014年8月12日 12 August 2014	300	—	100.00%	—	投資公司 Investment company
香港創域發展有限公司 Hong Kong Chuangyu Development Limited (b)	2014年8月22日 22 August 2014	—	—	100.00%	—	投資公司 Investment company
香港創匯發展有限公司 Hong Kong Chuanghui Development Limited (b)	2014年8月22日 22 August 2014	—	—	100.00%	—	投資公司 Investment company
香港匯盛發展有限公司 Hong Kong Glorious Development Limited (b)	2014年8月22日 22 August 2014	8,000,000	7,951	100.00%	—	投資公司 Investment company
上海吾悅投資管理有限公司 Shanghai Injoy Investment Management Co., Ltd.	2014年8月22日 22 August 2014	10,000	—	100.00%	—	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
南昌新城悅盛房地產發展有限公司 Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.	2014年8月29日 29 August 2014	614,129	614,129	100.00%	—	物業開發及銷售 Development and sale of properties
通遠有限公司 Afar Connect Limited (b)	2014年9月3日 3 September 2014	300	—	100.00%	—	投資公司 Investment company
武漢新城創置房地產有限公司 Wuhai Future Land Chuangzhi Real Estate Co., Ltd.	2014年9月11日 11 September 2014	10,000	10,000	58.86%	—	物業開發及銷售 Development and sale of properties
錦名有限公司 Acme Name Limited (b)	2014年9月12日 12 September 2014	300	—	100.00%	—	投資公司 Investment company
香港景盛發展有限公司 Hong Kong Jingsheng Development Limited (b)	2014年9月12日 12 September 2014	—	—	100.00%	—	投資公司 Investment company
香港凱盛發展有限公司 Hong Kong Kaisheng Development Limited (b)	2014年9月12日 12 September 2014	—	—	100.00%	—	投資公司 Investment company
香港吾悅發展有限公司 Hong Kong Injoy Development Limited (b)	2014年9月12日 12 September 2014	8,000	7,931	100.00%	—	投資公司 Investment company
盛洲有限公司 Alpha Oasis Limited (b)	2014年9月19日 19 September 2014	300	—	100.00%	—	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
香港恒軒發展有限公司 Hong Kong Hengxuan Development Limited (b)	2014年9月24日 24 September 2014	1,036,711	1,036,711	100.00%	—	投資公司 Investment company
常州創域諮詢管理有限公司 Changzhou Chuangyu Consultancy Co., Ltd.	2014年9月25日 25 September 2014	2,000	—	100.00%	—	諮詢服務 Consulting
長春新城悅盛房地產發展有限公司 Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	2014年9月29日 29 September 2014	300,000	232,198	100.00%	—	物業開發及銷售 Development and sale of properties
常州新橙信息技術有限公司 Changzhou Xincheng Information Technology Co., Ltd.	2014年9月30日 30 September 2014	1,000	1,000	100.00%	—	資訊科技 Information technology
香港恒康發展有限公司 Hong Kong Hengkang Development Limited (b)	2014年10月16日 16 October 2014	—	—	100.00%	—	投資公司 Investment company
香港創智發展有限公司 Hong Kong Chuangzhi Development Limited (b)	2014年10月16日 16 October 2014	—	—	100.00%	—	投資公司 Investment company
香港恒昌發展有限公司 Hong Kong Hengchang Development Limited (b)	2014年10月16日 16 October 2014	—	—	100.00%	—	投資公司 Investment company

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
香港恒逸發展有限公司 Hong Kong Hengyi Development Limited (b)	2014年10月16日 16 October 2014	–	–	100.00%	–	投資公司 Investment company
香港創隆發展有限公司 Hong Kong Chuanglong Development Limited (b)	2014年10月28日 28 October 2014	–	–	100.00%	–	投資公司 Investment company
常州凱拓諮詢管理有限公司 Changzhou Kaituo Consultancy Co., Ltd.	2014年11月4日 4 November 2014	2,000	–	100.00%	–	諮詢服務 Consulting
常州景旭諮詢管理有限公司 Changzhou Jingxu Consultancy Co., Ltd.	2014年11月6日 6 November 2014	2,000	–	100.00%	–	諮詢服務 Consulting
常州金郡德諮詢管理有限公司 Changzhou Jinjunde Consultancy Co., Ltd.	2014年11月6日 6 November 2014	122,304	122,304	100.00%	–	諮詢服務 Consulting
丹陽新城吾悅商業管理有限公司 Danyang Future Land Injoy Commercial Management Co., Ltd.	2014年11月14日 14 November 2014	5,000	–	100.00%	–	百貨商店管理 Department store management
張家港新城吾悅商業管理有限公司 Zhangjiagang Future Land Injoy Commercial Management Co., Ltd.	2014年11月20日 20 November 2014	5,000	5,000	100.00%	–	百貨商店管理 Department store management

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40 子公司詳情 (續)

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2014年 2014	2013年 2013	
上海橙貝信息技術有限公司 Shanghai Chengbei Information Technology Co., Ltd.	2014年11月26日 26 November 2014	10,000	2,000	100.00%	—	資訊科技 Information technology
安慶新城悅盛房地產發展有限公司 Anqing Future Land Yuesheng Development Co., Ltd.	2014年12月1日 1 December 2014	100,000	—	100.00%	—	物業開發及銷售 Development and sale of properties
新城商業管理有限公司 Future Land Commercial Management Co., Ltd.	2014年12月2日 2 December 2014	50,000	—	100.00%	—	百貨商店管理 Department store management
常州新城宏昊商業管理有限公司 Changzhou Future Land Honghao Commercial Management Co., Ltd.	2014年12月5日 5 December 2014	20,000	20,000	100.00%	—	百貨商店管理 Department store management
上海孩兒寶投資管理有限公司 Shanghai Haierbao Investment Management Co., Ltd.	2014年12月8日 8 December 2014	10,000	—	100.00%	—	投資公司 Investment company
中愛集團有限公司 ATL Group Limited** (b)	2006年3月21日 21 March 2006	80	—	100.00%	—	投資公司 Investment company
常州創悅諮詢管理有限公司 Changzhou Chuangyue Consultancy Co., Ltd.	2014年12月11日 11 December 2014	1,000	—	100.00%	—	諮詢服務 Consulting
常州恒軒諮詢管理有限公司 Changzhou Hengxuan Consultancy Co., Ltd.	2014年12月11日 11 December 2014	1,000	—	100.00%	—	諮詢服務 Consulting
常州新城博源置業有限公司 Changzhou Future Land Boyuan Property Co., Ltd.	2014年12月12日 12 December 2014	10,000	—	100.00%	—	物業開發及銷售 Development and sale of properties

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40 子公司詳情 (續)

* 於2014年4月14日，本集團以代價人民幣466,004,200.00元收購上海嘉定華銳置業有限公司100%股權。董事認為，此項收購實屬於資產收購，而並非業務合併，因此作為資產收購入賬。

** 於2014年12月9日，本集團以代價人民幣100,000,000.00元收購中愛集團有限公司100%股權。董事認為，此項收購實屬於資產收購，而並非業務合併，因此作為資產收購入賬。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

* On 14 April 2014, the Group acquired 100% equity interest in Shanghai Jiading Huarui Real Estate Co., Ltd., at a consideration of RMB466,004,200.00. The directors consider this acquisition is an asset acquisition in substance rather than a business combination and therefore is accounted for as an asset acquisition.

** On 9 December 2014, the Group acquired 100% equity interest in ATL Group Limited, at a consideration of RMB100,000,000.00. The directors consider this acquisition is an asset acquisition in substance rather than a business combination and therefore is accounted for as an asset acquisition.

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40 子公司詳情 (續)

- (a) 於2014年及2013年12月31日，本公司子公司若干股權已就借款予以抵押（附註21）。有關詳情，請參閱下表：

		於12月31日 As at 31 December	
		2014年 2014	2013年 2013
江蘇新城地產股份有限公司 法人股數目	Number of legal person shares of Jiangsu Future Land Co., Ltd.	50,000,000	50,000,000
常州市恒福置業有限公司 股權百分比(i)	Percentage of equity interests in Changzhou Hengfu Property Co., Ltd. (i)	—	100%

- (i) 於2013年12月31日，常州市恒福置業有限公司股權已就銀行借款予以抵押，於2014年12月31日，該項借款已經償還。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (a) Certain equity interests in the subsidiaries of the Company were pledged for borrowings as at 31 December 2014 and 2013, respectively (Note 21). For details, please refer to the table below:

- (i) The equity interests in Changzhou Hengfu Property Co., Ltd. were pledged for bank borrowing as at 31 December 2013. This borrowing had been repaid as at 31 December 2014.

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40 子公司詳情 (續)

(b) 本公司於該等子公司直接或間接擁有股權，而該等子公司於其他子公司直接或間接擁有股權。該等子公司於香港或英屬處女群島成立，而所有其他子公司於中國內地成立。所有子公司均為有限公司。

(c) 於2013年6月20日，本集團成立蘇州凱拓房地產發展有限公司，原註冊資本為75,000,000美元。根據合作發展協議，第三方投資者其後注資129,800,000美元。經注資後，本集團於蘇州凱拓房地產發展有限公司的持股下跌至36.62%，而本集團享有65%的經營業績。

項目公司的營運環境和架構需要所有主要財務和營運政策在第三方投資者訂立前釐定。項目公司在任何重大方面不可以偏離其核定目的和設計。同時，根據多份法律檔（包括項目公司組織章程細則、投資協議及與協力廠商投資者訂立的其他協議），本集團保留在項目公司日常業務過程中和日常管理過程中對項目公司營運和管理的權力。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

(b) The Company has direct or indirect equity interests in these subsidiaries which have direct or indirect equity interests in the other subsidiaries. These subsidiaries were incorporated in Hong Kong or British Virgin Islands and all the other subsidiaries were established in mainland China. All the subsidiaries are limited liability companies.

(c) On 20 June 2013, the Group set up Suzhou Kaituo Development Co., Ltd. with the original registered capital of USD75,000,000. According to the cooperative development agreement, a third party investor injected the capital with amounts of USD129,800,000 thereafter. After the capital injection, the Group's share holding in Suzhou Kaituo Development Co., Ltd. dropped to 36.62% while the Group is entitled to 65% of the operating results.

The operation environment and structure of the project company require that all the major financial and operating policies are determined before third party investor is entered into. The project company may not deviate from its approved purpose and design in any material respect. At the same time, according to various legal documents, including the articles of association of the project company, investment agreements and other agreements with the third party investor, the Group retains the power to operate and manage the project company in the ordinary course of business and the day-to-day management of the project company.

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40 子公司詳情 (續)

(d) 本公司持有58.86%權益的子公司蘇州新城創佳置業有限公司持有該公司70%權益。因此，本集團擁有的實際比率為41.20%，惟本公司對該公司擁有控制權。

(e) 本公司持有56.64%權益的子公司上海新城萬嘉房地產有限公司持有該公司80%權益。因此，本集團擁有的實際比率為45.31%，惟本公司對該公司擁有控制權。

(f) 重大非控股權益

於2014年12月31日的非控股權益總額為人民幣4,707,042,000元(2013年：人民幣3,876,311,000元)，其中人民幣3,595,597,000元(2013年：人民幣3,030,583,000元)屬江蘇新城地產股份有限公司(「江蘇新城」)所有，而人民幣891,150,000元(2013年：人民幣795,241,000元)則歸屬於蘇州凱拓房地產發展有限公司(「蘇州凱拓」)。其他子公司的非控股權益並不重大。

重大限制

現金及短期存款人民幣7,013,860,000元(2013年：人民幣7,604,735,070元)乃在中國持有，並受當地匯兌控制規例所規限。該等當地匯兌控制規例訂明對國家輸出資金(並非透過正常股息)的限制。

持有屬重大的非控股權益的子公司財務資料概要

以下載列持有對本集團屬重大的非控股權益的各子公司財務資料概要。有關與非控制權益進行的交易，請參閱附註39。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

(d) Suzhou Future Land Chuangjia Property Co., Ltd., the Company's 58.86% held subsidiary, holds 70% interests in this entity. Hence, the effective rate owned by the Group is 41.20%, but the Company has control over the entity.

(e) Shanghai Future Land Wanjia Real Estate Co., Ltd., the Company's 56.64% held subsidiary, holds 80% interests in this entity. Hence, the effective rate owned by the Group is 45.31%, but the Company has control over the entity.

(f) Material non-controlling interests

The total non-controlling interest as at 31 December 2014 is RMB4,707,042,000 (2013: RMB3,876,311,000), among which RMB3,595,597,000 (2013: RMB3,030,583,000) is for Jiangsu Future Land Co., Ltd. ("Jiangsu Future Land") and RMB891,150,000 (2013: RMB795,241,000) is attributed to Suzhou Kaituo Development Co., Ltd. ("Suzhou Kaituo"). The non-controlling interests in respect of other subsidiaries are not material.

Significant restrictions

Cash and short-term deposits of RMB7,013,860,000 (2013: RMB7,604,735,070) are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 39 for transactions with non-controlling interests.

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

40 子公司詳情 (續)

(f) 重大非控股權益 (續)

財務狀況表概要

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
流動資產	Current Assets	29,232,226	32,530,404	2,194,379	1,828,555
負債	Liabilities	(20,675,800)	(20,895,838)	(1,184,773)	(780,774)
總流動資產淨值	Total current net assets	8,556,426	11,634,566	1,009,606	1,047,781
非流動資產	Non-current Assets	4,665,904	1,355,673	515,847	161,198
負債	Liabilities	(4,929,703)	(6,109,297)	(3,511)	(100,000)
總非流動資產淨值	Total non-current net assets	(263,799)	(4,753,624)	512,336	61,198
資產淨值	Net assets	8,292,627	6,880,942	1,521,942	1,108,979

全面收益表概要

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
收入	Revenue	17,100,229	16,583,969	1,169,993	—
除投資物業公允價值收益和 所得稅開支前的利潤	Profit before fair value gains on investment properties and income tax expense	2,141,988	2,973,596	452,146	17,919
投資物業公允價值虧損	Fair value losses on investment properties	—	—	(14,132)	—
所得稅開支	Income tax expense	(867,086)	(1,336,666)	(163,988)	(4,321)
除稅後利潤	Post-tax profit	1,274,902	1,636,930	274,026	13,598
全面收益總額	Total comprehensive income	1,295,152	1,636,930	274,026	13,598
分配至非控股權益的 全面收益總額	Total comprehensive income allocated to non-controlling interests	559,278	747,255	95,909	(3,513)
向非控股股東支付的股息	Dividends paid to non-controlling interests	67,512	65,546	—	—

40 PARTICULARS OF SUBSIDIARIES

(Cont'd)

(f) Material non-controlling interests (Cont'd)

Summarised statement of financial position

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
流動資產	Current Assets	29,232,226	32,530,404	2,194,379	1,828,555
負債	Liabilities	(20,675,800)	(20,895,838)	(1,184,773)	(780,774)
總流動資產淨值	Total current net assets	8,556,426	11,634,566	1,009,606	1,047,781
非流動資產	Non-current Assets	4,665,904	1,355,673	515,847	161,198
負債	Liabilities	(4,929,703)	(6,109,297)	(3,511)	(100,000)
總非流動資產淨值	Total non-current net assets	(263,799)	(4,753,624)	512,336	61,198
資產淨值	Net assets	8,292,627	6,880,942	1,521,942	1,108,979

Summarised statement of comprehensive income

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
收入	Revenue	17,100,229	16,583,969	1,169,993	—
除投資物業公允價值收益和 所得稅開支前的利潤	Profit before fair value gains on investment properties and income tax expense	2,141,988	2,973,596	452,146	17,919
投資物業公允價值虧損	Fair value losses on investment properties	—	—	(14,132)	—
所得稅開支	Income tax expense	(867,086)	(1,336,666)	(163,988)	(4,321)
除稅後利潤	Post-tax profit	1,274,902	1,636,930	274,026	13,598
全面收益總額	Total comprehensive income	1,295,152	1,636,930	274,026	13,598
分配至非控股權益的 全面收益總額	Total comprehensive income allocated to non-controlling interests	559,278	747,255	95,909	(3,513)
向非控股股東支付的股息	Dividends paid to non-controlling interests	67,512	65,546	—	—

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

40 子公司詳情 (續)

(f) 重大非控股權益 (續)

現金流量表概要

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
經營活動所得現金流量	Cash flows from operating activities				
經營活動所得／(所用) 現金	Cash generated from/(used in) operations	4,103,119	637,354	177,328	(1,025,935)
已付利息	Interest paid	(595,969)	(698,033)	(11,582)	–
已付所得稅	Income tax paid	(1,069,634)	(851,190)	(22,765)	–
經營活動所得／(所用) 現金淨額	Net cash generated from/(used in) operating activities	2,437,516	(911,869)	142,981	(1,025,935)
投資活動(所用)／所得現金淨額	Net cash (used in)/generated from investing activities	(1,935,174)	102,844	(341,816)	(128,395)
融資活動(所用)／所得現金淨額	Net cash (used in)/generated from financing activities	(2,013,247)	1,929,479	253,738	1,307,577
現金和現金等價物(減少)／增加淨額	Net (decrease)/increase in cash and cash equivalents	(1,510,905)	1,120,454	54,903	153,247
年初的現金和現金等價物	Cash and cash equivalents at beginning of the year	4,270,619	3,150,165	153,247	–
年末的現金和現金等價物	Cash and cash equivalents at end of the year	2,759,714	4,270,619	208,150	153,247

上述資料為對銷集團內公司間交易前的金額。

40 PARTICULARS OF SUBSIDIARIES (Cont'd)

(f) Material non-controlling interests (Cont'd)

Summarised cash flows

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2014年 2014 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000
經營活動所得現金流量	Cash flows from operating activities				
經營活動所得／(所用) 現金	Cash generated from/(used in) operations	4,103,119	637,354	177,328	(1,025,935)
已付利息	Interest paid	(595,969)	(698,033)	(11,582)	–
已付所得稅	Income tax paid	(1,069,634)	(851,190)	(22,765)	–
經營活動所得／(所用) 現金淨額	Net cash generated from/(used in) operating activities	2,437,516	(911,869)	142,981	(1,025,935)
投資活動(所用)／所得現金淨額	Net cash (used in)/generated from investing activities	(1,935,174)	102,844	(341,816)	(128,395)
融資活動(所用)／所得現金淨額	Net cash (used in)/generated from financing activities	(2,013,247)	1,929,479	253,738	1,307,577
現金和現金等價物(減少)／增加淨額	Net (decrease)/increase in cash and cash equivalents	(1,510,905)	1,120,454	54,903	153,247
年初的現金和現金等價物	Cash and cash equivalents at beginning of the year	4,270,619	3,150,165	153,247	–
年末的現金和現金等價物	Cash and cash equivalents at end of the year	2,759,714	4,270,619	208,150	153,247

The information above is the amount before intra-group transactions elimination.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致新城發展控股有限公司股東

(於開曼群島註冊成立的有限責任公司)

本核數師(以下簡稱「我們」)已審計列載於第F-3頁至第F-150頁新城發展控股有限公司(以下簡稱「貴公司」)及其子公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於2013年12月31日的合併和公司財務狀況表與截至該日止年度的合併利潤表、合併全面收益表、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附註解釋資料。

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香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,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

我們的責任是根據我們的審計對該等合併財務報表作出意見,僅向整體股東報告我們的意見,除此之外本報告別無其他目的。我們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。

羅兵咸永道

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

We have audited the consolidated financial statements of Future Land Development Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages F-3 to F-150, which comprise the consolidated and company statement of financial position as at 31 December 2013, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。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合併財務報表存在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合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2013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。

羅兵咸永道會計師事務所
執業會計師

香港，2014年3月17日

羅兵咸永道

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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.

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 judgement, 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 Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17 March 2014

合併資產負債表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2013年12月31日 As at 31 December 2013

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
附註 Note			
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房和設備	Property, plant and equipment	7 116,009	117,074
投資物業	Investment properties	8 3,307,000	3,105,600
無形資產	Intangible assets	9 9,836	7,267
於聯營公司的投資	Investments in associates	10 43,468	229,890
於合營企業的投資	Investment in a joint venture	11 10,000	–
遞延所得稅資產	Deferred income tax assets	25 499,738	361,193
可供出售金融資產	Available-for-sale financial assets	12 221,187	181,187
土地使用權	Land use rights	13 367,248	367,248
其他應收款項	Other receivables	16 198,538	–
		4,773,024	4,369,459
流動資產	Current assets		
租賃土地預付款項	Prepayments for leasehold land	14 3,285,498	4,313,847
完工待售或在建銷售物業	Properties held or under development for sale	15 28,728,964	24,493,752
貿易及其他應收款項和預付款項	Trade and other receivables and prepayments	16 2,112,831	1,666,266
受限制現金	Restricted cash	18 886,180	1,148,089
現金和現金等價物	Cash and cash equivalents	18 7,411,713	4,852,130
		42,425,186	36,474,084
資產總額	Total assets	47,198,210	40,843,543
所有者權益	OWNERS' EQUITY		
本公司權益持有人應佔股本及儲備	Capital and reserves attributable to equity holders of the Company		
已發行及繳足股本	Issued and fully paid capital	19 4,617	4,617
儲備	Reserves	21 6,717,031	5,746,486
		6,721,648	5,751,103
非控股權益	Non-controlling interests	3,876,311	2,643,924
權益總額	Total equity	10,597,959	8,395,027

合併資產負債表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2013年12月31日 As at 31 December 2013

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
附註 Note			
負債	LIABILITIES		
非流動負債	Non-current liabilities		
借款	Borrowings	22 11,715,075	4,509,670
遞延所得稅負債	Deferred income tax liabilities	25 432,922	402,872
		12,147,997	4,912,542
流動負債	Current liabilities		
貿易和其他應付款項	Trade and other payables	24 10,368,476	9,597,029
預售物業預收款項	Advances from pre-sale of properties	23 10,235,042	11,663,869
即期所得稅負債	Current income tax liabilities	1,673,306	1,143,835
借款	Borrowings	22 2,174,501	5,130,436
應付股息	Dividends payable	929	805
		24,452,254	27,535,974
負債總額	Total liabilities	36,600,251	32,448,516
權益及負債總額	Total equity and liabilities	47,198,210	40,843,543
流動資產淨值	Net current assets	17,972,932	8,938,110
資產總額減流動負債	Total assets less current liabilities	22,745,956	13,307,569

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

Wang Zhenhua

王振華

Director

董事

Huang Maoli

黃茂莉

Director

董事

本公司資產負債表

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

於2013年12月31日 As at 31 December 2013

		於12月31日	
		As at 31 December	
	附註 Note	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
資產	ASSETS		
非流動資產	Non-current assets		
於子公司的投資	Investments in subsidiaries 17	450,012	424,271
流動資產	Current assets		
貿易及其他應收款項	Trade and other receivables 16	3,834,468	718,417
現金和現金等價物	Cash and cash equivalents 18	7,497	895,307
		3,841,965	1,613,724
資產總額	Total assets	4,291,977	2,037,995
所有者權益	OWNERS' EQUITY		
本公司權益持有人	Capital and reserves attributable to equity holders of the Company		
應佔股本及儲備	Issued and fully paid capital 19	4,617	4,617
已發行及繳足股本	Reserves 21	1,536,108	2,019,589
儲備			
權益總額	Total equity	1,540,725	2,024,206
非流動負債	Non-current liabilities		
借款	Borrowings 22	2,667,075	–
流動負債	Current liabilities		
貿易和其他應付款項	Trade and other payables 24	84,177	13,789
負債總額	Total liabilities	2,751,252	13,789
權益及負債總額	Total equity and liabilities	4,291,977	2,037,995
流動資產淨值	Net current assets	3,757,788	1,599,935
資產總額減流動負債	Total assets less current liabilities	4,207,800	2,024,206

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

Wang Zhenhua
王振華
Director
董事

Huang Maoli
黃茂莉
Director
董事

合併利潤表

CONSOLIDATED STATEMENT OF INCOME

截至2013年12月31日止年度 For the year ended 31 December 2013

			截至12月31日止年度	
			Year ended 31 December	
		附註 Note	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
收入	Revenue	26	20,771,255	17,517,266
銷售成本	Cost of sales	28	(16,088,038)	(13,587,371)
毛利	Gross profit		4,683,217	3,929,895
投資物業公允價值收益	Fair value gains on investment properties	8	37,839	31,086
銷售和營銷成本	Selling and marketing costs	28	(592,032)	(474,921)
行政開支	Administrative expenses	28	(680,028)	(569,883)
其他收入	Other income	27	151,674	9,475
其他開支	Other expenses	27	(4,152)	(4,347)
其他收益 — 淨額	Other gains – net	27	46,270	13,626
經營利潤	Operating profit		3,642,788	2,934,931
財務收入	Finance income	29	121,793	48,052
融資成本	Finance costs	29	(516,693)	(159,712)
融資成本 — 淨額	Finance costs – net		(394,900)	(111,660)
應佔聯營公司業績	Share of results of an associated company	10	(11,422)	(5,110)
除所得稅前利潤	Profit before income tax		3,236,466	2,818,161
所得稅開支	Income tax expense	31	(1,519,329)	(1,232,777)
年度利潤	Profit for the year		1,717,137	1,585,384
應佔年度利潤：	Attributable to:			
本公司權益持有人	Equity holders of the Company		981,262	930,819
非控股權益	Non-controlling interests		735,875	654,565
			1,717,137	1,585,384
本公司權益持有人應佔利潤的每股盈利 — 基本及攤薄	Earnings per share for profit attributable to equity holders of the Company – Basic and diluted	32	RMB0.17	RMB0.21
股息	Dividends	33	283,400	283,400

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

合併全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2013年12月31日止年度 For the year ended 31 December 2013

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
	附註 Note		
年度利潤	Profit for the year	1,717,137	1,585,384
其他全面收益	Other comprehensive income	–	–
年度全面收益總額	Total comprehensive income for the year	1,717,137	1,585,384
應佔年度全面收益總額：	Attributable to:		
本公司權益持有人	Equity holders of the Company	981,262	930,819
非控股權益	Non-controlling interests	735,875	654,565
		1,717,137	1,585,384

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

合併權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2013年12月31日止年度 For the year ended 31 December 2013

		本公司權益持有人應佔 Attributable to equity holders of the Company						
		股本 Share capital 人民幣千元 RMB'000 (附註19) (Note 19)	股份溢價 Share premium 人民幣千元 RMB'000 (附註21) (Note 21)	其他儲備 Other reserves 人民幣千元 RMB'000 (附註21) (Note 21)	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註21) (Note 21)	小計 Sub-total 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於2013年1月1日的結餘	Balance at 1 January 2013	4,617	1,962,640	(177,501)	3,961,347	5,751,103	2,643,924	8,395,027
全面收益	Comprehensive income							
年度利潤	Profit for the year	-	-	-	981,262	981,262	735,875	1,717,137
其他全面收益	Other comprehensive income	-	-	-	-	-	-	-
全面收益總額	Total comprehensive income	-	-	-	981,262	981,262	735,875	1,717,137
與擁有人進行的交易	Transactions with owners							
非控股權益投入的資本金	Capital injections from non-controlling interests	-	-	-	-	-	809,000	809,000
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)							
— 現任僱員服務價值	— value of current employee services	-	-	25,741	-	25,741	-	25,741
2012年末期股息 (附註33)	2012 final dividend (Note 33)	-	(283,400)	-	-	(283,400)	-	(283,400)
子公司股息	Dividends of subsidiaries	-	-	-	-	-	(65,546)	(65,546)
擁有人的投入及分配總額	Total contributions by and distributions to owners	-	(283,400)	25,741	-	(257,659)	743,454	485,795
向非控股股東收購 子公司額外權益 所得的收益 (附註40)	Gain from acquisition of additional interest in a subsidiary from non-controlling interests (Note 40)	-	-	246,942	-	246,942	(246,942)	-
直接於權益確認與擁有人的 交易總額	Total transactions with owners, recognized directly in equity	-	(283,400)	272,683	-	(10,717)	496,512	485,795
於2013年12月31日的結餘	Balance at 31 December 2013	4,617	1,679,240	95,182	4,942,609	6,721,648	3,876,311	10,597,959

合併權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2013年12月31日止年度 For the year ended 31 December 2013

		本公司權益持有人應佔 Attributable to equity holders of the Company				小計	非控股權益	權益總額
		股本 Share capital	股份溢價 Share premium	其他儲備 Other reserves	保留盈利 Retained earnings	Sub-total	Non-controlling interests	Total equity
		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	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
		(附註19) (Note 19)	(附註21) (Note 21)	(附註21) (Note 21)	(附註21) (Note 21)			
於2012年1月1日的結餘	Balance at 1 January 2012	3,466	360,020	(214,198)	3,030,528	3,179,816	2,022,133	5,201,949
全面收益	Comprehensive income							
年度利潤	Profit for the year	–	–	–	930,819	930,819	654,565	1,585,384
其他全面收益	Other comprehensive income	–	–	–	–	–	–	–
全面收益總額	Total comprehensive income	–	–	–	930,819	930,819	654,565	1,585,384
與擁有人進行的交易	Transactions with owners							
發行普通股 (附註19)	Issuance of ordinary shares (Note 19)	1,151	1,602,620	–	–	1,603,771	–	1,603,771
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)							
– 現任僱員服務價值	– value of current employee services	–	–	36,697	–	36,697	–	36,697
子公司股息	Dividends of subsidiaries	–	–	–	–	–	(32,774)	(32,774)
擁有人的投入及分配總額	Total contributions by and distributions to owners	1,151	1,602,620	36,697	–	1,640,468	(32,774)	1,607,694
於2012年12月31日的結餘	Balance at 31 December 2012	4,617	1,962,640	(177,501)	3,961,347	5,751,103	2,643,924	8,395,027

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

合併現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2013年12月31日止年度 For the year ended 31 December 2013

		截至12月31日止年度 Year ended 31 December	
	附註 Note	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
經營活動	Operating activities		
經營活動（所用）／所得現金	Cash (used in)/generated from operations	35	(918,758)
已付利息	Interest paid		(1,241,203)
已付中國所得稅	PRC income tax paid		(518,158)
已付中國土地增值稅	PRC land appreciation tax paid		(589,730)
經營活動（所用）／所得現金淨額	Net cash (used in)/generated from operating activities		(3,267,849)
			1,062,569
投資活動	Investing activities		
添置投資物業	Additions of investment properties		(163,561)
添置物業、廠房及設備	Additions of property, plant and equipment		(34,431)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	35	15,580
添置無形資產	Additions of intangible assets	9	(4,987)
於合營企業的投資	Investment in a joint venture	11	(10,000)
聯營公司投入的資本減少	Capital reduction from an associate	10	175,000
收購可供出售金融資產	Acquisition of available-for-sale financial assets	12	(40,000)
出售子公司，扣除相關出售現金	Disposal of subsidiary, net of cash disposed	38	89,843
已收股息	Dividends received	27	6,605
已收利息	Interest received	29	121,793
投資活動所得／（所用）現金淨額	Net cash generated from/(used in) investing activities		155,842
			(546,948)
融資活動	Financing activities		
借款所得款項	Proceeds from borrowings		15,652,864
發行優先票據所得款項	Proceeds from issuance of senior notes		2,691,503
償還借款	Repayments of borrowings		(14,006,687)
與融資活動相關的受限制現金增加	Increase in restricted cash relating to financing activities	18	371,815
向本公司權益持有人支付股息	Dividends paid to equity holders of the Company		(283,400)
向非控股股東支付股息	Dividends paid to non-controlling interests		(65,422)
非控股權益投入的資本金	Capital contribution from non-controlling interests		809,000
子公司非控股權益往來款	Advance from non-controlling interest of a subsidiary		555,580
發行普通股所得款項	Proceeds from issuance of ordinary shares	19	—
支付股份發行成本	Payments of share issuance costs	19	—
融資活動所得現金淨額	Net cash generated from financing activities		5,725,253
			114,951
現金和現金等價物增加淨額	Net increase in cash and cash equivalents		2,613,246
年初的現金和現金等價物	Cash and cash equivalents at beginning of the year		4,852,130
現金及現金等價物匯兌損失	Exchange loss on cash and cash equivalents	29	(53,663)
年末的現金和現金等價物	Cash and cash equivalents at end of the year	18	7,411,713
			4,852,130

第F-11頁至第F-150頁的附註為財務報表的一部分。

The notes on pages F-11 to F-150 are an integral part of these financial statements.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

1 一般資料

新城發展控股有限公司（「本公司」）於2010年4月23日根據開曼群島公司法（2010年修訂本）在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands。

本公司及其子公司（統稱「本集團」）主要在中華人民共和國（「中國」）從事物業發展及物業投資業務。本公司的母公司為富域香港投資有限公司（「富域香港」），本公司的最終控股公司為First Priority Group Limited，兩家公司均於英屬處女群島註冊成立。本集團最終控股方為王振華先生（「王先生」或「控股股東」）。

為籌備本公司股份首次在香港聯合交易所有限公司（「聯交所」）主板上市，本集團進行重組（「重組」），據此，本公司成為組成本集團各子公司之控股公司。重組之詳情載於本公司日期為2012年11月19日之招股章程。

本公司股份於2012年11月29日開始在聯交所主板上市（「上市」）。

除另有指明外，合併財務報表以人民幣千元（「人民幣千元」）為單位呈列。

本公司董事會（「董事會」）於2014年3月17日批准及授權刊發此等載於第F-3頁至第F-150頁的合併財務報表。

1 GENERAL INFORMATION

Future Land Development Holdings Limited (the "Company") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "Group") are property development and property investment in the People's Republic of China (the "PRC"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("Wealth Zone Hong Kong") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("Mr. Wang" or the "Controlling Shareholder").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has undertaken a reorganisation (the "Reorganisation") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of the Stock Exchange on 29 November 2012 (the "Listing").

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

These consolidated financial statements set out on pages F-3 to F-150 have been approved and authorized for issue by the board of directors (the "Board") of the Company on 17 March 2014.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要

編製該合併財務報表所採用之主要會計政策載於下文。除另有說明者外，此等政策於所呈列的年度貫徹應用。

2.1 編製基準

合併財務報表已根據由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）按歷史成本慣例編製，並已就按公允價值列賬的可供出售金融資產及投資物業的重估而作出修訂。

上文附註1所述就上市進行的重組指涉及合併控股股東王先生控制的多間實體，及以共同控股股東合併會計法列賬。此等實體的淨資產採用控股股東而言的現有賬面值合併。業績由最早呈報日期或合併實體首次受到共同控股股東控制的日期（若為較後發生日期）而不依據本集團實際取得擁有權的日期予以合併。於重組發生之時概無確認為商譽代價之金額或收購人於被收購人的可識別資產、負債及或有負債的公平淨值超出成本之金額。

編製符合香港財務報告準則的合併財務報表需要使用若干關鍵會計估算。管理層在應用本集團會計政策過程中亦需行使其判斷。涉及高度的判斷或高度複雜性的範疇或涉及對合併財務報表屬重大假設和估算的範疇在附註5中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The Reorganisation for the Listing referred to in Note 1 above involved combination of a number of entities that were under the common control of the Controlling Shareholder, Mr. Wang, and was accounted for using merger accounting. The net assets of these entities were consolidated using the existing book values from the Controlling Shareholder's perspective. The results were combined from the earliest date presented or since the date when the combining entities first came under the common control, where this was at a later date, regardless of the date the Group took actual ownership. No amount was recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time the Reorganisation took place.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 below.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2013年採納之新訂準則及修訂

以下對新訂準則及現有準則之修訂於2013年1月1日開始之財政年度首次強制應用，而且與本集團之業務有關：

- 香港會計準則第1號 (修訂本)「財務報表的呈列」(於2012年7月1日或之後開始的年度期間生效)。該修訂導致的主要變動是要求實體根據在「其他全面收益」項內呈報的項目其後是否可能重新分類至損益而分類該等項目 (重新分類調整)。
- 香港財務報告準則第7號 (修訂本)「金融工具：披露 – 抵銷金融資產及金融負債」(於2013年1月1日或之後開始的年度期間生效)。該修訂作出新披露規定，集中處理於資產負債表中對銷的已確認金融工具以及受總互抵協定或類似安排規限的已確認金融工具 (不論是否會對銷) 的量化資料。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New standards and amendments adopted by the Group in 2013*

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2013 and are relevant to the Group's operations.

- HKAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012). The main change resulting from the amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).
- HKFRS 7 (Amendment) "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2013). The amendment requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2013年採納之新訂準則及修訂 (續)

- 香港財務報告準則第10號「合併財務報表」(於2013年1月1日或之後開始的年度期間生效)。該準則以現有原則為基礎，確定將控制權概念作為釐定實體應否計入母公司合併財務報表的因素。該準則提供額外指引，以在難以評估的情況下協助釐定控制權。
- 香港會計準則第27號(2011年修訂)「個別財務報表」(於2013年1月1日或之後開始的年度期間生效)。該準則載入香港會計準則第27號的規管條文併入新香港財務報告準則第10號後遺留的有關獨立財務報表的條文。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New standards and amendments adopted by the Group in 2013* (Cont'd)

- HKFRS 10 “Consolidated Financial Statements” (effective for annual periods beginning on or after 1 January 2013). The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- HKAS 27 (Revised 2011) “Separate Financial Statements” (effective for annual periods beginning on or after 1 January 2013). The standard includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2013年採納之新訂準則及修訂 (續)

- 香港財務報告準則第11號「合營安排」(於2013年1月1日或之後開始的年度期間生效)。此準則更真實地反映合營安排，集中針對合營安排的權利及義務，而非其法定形式。合營安排有兩類：共同經營及合營企業。共同經營指其共同經營者有權獲得與安排有關的資產和債務，因而將其於資產、負債、收入及開支的權益入賬。在合營企業中，合營者享有安排下淨資產的權利，因而以權益法將其權益入賬。現已不再容許以比例合併法將合營企業的權益入賬。
- 香港會計準則第28號(2011年修訂)「於聯營公司和合營企業的投資」(於2013年1月1日或之後開始的年度期間生效) 此準則包括於香港財務報告準則第11號發表後須以權益法將聯營公司及合營企業入賬的規定。
- 香港財務報告準則第12號「披露於其他實體之權益」(於2013年1月1日或之後開始的年度期間生效)。該準則包括在其他實體的所有形式的權益的披露規定，包括合營安排、聯營、特別目的載體和其他資產負債表外載體的披露規定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) New standards and amendments adopted by the Group in 2013 (Cont'd)

- HKFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013). The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
- HKAS 28 (Revised 2011) "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013). The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.
- HKFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013). The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2013年採納之新訂準則及修訂 (續)

- 香港財務報告準則第13號「公平值計量」(於2013年1月1日或之後開始的年度期間生效)。該準則旨在透過提供公平值的精確定義及公平值計量的單一來源以及適用於各香港財務報告準則的披露規定，提高一致及簡化程度。該等規定並無擴大公平值會計的使用，但就當該準則獲香港財務報告準則內其他準則規定或准許使用時應如何應用提供指引。
- 香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)「過渡性指引」(於2013年1月1日或之後開始的年度期間生效)。該等修訂為香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號提供額外過渡性指引，將提供經調整比較資料的要求僅局限於上個比較期間。有關未合併結構性實體之披露，修訂本不再要求提供首次採納香港財務報告準則第12號前之期間的比較資料。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New standards and amendments adopted by the Group in 2013* (Cont'd)

- HKFRS 13 “Fair Value Measurement” (effective for annual periods beginning on or after 1 January 2013). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.
- HKFRSs 10, 11 and 12 (Amendments) “Transition Guidance” (effective for annual periods beginning on or after 1 January 2013). These amendments provide additional transition relief to HKFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(i) 本集團於2013年採納之新訂準則及修訂 (續)

- 2011年之年度改進 – 該等年度改進主要針對2009年至2011年報告週期的六個方面。該等改進包括對以下與本集團之業務有關的準則之變動：

香港會計準則第1號「財務報表的呈列」

香港會計準則第16號「物業、廠房和設備」

香港會計準則第32號「金融工具：呈列」

香港會計準則第34號「中期財務申報」

- 2012年之年度改進 – 對香港財務報告準則第13號「公允價值計量」之修訂。該項修訂為澄清：當不作貼現之影響不重大時，對短期應收款項及應付款項之計量要求並無變動。

於2013年1月1日起採納上述新準則及修訂及其他新生效之香港財務報告準則並無對本集團截至2013年12月31日止年度的經營業績及財務狀況產生任何重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(i) *New standards and amendments adopted by the Group in 2013* (Cont'd)

- Annual improvements 2011 – These annual improvements address six issues in the 2009-2011 reporting cycle. They include changes to the following standards which are relevant to the Group's operations:

HKAS 1 "Presentation of Financial Statements"

HKAS 16 "Property, Plant and Equipment"

HKAS 32 "Financial Instruments: Presentation"

HKAS 34 "Interim Financial Reporting"

- Annual improvement 2012 – Amendment to HKFRS 13 "Fair Value Measurement". This amendment is a clarification that there is no change in measurement requirements for short-term receivables and payables when the effect of not discounting is immaterial:

The adoption of the above new standards and amendments and other newly effective HKFRSs starting from 1 January 2013 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2013.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2013年後將須採納的新訂準則、修訂及詮釋

若干香港財務報告準則的新訂準則、修訂本及詮釋已頒佈但於2013年1月1日開始的年度仍未生效。該等與本集團營運相關的準則列示如下：

香港財務報告準則第9號	金融工具 (於2015年1月1日或之後開始的年度期間生效)
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香港會計準則第36條 (修訂本)	資產減值 (於2014年1月1日或之後開始的年度期間生效)
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香港 (國際財務報告詮釋委員會) 詮釋第21號	徵費 (於2014年1月1日或之後開始的年度期間生效)
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香港會計準則第32號之修訂	按資產與負債抵銷的金融工具呈列 (於2014年1月1日或之後開始的年度期間生效)
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香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂	合併投資實體 (於2014年1月1日或之後開始的年度期間生效)
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香港會計準則第39號之修訂	金融工具 (於2014年1月1日或之後開始的年度期間生效)
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) New standards, amendments and interpretations that are required to be adopted by the Group after 2013

Certain new standards, amendments and interpretations of HKFRSs have been published but are not yet effective for the annual period beginning on 1 January 2013. Those that are relevant to the Group's operations are as follows:

HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2015)
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HKAS 36 (Amendment)	Impairment of Assets (effective for annual periods beginning on or after 1 January 2014)
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HK(IFRIC) 21	Levies (effective for annual periods beginning on or after 1 January 2014)
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Amendment to HKAS 32	Financial Instruments Presentation on Asset and Liability offsetting (effective for annual periods beginning on or after 1 January 2014)
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Amendments to HKFRS 10, 12 and HKAS 27	Consolidation for Investment Entities (effective for annual periods beginning on or after 1 January 2014)
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Amendment to HKAS 39	Financial Instruments (effective for annual periods beginning on or after 1 January 2014)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2013年後將須採納的新訂準則、修訂及詮釋 (續)

2012年之年度改進	有關年度改進包括對2010年至2012年年度週期影響7項準則的改進項目的修改：香港財務報告準則第2號「以股份為基礎的支付」、香港財務報告準則第3號「企業合併」、香港財務報告準則第8號「經營分部」、香港財務報告準則第13號「公允價值計量」的結論基礎、香港會計準則第16號「物業、廠房及設備」、香港會計準則第24號「關聯方披露」及香港會計準則第38號「無形資產」。(於2014年7月1日或之後開始的年度期間起生效)
2013年之年度改進	有關年度改進包括對2011年至2013年年度週期影響4項準則的改進項目的修改：香港財務報告準則第1號「首次採納香港財務報告準則」、香港財務報告準則第3號「企業合併」、香港財務報告準則第13號「公允價值計量」及香港會計準則第40號「投資物業」。(於2014年7月1日或之後開始的年度期間起生效)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) New standards, amendments and interpretations that are required to be adopted by the Group after 2013 (Cont'd)

Annual improvements 2012	The amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards: HKFRS 2 "Share-based Payment", HKFRS 3 "Business Combinations", HKFRS 8 "Operating Segments", the basis for conclusion on HKFRS 13 "Fair Value Measurement", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets". (effective for annual periods beginning on or after 1 July 2014)
Annual improvements 2013	The amendments include changes from the 2011-2013 cycle of the annual improvements project that affect 4 standards: HKFRS 1 "First-time Adoption of Hong Kong Financial Reporting Standards", HKFRS 3 "Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property". (effective for annual periods beginning on or after 1 July 2014)

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2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 本集團於2013年後將須採納的新訂準則、修訂及詮釋 (續)

於2013年，本集團並無提早採納已頒佈但未生效的任何新訂準則、修訂及詮釋。本集團正評估此等新訂準則、修訂及詮釋的影響，並且不預期於生效採納時將對本集團之經營業績及財務狀況產生任何重大影響。

2.2 子公司

2.2.1 合併

子公司指本集團有權控制的一間實體（包括結構化實體）。當本集團因參與一間實體之業務而可或有權獲得可變回報且有能力憑藉其對該實體行使權力而影響該等回報時，則視為本集團控制該實體。子公司於控制權轉移至本集團之日起全面合併入賬。子公司自控制權終止當日起終止合併入賬。

集團內公司間交易、結餘及因集團內公司間交易而產生之收支會予以對銷。確認於資產的公司間交易所產生的溢利和虧損亦予以對銷。子公司的會計政策已按需要作出改動，以確保與本集團所採納者相符。

子公司的業績及權益中的非控股權益分別於合併資產負債表、合併利潤表、合併全面收益表及合併權益變動表中單獨列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(ii) *New standards, amendments and interpretations that are required to be adopted by the Group after 2013 (Cont'd)*

The Group has not early adopted any new standards, amendments and interpretations that have been issued but are not effective in 2013. The Group is in the process of making an assessment on the impact of these new standards, amendments and interpretations and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併

本集團採用如下文所述的收購會計法為業務合併列賬，惟如上文附註2.1所述的方法入賬的重組除外。

根據收購會計法，收購一家子公司的轉讓代價包括所轉讓資產、所產生的對被收購人前所有者之負債及本集團所發行股權的公允價值。所轉讓代價亦包括任何或有對價安排所產生的資產及負債的公允價值。收購相關成本於產生時列為開支。於業務合併時所收購的可識別資產及所承擔的負債及或有負債，初始按收購日的公允價值計量。按逐項收購基準，本集團以公允價值或非控股權益按比例應佔被收購人可識別淨資產已確認金額，確認任何被收購人非控股權益。

倘業務合併分階段進行，本集團先前持有的被收購人股本權益於收購日期的賬面值會按收購日期的公允價值重新計量；有關重新計量產生的損益在合併利潤表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) Business combinations

The Group applies the acquisition method as described below to account for business combinations, except for the Reorganisation which had been accounted for as stated in Note 2.1 above.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(i) 業務合併 (續)

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值的後續變動，將按照香港會計準則第39號於合併利潤表作為其他全面收益變動確認。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

已轉讓代價、於被收購人的任何非控股權益金額及任何先前於被收購人的股權於收購日期的公允價值超過所收購可識別淨資產的公允價值的差額入賬列作商譽。倘已轉讓代價、已確認非控股權益及先前已計量所持股權的總和少於議價購買情況下所收購子公司可識別淨資產的公允價值，則該差額會直接於合併利潤表內確認。

(ii) 不導致失去控制權的子公司所有權權益變動

不導致失去控制權的與非控制權益進行的交易入賬列作權益交易一即以他們作為擁有人的身份與其他擁有人進行交易。任何已付代價公允價值與所購買相關應佔子公司淨資產賬面值的差額列作權益。向非控制性權益出售產生的盈虧亦列作權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(i) Business combinations (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held equity interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in consolidated statement of income.

(ii) Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the other owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.1 合併 (續)

(iii) 出售子公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允價值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合資企業或金融資產的保留權益，其公允價值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益。

2.2.2 獨立財務報表

於本公司資產負債表中，於子公司之投資乃以成本扣除減值入賬（附註17）。成本亦包括與投資直接相關的應佔成本。子公司之業績按已收及應收股息計入公司之賬內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment (Note 17). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.2 子公司 (續)

2.2.2 獨立財務報表 (續)

當收到於子公司的股息時，而該股息超過子公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方淨資產（包括商譽）在合併財務報表之賬面值時，則必須對有關投資進行減值測試。

2.3 聯營公司

聯營公司指本集團對其有重大影響但無控制權或共同控制權的所有實體，一般擁有其20%至50%投票權的股權。於聯營公司的投資乃以權益法入賬。根據權益法，投資初始按成本確認，並會增減賬面值以確認投資者在收購日期後佔被投資方損益及其他儲備變動的比例。本集團於聯營公司的投資包括於收購時已識別的商譽（經扣除任何累計減值虧損）。

倘於聯營公司的所有權權益減少，而重大影響力獲保留，則先前於其他全面收益確認的金額僅有按比例部分重新劃分為損益（倘適用）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.2 Separate financial statements (Cont'd)

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

Associates or associated companies are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other reserve movements of the investee after the date of acquisition. The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.3 聯營公司 (續)

本集團所佔聯營公司的收購後盈虧乃於合併利潤表內確認，而其所佔其他全面收益收購後變動則於其他全面收益內確認，並相應調整投資的賬面金額。當本集團應佔聯營公司虧損相等於或超過其於聯營公司的權益（包括任何其他無抵押應收款項）時，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔法定或推定義務或支付款項。本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並於合併利潤表「應佔聯營公司利潤／（虧損）」確認有關金額。

來自本集團與聯營公司間上游及下游交易的損益於本集團的財務報表中確認並以無關連投資者於聯營公司的權益為限。未變現虧損亦會對銷，除非有關交易證明所轉讓資產已出現減值。聯營公司的會計政策已作必要更改，以確保與本集團所採納者保持一致。

於聯營公司投資所產生的攤薄盈虧在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associates (Cont'd)

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movement in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.4 合營安排

根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團享有的收購后利潤或虧損以及其他綜合收益變動的份額。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益（包括任何實質上構成本集團在該合營淨投資的長期權益），則本集團不確認進一步虧損，除非本集團已產生義務或已代合營企業付款。

本集團與其合營企業之間的未變現交易利得按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策如有需要已改變以符合本集團採納的政策。

2.5 分部報告

經營分部乃以與提交予主要經營決策者（「主要經營決策者」）的內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部表現，並已確定為作出戰略決策的王先生。

管理層根據主要經營決策者審核的用於作出戰略決策的報告釐定經營分部。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Joint arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Mr. Wang who makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.6 外幣換算

(i) 功能及呈列貨幣

本集團的各實體財務報表所列的項目，均以該實體經營所在主要經濟環境所使用的貨幣（「功能貨幣」）計量。由於本集團的大部分資產及營運位於中國，故其財務報表以人民幣呈列，人民幣乃本公司的功能貨幣及本集團的呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日的現行匯率換算為功能貨幣，或於項目獲重新計量時按估值日期的匯率換算。因上述交易結算及按年底匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於合併利潤表內確認。

與借貸及現金及現金等價物有關的匯兌收益及虧損在利潤表內的「融資收入或成本」項下呈列。所有其他匯兌收益及虧損在利潤表內的「其他收益或虧損－淨額」項下呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income within 'other gains or losses – net'.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.6 外幣換算 (續)

(iii) 集團公司

倘本集團的所有實體 (全部均非採用嚴重通脹經濟體系的貨幣) 的功能貨幣有別於呈列貨幣，則其業績及財務狀況會按下列方法換算為呈列貨幣：

- (a) 現時集團實體的每份資產負債表內的資產與負債按該資產負債表結算日的收市匯率換算；
- (b) 現時集團實體的每份利潤表及全面收益表內的收入及開支按平均匯率換算；及
- (c) 所產生的所有兌換差額乃於其他全面收益內確認及計算，並於權益項目下累積。

收購境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在其他全面收益中入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation (Cont'd)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position of the Group entities are translated at the closing date of that statement of financial position;
- (b) income and expenses for each statement of income and statement of comprehensive income of the Group entities are translated at average exchange rate; and
- (c) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.7 物業、廠房和設備

物業、廠房和設備按歷史成本減累計折舊及任何減值虧損入賬。資產的初始成本包括購入價及令該資產處於所擬運作狀況及地點之任何直接應佔成本。

當與項目有關的未來經濟利益可能流入本集團，而該項目的成本能夠可靠地計量時，則會將該項目其後產生的成本計入該項資產的賬面值內或確認為獨立資產（如適當）。其他所有維修及保養成本乃於其產生的會計期間內自合併利潤表扣除。

物業、廠房和設備的折舊按估計可使用年期以直線法分配其成本減其殘值，有關年限如下：

— 樓宇	35年
— 汽車	5-10年
— 傢俬、裝置及設備	5-10年
— 租賃物業裝修	3-5年

資產殘值及可使用年期均會於各報告期末時被檢討，並在適當情況下作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額。

出售盈虧乃透過比較所得款項與賬面值而釐定，並作為「其他收益／（虧損）-淨額」於合併利潤表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

— Buildings	35 years
— Motor vehicles	5-10 years
— Furniture, fittings and equipment	5-10 years
— Leasehold improvements	3-5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the consolidated statement of income.

合併財務報表附註

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2 重大會計政策概要 (續)

2.8 投資物業

持作長期租金收入或資本增值或兩者兼備且並非本集團所佔用的物業分類為投資物業。投資物業也包括正在建造或開發供未來作投資物業使用之物業。

投資物業包括根據經營租賃持有的土地及本集團擁有的樓宇。根據經營租賃持有的土地如能符合投資物業餘下的定義，則分類為投資物業並入賬。在此情況下，經營租賃視為融資租賃入賬。

投資物業初始按其成本計量，包括相關的交易成本及相關的（如適用）借貸成本。於初始確認後，投資物業按公允價值列賬。公允價值變動於合併利潤表確認及單獨呈列。

公允價值是根據活躍市價並經（如必要）就特定資產之性質、位置或狀況之任何差異作出調整而釐定。倘無法獲得該等資料，則本集團會使用可替代估值法，如較不活躍市場的近期價格或經折現現金流量預測。這些估值乃於各結算日由外部估值師實施。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings owned by the Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In this case, the operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statement of income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.8 投資物業 (續)

倘公允價值能可靠計量，建設中物業按公允價值計量。倘無法可靠地釐定公允價值，則建設中投資物業於公允價值可以釐定或工程竣工前（以較早者為準）將以成本計量。此物業於該日的公允價值與當時賬面值之間的任何差額均在合併利潤表中確認。重新發展以持續作投資物業用途的投資物業，或市場活躍度降低的投資物業將繼續以公允價值計量。

其後支出只有在與該支出有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才撥入在資產的賬面值中。其他所有維修及保養成本於產生時支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties (Cont'd)

Property under construction is measured at fair value if the fair value is considered to be reliably measurable. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statement of income. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.9 無形資產

商標

本集團商標乃按歷史成本法列賬的單獨購入商標。商標有特定使用年限並按成本減累計攤銷列賬。攤銷乃按直線法將商標的成本分攤至10年的估計可使用年期計算。

電腦軟件

本集團的電腦軟件包括按購入及使用該特定軟件所產生的成本作資本化處理的購入電腦軟件。這些成本按五年之估計可使用年期攤銷。

2.10 於子公司、聯營公司、合營企業及非金融資產投資的減值

沒有確定使用年限的資產或尚未可供使用的資產毋須攤銷，但會每年進行減值測試。當發生事件或情況變化顯示資產賬面值未必可收回時，會檢討該等須攤銷資產有否減值。減值虧損按資產賬面值超出其可收回金額的差額確認。可收回金額為資產公允價值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量的最低水平（現金產生單位）分類。非金融資產如出現減值，則會於各結算日期檢討可否撥回減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Intangible assets

Trademarks

Trademarks of the Group are separately acquired trademarks which are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

Computer software

Computer software of the Group comprises acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.11 完工待售或在建銷售物業

完工待售或在建銷售物業按成本及可變現淨值兩者的較低者列賬於流動資產。完工待售或在建銷售物業成本包括土地租賃成本、建造支出、資本化借款成本及於發展期間產生的其他直接成本。持有的物業成本按其未售出之物業成本按獲比例分配之該發展項目之全部發展成本計量。可變現淨值為管理層根據現行市況釐定之在通常業務過程中的估計銷售價，減預計至竣工需產生的其他成本及銷售時需產生的營銷成本。

2.12 土地使用權

中國的所有土地均為國有且無單獨的土地所有權。本集團收購土地使用權從而進行物業開發。用於開發供出售的土地使用權作為存貨，並按成本值與可變現淨值兩者的較低者列賬，其中屬於正常營運週期內的土地使用權分類為流動資產並計入完工待售或在建銷售物業，而屬於正常營運週期以外的土地使用權分類為非流動資產。屬於投資物業的土地使用權分類為投資物業（附註2.8）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.12 Land use rights

All land in the PRC is stated-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.8).

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產

2.13.1 分類

本集團將金融資產分為以下類別：貸款及應收款項以及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於初始確認金融資產時決定其分類。

(i) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活躍市場並無報價。該等金融資產計入流動資產，惟到期日超過於報告期末起計12個月的項目則被分類為非流動資產。本集團貸款及應收款項於資產負債表內包括「貿易和其他應收款項及預付款項」的若干項目及計入「現金和現金等價物」和「受限制現金」的銀行存款（附註16及附註18）。

(ii) 可供出售金融資產

可供出售金融資產屬於指定列入該類或不可歸入任何其他類別的非衍生工具。除非管理層有意於報告期末起計12個月內處置該投資，否則該等項目入賬列為非流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets. The Group's loans and receivables comprise certain items in "Trade and other receivables and prepayments" and bank deposits included in "cash and cash equivalents" and "restricted cash" in the statement of financial position (Note 16 and Note 18).

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.2 確認及計量

正常買賣金融資產在交易日 (本集團承諾買賣該資產的日期) 確認。對於以公允價值計量但其變動並非計入損益的所有金融資產，投資初始按公允價值加交易成本確認。當從投資收取現金流量的權利已屆滿或已轉讓，且本集團已實質上將擁有權的所有風險和回報轉讓時，即中止確認金融資產。可供出售金融資產其後按公允價值列賬。貸款及應收款項隨後使用實際利率法按已攤銷成本列賬。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益內確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入合併利潤表內。

可供出售證券的利息按實際利率法於合併利潤表內確認為部分其他收入。可供出售股權工具的股息於本集團確立收取股息之權利時於合併利潤表中確認為部分其他收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of income as part of other income when the Group's right to receive payments is established.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值

(i) 按攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。僅於有客觀證據顯示資產初始確認後發生的一項或多項事件引致減值(「虧損事件」)且虧損事件對一項或一組金融資產能可靠預計的估計未來現金流量有影響，則表示該項或該組資產已減值，並應計減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值 (續)

(i) 按攤銷成本列賬的資產 (續)

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併利潤表確認。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在合併利潤表轉回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets (Cont'd)

(i) *Assets carried at amortised cost* (Cont'd)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.3 金融資產減值 (續)

(ii) 分類為可供出售資產

本集團於各報告期末評估有否客觀證據顯示一項或一組金融資產出現減值。對於債務證券，本集團使用上文(i)所述標準評估。倘為可供出售的權益投資，證券公允價值顯著下跌或長期低於成本亦是資產減值的證據。倘可供出售金融資產顯示該等證據，累計虧損（即收購成本與當前公允價值減金融資產先前於損益確認之減值虧損的差額）自權益轉撥至損益確認。於合併利潤表確認的權益工具減值虧損不會通過合併利潤表撥回。倘可供出售的權益工具公允價值於其後期間增加且增加與減值虧損於損益確認後發生的事件有客觀聯繫，則減值虧損通過合併利潤表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.3 Impairment of financial assets (Cont'd)

(ii) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (i) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of income on equity instruments are not reversed through the consolidated statement of income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of income.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 重大會計政策概要 (續)

2.13 金融資產 (續)

2.13.4 終止確認金融資產

金融資產 (或倘適用，一項金融資產的一部分或一組相若金融資產的一部分) 在下列情況下將予終止確認：

- 自該項資產收取現金流量的權利已屆滿；
- 本集團轉讓自該項資產收取現金流量的權利，或已根據一項「轉付」安排，承擔將所得現金流量全數付予第三方的責任，且不會嚴重延緩；或
- 本集團轉讓自該項資產收取現金流量的權利及(a)本集團已實質上轉讓該項資產的所有風險及回報；或(b)本集團並無實質上轉讓或保留該項資產的所有風險及回報，但已轉讓對該項資產的控制權。

倘本集團已轉讓其收取該項資產所產生現金流量的權利或已訂立轉付安排，但並無實質上轉讓或保留該項資產的所有風險及回報，亦無轉讓對該項資產的控制權，則該資產將視本集團繼續參與該資產的程度而確認為入賬。在此情況下，本集團亦確認聯屬責任。已轉讓資產及聯屬責任以反映本集團所保留的權利及責任為基準計量。

以擔保已轉讓資產的方式繼續參與，乃按該資產的原賬面值及本集團可能被要求償還的代價最高金額 (以較低者為準) 計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Financial assets (Cont'd)

2.13.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

合併財務報表附註

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2 重大會計政策概要 (續)

2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表呈報其淨額。

2.15 衍生金融工具

衍生工具於訂立衍生工具合約日期首次以公平值確認入賬，隨後按其公平值進行重估。公平值乃根據市場報價於活躍市場中獲得，包括近期市場交易及估值方法（包括現金流量折現模型及期權定價模型（如適用））。

對於不符合對沖會計處理的衍生金融工具，公平值變動即刻於合併利潤表中確認。

2.16 貿易和其他應收款項

貿易和其他應收款項初始以公允價值確認，其後利用實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項之原有條款收回所有款項時，即就貿易和其他應收款項設定減值撥備。債務人的重大財務困難、債務人可能會破產或進行財務重組以及違約或拖欠款項被認為是應收款項減值的跡象。撥備金額為資產之賬面值與按原有實際利率折現之估計未來現金流量之現值之差額。資產之賬面值透過使用撥備賬戶削減，而有關虧損金額則在合併利潤表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

For derivative financial instruments which do not qualify for hedge accounting, changes in fair value are recognised in the consolidated statement of income.

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of income.

合併財務報表附註

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2 重大會計政策概要 (續)

2.16 貿易和其他應收款項 (續)

倘貿易和其他應收款項被視為無法收回，則與撥備賬目撇銷。其後收回先前撇銷的金額將貸記入合併利潤表內。

貿易和其他應收款項計入流動資產，惟於報告期起計超過12個月者（或倘於正常營業週期外，則可較長），則分類為非流動資產。

2.17 現金和現金等價物

現金和現金等價物包括手頭現金、銀行通知存款及原定到期日為三個月或以內之高流動性其他短期投資。

2.18 股本

普通股分類為權益。直接歸屬於發行新股或期權的新增成本在權益中列為所得款項之減項（扣除稅項）。

2.19 貿易和其他應付款項

貿易和其他應付款項乃就日常業務過程中購買供應商提供的產品或服務而應支付的義務。倘貿易及其他應付款項的支付日期在報告期起計12個月內（如仍在正常營運週期中，則可較長），其被分類為流動負債。否則，分類為非流動負債。

貿易和其他應付款項初始以公允價值確認，其後利用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Trade and other receivables (Cont'd)

When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income.

Trade and other receivables are included in current assets, except for those maturing more than twelve months after the reporting period (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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2 重大會計政策概要 (續)

2.20 借款及借貸成本

借款初始按公允價值扣除所產生的交易成本予以確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間的任何差額使用實際利率法於借款期間在合併利潤表內確認。

在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則借款將被劃分為流動負債。

直接歸屬於收購、建設或生產合資格資產（即需要經過相當長時間才能達到預定用途或銷售狀態的資產）的一般及特定借款成本，計入該等資產的成本，直至該等資產基本達到預定用途或銷售狀態。就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。其他借款成本於其產生期間支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific 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. Other borrowing costs are expensed in the period when they are incurred.

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅

期間的稅項開支包括即期稅項及遞延稅項。稅項乃於合併利潤表內確認，惟與於其他全面收益或直接於權益確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

即期所得稅支出根據本公司及其子公司營運及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例受詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關繳納的稅款設定撥備。

對於資產及負債的稅基與其在合併財務報表的賬面值的暫時性差額，使用負債法確認遞延所得稅。然而，倘遞延所得稅乃因首次確認交易（並非業務合併）中的資產或負債而產生，且進行有關交易時並無影響會計或應課稅利潤或虧損，則不予入賬。遞延所得稅乃按結算日前已頒佈或實質上已頒佈，並預期將於相關遞延所得稅資產變現或遞延所得稅負債清償時應用的稅率（及法律）計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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2 重大會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

遞延所得稅資產是就可能有未來應課稅利潤而就此可使用暫時性差額而確認。

遞延所得稅乃就於子公司、聯營公司及合營安排的投資產生的暫時差額而撥備，惟倘本集團可控制暫時差額撥回的遞延所得稅負債時間，且暫時差額有可能在可預見將來不會獲撥回則除外。一般而言，本集團無法控制給予聯營公司的暫時差額撥回。僅於有協議賦予本集團能力控制撥回未確認暫時差額時除外。

因投資子公司、聯營公司及共同控制實體而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅溢利抵銷可動用暫時差額則除外。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準結算結余時，遞延所得稅資產與負債將予互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Current and deferred income tax (Cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2 重大會計政策概要 (續)

2.22 員工福利

根據中國內地規則及法規，本集團的中國內地員工須參加中國內地有關省市管理的多項界定供款退休福利計劃，據此，本集團及中國內地員工須每月按員工薪金的特定百分比向該等計劃供款，惟無需超過若干上限。

省市級政府承諾承擔根據上述計劃應付的全部現有及未來中國內地員工退休福利責任。除每月供款外，本集團毋須就其員工承擔其他退休金付款或其他退休後福利的責任。這些計劃的資產與本集團其他資產分開持有，並由市級和省級政府獨立管理的基金保管。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Employee benefits

In accordance with the rules and regulations of mainland China, the mainland China based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the mainland China under which the Group and the mainland China based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland China based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the municipal and provincial governments.

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付

本集團實行數項以權益償付首次公開發售前股份獎勵計劃，在該等計劃下，本集團獲取僱員及若干前僱員、高級僱員及業務合夥人提供的服務作為本公司股本工具（獎勵）的對價。現任僱員及若干前僱員、高級僱員及業務合夥人為獲取股份而提供的服務的公允價值確認為費用。該等予以支銷的總金額乃經參考獲授予股份的公允價值釐定：

- 包括任何市場業績條件；
- 不包括任何服務及非市場業績可行權條件的影響；及
- 包括任何非可行權條件的影響。

非市場績效歸屬條件包括在有關預期歸屬的股份數目的假設中。列作開支的總金額乃在歸屬期確認，歸屬期即符合所有特定歸屬情況的期間。於各報告期末，本集團會根據非市場績效歸屬條件修改其估計預期將歸屬的股份數目。於合併利潤表內確認修改原來估計數字（如有）的影響，以及須對權益作出的相應調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments

The Group operates an equity-settled pre-IPO share award scheme, under which the Group receives services from employees and certain former employees, officers and business partners as consideration for equity instruments (awards) of the Company. The fair value of the current employee and certain former employees, officers and business partners services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity.

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2 重大會計政策概要 (續)

2.23 以股份為基礎的支付 (續)

本公司向本集團子公司的僱員授予其股份，被視為資本投入。所獲得僱員服務的公允價值乃參考授出日期的公允價值計量，於歸屬期內確認為增加對子公司的投資，並相應計入本公司的權益賬。

2.24 撥備及或有負債

倘本集團因過往事件而現時須承擔法定或推定責任，且履行該等責任可能須動用資源，及所涉及的金額能可靠估計時，則確認撥備。未來營運虧損毋須確認撥備。

倘存在多項相若責任時，履行該等責任是否需要動用資源在考慮整體責任之類別後釐定。即使同一類別之任何一項責任可能須動用資源的可能性極低，亦須確認撥備。

撥備採用反映當時市場對金錢時間值和有關責任固有風險之評估的稅前比率按照預期需履行有關責任之開支之現值計量。隨著時間消逝而增加的撥備確認為利息開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Share-based payments (Cont'd)

The grant by the Company of its shares to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity account of the Company.

2.24 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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2 重大會計政策概要 (續)

2.24 撥備及或有負債 (續)

或有負債乃一項因過往事件可能產生的責任，而該責任的存在僅可由一項或多項並非由本集團全權控制之日後不明朗事件之存在與否確定。或有負債亦可為因不大可能需要動用經濟資源或承擔之金額未能可靠地估量而未確認之過往事件產生之現有承擔。

或有負債不予確認，但會於合併財務報表附註中披露。倘支付之可能性出現變動致使有可能需支付，則或有負債將確認為撥備。

2.25 收入確認

收入包括本集團在日常業務過程中出售物業及服務之已收或應收代價之公允價值。收入在扣除退貨、回扣及折扣及經撇銷本集團公司間銷售後予以呈列。收入確認如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Provisions and contingent liabilities (Cont'd)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

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2 重大會計政策概要 (續)

2.25 收入確認 (續)

(i) 出售物業

出售物業的收入於物業的風險及回報已轉讓予買方 (即有關物業已竣工時) 並根據銷售協議將物業交付買家, 且能合理確保收回有關應收款項時, 方予以確認。收入確認日期前就已售物業收取的按金及分期付款於合併資產負債表內的流動負債下記錄為「預售物業預收款項」。

(ii) 租金收入

來自經營租賃所出租物業的租金收入, 以直線法在租賃期內確認。

(iii) 服務收入

服務收入於相關的提供服務已提供, 並能夠可靠地估計收入及成本總額, 且能合理確保收回有關應收款項時確認。

(iv) 利息收入

利息收入利用實際利率法按時間比例確認。當應收款項出現減值時, 本集團將其賬面值減至其可收回金額 (即按工具的原實際利率貼現的估計未來現金流量), 並繼續沖抵折現作為利息收入。減值貸款和應收款項的利息收入利用原實際利率確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue recognition (Cont'd)

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as "Advances from pre-sale of properties" in the consolidated statement of financial position under current liabilities.

(ii) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

(iii) Service income

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectibility of the related receivables is reasonably assured.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

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2 重大會計政策概要 (續)

2.25 收入確認 (續)

(v) 股息收入

股息收入在收取股息之權利獲確定時確認。

2.26 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公允價值確認。與成本有關的政府補貼將會遞延，並於擬補償之成本所需進行配對的期間內於合併利潤表內確認。作為開支或已產生的虧損的補償金或向本集團旗下企業提供即時財務援助而成為應收款項（並無日後相關成本）的政府補貼，乃於其成為應收款項的期間確認為收入。

2.27 財務擔保負債

本集團就銀行按揭信貸為若干購房者提供財務擔保。

財務擔保負債初步按公允價值加作出相關財務擔保負債直接產生的交易成本確認。於首次確認後，有關合約按履行現有責任所需開支的最佳估計現值與首次確認金額減累計攤銷的較高者計量。

財務擔保負債當且僅當合約列明的責任已解除或註銷或屆滿時方於資產負債表中終止確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue recognition (Cont'd)

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of income over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.27 Financial guarantee liabilities

The Group provides financial guarantees for certain property purchasers on mortgage facilities with banks.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

2 重大會計政策概要 (續)

2.28 經營租賃

出租人保留所有權的絕大部分風險及回報的租賃均列為經營租賃。根據經營租賃支付的款項(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法自合併利潤表扣除。

2.29 股息分派

向本公司股東分派的股息於股息獲本公司股東正式批准的期間在本集團及本公司財務報表中確認，並在適用時作為負債入賬。

2.30 結算日後事項

提供本集團於報告期末狀況的其他資料的報告期後事項(「調整事項」)於合併財務報表中反映。並非調整事項的報告期後事項如涉及金額重大則在附註中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised, as a liability where applicable, in the Group's and the Company's financial statements in the period in which the dividends are properly approved by the Company's shareholders.

2.30 Subsequent events

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period ("adjusting events") are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理

本集團的業務承受多項財務風險：市場風險（包括外匯風險、價格風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並尋求方法盡量降低對本集團財務業績可能構成的不利影響。

3.1 市場風險

(i) 外匯風險

除部分融資活動（包括首次公開發售、銀行借貸及發行優先票據乃以港元（「港元」）或美元（「美元」）計值）外，本集團僅於中國從事房地產的開發、銷售及管理，幾乎所有交易均以人民幣計值。於2013年12月31日，本集團主要的資產及負債以人民幣計值，惟若干現金及借款以港元或美元計值。

本公司及其全部子公司的功能貨幣為人民幣。因此，以港元或美元計值的現金及借款面臨外匯風險。港元及美元兌人民幣的匯率波動將影響本集團的經營業績。本集團目前並無外匯對沖政策。然而，管理層密切監控外匯風險並於必要時採取行動。

於2013年12月31日，如人民幣兌港元及美元升值／貶值5%，而所有其他可變因素維持不變，年度除稅後溢利將上升／下降人民幣47,647,000元（2012年：人民幣12,052,000元），主要因為換算以港元及美元計值的銀行結餘及借貸的淨外匯收益／虧損所致。

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all the transactions denominated in RMB, except for certain financing activities, including the initial public offering, borrowings from banks and issuance of senior notes which are denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD"). As of 31 December 2013, majority of the Group's assets and liabilities are denominated in RMB except that certain cash and borrowings are denominated in HKD or USD.

The Company and all of its subsidiaries' functional currency is RMB. Accordingly, cash and borrowings denominated in HKD or USD is subject to foreign exchange risk. Fluctuations in the exchange rates of HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2013, if RMB had strengthened/weakened by 5%, against HKD and USD with all other variables held constant, post-tax profit for the year would have been RMB47,647,000 (2012: RMB12,052,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of HKD and USD denominated bank deposits and borrowings.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理 (續)

3.1 市場風險 (續)

(ii) 價格風險

由於本集團所持投資在合併資產負債表內被分類為可供出售金融資產，故本集團承受價格風險。

董事認為，本集團就其投資所承受的價格風險並不重大，概因本集團訂有政策，不會作出對本集團財務業績可能造成不利影響的重大投資。所有投資須經董事長批准後方可進行。

下表概述分類為可供出售股本證券的公允價值上升／下跌5%，該證券收益／虧損對本集團其他全面收益增加／減少的影響。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Market risk (Cont'd)

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group and classified on the consolidated statements of financial position as available-for-sale financial assets.

In the opinion of the directors, the Group's exposure to price risk with regard to its investments is not significant since it is the Group's policy not to invest significant amounts that might have a detrimental impact to the Group's financial results. All investments must be approved by the Chairman of the Board before they may be entered into.

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

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
－ 上調5%	－ 5 percent higher	8,295	6,795
－ 下調5%	－ 5 percent lower	(8,295)	(6,795)

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理 (續)

3.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險

除銀行現金存款外，本集團並無其他重大計息資產。

本集團承受的利率變動風險主要來自借款。浮息借款使本集團承受現金流量利率風險。固息借款則令本集團承受公允價值利率風險。本集團並無對沖其現金流量或公允價值利率風險。利率及償還借款的條款於附註22披露。

由於預期銀行存款的利率不會出現大幅波動，管理層預期利率變動不會對計息資產產生重大影響。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Market risk (Cont'd)

(iii) *Cash flow and fair value interest rate risk*

Except for cash deposits in the bank, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 22.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理 (續)

3.1 市場風險 (續)

(iii) 現金流量和公允價值利率風險 (續)

於2013年和2012年12月31日，倘浮息借款利率上調／下調50個基點，而所有其他變量保持不變，則本集團截至2013年和2012年12月31日止年度的除稅後利潤和資本化利息變動如下：

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk (Cont'd)

As at 31 December 2013 and 2012, if interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest of the Group for the years ended 31 December 2013 and 2012 would have changed as follows:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 RMB'000 人民幣千元	2012年 2012 RMB'000 人民幣千元
除稅後利潤增加／(減少)	Post-tax profit increase/(decrease)		
－ 上調50個基點	－ 50 basis points higher	(6,361)	(4,814)
－ 下調50個基點	－ 50 basis points lower	6,361	4,814
資本化利息增加／(減少)	Capitalised interest increase/(decrease)		
－ 上調50個基點	－ 50 basis points higher	35,379	26,246
－ 下調50個基點	－ 50 basis points lower	(35,379)	(26,246)

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理 (續)

3.2 信貸風險

本集團並無重大集中信貸風險。合併資產負債表中列示的銀行存款和貿易和其他應收款項賬面值指本集團就其金融資產承受的最大信貸風險。

現金交易限於信貸質量較高的金融機構。下表載列於2013年和2012年12月31日的銀行存款結餘：

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Credit risk

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

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2013 and 2012:

		於12月31日 As at 31 December	
交易對手	Counter party	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
於中國四大國有銀行的存款	Deposits in the four major state-owned banks of the PRC	6,901,344	3,761,048
於中國其他上市銀行的存款	Deposits in other listed banks of the PRC	870,278	1,327,230
於其他銀行的存款	Deposits in other banks	521,408	899,831
		8,293,030	5,988,109

管理層預期不會因該等交易對手的不履約行為而產生任何虧損。

Management does not expect any losses from non-performance of these counterparties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理 (續)

3.2 信貸風險 (續)

本集團採取政策以確保物業銷售予財務狀況相對良好及能支付適當比例首期付款的買家。同時，倘買家拖欠付款，本集團有權取消銷售合同，並將相關物業投入市場重新銷售。因此，銷售物業產生的信貸風險有限。

其他應付款項主要包括於日常業務過程中應收關連方款項和按金。本集團密切監控這些其他應收款項以確保在面臨違約的風險時採取行動收回結餘。

3.3 流動資金風險

本集團管理層旨在從內部銷售所得款項及充足的承諾信貸融資維持足夠現金以滿足其物業項目的營運需求和承諾。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Credit risk (Cont'd)

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payment. Meanwhile, the Group has the right to cancel the sales contract in the event that the buyers default in payment, and put the underlying properties back to the market for re-sale. Therefore, the credit risk from sales of properties is limited.

Other receivables mainly comprise receivables from related parties and deposits made in the ordinary course of business. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

3 財務風險管理 (續)

3.3 信貸風險 (續)

下表乃根據於2013年及2012年12月31日至合同到期日的剩餘期間，按相關到期組別分析本集團金融負債。表內披露的金額為合同未貼現現金流量。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Liquidity risk (Cont'd)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2013 and 2012 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		一年以內 Within 1 year 人民幣千元 RMB'000	一至二年 Between 1 and 2 years 人民幣千元 RMB'000	二至五年 Between 2 and 5 years 人民幣千元 RMB'000	五年以上 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2013年12月31日	As at 31 December 2013					
借款本金 (附註22)	Borrowings, principal (Note 22)	2,174,501	4,043,500	6,983,880	740,000	13,941,881
支付借款利息	Interest payments on borrowings	976,258	764,017	647,021	83,629	2,470,925
貿易和其他應付款項	Trade and other payables	10,007,801	–	–	–	10,007,801
應付股息	Dividends payable	929	–	–	–	929
有關購買本集團物業而獲授 按揭額度的擔保 (附註37)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 37)	2,783,155	197,561	–	–	2,980,716
		15,942,644	5,005,078	7,630,901	823,629	29,402,252
於2012年12月31日	As at 31 December 2012					
借款本金 (附註22)	Borrowings, principal (Note 22)	5,130,436	2,700,670	1,359,000	450,000	9,640,106
支付借款利息	Interest payments on borrowings	586,905	261,389	201,499	67,328	1,117,121
貿易和其他應付款項	Trade and other payables	9,388,569	–	–	–	9,388,569
應付股息	Dividends payable	805	–	–	–	805
有關購買本集團物業而獲授 按揭額度的擔保 (附註37)	Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 37)	3,261,710	731,975	–	–	3,993,685
		18,368,425	3,694,034	1,560,499	517,328	24,140,286

附註： 借款利息沒有考慮到未來借貸，並且根據2013年和2012年12月31日所持借款計算。浮動利息分別使用2013年和2012年12月31日的當時利率估算。

Note: The interest on borrowings is calculated based on borrowings held as at 31 December 2013 and 2012 without taking into account future borrowings. Floating-rate interests are estimated using the current interest rate as at 31 December 2013 and 2012, respectively.

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3 財務風險管理 (續)

3.3 信貸風險 (續)

鑒於相關業務的動態性質，本集團的管理層會密切監控流動資金的風險並採取以下措施管理流動資金風險：

- i) 編製年度現金流量預測並按月更新該預測以反映最新變化及密切監控流動資金風險；
- ii) 與主要銀行和其他金融機構保持戰略合作關係以在適當時取得信貸額度；
- iii) 繼續取得長期融資信貸、附有抵押本集團物業的主要發行優先票據、項目銀行貸款或本集團視為適當的其他資金來源；
- iv) 積極推動銷售本集團竣工物業及預售在建物業。本集團亦會考慮靈活調整價格和銷量以管理流動資金風險。

3.4 資本風險管理

本集團的資本管理的目標乃為保障本集團能繼續營運，以為股東提供回報和維持最佳的資本結構以降低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、發行新股或出售資產以減少債務。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Liquidity risk (Cont'd)

Due to dynamic nature of the underlying business, the management of the Group is closely monitoring the risk of the liquidity and takes the following actions to manage the liquidity risk:

- i) prepares annual cash flow forecast and updates such forecast on a monthly basis to reflect the latest changes and monitor the liquidity risk closely;
- ii) maintains strategic cooperation with major banks and other financial institutions to secure credit facilities where appropriate;
- iii) continues to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of the Group's properties or other resources of funding which the Group considers appropriate;
- iv) proactively promotes the sales of the Group's completed properties and pre-sales of properties under development. The Group also considers the flexibility of adjusting the price and volume on sale of properties for management of liquidity risk.

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 財務風險管理 (續)

3.4 資本風險管理 (續)

本集團利用資產負債比率監察其資本。此比率按照債務淨額除以資本總額計算。債務淨額為借款總額減去現金和現金等價物。資本總額按合併資產負債表所列示的權益總額加上債務淨額計算。

於2013年和2012年12月31日，本集團資產負債比率如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
借款總額	Total borrowings	13,889,576	9,640,106
減：現金和現金等價物	Less: Cash and cash equivalents	(7,411,713)	(4,852,130)
債務淨額	Net debt	6,477,863	4,787,976
權益總額	Total equity	10,597,959	8,395,027
資本總額	Total capital	17,075,822	13,183,003
資產負債比率	Gearing ratio	38%	36%

資產負債比率於2013年12月31日增加，主要原因是借貸總額的結餘增加。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.4 Capital risk management (Cont'd)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios of the Group at 31 December 2013 and 2012 were as follows:

The increase in the gearing ratio as at 31 December 2013 resulted primarily from the increase in the balance of total borrowings.

合併財務報表附註

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4 公允價值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債的活躍市場報價（未經調整）（第一層）。
- 除第一層所包括的報價外，資產或負債的可直接（即如價格）或間接（即價格衍生品）觀察的輸入值（第二層）。
- 並非依據可觀察的市場數據而釐定的資產或負債的輸入值（即不可觀察輸入值）（第三層）。

本集團可供出售金融資產通過第三層按公允價值計量。

下表分別呈列本集團於2013年和2012年12月31日按公允價值計量的金融資產。請參閱附註8就投資物業按公允價值計量所作的披露。

4 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

The available-for-sale financial assets of the Group are measured at fair value by Level 3.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2013 and 2012 respectively. See Note 8 for disclosures of the investment properties that are measured at fair value.

		第一層 Level 1 人民幣千元 RMB'000	第二層 Level 2 人民幣千元 RMB'000	第三層 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
可供出售金融資產	Available-for-sale financial assets				
於2013年12月31日	At 31 December 2013	—	—	221,187	221,187
於2012年12月31日	At 31 December 2012	—	—	181,187	181,187

截至2013年和2012年12月31日止年度第三層工具出現的變動載於附註12。

The changes in Level 3 instruments for the years ended 31 December 2013 and 2012 are presented in Note 12.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

4 公允價值估計 (續)

在活躍市場中交易的金融工具之公允價值是以於資產負債表日的市場報價列賬。如果該報價可以容易地及規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或管理機構中獲得，並且這些報價是在真實、公平市場交易的基礎上定期呈現，該市場會被視為活躍。該工具計入第一層。

並非在活躍市場買賣的金融工具（例如場外衍生工具）公允價值以估值法釐定。該等估值法最大限度利用能獲取的可觀察市場數據而盡可能減少依賴實體的個體估計。倘計算工具公允價值需要的所有重要參數均為可觀察數據，則該工具計入第二層。

倘一項或多項重要參數並非基於可觀察市場數據，則該工具計入第三層。

4 FAIR VALUE ESTIMATION (Cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

5 重大會計估計及判斷

估計及判斷乃根據過往經驗及其他因素（包括在當時情況下對未來事件之合理預期）作持續評估。管理層就未來作出多項估計及假設。按其定義，就此產生之會計估計甚少相等於相關實際結果。具有導致於下一個財政年度內對資產及負債賬面值出現重大調整的主要風險的估計及假設於下文討論。

5.1 直接應佔物業開發活動的開發成本

本集團分配部份土地及開發成本至完工待售及在建銷售物業。由於本集團若干物業開發項目分若干期開發和完成，整個項目的預算開發成本取決於對總開發成果的估算。根據經驗和開發項目的性質，管理層就未來事項作出多項在當時情況下屬合理的估計及假設。鑒於物業開發活動涉及的不確定性因素，相關實際業績可能會高於或低於報告期末估算的金額。估計及假設出現任何變動將對本集團日後數年的經營表現產生影響。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

5 重大會計估計及判斷 (續)

5.2 完工待售或在建銷售物業的減值撥備

管理層根據完工待售或在建銷售物業的估計可收回金額對這些物業計提減值撥備。鑒於中國物業市場的波動性，實際可收回金額可能會高於或低於報告期末的估計。撥備的任何增加或減少將對本集團日後年度的經營表現產生影響。

5.3 中國土地增值稅

本集團需繳納中國土地增值稅。然而，由於有關稅項的實施及結算在中國各城市不同的稅務司法權區均有所不同，故須作出重大估計以釐定土地增值稅的金額。本集團根據管理層按其對多個稅務機關對稅務規則詮釋的理解作出的最佳估計，確認此等土地增值稅。最終稅款可能有別於最初錄得的金額，而有關差額將影響獲地方稅務機關確定該等稅項期間的所得稅開支。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

5.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

5.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant estimate is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the periods in which such taxes have been finalised with local tax authorities.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

5 重大會計估計及判斷 (續)

5.4 即期及遞延所得稅

本集團須繳納中國企業所得稅。在釐定企業所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘這些事宜最終所得稅務與最初錄得的款額有所差異，有關差額將會影響稅項釐定期間的所得稅開支。

倘管理層認為有可能日後會產生應課稅利潤以抵銷暫時性差異或稅務虧損，則確認此等暫時性差異及稅務虧損相關的遞延稅項資產。實際結果或會有所不同。

5.5 投資物業的公允價值

投資物業的公允價值乃採用估值方法釐定。有關判斷及假設已披露於附註8。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

5.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the income tax expense in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 8.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

5 重大會計估計及判斷 (續)

5.6 子公司、合營企業及聯營公司的分類

在正常業務過程中，本集團透過與其他發展商或機構訂立合作協議而與該等人士發展物業。本集團與其他各方的權利和義務在項目公司的相關合作協議、組織章程等訂明。由於安排複雜，故確定項目公司是否本集團子公司、合資公司或聯營公司需作出重大判斷。

本集團根據安排的實質內容及附註2.2、2.3及2.4披露子公司、合資企業及聯營公司的定義而作出判斷。

5.7 合營安排

本集團持有其合營安排的50%投票權。由於根據合約協議，全部相關活動須取得協議各方之一致同意，故此本集團對此項安排擁有共同控制權。

本集團合營安排的形式為有限公司，當中規定本集團及協議各方有權享有該等安排項下有限公司之資產淨值。因此，此項安排被歸類為合營企業。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

5.6 Classification of subsidiary, joint venture and associate

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, article of associations of the project companies, etc. Because of the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate of the Group.

The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in Notes 2.2, 2.3 and 2.4.

5.7 Joint arrangements

The Group holds 50% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

6 分部資料

管理層根據主要經營決策者審核的報告（用於作出戰略決策）釐定營運分部。王董事長被視為主要經營決策者。

本集團通過兩個營運分部管理業務，這與就資源分配和業績評估向本集團主要經營決策者內部呈報信息的方式一致。概無合併營運分部以形成以下可呈報分部：

- 江蘇新城地產股份有限公司，一家其境內上市外資股於上海證券交易所上市的公司（「B股公司」）。
- 不屬於B股公司的物業項目（「非B股公司」）。

B股公司主要從事住宅物業開發，而非B股公司主要從事多用途綜合樓開發。所有物業開發項目均位於中國，因此本集團的大部份收入來自中國，及大部份資產位於中國。

主要經營決策者根據除所得稅和投資物業公允價值收益前的收入和利潤的計量評估營運分部的業績。計量基準不包括所得稅開支及投資物業公允價值收益的影響。

6 SEGMENT INFORMATION

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

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Jiangsu Future Land Co., Ltd., a company listed on the Shanghai Stock Exchange with domestically listed foreign investment shares (the "B share company").
- Property projects not within the B share company (the "Non-B share companies").

The B share company is mainly engaged in development of residential properties, while the Non-B share companies are mainly engaged in development of mixed-use complexes. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax and fair value gains on investment properties. The measurement basis excludes the effects of income tax expense and fair value gains on investment properties.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

6 分部資料 (續)

6 SEGMENT INFORMATION (Cont'd)

截至2013年12月31日止年度
Year ended 31 December 2013

		B股公司 B share company 人民幣千元 RMB'000	非B股公司 Non-B share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	16,583,969	4,188,605	20,772,574	(1,319)	20,771,255
除投資物業公允價值 收益和所得稅開支 前分部利潤	Segment profit before fair value gains on investment properties and income tax expense	2,973,596	318,804	3,292,400	(93,773)	3,198,627
財務收入	Finance income	52,466	69,327	121,793	–	121,793
融資成本	Finance costs	(66,254)	(450,439)	(516,693)	–	(516,693)
折舊和攤銷	Depreciation and amortisation	(16,371)	(5,500)	(21,871)	–	(21,871)
應佔聯營公司業績	Share of results of an associated company	(11,422)	–	(11,422)	–	(11,422)

年度利潤對賬如下：

A reconciliation to profit for the year is as follows:

對銷後除投資物業 公允價值收益和 所得稅開支前的 分部利潤總額	Total segment profits before fair value gains on investment properties and income tax expense after elimination					3,198,627
投資物業公允價值收益	Fair value gains on investment properties					37,839
所得稅開支	Income tax expense					(1,519,329)
年度利潤	Profit for the year					1,717,137

於2013年12月31日
As at 31 December 2013

分部資產	Segment assets	33,886,077	13,334,828	47,220,905	(22,695)	47,198,210
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	43,468	–	43,468	–	43,468
於合資企業的投資	Investment in a joint venture	10,000	–	10,000	–	10,000
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	29,933	173,046	202,979	–	202,979
分部負債	Segment liabilities	27,005,135	9,617,811	36,622,946	(22,695)	36,600,251

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

6 分部資料 (續)

6 SEGMENT INFORMATION (Cont'd)

截至2012年12月31日止年度
Year ended 31 December 2012

		B股公司 B share company 人民幣千元 RMB'000	非B股公司 Non-B share companies 人民幣千元 RMB'000	分部合計 Total segment 人民幣千元 RMB'000	對銷 Elimination 人民幣千元 RMB'000	本集團合計 Total Group 人民幣千元 RMB'000
分部收入	Segment revenue	14,300,447	3,221,061	17,521,508	(4,242)	17,517,266
除投資物業公允價值 收益和所得稅開支 前的分部利潤總額	Segment profit before fair value gains on investment properties and income tax expense	2,336,309	497,652	2,833,961	(46,886)	2,787,075
財務收入	Finance income	39,759	8,293	48,052	–	48,052
融資成本	Finance costs	(51,199)	(108,513)	(159,712)	–	(159,712)
折舊和攤銷	Depreciation and amortisation	(15,458)	(6,050)	(21,508)	–	(21,508)
應佔聯營公司業績	Share of results of an associated company	(5,110)	–	(5,110)	–	(5,110)

年度利潤對賬如下：

A reconciliation to profit for the year is as follows:

對銷後除投資物業 公允價值收益和 所得稅開支前的 分部利潤總額	Total segment profits before fair value gains on investment properties and income tax expense after elimination					2,787,075
投資物業公允價值收益	Fair value gains on investment properties					31,086
所得稅開支	Income tax expense					(1,232,777)
年度利潤	Profit for the year					1,585,384

於2012年12月31日
As at 31 December 2012

分部資產	Segment assets	29,280,647	11,581,191	40,861,838	(18,295)	40,843,543
分部資產包括：	Segment assets include:					
於聯營公司的投資	Investments in associates	229,890	–	229,890	–	229,890
添置非流動資產 (除金融工具和 遞延稅項資產)	Additions to non-current assets (other than financial instruments and deferred tax assets)	15,590	640,106	655,696	–	655,696
分部負債	Segment liabilities	23,904,212	8,562,599	32,466,811	(18,295)	32,448,516

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

7 物業、廠房和設備

本集團

7 PROPERTY, PLANT AND EQUIPMENT

Group

		樓宇 Buildings 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	傢俬、裝置 及設備 Furniture, fittings and equipment 人民幣千元 RMB'000	租賃 物業裝修 Leasehold improvements 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013					
成本	Cost	59,320	29,297	37,152	48,946	174,715
累計折舊	Accumulated depreciation	(6,307)	(13,166)	(14,881)	(23,287)	(57,641)
賬面淨值	Net book value	53,013	16,131	22,271	25,659	117,074
截至2013年12月31日止年度	Year ended 31 December 2013					
年初賬面淨值	Opening net book amount	53,013	16,131	22,271	25,659	117,074
添置	Additions	–	12,221	12,884	9,326	34,431
出售 (附註35)	Disposals (Note 35)	(113)	(1,121)	(397)	(14,412)	(16,043)
折舊費用 (附註28)	Depreciation charge (Note 28)	(1,895)	(2,538)	(6,917)	(8,103)	(19,453)
年末賬面淨值	Closing net book amount	51,005	24,693	27,841	12,470	116,009
於2013年12月31日	At 31 December 2013					
成本	Cost	59,138	37,024	46,998	32,620	175,780
累計折舊	Accumulated depreciation	(8,133)	(12,331)	(19,157)	(20,150)	(59,771)
賬面淨值	Net book value	51,005	24,693	27,841	12,470	116,009
於2012年1月1日	At 1 January 2012					
成本	Cost	59,805	28,983	27,104	39,621	155,513
累計折舊	Accumulated depreciation	(4,555)	(10,876)	(9,783)	(13,283)	(38,497)
賬面淨值	Net book value	55,250	18,107	17,321	26,338	117,016
截至2012年12月31日止年度	Year ended 31 December 2012					
年初賬面淨值	Opening net book amount	55,250	18,107	17,321	26,338	117,016
添置	Additions	–	859	10,741	9,325	20,925
出售 (附註35)	Disposals (Note 35)	(327)	(92)	(471)	–	(890)
折舊費用 (附註28)	Depreciation charge (Note 28)	(1,910)	(2,743)	(5,320)	(10,004)	(19,977)
年末賬面淨值	Closing net book amount	53,013	16,131	22,271	25,659	117,074
於2012年12月31日	At 31 December 2012					
成本	Cost	59,320	29,297	37,152	48,946	174,715
累計折舊	Accumulated depreciation	(6,307)	(13,166)	(14,881)	(23,287)	(57,641)
賬面淨值	Net book value	53,013	16,131	22,271	25,659	117,074

截至2013年及2012年12月31日止年度，本集團物業、廠房和設備的折舊費用已悉數計入行政開支或營銷成本。

於2013年12月31日，賬面總值為人民幣42,332,000元（2012年：無）的物業、廠房和設備已抵押作本集團借款的抵押品（附註22）。

The Group's depreciation charges of property, plant and equipment have all been included in administrative expenses or selling and marketing costs for the years ended 31 December 2013 and 2012.

Property, plant and equipment with a total carrying amount of RMB42,332,000 as at 31 December 2013 (2012: Nil) were pledged as collateral for the Group's borrowings (Note 22).

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

8 投資物業

		竣工 Completed 人民幣千元 RMB'000	開發中 Under development 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013	3,105,600	–	3,105,600
添置	Additions	35,736	127,825	163,561
公允價值收益	Fair value gains	9,664	28,175	37,839
於2013年12月31日	At 31 December 2013	3,151,000	156,000	3,307,000
於2012年1月1日	At 1 January 2012	4,200	2,439,000	2,443,200
添置	Additions	–	631,314	631,314
項目竣工(a)	Completion of projects (a)	3,070,314	(3,070,314)	–
公允價值收益	Fair value gains	31,086	–	31,086
於2012年12月31日	At 31 December 2012	3,105,600	–	3,105,600

(a) 用作投資物業的部份吾悅廣場一期及吾悅國際廣場已分別於2012年3月及12月竣工。

(a) The portion of Phase I of Injoy Plaza and Injoy International Plaza used as investment properties were completed in March and December 2012, respectively.

截至2013年12月31日止年度，概無撥入投資物業的資本化借貸成本（2012年：人民幣80,006,000元，資本化率為11.06%）。

No borrowing costs were capitalised in investment properties for the year ended 31 December 2013 (2012: RMB80,006,000 with capitalisation rate of 11.06%).

公允價值分層

本集團所有投資物業的公允價值均以第三層計量，有重大不可觀察輸入資料。

Fair value hierarchy

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

年內並無在第一、二及三層之間轉移。

There were no transfers between Level 1, 2 and 3 during the year.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8 投資物業 (續)

使用重大不可觀察輸入值 (第3層) 進行公允價值計量

8 INVESTMENT PROPERTIES (Cont'd)

Fair value measurements using significant unobservable inputs (Level 3)

		IP1 IP1	IP2 IP2	IP3 IP3	其他 Other	合計 Total
		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	人民幣千元 RMB'000
期初結餘	Opening balance	1,685,000	1,416,400	–	4,200	3,105,600
添置	Additions	–	–	127,825	–	127,825
資本化其後開支	Capitalised subsequent expenditure	–	35,736	–	–	35,736
來自公允價值 調整的淨收益	Net gains from fair value adjustment	5,000	4,664	28,175	–	37,839
期末結餘	Closing balance	1,690,000	1,456,800	156,000	4,200	3,307,000

本集團的估值過程

所有投資物業於2013年及2012年12月31日由獨立專業合資格估值師戴德梁行有限公司進行重估。

本集團的財務部將會審閱獨立估值師所進行的估值，包括：

- 查核獨立估值報告內的所有重要輸入值；
- 與上一年度的估值報告進行比較時評估物業估值變動；
- 與獨立估值師進行討論。

Valuation processes of the Group

All investment properties were revalued as at 31 December 2013 and 2012 by DTZ Debenham Tie Leung Limited, and independent professional qualified valuer.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

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8 投資物業 (續)

估值方法

本集團的投資物業主要包括吾悅國際廣場的部份物業 (「IP1」)、吾悅廣場一期的部份物業 (「IP2」) 及吳江吾悅廣場三期的部分物業 (「IP3」)。IP1及IP2均位於中國江蘇省常州市並分別於2012年12月及3月竣工。IP3位於中國江蘇省蘇州市，將於2015年底前竣工。IP1、IP2和IP3的總建築面積分別為142,556平方米 (包括39,879平方米的車庫)、163,526平方米 (包括21,300平方米的車庫) 以及171,651平方米 (包括62,450平方米的車庫及地下配套設施)。

本集團就在建的投資物業採取投資法，並計及所用的建設成本及完成該開發項目將產生的成本以反映已竣工開發項目的質量，依據是該物業將根據本集團最近開發計劃予以開發和完成。就已竣工投資物業而言，估值乃根據投資法透過將來自現有租約的淨租金收入 (在計及物業未來可享有的潛在收入增長後) 作出資本化計算，並經參考於活躍市場上的比較價格後作出。

年內估值方法並無變動。

8 INVESTMENT PROPERTIES (Cont'd)

Valuation techniques

The Group's investment properties comprise mainly a portion of Injoy International Plaza ("IP1"), a portion of Phase I of Injoy Plaza ("IP2") and a portion of Phase III of Wujiang Injoy Plaza ("IP3"). IP1 and IP2 are both located in Changzhou, Jiangsu Province, the PRC, and were completed in December and March 2012, respectively. IP3 is located in Suzhou, Jiangsu Province, the PRC, and will be completed by end of 2015. Total gross floor area of IP1, IP2 and IP3 are 142,556 square meters (including car parks of 39,879 square metres), 163,526 square meters (including car parks of 21,300 square metres) and 171,651 square meters (including car parks and underground ancillaries of 62,450 square metres) respectively.

For investment properties under construction, the Group adopted investment approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market.

There were no changes to the valuation techniques during the year.

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8 投資物業 (續)

有關使用重大不可觀察輸入值 (第3層) 進行公允價值計量的資料：

8 INVESTMENT PROPERTIES (Cont'd)

Information about fair value measurements using significant unobservable inputs (Level 3):

說明	於2013年 12月31日 的公平值 Fair value at 31 December 2013 (人民幣千元) (RMB'000)	估值方法	不可觀察輸入值	不可觀察輸入值 (加權平均數) 的範圍	不可觀察輸入值與 公允價值的關係
Description		Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
IP1	1,690,000	投資法 Investment approach	租期收益率 Term yield	經計及可資比較物業的收益率及反映所擔保及將收取租期收入的確定性的調整，租期收益率為4.5%-5.5%(5.4%)。 Term yield of 4.5%-5.5% (5.4%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	租期收益率越高， 公允價值越低 The higher the term yield, the lower the fair value
			復歸收益率 Reversionary yield	經計及可資比較物業的年度單位市場租金收入及單位市場價值，復歸收益率為5.5%-6.5%(6.4%)。 Reversionary yield of 5.5%-6.5% (6.4%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高， 公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣50元／平方米至每月人民幣317元／平方米。(每月人民幣96元／平方米) RMB50 – RMB317 per square meter per month (RMB 96 per square meter per month)	市場單位租金越高， 公允價值越高 The higher the market unit rent, the higher the fair value

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8 投資物業 (續)

8 INVESTMENT PROPERTIES (Cont'd)

說明	於2013年 12月31日 的公平值 Fair value at 31 December 2013 (人民幣千元) (RMB'000)	估值方法	不可觀察輸入值	不可觀察輸入值 (加權平均數) 的範圍	不可觀察輸入值與 公允價值的關係
Description		Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
IP2	1,456,800	投資法 Investment approach	租期收益率 Term yield	經計及可資比較物業的收益率及反映所擔保及將收取租期收入的確定性的調整，租期收益率為4.5%-5.5%(5.1%)。 Term yield of 4.5% – 5.5%(5.1%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	租期收益率越高，公允價值越低 The higher the term yield, the lower the fair value
			復歸收益率 Reversionary yield	經計及可資比較物業的年度單位市場租金收入及單位市場價值，復歸收益率為5.5%-6.5%(6.3%)。 Reversionary yield of 5.5% – 6.5%(6.3%), taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高，公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣30元／平方米至每月人民幣163元／平方米。(每月人民幣57元／平方米) RMB30 – RMB163 per square meter per month (RMB57 per square meter per month)	市場單位租金越高，公允價值越高 The higher the reversionary yield, the lower the fair value

合併財務報表附註

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8 投資物業 (續)

8 INVESTMENT PROPERTIES (Cont'd)

說明	於2013年 12月31日 的公平值	估值方法	不可觀察輸入值	不可觀察輸入值 (加權平均數) 的範圍	不可觀察輸入值與 公允價值的關係
Description	Fair value at 31 December 2013 (人民幣千元)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
IP3	156,000	投資法，有至竣工的 估計成本 Investment approach with estimated costs to complete	收益率 Reversionary yield	經計及可資比較物業的年度單位市場 租金收入及單位市場價值，復歸收 益率為7%。 Reversionary yield of 7%, taking into account annual unit market rental income and unit market value of the comparable properties.	復歸收益率越高， 公允價值越低 The higher the reversionary yield, the lower the fair value
			各單位的市場單位 租金 Market unit rent of individual unit	每月人民幣33元／平方米至每月人民 幣135元／平方米。(每月人民幣45 元／平方米) RMB33 – RMB135 per square meter per month (RMB45 per square meter per month)	復歸收益率越高， 公允價值越低 The higher the market unit rent, the higher the fair value
			至竣工的估計建設 成本 Estimated construction costs to completion	人民幣548,288,000元 RMB548,288,000	估計建設成本越高， 公允價值越低 The higher the estimated construction costs, the lower the fair value
			持有及發展物業至 竣工所需的估計 利潤率 Estimated profit margin required to hold and develop property to completion	物業價值的20% 20% of property value	所需利潤率越高，公允價值越 低 The higher the profit margin required, the lower the fair value

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8 投資物業 (續)

租金單價乃視乎實際位置、物業類型和質量，並計及估值日期的市場數據和預測而估算。本集團於估算收益率時計及市場數據。已產生的建設成本以會計記錄中所述的已產生的實際成本為基準，而將產生的建設成本以建築物業的最新預算為基準。

倘假設將產生的租金單價、收益率和建設成本較管理層的預測數據增加或減少10%，於2013年和2012年12月31日之投資物業的賬面值將變動如下：

8 INVESTMENT PROPERTIES (Cont'd)

The rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date. The Group considers the market data when estimating the yield rate. Construction costs incurred are based on the actual costs incurred as reflected in the accounting records, while the construction costs to incur are based on the most updated budget for the construction of the properties.

Were the rental rate, yield rate and the construction costs to incur assumed to increase or decrease by 10% from management's estimate, the carrying amount of investment properties as at 31 December 2013 and 2012 would have changed as follows:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 租金單價增加10%	－ 10 percent rental rate higher	292,594	232,688
－ 租金單價減少10%	－ 10 percent rental rate lower	(294,723)	(225,982)
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 所用收益率增加10%	－ 10 percent yield rate used higher	(253,566)	(199,859)
－ 所用收益率減少10%	－ 10 percent yield rate used lower	283,968	233,448
投資物業增加／(減少)	Investment properties increase/(decrease)		
－ 將產生的建設成本增加10%	－ 10 percent construction costs to incur higher	(49,258)	不適用 N/A
－ 將產生的建設成本減少10%	－ 10 percent construction costs to incur lower	49,258	不適用 N/A

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8 投資物業 (續)

就已竣工物業而言，估值乃透過將現有租約的未來淨租金收入（在計及物業未來可享有的潛在收入增長後）作出資本化計算或運用直接比較法，假設各項物業按現有狀況交吉出售，並參考有關市場的可比較銷售交易作出。下列已竣工投資物業租金收入已於合併利潤表內確認：

8 INVESTMENT PROPERTIES (Cont'd)

For completed properties, valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market. The following rental income from completed investment properties has been recognised in the consolidated statement of income:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
租金收入	Rental income	81,110	23,634

本集團於投資物業的權益按其賬面淨值分析如下：

The Group's interests in investment properties at their net book values are analysed as follows:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
在中國， 按原本40年租約持有（而於2013年 12月31日，餘下未到期年期為 33及36年）	In the PRC, held on: Leases with original term of 40 years (and remaining unexpired period of 33 years and 36 years as at 31 December 2013)	3,302,800	3,101,400
按原本70年租約持有（而於2013年 12月31日，餘下未到期年期為 54年）	Leases with original term of 70 years (and remaining unexpired period of 54 years as at 31 December 2013)	4,200	4,200
		3,307,000	3,105,600

於2013年12月31日，賬面總值約為人民幣3,236,563,000元（2012年：人民幣1,416,400,000元）的投資物業已抵押作本集團借款的抵押品（附註22）。

Investment properties with a total carrying amount of RMB3,236,563,000 as at 31 December 2013 (2012: RMB1,416,400,000) were pledged as collateral for the Group's borrowings (Note 22).

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9 無形資產

本集團

9 INTANGIBLE ASSETS

Group

		商標 Trademarks 人民幣千元 RMB'000	電腦軟件 Computer software 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013			
成本	Cost	800	11,895	12,695
累計攤銷	Accumulated amortisation	(747)	(4,681)	(5,428)
賬面淨值	Net book amount	53	7,214	7,267
截至2013年12月31日止年度	Year ended 31 December 2013			
年初賬面淨值	Opening net book amount	53	7,214	7,267
添置	Additions	–	4,987	4,987
攤銷費用(附註28)	Amortisation charge (Note 28)	(53)	(2,365)	(2,418)
年末賬面淨值	Closing net book amount	–	9,836	9,836
於2013年12月31日	At 31 December 2013			
成本	Cost	800	16,882	17,682
累計攤銷	Accumulated amortisation	(800)	(7,046)	(7,846)
賬面淨值	Net book amount	–	9,836	9,836
於2012年1月1日	At 1 January 2012			
成本	Cost	800	8,438	9,238
累計折舊	Accumulated amortisation	(667)	(3,230)	(3,897)
賬面淨值	Net book amount	133	5,208	5,341
截至2012年12月31日止年度	Year ended 31 December 2012			
年初賬面淨值	Opening net book amount	133	5,208	5,341
添置	Additions	–	3,457	3,457
攤銷費用(附註28)	Amortisation charge (Note 28)	(80)	(1,451)	(1,531)
年末賬面淨值	Closing net book amount	53	7,214	7,267
於2012年12月31日	At 31 December 2012			
成本	Cost	800	11,895	12,695
累計攤銷	Accumulated amortisation	(747)	(4,681)	(5,428)
賬面淨值	Net book amount	53	7,214	7,267

截至2013年及2012年12月31日止年度，本集團無形資產的攤銷費用已悉數計入行政開支。

The Group's amortisation charges of intangible assets have all been included in administrative expenses for the years ended 31 December 2013 and 2012.

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10 於聯營公司的投資 — 本集團

10 INVESTMENTS IN ASSOCIATES – GROUP

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
期初結餘	Opening balance	229,890	235,000
— 於Shanghai Lan Tian Business Development Property Co., Ltd. (「Shanghai Lan Tian」) 的投資(a)	— Investment in Shanghai Lan Tian Business Development Property Co., Ltd. (“Shanghai Lan Tian”) (a)	10,000	10,000
— 於上海萬之城房地產開發有限公司 (「上海萬之城」) 的投資(b)	— Investment in Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (“Shanghai Wan Zhi Cheng”) (b)	219,890	225,000
減少	Deductions		
— 於上海萬之城的投資(b)	— Investment in Shanghai Wan Zhi Cheng (b)	(175,000)	—
應佔業績	Share of results		
— 上海萬之城(b)	— Shanghai Wan Zhi Cheng (b)	(11,422)	(5,110)
期末結餘	Ending balance	43,468	229,890
— 於Shanghai Lan Tian Business Development Property Co., Ltd. 的投資(a)	— Investment in Shanghai Lan Tian Business Development Property Co., Ltd. (a)	10,000	10,000
— 於上海萬之城房地產開發有限公司的投資(b)	— Investment in Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. (b)	33,468	219,890

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10 於聯營公司的投資 — 本集團 (續)

- (a) Shanghai Lan Tian在2010年8月4日成立。本集團擁有該公司20%的股權。

本集團應佔Shanghai Lan Tian的業績以及資產和負債總額列示如下：

10 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

- (a) Shanghai Lan Tian was established on 4 August 2010. The Group owns 20% of equity interest in this company.

The Group's share of results and the aggregated assets and liabilities of Shanghai Lan Tian are as follows:

		所持權益百分比 % interests held	總資產 Total assets 人民幣千元 RMB'000	總負債 Total liabilities 人民幣千元 RMB'000	總收入 Total revenue 人民幣千元 RMB'000	淨(虧損)/利潤 Net (loss)/profit 人民幣千元 RMB'000
於及截至2013年12月31日止年度	As at and for the year ended 31 December 2013	20%	10,053	–	–	(4)
於及截至2012年12月31日止年度	As at and for the year ended 31 December 2012	20%	10,057	–	–	15

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截至2013年12月31日止年度 For the year ended 31 December 2013

10 於聯營公司的投資 — 本集團 (續)

- (b) 上海萬之城在2011年3月29日成立。本集團擁有該公司50%的股權。於2013年，上海萬之城減資350,000,000元。相應地，本集團由該公司收回人民幣175,000,000元，並將其沖減於聯營企業的投資。

本集團應佔上海萬之城的業績以及資產和負債總額列示如下：

		所持權益 百分比 % interests held	總資產 Total assets 人民幣千元 RMB'000	總負債 Total liabilities 人民幣千元 RMB'000	總收入 Total revenue 人民幣千元 RMB'000	淨虧損 Net loss 人民幣千元 RMB'000
於及截至2013年12月31日止年度	As at and for the year ended 31 December 2013	50%	869,630	836,162	458,157	11,422
於及截至2012年12月31日止年度	As at and for the year ended 31 December 2012	50%	859,407	639,975	—	5,110

儘管本集團持有上海萬之城50%的股權，但本集團將其於上海萬之城的投資列作聯營公司核算。根據與上海萬之城其他50%股權持有人訂立的合同，其他投資者以大多數董事會席位和其他合約權利控制上海萬之城。然而，本集團可對上海萬之城施加重大影響。

董事認為，概無對本集團而言屬重大的聯營公司。

10 INVESTMENTS IN ASSOCIATES – GROUP (Cont'd)

- (b) Shanghai Wan Zhi Cheng was established on 29 March 2011. The Group owns 50% of equity interest in this company. In 2013, Shanghai Wan Zhi Cheng reduced its paid in capital by RMB350,000,000 and accordingly the Group received RMB175,000,000 from the company and recorded it as a reduction of investment in an associate.

The Group's share of results and the aggregated assets and liabilities of Shanghai Wan Zhi Cheng are as follows:

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

In the opinion of the directors, there is no associate, which is material to the Group.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

11 於合營企業的投資 — 本集團

11 INVESTMENTS IN A JOINT VENTURE – GROUP

		截至2013年 12月31日止年度 Year ended 31 December 2013 人民幣千元 RMB'000
向合營企業注資及期末結餘	Capital injection to a joint venture and ending balance	
— 投資於上海新城旭地房地產有限公司 (「上海旭地」) (a)	— Investment in Shanghai Xincheng Xudi Real Estate Co., Ltd. ("Shanghai Xudi") (a)	10,000

附註： 概無任何與本集團於合營企業權益有關的或然負債。

Note: There are no contingent liabilities relating to the Group's interest in the joint venture.

(a) 上海旭地在2013年10月11日成立。本集團擁有該公司50%權益。

(a) Shanghai Xudi was established on 11 October 2013. The Group owns 50% of equity interest in this company.

本集團應佔上海旭地的業績以及資產和負債總額列示如下：

The Group's share of results and the aggregated assets and liabilities of Shanghai Xudi are as follows:

		所持 權益百分比 % interests held	總資產 Total assets 人民幣千元 RMB'000	總負債 Total liabilities 人民幣千元 RMB'000	總收入 Total revenue 人民幣千元 RMB'000	淨虧損 Net loss 人民幣千元 RMB'000
於及截至2013年12月31日 止年度	As at and for the year ended 31 December 2013	50%	372,523	362,565	—	42

董事認為，上海旭地對本集團而言並非屬重大。

In the opinion of the directors, Shanghai Xudi is not material to the Group.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

12 可供出售金融資產

本集團

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
期初結餘	Opening balance	181,187	156,000 (a)
收購	Acquisitions	40,000 (c,d)	25,187 (b,c,d)
期末結餘	Ending balance	221,187	181,187

(a) 於2010年9月2日，本集團以代價人民幣156,000,000元收購蘇州銀行1%的股權。此項金融資產分別於2013年及2012年12月31日的公允價值相對收購成本並無重大變動。

(b) 於2012年4月10日，本集團以代價人民幣5,187,000元收購Shanghai Jingying Investment Management Limited Partnership 6.19%的股權。此項金融資產於2013年12月31日的公允價值相對收購成本並無重大變動。

(c) 於2012年10月15日，本集團以代價人民幣50,000,000元（人民幣20,000,000元及人民幣15,000,000元款項已分別於截至2013年及2012年12月31日止年度內支付）收購Shanghai Wuling Investment Management Limited Partnership 5.26%的股權。此項金融資產於2013年12月31日的公允價值相對收購成本並無重大變動。

(d) 於2012年11月2日，本集團以代價人民幣25,000,000元（人民幣20,000,000元及人民幣5,000,000元款項已分別於截至2013年及2012年12月31日止年度內支付）收購Gefei Assets Management Limited Partnership 2.72%的股權。此項金融資產於2013年12月31日的公允價值相對收購成本並無重大變動。

12 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
期初結餘	Opening balance	181,187	156,000 (a)
收購	Acquisitions	40,000 (c,d)	25,187 (b,c,d)
期末結餘	Ending balance	221,187	181,187

(a) On 2 September 2010, the Group acquired 1% equity interest in Bank of Suzhou at a consideration of RMB156,000,000. There is no significant change in fair value of the financial asset as at 31 December 2013 and 2012, respectively from the acquisition cost.

(b) On 10 April 2012, the Group acquired 6.19% equity interest in Shanghai Jingying Investment Management Limited Partnership at a consideration of RMB5,187,000. There is no significant change in fair value of the financial asset as at 31 December 2013 from the acquisition cost.

(c) On 15 October 2012, the Group acquired 5.26% equity interest in Shanghai Wuling Investment Management Limited Partnership at a consideration of RMB50,000,000, with an amount of RMB20,000,000 and RMB15,000,000 already paid during the year ended 31 December 2013 and 2012 respectively. There is no significant change in fair value of the financial asset as at 31 December 2013 from the acquisition cost.

(d) On 2 November 2012, the Group acquired 2.72% equity interest in Gefei Assets Management Limited Partnership at a consideration of RMB25,000,000, with an amount of RMB20,000,000 and RMB5,000,000 already paid during the year ended 31 December 2013 and 2012 respectively. There is no significant change in fair value of the financial asset as at 31 December 2013 from the acquisition cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

13 土地使用權 — 本集團

此餘額為一項待場地取得所需批准重新規劃作商業用途後將用於物業開發並銷售的土地使用權。於2013年12月31日，賬面總值為人民幣367,248,000元的土地使用權已抵押作本集團借款的抵押品（附註22）。

14 租賃土地預付款項 — 本集團

本集團於截至2013年12月31日預付人民幣3,285,498,000元用於購買租賃土地使用權（2012年：人民幣4,313,847,000元）。

15 完工待售或在建銷售物業

本集團

將予開發的租賃土地	Leasehold land to be developed
在建銷售物業	Properties under development for sale
完工待售物業	Properties held for sale
減：減值虧損撥備	Less: Provision for impairment loss

13 LAND USE RIGHTS – GROUP

The balance represents land use rights to be used for development of properties for sale in the future upon obtaining the necessary approval to re-zone the site for commercial use. As at 31 December 2013, land use rights with a total carrying amount of RMB367,248,000 were pledged as collateral for the Group's borrowings (Note 22).

14 PREPAYMENTS FOR LEASEHOLD LAND – GROUP

The Group made prepayments of RMB3,285,498,000 for the acquisition of leasehold land as at 31 December 2013 (2012: RMB4,313,847,000).

15 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

Group

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
將予開發的租賃土地	Leasehold land to be developed	1,548,783	1,518,738
在建銷售物業	Properties under development for sale	19,493,659	17,089,398
完工待售物業	Properties held for sale	7,954,743	6,235,028
		28,997,185	24,843,164
減：減值虧損撥備	Less: Provision for impairment loss	(268,221)	(349,412)
		28,728,964	24,493,752

完工待售或在建銷售物業均位於中國。

截至2013年12月31日止年度，於完工待售和在建銷售物業中資本化的借款成本約為人民幣682,958,807元（2012年：人民幣776,028,000元）。

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

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2013 were approximately RMB682,958,807 (2012: RMB776,028,000).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

15 完工待售或在建銷售物業 (續)

截至2013年12月31日止年度，借款資本化率為7.37% (2012年：9.71%)。

於2013年及2012年12月31日，本集團以下將予開發的租賃土地、在建銷售物業和完工待售物業已抵押作本集團借款的抵押品 (附註22)。

15 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (Cont'd)

The capitalisation rate of borrowings was 7.37% for the year ended 31 December 2013 (2012: 9.71%).

As at 31 December 2013 and 2012, the Group's following leasehold land to be developed, properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 22).

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
已抵押的賬面值：	Carrying value pledged:		
將予開發的租賃土地	Leasehold land to be developed	322,704	642,204
在建銷售物業	Properties under development for sale	8,628,317	7,234,330
完工待售物業	Properties held for sale	768,023	931,768

截至2013年12月31日止年度，確認為開支及計入銷售成本的完工待售物業成本為人民幣14,803,610,000元 (2012年：人民幣12,575,554,000元)，連帶撥回的減值撥備人民幣160,779,000元 (2012年：撥回人民幣132,988,000元) 已貸記入銷售成本。

於2013年12月31日，總賬面值為人民幣6,600,726,000元 (2012年：人民幣6,205,262,000元) 的在建銷售物業與不預期於一年內竣工的物業項目相關，儘管可能會預售若干此等物業。所有在建租賃土地不預期於一年內竣工。完工待售或在建銷售物業的其他結餘預計可於一年內變賣。

For the year ended 31 December 2013, the cost of properties held for sale recognised as expense and included in cost of sales amounted to RMB14,803,610,000 (2012: RMB12,575,554,000), accompanying by a reversal of provision for impairment of RMB160,779,000 (2012: reversal of RMB132,988,000) credited to cost of sales.

As at 31 December 2013, properties under development for sale with a total carrying amount of RMB6,600,726,000 (2012: RMB6,205,262,000) were related to property projects which were not scheduled to complete within one year although pre-sales of some of these properties may occur. All the leasehold land to be developed were not scheduled to complete within one year. The other balances in properties held or under development for sale were expected to be recovered within one year.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

16 貿易和其他應收款項及預付款項

本集團

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Group

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
貿易應收款項	Trade receivables	2,250	3,265
應收票據	Notes receivable	4,400	300
貿易應收款項合計	Total trade receivables	6,650	3,565
減：應收款項減值撥備	Less: Provision for impairment of receivables	–	–
貿易應收款項 – 淨額	Trade receivables – net	6,650	3,565
預付營業稅和附加費(a)	Prepaid business tax and surcharges (a)	567,828	645,416
預付所得稅和土地增值稅(a)	Prepaid income tax and land appreciation tax (a)	382,333	377,514
應收關連方款項(附註39)	Receivable from a related party (Notes 39)	362,565	180,000
投標保證金(b)	Tender deposits (b)	276,420	196,190
預付建設成本	Prepayments for construction costs	157,406	89,491
信託融資安排的保證金(c)	Deposit for trust financing arrangement (c)	125,000	–
於住房公積金中心的按金(d)	Deposits with public housing fund centres (d)	122,920	116,989
項目適時建設保證金(e)	Deposits for timely project construction (e)	101,125	–
物業維護保證金(f)	Deposits for property maintenance (f)	73,538	–
與出售子公司有關的應收款項	Receivable in connection with the disposal of a subsidiary	35,156	–
其他	Others	100,428	57,101
		2,311,369	1,666,266
減：其他應收款項的非即期部份(c、f)	Less: Non-current portion of other receivables (c, f)	(198,538)	–
即期部份	Current portion	2,112,831	1,666,266

貿易應收款項主要來自物業銷售和投資物業租賃。物業銷售的所得款項一般於簽訂有關買賣協議後三個月內收取，而物業租賃的租金一般預先收取。

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16 貿易和其他應收款項及預付款項 (續)

- (a) 營業稅、附加費和土地增值稅於本集團收到客戶預付款時預徵收，此等預付稅項於相關收入確認前列作預付款項。此外，在計算應課稅收入時，按本集團收到的預付款的5%至15%計算的預計利潤需計入會計收入，據此預付的所得稅同樣列作預付款項。
- (b) 此結餘為土地使用權競標的投標保證金，將於其後收回或轉撥至租賃土地預付款項。
- (c) 本集團就其子公司能獲得循環信託融資向Jiangsu International Trust Co., Ltd存入保證金人民幣125,000,000元。於2013年12月31日，該等子公司已向Jiangsu International Trust Co., Ltd悉數償還全部信託融資，保證金將於2015年退回。
- (d) 此結餘為向住房公積金中心支付的按金以擔保本集團若干購房者的住房公積金貸款。這些按金將於政府部門發出物業所有權證至這些購房者並向住房公積金中心提交時予以解除。
- (e) 該項結餘為項目的適時建設保證金，將隨後於項目建設過程中收回，並預計在未來12個月內收回。
- (f) 該項結餘為首次交付有關物業時支付的物業維護保證金，將於其後的十年內收回。

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

- (a) Business tax, surcharges and land appreciation tax are provisionally levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by the Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.
- (b) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (c) The Group deposited RMB125,000,000 in Jiangsu International Trust Co., Ltd. for revolving trust financing to its subsidiaries. As at 31 December 2013, the subsidiaries had repaid all the trust financing to Jiangsu International Trust Co., Ltd. and the deposit will be refunded in 2015.
- (d) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.
- (e) This balance represents the deposits for timely project construction, which will be subsequently received in the course of construction and are expected to be recovered in the next 12 months.
- (f) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

16 貿易和其他應收款項及預付款項 (續)

貿易應收款項於2013年及2012年12月31日的賬齡分析如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一年內	Less than 1 year	6,650	2,555
一至二年	Between 1 and 2 years	—	—
二至三年	Between 2 and 3 years	—	—
三年以上	Over 3 years	—	1,010
		6,650	3,565

於2013年和2012年12月31日承受的最大信貸風險是上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2013年和2012年12月31日，貿易和其他應收款項的公允價值與其賬面值相若。

於2013年和2012年12月31日，貿易和其他應收款項及預付款項的賬面值主要以人民幣計值。

本公司

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The aging analysis of trade receivables as at 31 December 2013 and 2012 are as follows:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一年內	Less than 1 year	6,650	2,555
一至二年	Between 1 and 2 years	—	—
二至三年	Between 2 and 3 years	—	—
三年以上	Over 3 years	—	1,010
		6,650	3,565

The maximum exposure to credit risk at 31 December 2013 and 2012 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2013 and 2012, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2013 and 2012, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

Company

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
應收關連方款項 (附註39)	Receivables from related parties (Notes 39)	3,832,174	717,847
其他應收賬款	Other receivables	2,294	570
		3,834,468	718,417

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16 貿易和其他應收款項及預付款項 (續)

應收關連方款項和其他應收款項賬齡分析全部在1年內。

應收關連方款項和其他應收款項的公允價值與賬面值相若。

應收子公司款項為免息、無抵押及無特定還款期。本公司的意向為應收子公司的款項只會於子公司擁有現金盈餘時才會收回。

應收關連方款項和其他應收款項賬面值以下列貨幣計值：

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The aging of the receivables from related parties and other receivables are all within 1 year.

The fair value of the receivables from related parties and other receivables approximate their carrying amounts.

The amounts due from subsidiaries are interest-free, unsecured and have no specific repayment terms. The Company's intention is that the amounts due from subsidiaries will only be recalled when the subsidiaries have surplus cash.

The carrying amounts of the receivables from related parties and other receivables are denominated in the following currencies:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
人民幣	RMB	2,487,464	–
美元	USD	926,190	–
港元	HKD	420,814	718,417
		3,834,468	718,417

17 於子公司的投資

本公司

(a) 於子公司的投資

17 INVESTMENTS IN SUBSIDIARIES

Company

(a) Investments in subsidiaries

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
未上市股權投資，按成本	Unlisted equity investments, at cost	450,012	424,271

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17 於子公司的投資 (續)

本公司間接持有的子公司江蘇新城地產股份有限公司為一家於上海證券交易所上市的B股公司。本集團持有的江蘇新城地產股份有限公司股數為937,728,000股股份。該等股份為法人股，不能自由買賣。於2013年12月31日，江蘇新城地產股份有限公司的自由流通股報價為每股0.607美元。

本公司子公司於2013年及2012年12月31日的詳情載於合併財務報表附註41。於子公司的投資並無作出減值撥備。於子公司投資的增加來自授予本公司子公司僱員的首次公開發售前股份獎勵計劃（附註20）。

18 銀行和手頭現金

本集團

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	7,898,005	5,665,041
以美元計值	Denominated in USD	308,965	47
以港元計值	Denominated in HKD	90,923	335,131
		8,297,893	6,000,219

於2013年12月31日，本集團銀行存款的實際利率為1.70%（2012年12月31日：0.91%）。

17 INVESTMENTS IN SUBSIDIARIES (Cont'd)

The Company's indirectly held subsidiary, Jiangsu Future Land Co., Ltd. is a Shanghai Stock Exchange listed B share company. The number of shares of Jiangsu Future Land Co., Ltd. held by the Group is 937,728,000 shares. Such shares were legal person shares and cannot be freely traded. As at 31 December 2013, the quoted price of the freely tradeable shares of Jiangsu Future Land Co., Ltd. is USD0.607 per share.

Particulars of the Company's subsidiaries as at 31 December 2013 and 2012 are set out in Note 41 to the consolidated financial statements. No provision for impairment has been made against investments in subsidiaries. The increase in investments in subsidiaries pertains to the Pre-IPO share award scheme (Note 20) granted to the employees of the Company's subsidiaries.

18 CASH AT BANK AND ON HAND

Group

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	7,898,005	5,665,041
以美元計值	Denominated in USD	308,965	47
以港元計值	Denominated in HKD	90,923	335,131
		8,297,893	6,000,219

The effective interest rate on the Group's bank deposits as at 31 December 2013 was 1.70% (31 December 2012: 0.91%).

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18 銀行和手頭現金 (續)

本集團的現金和現金等價物釐定如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand	8,297,893	6,000,219
減：受限制現金	Less: Restricted cash	(886,180)	(1,148,089)
		7,411,713	4,852,130

本集團的受限制現金包括以下各項：

18 CASH AT BANK AND ON HAND (Cont'd)

Cash and cash equivalents of the Group were determined as follows:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
作為項目建設發保函 的保證金	Deposits for letters of guarantee issued for project construction	81,261	22,107
票據保證金	Margin deposits for notes issued	659,238	637,748
購房者按揭貸款保證金(a)	Deposits as security for property purchasers' mortgage loans (a)	71,907	42,645
作為借款抵押的存款(附註22)	Deposits pledged for borrowings (Note 22)	73,774	45,589
定期存款(b)	Time deposit (b)	–	400,000
		886,180	1,148,089

Restricted cash of the Group comprised of the following:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
作為項目建設發保函 的保證金	Deposits for letters of guarantee issued for project construction	81,261	22,107
票據保證金	Margin deposits for notes issued	659,238	637,748
購房者按揭貸款保證金(a)	Deposits as security for property purchasers' mortgage loans (a)	71,907	42,645
作為借款抵押的存款(附註22)	Deposits pledged for borrowings (Note 22)	73,774	45,589
定期存款(b)	Time deposit (b)	–	400,000
		886,180	1,148,089

(a) 這些受限制銀行存款用於確保本集團若干購房者根據若干城市的地方法規能取得銀行貸款。這些存款將於物業所有權證由政府部門發出給這些購房者並向按揭銀行提交時予以解除。

(b) 於2012年12月31日，這筆受限制定期存款用於申請銀行借貸，並已於2013年償還。

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the mortgage banks.

(b) The time deposit is restricted for application of bank borrowings as at 31 December 2012, which was repaid in 2013.

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18 銀行和手頭現金 (續)

本公司

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銀行和手頭現金	Cash at bank and on hand		
以人民幣計值	Denominated in RMB	2,594	877,935
以美元計值	Denominated in USD	2,374	47
以港元計值	Denominated in HKD	2,529	17,325
		7,497	895,307

於2013年12月31日，本公司銀行存款的實際利率為0.11%（2012年：0.22%）。

18 CASH AT BANK AND ON HAND (Cont'd)

Company

The effective interest rate on the Company's bank deposits as at 31 December 2013 was 0.11% (2012: 0.22%).

19 股本

本集團和本公司

(a) 法定股本

		法定股本數目 Number of authorised shares	
		港元股份 HKD share	
於2012年1月1日、於2012年12月31日及2013年12月31日	As at 1 January 2012, 31 December 2012 and 31 December 2013	10,000,000,000	

(b) 已發行股份

(b) Issued shares

		已發行股份數目 Number of issued shares 每股0.001港元 HKD0.001 each	普通股 Ordinary shares 人民幣 RMB
2012年1月1日	As at 1 January 2012	4,250,000,000	3,466,077
發行普通股(i)	Issuance of ordinary shares (i)	1,418,000,000	1,150,992
於2012年12月31日及於2013年12月31日	As at 31 December 2012 and 31 December 2013	5,668,000,000	4,617,069

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19 股本 (續)

(b) 已發行股份 (續)

- (i) 於2012年11月29日，本公司就上市按每股1.45港元發行1,418,000,000股每股0.001港元的港元普通股，並籌得總額約2,056,100,000港元（相等於人民幣1,668,936,000元）的款項。所得款項超過發行1,418,000,000股港元普通股面值共為人民幣1,150,992元的金額為人民幣1,667,785,008元，扣除發行新股直接相關的費用共人民幣65,165,000元後為人民幣1,602,620,008元，此金額撥入股份溢價賬（附註21）。

20 以股份為基礎的支付

根據2011年9月12日的決議案，本公司採納首次公開發售前股份獎勵計劃（「股份獎勵計劃」）。根據股份獎勵計劃，合共159,800,000股股份和21,250,000股股份分別發行和授予選定現任僱員（包括董事）和若干第三方。第三方包括前僱員和若干第三方公司。授予第三方公司的股份乃為認可其過往服務。

至於授予現任僱員（包括董事）的股份，在本公司於2012年6月30日前在香港聯合交易所有限公司主板上市及僱員於各歸屬期末仍在職的情況下，授出的股份可分別於2012年、2013年、2014年和2015年12月31日分四等份歸屬。

19 SHARE CAPITAL (Cont'd)

(b) Issued shares (Cont'd)

- (i) On 29 November 2012, the Company issued 1,418,000,000 HKD ordinary shares of HKD0.001 each at HKD1.45 per share in connection with the Listing, and raised gross proceeds of approximately HKD2,056,100,000 (equivalent to RMB1,668,936,000). The excess of RMB1,667,785,008 over the par value of RMB1,150,992 for the 1,418,000,000 HKD ordinary shares issued, net of the relevant incremental costs of RMB65,165,000 directly contributable to the new shares issued, was credited to "share premium" with amount of RMB1,602,620,008 (Note 21).

20 SHARE-BASED PAYMENTS

Pursuant to a resolution dated 12 September 2011, the Company adopted a Pre-IPO share award scheme (the "Share Award Scheme"). Under the Share Award Scheme, a total number of 159,800,000 shares and 21,250,000 shares were issued and granted to selected current employees (including directors) and certain third parties, respectively. The third parties include former employees and certain third party companies. The shares granted to third parties are for recognition of their past services.

For shares granted to current employees (including directors), subject to the meeting of the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 and the employee being still on service at the end of each vesting period, the granted shares can be vested in four equal tranches on 31 December 2012, 2013, 2014 and 2015, respectively.

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20 以股份為基礎的支付 (續)

於2012年6月30日，本公司修訂以股份支付的條件，延長本公司於2012年6月30日前於香港聯合交易所有限公司主板上市這項要求至2013年12月31日前。

根據股份獎勵計劃授出的股份於2011年9月15日（授出日期）的公允價值為人民幣119,766,309元，此價值根據資產基礎法釐定，且總體業績亦通過使用市場法反復審核。根據資產基礎法釐定各項資產／負債的價值須使用多種估值法／技術，如投資物業使用剩餘法估值，而非流通股則使用可資比較公司法估值，並以期權定價模式幫助釐定非流動性折扣。

截至2013年12月31日止年度，本集團就本公司授予現任僱員的股份確認人民幣25,741,000元（附註30）（2012年：人民幣36,697,000元）的費用。

下表披露於截至2013年12月31日止年度授予選定僱員的本公司股份變動及於2013年12月31日尚未行使的本公司股份：

20 SHARE-BASED PAYMENTS (Cont'd)

On 30 June 2012, the Company modified the condition for the share-based payments by extending the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 to 31 December 2013.

The fair value of the shares granted under the Share Award Scheme as at 15 September 2011, the grant date, was RMB119,766,309, and was determined using the asset-based approach and the overall result was also cross-checked by using the market approach. Various valuation methods/techniques were applied to determine the value of each asset/liability under the asset-based approach, for example the investment properties were valued using the residual method while the non-tradable shares were valued using the comparable company method with option pricing model to help determine the illiquidity discount.

For the year ended 31 December 2013, the Group recognised an expense of RMB25,741,000 (Note 30) (2012: RMB36,697,000) in relation to the share award by the Company to the current employees.

The following table discloses the movement of the Company's shares granted to the selected employees for the year ended 31 December 2013 and outstanding at 31 December 2013:

僱員	Employees	獎勵股份數目 Number of awarded shares
於2013年1月1日尚未行使	Outstanding as at 1 January 2013	181,050,000
年內歸屬	Vested during the year	(43,225,000)
年內未分配	Unallocated during the year	(9,250,000)
於2013年12月31日尚未行使	Outstanding as at 31 December 2013	128,575,000

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21 本公司權益持有人應佔的其他儲備

本集團

21 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Group

		股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000 (附註(a)) (note (a))	合計 Total 人民幣千元 RMB'000
於2013年1月1日的結餘	Balance at 1 January 2013	1,962,640	(177,501)	3,961,347	5,746,486
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	981,262	981,262
其他全面收益	Other comprehensive income	–	–	–	–
年度全面收益總額	Total comprehensive income for the year	–	–	981,262	981,262
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)	–	25,741	–	25,741
– 現任僱員服務價值	– value of current employee services	–	–	–	–
股息 (附註33)	Dividends (Note 33)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	25,741	–	(257,659)
向非控股股東 收購子公司額外 權益所得的收益 (附註40)	Gain from acquisition of additional interest in a subsidiary from non-controlling interests (Note 40)	–	246,942	–	246,942
直接於權益確認與擁有人 的交易總額	Total transactions with owners, recognized directly in equity	(283,400)	272,683	–	(10,717)
於2013年12月31日的結餘	Balance at 31 December 2013	1,679,240	95,182	4,942,609	6,717,031
代表：	Representing:				
建議末期股息 (附註(b))	Proposed final dividend (Note (b))	283,400			283,400
其他	Others	1,395,840			6,433,631
		1,679,240			6,717,031
於2012年1月1日的結餘	Balance at 1 January 2012	360,020	(214,198)	3,030,528	3,176,350
全面收益	Comprehensive income				
年度利潤	Profit for the year	–	–	930,819	930,819
其他全面收益	Other comprehensive income	–	–	–	–
年度全面收益總額	Total comprehensive income for the year	–	–	930,819	930,819
與擁有人進行的交易	Transactions with owners				
發行普通股 (附註19)	Issuance of ordinary shares (Note 19)	1,602,620	–	–	1,602,620
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)	–	36,697	–	36,697
– 現任僱員服務價值	– value of current employee services	–	–	–	–
擁有人出資及分派總額	Total contributions by and distributions to owners	1,602,620	36,697	–	1,639,317
於2012年12月31日的結餘	Balance at 31 December 2012	1,962,640	(177,501)	3,961,347	5,746,486

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21 本公司權益持有人應佔的其他儲備 (續)

本公司

21 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

Company

		股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	累計虧損 Accumulated losses 人民幣千元 RMB'000 (附註(a)) (note (a))	合計 Total 人民幣千元 RMB'000
於2013年1月1日的結餘	Balance at 1 January 2013	1,962,640	64,222	(7,273)	2,019,589
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(225,822)	(225,822)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(225,822)	(225,822)
與擁有人進行的交易	Transactions with owners				
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)	–	25,741	–	25,741
— 現任僱員服務價值 股息 (附註33)	– value of current employee services Dividends (Note 33)	(283,400)	–	–	(283,400)
擁有人出資及分派總額	Total contributions by and distributions to owners	(283,400)	25,741	–	(257,659)
於2013年12月31日的結餘	Balance at 31 December 2013	1,679,240	89,963	(233,095)	1,536,108
代表：	Representing:				
建議末期股息 (附註(b))	Proposed final dividend (note (b))	283,400			283,400
其他	Others	1,395,840			1,252,708
		1,679,240			1,536,108
於2012年1月1日的結餘	Balance at 1 January 2012	360,020	27,525	(3,215)	384,330
全面虧損	Comprehensive loss				
年度虧損	Loss for the year	–	–	(4,058)	(4,058)
其他全面虧損	Other comprehensive loss	–	–	–	–
年度全面虧損總額	Total comprehensive loss for the year	–	–	(4,058)	(4,058)
與擁有人進行的交易	Transactions with owners				
發行普通股 (附註19)	Issuance of ordinary shares (Note 19)	1,602,620	–	–	1,602,620
首次公開發售前股份獎勵計劃 (附註20)	Pre-IPO share award scheme (Note 20)	–	36,697	–	36,697
— 現任僱員服務價值	– value of current employee services	–	36,697	–	36,697
擁有人出資及分派總額	Total contributions by and distributions to owners	1,602,620	36,697	–	1,639,317
於2012年12月31日的結餘	Balance at 31 December 2012	1,962,640	64,222	(7,273)	2,019,589
代表：	Representing:				
建議末期股息 (附註(b))	Proposed final dividend (note (b))	283,400			283,400
其他	Others	1,679,240			1,736,189
		1,962,640			2,019,589

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21 本公司權益持有人應佔的其他儲備(續)

- (a) 根據中國公司法與本公司中國子公司的組織章程細則，這些子公司每年須將其法定利潤(經抵銷任何過往年度虧損後)的10%撥入法定盈餘公積金(「公積金」)賬戶。當公積金結餘達到這些子公司註冊資本／股本的50%後，則可選擇是否進一步轉撥公積金。公積金可用於抵銷過往年度虧損或增加繳足資本。然而，在作該等用途後，有關公積金須不少於註冊資本／股本的25%。

除清盤外，公積金不可用作分派現金股息，並受到若干相關中國法規所限制。

於2013年12月31日，這些子公司的歸屬於本公司擁有人的公積金總額達人民幣1,113,262,000元(2012年：人民幣921,259,000元)。這些金額計入本集團的保留盈利。

- (b) 根據開曼群島公司法(2003年修訂版)第34條及本公司的組織章程細則，如本公司具備償還能力且本公司組織章程細則有所規定，則可以本公司的股份溢價向股東作出分派。有關建議末期股息的詳情載列於附註33。

21 OTHER RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Cont'd)

- (a) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

As at 31 December 2013, total SSR of these subsidiaries attributable to owners of the Company amounted to RMB1,113,262,000 (2012: RMB921,259,000). These amounts were included in retained earnings of the Group.

- (b) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company. Details of the proposed final dividend are set out in Note 33.

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22 借款

22 BORROWINGS

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
非即期、有抵押及向以下機構 借入：	Non-current, secured and borrowed from:				
— 銀行(a)	— Banks (a)	10,179,459	6,242,070	—	—
信託融資安排	Trust financing arrangements				
— 傳統貸款(b)	— conventional loans (b)	—	1,875,460	—	—
— 2018年1月到期的優先票據 (「2018年票據」) (c (i))	— Senior notes due January 2018 (“2018 Notes”) (c (i))	1,189,147	—	1,189,147	—
— 2016年4月到期的優先票據 (「2016年票據」) (c (ii))	— Senior notes due April 2016 (“2016 Notes”) (c (ii))	1,477,928	—	1,477,928	—
非即期、無抵押及向一家銀行 借入：	Non-current, unsecured and borrowed from a bank	400,000	—	—	—
		13,246,534	8,117,530	2,667,075	—
減：長期借款的即期部份	Less: Current portion of long-term borrowings	(1,531,459)	(3,607,860)	—	—
		11,715,075	4,509,670	2,667,075	—
即期、有抵押及向以下機構 借入：	Current, secured and borrowed from:				
— 銀行(a)	— Banks (a)	643,042	1,210,716	—	—
信託融資安排	Trust financing arrangements				
— 傳統貸款(b)	— conventional loans (b)	—	311,860	—	—
長期借款的即期部份	Current portion of long-term borrowings	1,531,459	3,607,860	—	—
		2,174,501	5,130,436	—	—

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22 借款 (續)

- (a) 本集團的該等銀行借款由將予開發的租賃土地、在建物業、完工待售物業(附註15)、投資物業(附註8)、土地使用權(附註13)、物業、廠房和設備(附註7)、子公司股份(附註41)和銀行存款(附註18)抵押或由本公司的子公司相互擔保。
- (b) 該等借款主要與信託公司以信託融資安排形式訂立。傳統貸款信託融資安排是本集團與信託公司訂立的貸款協議。信託融資安排項下的借款由若干完工待售或在建銷售物業(附註15)和本集團子公司的股份(附註41)抵押。

22 BORROWINGS (Cont'd)

- (a) These bank borrowings of the Group are secured by leasehold land to be developed, properties under development, properties held for sale (Note 15), investment properties (Note 8), land use rights (Note 13), property, plant and equipment (Note 7), shares of subsidiaries (Note 41) and bank deposits (Note 18) of the Group or guaranteed by subsidiaries of the Company for each other.
- (b) These borrowings are mainly in the form of trust financing arrangements with trust financing companies. The conventional loan trust financing arrangements are loan agreements entered into by the Group and trust financing companies. The borrowings under trust financing arrangements are secured by certain properties held or under development for sale (Note 15) and shares of subsidiaries of the Group (Note 41).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

22 借款 (續)

(c) 優先票據

(i) 2018年票據

於2013年1月，本公司發行本金額為2億美元的五年期優先票據（「2018年票據」），該等票據於新加坡證券交易所上市。2018年票據以美元計值，按固定年利率10.25%計息，自2013年7月31日開始於每個年度的1月31日及7月31日或與之最接近的營業日每半年過後支付。

根據2018年票據的條款，票據可在以下情況下贖回：

- 若下文所載任何年份的1月31日起12個月期間已贖回票據，則本公司可於2016年1月31日或之後任何時間及不時贖回全部或部份2018年票據，贖回價格等於下文所載本金的百分比加應計和未付利息（如有），直至（不包括）贖回日期：

22 BORROWINGS (Cont'd)

(c) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of USD200,000,000 ("2018 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear fixed interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 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 excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

年份	Year	贖回價格 Redemption Price
自2016年1月31日至2017年1月30日	31 January 2016 to 30 January 2017	105.1250%
2017年1月31日及之後	31 January 2017 and thereafter	102.5625%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22 借款 (續)

(c) 優先票據 (續)

(i) 2018年票據 (續)

- 本公司可於2016年1月31日之前任何時間酌情贖回全部但非部份票據，贖回價格等於2018年票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。
- 本公司可於2016年1月31日之前任何時間及不時，在若干條件的規限下以若干類股本銷售所得款項贖回最高達票據本金總額的35%，贖回價格為票據本金的110.25%加應計和未付利息（如有），直至（不包括）贖回日期；惟倘票據於原發行日期至少本金總額的65%於此贖回後仍未償還及此贖回於相關股本發售結束後60天內進行。

22 BORROWINGS (Cont'd)

(c) Senior notes (Cont'd)

(i) 2018 Notes (Cont'd)

- At any time prior to 31 January 2016, 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 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% 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 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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22 借款 (續)

(c) 優先票據 (續)

(ii) 2016年票據

2013年4月，本公司發行本金額為人民幣1,500,000,000元的三年期優先票據（「2016年票據」），該等票據於新加坡證券交易所上市。2016年票據以人民幣計值，按固定年利率9.75%計息，自2013年10月23日開始於每個年度的4月23日及10月23日或與之最接近的營業日每半年過後支付。

根據2016年票據的條款，本公司可酌情贖回全部但非部份2016年票據，贖回價格等於票據本金的100%加適當溢價及應計和未付利息（如有），直至（不包括）贖回日期。

提早贖回權被視為嵌入式衍生工具而與主合約並無密切關連。董事會認為，本公司現時無計劃提早贖回及上述提早贖回權之公允價值於初步確認時及於2013年12月31日並不重大。

上述優先票據為一般責任，由若干非根據中國法律註冊成立的子公司擔保（「子公司擔保人」），及由若干原子公司擔保人的股份作抵押。

22 BORROWINGS (Cont'd)

(c) Senior notes (Cont'd)

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("2016 Notes"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear fixed interest rate at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 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.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2013.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC ("Subsidiary Guarantors"), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

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22 借款 (續)

於2013年及2012年12月31日，非流動借款的到期情況列示如下：

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一至兩年	Between 1 and 2 years	4,043,500	2,700,670	–	–
二至五年	Between 2 and 5 years	6,931,575	1,359,000	2,667,075	–
超過五年	Over 5 years	740,000	450,000	–	–
		11,715,075	4,509,670	2,667,075	–

於2013年和2012年12月31日，加權平均實際利率列示如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銀行借款	Bank borrowings	6.85%	6.76%
信託融資安排	Trust financing arrangements	不適用 N/A	13.50%
優先票據	Senior notes	10.72%	不適用 N/A

非流動借款的賬面值及公允價值如下：

22 BORROWINGS (Cont'd)

The maturity of non-current borrowings as at 31 December 2013 and 2012 are as follows:

The weighted average effective interest rates as at 31 December 2013 and 2012 were as follows:

The carrying amounts and fair value of the non-current borrowings are as follows:

		本集團 Group				本公司 Company			
		賬面值 Carrying amount		公允價值 Fair value		賬面值 Carrying amount		公允價值 Fair value	
		2013 2013 人民幣千元 RMB'000	2012 2012 人民幣千元 RMB'000	2013 2013 人民幣千元 RMB'000	2012 2012 人民幣千元 RMB'000	2013 2013 人民幣千元 RMB'000	2012 2012 人民幣千元 RMB'000	2013 2013 人民幣千元 RMB'000	2012 2012 人民幣千元 RMB'000
銀行借款	Bank borrowings	9,048,000	4,509,670	9,048,000	4,509,670	–	–	–	–
2018年票據	2018 Notes	1,189,147	–	1,225,075	–	1,189,147	–	1,225,075	–
2016年票據	2016 Notes	1,477,928	–	1,503,135	–	1,477,928	–	1,503,135	–
		11,715,075	4,509,670	11,776,210	4,509,670	2,667,075	–	2,728,210	–

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22 借款 (續)

2018年票據及2016年票據的公允價值乃按活躍市場報價計算，處於公允價值分層的第一層。

銀行借款的公允價值與其賬面值相若。公允價值以現金流量利用合適利率折現計算，處於公允價值分層的第二層。

本集團借款的利率變動風險及合同重新定價日或到期日（以較早者為準）如下：

22 BORROWINGS (Cont'd)

The fair value for 2018 Notes and 2016 Notes are based on quoted prices in active markets and are within Level 1 of the fair value hierarchy.

The fair value for bank borrowings equals their carrying amount. The fair value is based on cash flows discounted using appropriate rates and are within Level 2 of the fair value hierarchy.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

Group 本集團			六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
計入非流動負債的借款：	Borrowings included in non-current liabilities:						
於2013年12月31日	As at 31 December 2013		2,400,000	4,010,000	4,915,075	390,000	11,715,075
於2012年12月31日	As at 31 December 2012		1,785,600	1,209,370	1,514,700	–	4,509,670
計入流動負債的借款：	Borrowings included in current liabilities:						
於2013年12月31日	As at 31 December 2013		1,841,501	333,000	–	–	2,174,501
於2012年12月31日	As at 31 December 2012		5,040,436	90,000	–	–	5,130,436
Company 本公司			六個月 或以內 6 months or less 人民幣千元 RMB'000	六至 十二個月 6-12 months 人民幣千元 RMB'000	一至五年 1-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
計入非流動負債的借款：	Borrowings included in non-current liabilities:						
於2013年12月31日	As at 31 December 2013		–	–	2,667,075	–	2,667,075
於2012年12月31日	As at 31 December 2012		–	–	–	–	–
計入流動負債的借款：	Borrowings included in current liabilities:						
於2013年12月31日	As at 31 December 2013		–	–	–	–	–
於2012年12月31日	As at 31 December 2012		–	–	–	–	–

按固定息率計息的本金總額為人民幣5,117,617,000元。

The aggregate principal amounted to RMB5,117,617,000 are at fixed interest rates.

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22 借款 (續)

本集團借款的賬面值以下列貨幣計值：

		本集團 Group 於12月31日 As at 31 December		本公司 Company 於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000	2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
人民幣	RMB	12,634,887	–	1,477,928	–
美元	USD	1,254,689	–	1,189,147	–
		13,889,576	–	2,667,075	–

22 BORROWINGS (Cont'd)

The carrying values of the Group's borrowings are denominated in the following currencies:

23 預售物業預收款項 — 本集團

本集團在物業竣工及可供交付前開始銷售物業並向客戶收取款項。這些向客戶收取的款項在相關銷售確認前列作預售物業預收款項。

23 ADVANCES FROM PRE-SALE OF PROPERTIES – GROUP

The Group starts sales of properties and collection of proceeds from customers before the properties are completed and ready for delivery. Such proceeds from customers are recorded as advances from pre-sale of properties before relevant sales are recognised.

24 貿易和其他應付款項

本集團

24 TRADE AND OTHER PAYABLES

Group

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
貿易應付款項	Trade payables	8,276,829	8,223,769
應付票據	Notes payable	659,238	637,748
應還一間子公司 非控股股東的暫借款(a)	Advance from a non-controlling shareholder of a subsidiary (a)	555,580	–
營業稅和其他應付稅項	Business and other taxes payable	233,539	208,460
代收保養及裝修費	Maintenance & decoration fees collected on behalf	152,591	122,198
應計工資	Accrued payroll	127,136	71,912
應付利息	Interest payable	118,392	125,396
代收契稅	Deed tax collected on behalf	105,364	127,673
應付關連方款項 (附註39)	Payables to related parties (Note 39)	50,000	–
應還臨時借用資金(b)	Temporary funding payables (b)	18,000	18,000
其他	Others	71,807	61,873
		10,368,476	9,597,029

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24 貿易和其他應付款項 (續)

本集團 (續)

(a) 該暫借款不計息、無抵押且無固定歸還條款。但該暫借款享有優先返還權，優先於該子公司其他股東，包括本集團提供的暫借款及該子公司的其他融資債務（銀行借款除外）獲得償付。

(b) 應還臨時借用資金均為應付非關聯方款項，不計息且無抵押。

貿易應付款項及應付票據於2013年及2012年12月31日的賬齡分析如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一年內	Less than 1 year	8,673,152	8,694,356
一至二年	Between 1 and 2 years	178,168	120,120
二至三年	Between 2 and 3 years	56,826	27,644
三年以上	Over 3 years	27,921	19,397
		8,936,067	8,861,517

於2013年和2012年12月31日，貿易和其他應付款項的公允價值與其賬面值相若。

於2013年和2012年12月31日，貿易和其他應付款項的賬面值主要以人民幣計值。

24 TRADE AND OTHER PAYABLES (Cont'd)

Group (Cont'd)

(a) The advance is non-interest bearing, unsecured and has no fixed repayment terms. However the advance has repayment priority over any advances from other shareholders of the subsidiary, including those from the Group, and other borrowings (except for bank borrowings) to the subsidiary.

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

The aging analysis of trade payables and notes payable as at 31 December 2013 and 2012 are as follows:

As 31 December 2013 and 2012, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2013 and 2012, the carrying amounts of trade and other payables are primarily denominated in RMB.

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24 貿易和其他應付款項 (續)

本公司

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
應付利息	Interest payable	79,297	–
應付專業費用	Professional fees payable	4,880	13,789
		84,177	13,789

於2013年和2012年12月31日，貿易和其他應付款項賬齡分析全部少於1年。

於2013年和2012年12月31日，貿易和其他應付款項的公允價值與其賬面值相若。

於2013年和2012年12月31日，貿易和其他應付款項的賬面值以下列貨幣計值：

24 TRADE AND OTHER PAYABLES (Cont'd)

Company

The aging analysis of trade and other payables as at 31 December 2013 and 2012 are all less than 1 year.

As 31 December 2013 and 2012, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2013 and 2012, the carrying amounts of trade and other payables are denominated in the following currencies:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
美元	USD	52,078	–
人民幣	RMB	27,219	–
港元	HKD	4,880	13,789
		84,177	13,789

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25 遞延所得稅

本集團

25 DEFERRED INCOME TAX

Group

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
將可動用的遞延稅項資產	Deferred tax assets to be recovered		
– 十二個月內	– within 12 months	45,059	19,234
– 十二個月後	– after 12 months	454,679	341,959
		499,738	361,193
將予結清的遞延稅項負債	Deferred tax liabilities to be settled		
– 十二個月內	– within 12 months	(35,810)	(22,120)
– 十二個月後	– after 12 months	(397,112)	(380,752)
		(432,922)	(402,872)
遞延稅項資產／(負債) 淨額	Deferred tax assets/(liabilities), net	66,816	(41,679)

遞延所得稅賬目的變動列示如下：

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

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
年初	At beginning of year	(41,679)	19,403
貸記／(支銷) 合併利潤表 (附註31)	Credited/(charged) to the consolidated statement of income (Note 31)	108,495	(61,082)
年末	At end of year	66,816	(41,679)

於2013年12月31日，人民幣82,242,000元的遞延所得稅資產和遞延所得稅負債已相互抵銷（2012年：人民幣47,423,000元）。

As at 31 December 2013, deferred income tax assets and deferred income tax liabilities amounted to RMB82,242,000 were offset (2012: RMB47,423,000).

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25 遞延所得稅 (續)

於截至2013年及2012年12月31日止年度，遞延所得稅資產和負債的原額變動（未經考慮抵銷同一稅務司法權區內的結餘）列示如下：

遞延所得稅資產

		稅務虧損	完工待售 物業撥備	應計費用	土地增值稅	對銷 公司間交易	合計
		Tax losses	Provisions for properties held for sale	Accruals	Land appreciation tax	Elimination of inter-company transactions	Total
		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	人民幣千元 RMB'000	人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013	167,802	87,353	4,590	147,946	925	408,616
貸記／(支銷)	Credited/(charged) to the consolidated						
合併利潤表	statement of income	108,622	(20,298)	6,146	79,306	(412)	173,364
於2013年12月31日	At 31 December 2013	276,424	67,055	10,736	227,252	513	581,980
於2012年1月1日	At 1 January 2012	150,744	120,600	14,450	98,384	1,692	385,870
貸記／(支銷) 合併利潤表	Credited/(charged) to the consolidated						
	statement of income	17,058	(33,247)	(9,860)	49,562	(767)	22,746
於2012年12月31日	At 31 December 2012	167,802	87,353	4,590	147,946	925	408,616

根據中國法律和法規，稅務虧損可結轉五年以抵銷未來應課稅利潤。倘若有充足應課稅利潤可供遞延稅項資產動用，則確認此等未動用稅務虧損的遞延稅項資產。

本集團並未就於2013年12月31日金額為人民幣405,687,000元（2012年：人民幣403,407,000元）的稅務虧損確認相應的遞延所得稅資產人民幣101,422,000元（2012年：人民幣100,852,000元）。所有這些稅務虧損將於五年內到期。

25 DEFERRED INCOME TAX (Cont'd)

The gross movement in deferred income tax assets and liabilities for the years ended 31 December 2013 and 2012, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB101,422,000 (2012: RMB100,852,000) in respect of tax losses amounting to RMB405,687,000 as at 31 December 2013 (2012: RMB403,407,000). All these tax losses will expire within five years.

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25 遞延所得稅 (續)

遞延所得稅負債

25 DEFERRED INCOME TAX (Cont'd)

Deferred income tax liabilities

		投資物業 公允價值 收益	收購子公司	對銷公司 間交易	車庫成本 分攤差異	中國子公司 的未分配利潤	投資 物業折舊	合計
		Fair value gains on investment properties	Acquisition of subsidiaries	Elimination of inter-company transactions	Carpark cost allocation differences	Undistributed profits of PRC subsidiaries	Depreciation of investment properties	Total
		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	人民幣千元 RMB'000 (附註(a)) (note (a))	人民幣千元 RMB'000	人民幣千元 RMB'000
於2013年1月1日	At 1 January 2013	282,993	3,120	6,363	145,182	12,637	–	450,295
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	9,460	(74)	1,993	22,420	11,771	19,299	64,869
於2013年12月31日	At 31 December 2013	292,453	3,046	8,356	167,602	24,408	19,299	515,164
於2012年1月1日	At 1 January 2012	275,221	6,432	7,465	77,349	–	–	366,467
支銷/(貸記) 合併利潤表	Charged/(credited) to the consolidated statement of income	7,772	(3,312)	(1,102)	67,833	12,637	–	83,828
於2012年12月31日	At 31 December 2012	282,993	3,120	6,363	145,182	12,637	–	450,295

- (a) 於2013年12月31日，本集團已就中國境外投資者應佔若干中國子公司部份未匯出可供分配利潤在匯出時應支付的預扣稅確認遞延所得稅負債人民幣24,408,000元（2012年：人民幣12,637,000元）。

於2013年12月31日，本集團未就中國境外投資者應佔若干中國子公司為數人民幣3,118,926,000元（2012年：人民幣2,470,027,000元）的未匯出可分派利潤在匯出時應支付的預扣稅確認相關的遞延所得稅負債人民幣155,946,000元（2012年：人民幣123,501,000元），這乃由於該等利潤擬作為再投資。

- (a) As at 31 December 2013, deferred income tax liabilities of RMB24,408,000 (2012: 12,637,000) have been recognised for the withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC.

As at 31 December 2013, deferred income tax liabilities of RMB155,946,000 (2012: RMB123,501,000) have not been recognised for the withholding tax that would be payable upon remittance, in respect of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC amounting to RMB3,118,926,000 (2012: RMB2,470,027,000) as such profits are intended to be reinvested.

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26 收入

截至2013年及2012年12月31日止年度，本集團的營業額包括以下各項收入：

26 REVENUE

Turnover of the Group consists of the following revenues for the years ended 31 December 2013 and 2012:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
銷售物業收入	Revenue from sales of properties	20,421,811	17,341,932
物業管理收入	Revenue from property management	182,501	121,469
租金收入	Rental income	102,356	35,620
其他	Others	64,587	18,245
		20,771,255	17,517,266

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27 其他收入／其他開支／其他收益－淨額

27 OTHER INCOME/OTHER EXPENSES/OTHER GAINS – NET

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
其他收入	Other income		
政府補貼	Government grants	63,694	4,433
可供出售金融資產股息收入(c)	Dividend income on available-for-sale financial assets (c)	6,605	5,042
政府徵用土地獲得之補償(a)	Compensation for land requisition by the government (a)	81,375	–
		151,674	9,475
其他開支	Other expenses		
捐贈	Donations	(4,152)	(4,347)
其他收益－淨額	Other gains – net		
出售一家子公司產生的收益(b)／(附註38)	Gain from disposal of a subsidiary (b)/(Note 38)	46,000	–
出售物業、廠房和設備產生的虧損	Losses on disposal of property, plant and equipment	(384)	(55)
取消物業銷售合約獲得之賠償	Compensation for cancellation of property sales contracts	9,734	13,686
其他	Others	(9,080)	(5)
		46,270	13,626

(a) 於2013年11月27日，常州新城房產開發有限公司擁有的新機場公路項目的土地使用權由常州市新北國土儲備中心收回。徵用補償總額為人民幣127,986,600元，經扣除資產的賬面淨值後，人民幣81,375,000元收益獲確認。

(b) 於2013年12月13日，本集團向第三方出售於常州新城廣場置業有限公司的100%股權，產生收益人民幣46,000,000元。

(c) 股息收入來自非上市投資。

(a) On 27 November 2013, the land use rights of new airport road project, owned by Changzhou Future Land Real Estate Development Co., Ltd., was recalled by Changzhou Xinbei Land Reserve Center. Total compensation for the requisition is RMB127,986,600 and after netting off the net book value of the assets, a gain of RMB81,375,000 was recognized.

(b) On 13 December 2013, the Group disposed of its 100% equity interests in Changzhou Future Land Guangchang Property Co., Ltd. to a third party, resulting in a gain of RMB46,000,000.

(c) The dividend income is from unlisted investment.

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28 按性質劃分的開支

計入銷售成本、銷售和營銷成本及行政開支的開支分析如下：

28 EXPENSES BY NATURE

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

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
土地使用權成本	Land use rights costs	4,770,651	4,025,794
建設成本	Construction costs	9,101,315	7,684,444
資本化利息	Capitalised interest	770,865	732,328
營業稅及附加費(a)	Business tax and surcharges (a)	1,166,306	977,980
完工待售物業減值撥備	Accrual of provision for properties held for sale	79,588	—
物業、廠房和設備折舊 (附註7)	Depreciation of property, plant and equipment (Note 7)	19,453	19,977
無形資產攤銷(附註9)	Amortisation of intangible assets (Note 9)	2,418	1,531
銀行手續費	Bank charges	18,610	9,304
員工成本(附註30)	Staff costs (Note 30)	609,667	478,739
招待費	Entertainment expenses	72,568	68,393
印花稅及其他稅項	Stamp duty and other taxes	56,295	31,739
專業費用	Professional fees	6,714	32,436
核數師酬金	Auditors' remuneration	3,200	3,280
銷售佣金	Sales commission	151,057	185,620
廣告及宣傳費用	Advertising and publicity costs	309,961	229,603
租賃開支	Rental expenses	36,820	21,897
差旅費用	Travelling expenses	27,805	9,451
其他開支	Other expenses	156,805	119,659
銷售成本、銷售和營銷成本及 行政開支總計	Total cost of sales, selling and marketing expenses and administrative expenses	17,360,098	14,632,175

(a) 本集團的中國子公司須就其銷售物業收入和租金收入繳納5%的營業稅，而附加費則按應付營業稅的10%至12%繳納。

(a) The PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

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29 融資成本 – 淨額

29 FINANCE COSTS – NET

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
財務成本	Finance costs		
– 銀行貸款、優先票據、 信託融資安排和來自 其他金融機構的借款的 利息	– Interest on bank loans, senior notes, trust financing arrangements and borrowings from other financial institutions	(1,209,771)	(1,015,746)
– 減：資本化利息 (附註8及附註15)	– Less: Interest capitalised (Note 8 and Note 15)	682,959	856,034
		(526,812)	(159,712)
– 與借貸有關的匯兌收益淨額	– Net foreign exchange gains relating to borrowings	63,782	–
– 與現金及現金等價物 有關的匯兌虧損淨額	– Net foreign exchange losses on cash and cash equivalents	(53,663)	–
融資成本總額(附註35)	Total finance costs (Note 35)	(516,693)	(159,712)
財務收入	Finance income		
– 銀行存款的利息收入(附註35)	– Interest income on bank deposits (Note 35)	121,793	48,052
融資成本淨額	Net finance costs	(394,900)	(111,660)

30 員工成本(包含董事酬金)

30 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
工資和薪金	Wages and salaries	477,463	360,519
退休金	Pension	39,260	30,776
其他福利開支	Other welfare benefit expenses	67,203	50,747
首次公開發售前股份獎勵計劃 – 現任僱員價值(附註20)	Pre-IPO share award scheme – value of current employees (Note 20)	25,741	36,697
支銷利潤表(附註28)	Charged to statements of income (Note 28)	609,667	478,739
僱員數目	Number of employees	4,896	4,127

本集團的所有中國僱員參加由政府機構設立及管理的定額供款僱員社會保險計劃，包括退休、醫療、住房及其他福利計劃。本集團並無其他重大職工福利承諾。

All Chinese employees of the Group participate in defined contribution employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. The Group has no other substantial commitments to employees.

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30 員工成本（包含董事酬金）（續）

根據有關規定，本集團按僱員工資總額的一定比例且在不超過規定上限的基礎上承擔保險費及福利計劃供款，並向勞動和社會保障機構繳納。

(a) 董事及主要行政人員的酬金

董事及主要行政人員的酬金列示如下：

董事姓名	Name of director	袍金 Fees	薪金及 其他津貼 Salaries and other allowances 人民幣千元 RMB'000	績效獎金 Performance related bonus 人民幣千元 RMB'000	退休計劃供款 Retirement scheme contributions 人民幣千元 RMB'000	首次公開 發售前股份 獎勵計劃 Pre-IPO share award scheme 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
截至2013年12月31日止年度 Year ended 31 December 2013							
王先生(i)	Mr. Wang (i)	-	1,767	3,200	33	-	5,000
譚為民(ii)	Tan Weimin (ii)	-	720	-	30	-	750
閔遠松	Min Yuansong	-	1,160	3,300	40	1,203	5,703
劉源滿	Liu Yuanman	-	867	2,100	33	752	3,752
呂小平	Ly Xiaoping	-	1,367	3,100	33	1,805	6,305
黃茂莉	Huang Maoli	-	1,080	1,920	-	-	3,000
王曉松(iii)	Wang Xiaosong (iii)	-	1,367	3,100	33	1,203	5,703
聶梅生	Nie Meisheng	250	-	-	-	-	250
陳華康	Chen Huakang	250	-	-	-	-	250
朱增進	Zhu Zengjin	250	-	-	-	-	250
		750	8,328	16,720	202	4,963	30,963
截至2012年12月31日止年度 Year ended 31 December 2012							
王先生(i)	Mr. Wang (i)	-	1,784	1,200	16	-	3,000
譚為民	Tan Weimin	-	507	960	33	1,148	2,648
閔遠松	Min Yuansong	-	944	1,140	16	1,837	3,937
劉源滿	Liu Yuanman	-	704	780	16	1,148	2,648
呂小平	Ly Xiaoping	-	1,424	960	16	2,756	5,156
黃茂莉	Huang Maoli	-	1,080	-	-	-	1,080
聶梅生	Nie Meisheng	23	-	-	-	-	23
陳華康	Chen Huakang	23	-	-	-	-	23
朱增進	Zhu Zengjin	23	-	-	-	-	23
		69	6,443	5,040	97	6,889	18,538

30 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(a) Directors' and chief executive's emoluments

The directors' and chief executive's emoluments are set out below:

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30 員工成本（包含董事酬金）（續）

(a) 董事及主要行政人員的酬金（續）

- (i) 本公司的主要行政人員為王先生，其亦為本公司其中一名董事。
- (ii) 譚為民先生於2013年10月18日辭任本公司執行董事。
- (iii) 王曉松先生於2013年10月18日獲委任為本公司非執行董事。

(b) 五名最高薪人士

截至2013年12月31日止年度，本集團五名最高薪酬人士包括五名（2012年：三名）董事，彼等之酬金已於上文呈列的分析中反映。

- (c) 截至2013年及2012年12月31日止年度，概無董事或任何五名最高薪人士向本集團收取任何酬金作為加盟或在加盟或離開本集團時的獎勵或補償或作為離職補償。

30 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

- (i) The chief executive of the Company is Mr. Wang, who is also one of the directors of the Company.
- (ii) Mr. Tan Weimin resigned as executive director of the Company with effect from 18 October 2013.
- (iii) Mr. Wang Xiaosong was appointed as a non-executive director of the Company with effect from 18 October 2013.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2013 include five (2012: three) whose emoluments are reflected in the analysis presented above.

- (c) During the years ended 31 December 2013 and 2012, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

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31 所得稅開支

31 INCOME TAX EXPENSE

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
當期所得稅	Current income tax		
– 中國土地增值稅	– PRC land appreciation tax	866,582	636,150
– 中國企業所得稅	– PRC corporate income tax	761,242	535,545
遞延所得稅 (附註25)	Deferred income tax (Note 25)	1,627,824 (108,495)	1,171,695 61,082
年度列支的所得稅總額	Total income tax charged for the year	1,519,329	1,232,777

本集團除所得稅前利潤的所得稅有別於使用本集團旗下各公司所在國頒佈的稅率計算的理論金額，茲載列如下：

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	3,236,466	2,818,161
中國土地增值稅	PRC land appreciation tax	(866,582)	(636,150)
按25%法定稅率計算的所得稅	Income tax calculated at statutory rate of 25%	2,369,884	2,182,011
不可扣減開支(a)	Non-deductible expenses (a)	592,471	545,503
非課稅收入	Non-taxable income	63,730	17,734
動用過往未確認的稅務虧損	Utilisation of previously unrecognised tax losses	(1,651)	(1,260)
未確認為遞延稅項資產的稅務虧損	Tax losses not recognised as deferred tax assets	(15,147)	–
過往年度稅項調整	Prior year tax adjustments	570	22,845
中國預扣稅	PRC withholding tax	1,003	(832)
中國土地增值稅	PRC land appreciation tax	11,771	12,637
所得稅開支總額	Total income tax expense	866,582	636,150
		1,519,329	1,232,777

(a) 就所得稅而言，不可扣減開支主要來自優先票據的利息開支、有關股份獎勵的開支及不可扣減招待費的開支。

(a) Non-deductible expenses for income tax purposes mainly resulted from interest expense on senior notes, the expense in relation to the share award and non-deductible entertainment expense.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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31 所得稅開支 (續)

香港利得稅

本集團未對香港利得稅作出撥備，因為本集團於本年度並無來自香港的估計應課稅溢利（2012年：無）。

中國企業所得稅

根據中國企業所得稅法（「企業所得稅法」），本集團旗下於中國內地的子公司適用的企業所得稅率為25%。

企業所得稅法及其實施細則規定中國居民企業就2008年1月1日起產生的盈利向其中國境外的直接控股公司派發的股息須繳納10%的預扣稅，而於2008年1月1日前產生的未分派盈利則獲豁免繳納該預扣稅。根據中國與香港訂立的稅務協約安排，若直接控股公司成立於香港，可應用較低的5%預扣稅稅率。截至2013年12月31日止年度，本集團就其中國實體產生的部份盈利按5%的稅率計提中國預扣稅撥備人民幣11,771,000元（2012年：人民幣12,637,000元）。本集團能控制該等中國子公司的股息政策並已確定將不會於可見未來分派該等子公司的大部份盈利。

土地增值稅

中國土地增值稅以銷售物業所得款項減去可扣減開支（包括土地使用權租賃費用及所有物業開發開支）的土地增值按介乎30%至60%的累進稅率徵收，並於合併利潤表內列作所得稅開支。

31 INCOME TAX EXPENSE (Cont'd)

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2012: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2013, the Group accrued for PRC withholding tax with amount of RMB11,771,000 (2012: RMB12,637,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

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

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

32 每股盈利

每股基本盈利乃按本公司權益持有人應佔本集團利潤除以年內已發行普通股加權平均數計算。

32 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		截至12月31日止年度 Year ended 31 December	
		2013年 2013	2012年 2012
本公司權益持有人應佔 合併利潤（人民幣千元）	Consolidated profit attributable to equity holders of the Company (RMB'000)	981,262	930,819
已發行普通股加權平均數（千股）	Weighted average number of ordinary shares in issue ('000)	5,668,000	4,368,167
每股基本盈利（人民幣元）	Basic earnings per share (RMB)	0.17	0.21

由於截至2013年及2012年12月31日止年度並無任何攤薄購股權和其他具潛在攤薄效應的已發行股份，故每股攤薄盈利與每股基本盈利相同。

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2013 and 2012, diluted earnings per share is the same as basic earnings per share.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

33 股息

33 DIVIDENDS

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
擬派末期股息每股普通股 人民幣0.05元 (2012年：人民幣0.05元)	Proposed final dividend of RMB0.05 (2012: RMB0.05) per ordinary share	283,400	283,400

年內並無宣派中期股息（2012年：零）。

No interim dividend was declared during the year (2012: Nil).

於2014年3月17日舉行的董事會會議上，董事建議使用股份溢價賬派發2013年度末期股息每股普通股人民幣0.05元。擬派股息並無於此等財務報表反映為應付股息，惟待股東於本公司應屆股東週年大會批准後將反映為截至2014年12月31日止年度的股份溢價賬撥付。

At a Board meeting held on 17 March 2014, the directors proposed a final dividend for 2013 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2014 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

於2013年5月22日舉行的本公司股東週年大會已批准2012年末期股息每股普通股人民幣0.05元，共人民幣283,400,000元。該股息已於2013年內支付。

The final dividend in respect of 2012 of RMB0.05 per ordinary share, amounting to RMB283,400,000 was approved at the annual general meeting of the Company held on 22 May 2013. The amount was paid in 2013.

34 本公司擁有人應佔虧損

34 LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

本公司於2010年4月23日註冊成立。截至2013年12月31日止年度，本公司擁有人應佔虧損分別為人民幣225,822,000元（2012年：人民幣4,058,000元），已於本公司財務報表中入賬。

The Company was incorporated on 23 April 2010. The loss attributable to owners of the Company for the year ended 31 December 2013 amounted to RMB225,822,000 (2012: RMB4,058,000), which have been dealt with in the financial statements of the Company.

合併財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

35 經營活動（所用）／所得現金

35 CASH (USED IN)/GENERATED FROM OPERATIONS

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
除所得稅前利潤	Profit before income tax	3,236,466	2,818,161
就下列各項作出調整：	Adjustments for:		
－折舊（附註28）	－ Depreciation (Note 28)	19,453	19,977
－攤銷（附註28）	－ Amortisation (Note 28)	2,418	1,531
－出售物業、廠房和設備 產生的虧損（附註27）	－ Losses on disposal of property, plant and equipment (Note 27)	384	55
－出售一家子公司產生的收益 （附註27）	－ Gains from disposal of a subsidiary (Note 27)	(46,000)	–
－首次公開發售前股份獎勵 計劃支出（附註20）	－ Pre-IPO share award scheme expenses (Note 20)	25,741	36,697
－投資物業公允價值收益 （附註8）	－ Fair value gains on investment properties (Note 8)	(37,839)	(31,086)
－就完工待售（或在建銷售） 物業計提撥備（附註28）	－ Accrual of provision for properties held (or under development) for sale (Note 28)	79,588	–
－完工待售（或在建銷售） 物業撥備撥回 （附註15）	－ Reversal of provision for properties held (or under development) for sale (Note 15)	(160,779)	(132,988)
－應佔聯營公司業績 （附註10）	－ Share of results of an associated company (Note 10)	11,422	5,110
－可供出售金融資產股息收入 （附註27）	－ Dividend income on available-for-sale financial assets (Note 27)	(6,605)	(5,042)
－融資成本（附註29）	－ Finance costs (Note 29)	526,812	159,712
－與借貸有關的匯兌收益淨額	－ Net foreign exchange gains relating to borrowings	(63,782)	–
－與現金及現金等價物有關的 匯兌虧損淨額	－ Net foreign exchange losses on cash and cash equivalents	53,663	–
－利息收入（附註29）	－ Interest income (Note 29)	(121,793)	(48,052)
營運資金變動	Changes in working capital		
－與經營活動相關的受限制 現金（附註18）	－ Restricted cash relating to operating activities (Note 18)	(109,906)	(603,964)
－租賃土地預付款項	－ Prepayments for leasehold land	1,028,349	(1,624,692)
－完工待售或在建銷售物業 （不包括資本化利息）	－ Properties held or under development for sale (excluding capitalised interest)	(3,509,090)	642,330
－貿易及其他應收款項及 預付款項	－ Trade and other receivables and prepayments	(646,673)	57,861
－預售物業預收款項	－ Advances from pre-sale of properties	(1,428,827)	(1,111,151)
－貿易和其他應付款項	－ Trade and other payables	228,240	2,977,485
經營活動（所用）／所得現金	Cash (used in)/generated from operations	(918,758)	3,161,944

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35 經營活動（所用）／所得現金（續）

於合併現金流量表內，出售物業、廠房和設備的所得款項包括：

35 CASH (USED IN)/GENERATED FROM OPERATIONS (Cont'd)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
賬面淨值（附註7）	Net book value (Note 7)	16,043	890
出售物業、廠房和設備產生的虧損（附註27）	Losses on disposal of property, plant and equipment (Note 27)	(384)	(55)
出售一間子公司產生的虧損	Loss on disposal of a subsidiary	(79)	—
出售物業、廠房和設備所得款項	Proceeds from disposal of property, plant and equipment	15,580	835

36 承擔

(a) 物業開發支出承擔

於2013年及2012年12月31日，尚未發生但已作出承擔的物業開發支出如下：

36 COMMITMENTS

(a) Property development expenditure commitments

As at 31 December 2013 and 2012, property development expenditure committed but not yet incurred are as follows:

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
已訂約但未撥備	Contracted but not provided for	11,748,357	8,376,039

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36 承擔 (續)

(b) 經營租賃承擔

於2013年及2012年12月31日，就若干以不可撤銷經營租賃租入的辦公室樓宇而產生的未來最低租金支出總額需於以下期間支付：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一年內	Within 1 year	12,234	13,399
一至五年	1 to 5 years	24,306	10,432
五年後	After 5 years	25,908	–
		62,448	23,831

(c) 投資承擔

於2013年及2012年12月31日，投資承擔如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
可供出售金融資產的投資承擔	Committed investments in available-for-sale financial assets	15,000	55,000

36 COMMITMENTS (Cont'd)

(b) Operating lease commitments

As at 31 December 2013 and 2012, the future aggregate minimum rental expenses in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

(c) Investment commitments

As at 31 December 2013 and 2012, committed investments are as follows:

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36 承擔 (續)

(d) 經營租賃應收租金

於2013年及2012年12月31日，就土地及建築物以不可撤銷經營租賃租出而產生的未來最低租金收款總額將於以下期間收取：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
一年內	Within 1 year	83,349	54,217
一至五年	1 to 5 years	171,150	152,780
五年後	After 5 years	57,044	118,774
		311,543	325,771

37 財務擔保及或有負債

(a) 按揭融資的擔保

於2013年及2012年12月31日，本集團就按揭融資提供財務擔保產生的或然負債如下：

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
就本集團物業的若干買家的按揭融資作出的擔保	Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	2,980,716	3,993,685

36 COMMITMENTS (Cont'd)

(d) Operating lease rentals receivable

As at 31 December 2013 and 2012, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

37 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at 31 December 2013 and 2012:

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37 財務擔保及或有負債 (續)

(a) 按揭融資的擔保 (續)

本集團已為本集團物業若干買家安排銀行融資，並就買家的還款責任提供擔保。該等擔保將按下列較早者終止：(i)房地產所有權證由政府部門發出給買家，此證一般在擔保登記完成後平均兩至三年內發出，並向按揭銀行提交時；或(ii)物業買家清償按揭貸款時。

根據擔保條款，在該等買家拖欠按揭還款時，本集團須負責向銀行償還買家拖欠的按揭本金連同應計利息及罰金，而本集團有權接收相關物業的法定業權及所有權。本集團的擔保期由授出按揭日期起開始。董事認為買家拖欠付款的可能性極小，因此，按公允價值計量的財務擔保並非重大。

(b) 公司擔保

於2013年及2012年12月31日，本集團的子公司就借款(附註22)相互提供若干企業擔保。董事認為各子公司有足夠財務資源償付其債務。

37 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (Cont'd)

(a) Guarantees on mortgage facilities (Cont'd)

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 22) as at 31 December 2013 and 2012. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

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38 出售子公司及業務

(a) 出售常州新城廣場置業有限公司

於2013年12月13日，本集團以人民幣125,156,000元出售於常州新城廣場置業有限公司的100%股權。

38 DISPOSAL OF SUBSIDIARIES AND BUSINESS

(a) Disposal of Changzhou Future Land Guangchang Property Co., Ltd.

On 13 December 2013, the Group disposed of its 100% equity interests in Changzhou Future Land Guangchang Property Co., Ltd. at RMB125,156,000.

人民幣千元
RMB'000

已收現金	Cash received	90,000
與出售子公司相關的應收款項	Receivable in connection with the disposal of a subsidiary	35,156
總代價	Total consideration	125,156
出售淨資產	Net assets disposed of	79,156
出售所得收益	Gain on disposal	46,000

上述出售事項的資產與負債總額如下：

The aggregated assets and liabilities in respect of the above disposal were as follows:

人民幣千元
RMB'000

現金及現金等價物	Cash and cash equivalents	157
預付款項	Prepayments	6
貿易和其他應收款項	Trade and other receivables	41,545
完工待售或在建銷售物業	Properties held or under development for sale	38,022
物業、廠房和設備	Property, plant and equipment	79
遞延所得稅資產	Deferred income tax assets	4,716
貿易和其他應付款項	Trade and other payables	(5,369)
出售淨資產	Net assets disposed of	79,156
已收現金	Cash received	90,000
減：所出售子公司的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary disposed of	(157)
出售事項的淨現金流入	Net cash inflow from the disposal	89,843

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39 關連方交易

(a) 關連方名稱及與關連方的關係

名稱

Name

王先生
Mr. Wang
王曉松先生
Mr. Wang Xiaosong
江蘇新城實業集團有限公司
Jiangsu Future Land Shiye Group. Ltd.
上海萬之城房地產開發有限公司
Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.
上海新城旭地房地產有限公司
Shanghai Xincheng Xudi Real Estate Co., Ltd.
香港宏盛發展有限公司
Hong Kong Prosperity Development Ltd.
香港創拓發展有限公司
Hong Kong Achievement Development Ltd.
豪泰環球有限公司
Heroic Time Global Ltd.
昇創有限公司
Exalt Creation Ltd.
香港鼎盛發展有限公司
Hong Kong Flourishing Development Ltd.
香港恒宇發展有限公司
Hong Kong Perpetual Development Ltd.

39 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

關係

Relationship

本公司的控股股東及董事
The controlling shareholder and a director of the Company
王先生的家族成員
Family member of Mr. Wang
王先生控股的公司
A company controlled by Mr. Wang
本集團的聯營公司
An associated company of the Group
本集團的合營企業
A jointly controlled entity of the Group
本公司的子公司
A subsidiary of the Company
本公司的子公司
A subsidiary of the Company
本公司的子公司
A subsidiary of the Company
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A subsidiary of the Company
本集團的子公司
A subsidiary of the Group
本集團的子公司
A subsidiary of the Group

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39 關連方交易 (續)

(b) 與關連方的交易

本集團

於截至2013年12月31日止年度，本集團進行了以下關連方交易：

39 RELATED-PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties

Group

During the year ended 31 December 2013, the Group has the following related party transactions:

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
(i) 向關連方撥款	(i) Fundings to a related party		
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	362,565	—
(ii) 來自關連方的撥款	(ii) Fundings from a related party		
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	230,000	—
(iii) 銷售服務	(iii) Sales of services		
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	3,240	—
(iv) 負債轉讓	(iv) Transfer of liabilities		
— 江蘇新城實業集團有限公司	— Jiangsu Future Land Shiye Group. Ltd.	—	44,000
(v) 與非控股權益進行的交易所得的收益 (附註40)	(v) Gain from transaction with non-controlling interests (Note 40)		
— 王先生及王曉松先生	— Mr. Wang and Mr. Wang Xiaosong	246,942	—

(vi) 佔用關連方擁有的物業

本集團若干子公司佔用王曉松先生擁有的總建築面積為720平方米的若干物業作營運用途，且毋須支付任何費用。(與截至2013年12月31日止年度相同)

(vi) Occupation of properties owned by a related party

Some subsidiaries of the Group occupied certain properties with total gross floor areas of 720 square meters owned by Mr. Wang Xiaosong for operational use, which is free of charge (Same for the year ended 31 December 2013).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

39 關連方交易 (續)

(b) 與關連方的交易 (續)

(vii) 主要管理層報酬

主要管理層包括董事(執行和非執行)、財務總監、副總裁和總裁助理。就員工服務已付或應付予主要管理層之報酬列示如下：

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	45,263	36,597
離職後福利	Post-employment benefits	—	48
		45,263	36,645

本公司

Company

		截至12月31日止年度 Year ended 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
(i) 向關連方撥款	(i) Fundings to a related party		
— 香港宏盛發展有限公司	— Hong Kong Prosperity Development Ltd.	2,970,844	717,787
— 香港創拓發展有限公司	— Hong Kong Achievement Development Ltd.	143,441	—
		3,114,285	717,787
(ii) 替關連方墊支	(ii) Paid on behalf of a related party		
— 豪泰環球有限公司	— Heroic Time Global Ltd.	11	—
— 昇創有限公司	— Exalt Creation Ltd.	11	—
— 香港鼎盛發展有限公司	— Hong Kong Flourishing Development Ltd.	10	—
— 香港恒宇發展有限公司	— Hong Kong Perpetual Development Ltd.	10	—
— 香港創拓發展有限公司	— Hong Kong Achievement Development Limited	—	60
		42	60

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39 關連方交易 (續)

(c) 關連方結餘

本集團

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
(i) 應收關連方款項 (附註16)	(i) Amount due from a related party (Note 16)		
— 上海新城旭地房地產有限公司	— Shanghai Xincheng Xudi Real Estate Co., Ltd.	362,565	—
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	—	180,000
		362,565	180,000
(ii) 應付關連方款項 (附註24)	(ii) Amount due to a related party (Note 24)		
— 上海萬之城房地產開發有限公司	— Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	50,000	—

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Company

		於12月31日 As at 31 December	
		2013年 2013 人民幣千元 RMB'000	2012年 2012 人民幣千元 RMB'000
(i) 應收關連方款項 (附註16)	(i) Amounts due from related parties (Note 16)		
— 香港宏盛發展有限公司	— Hong Kong Prosperity Development Ltd.	3,688,631	717,787
— 香港創拓發展有限公司	— Hong Kong Achievement Development Limited	143,501	60
— 豪泰環球有限公司	— Heroic Time Global Ltd.	11	—
— 昇創有限公司	— Exalt Creation Ltd.	11	—
— 香港鼎盛發展有限公司	— Hong Kong Flourishing Development Ltd.	10	—
— 香港恒宇發展有限公司	— Hong Kong Perpetual Development Ltd.	10	—
		3,832,174	717,847

應收和應付關連方款項均無抵押、免息並需在獲通知後償還。

The amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

40 與非控制權益進行的交易

於2013年9月23日，本集團注入資本人民幣200,000,000元以收購常州新城萬德投資有限公司（「萬德」）的90.91%股權，萬德為一家由常州新城萬博投資有限公司分拆的公司，由王振華先生及王曉松先生全資擁有，惟由於其原有總繳足資本人民幣20,000,000元，故其並非本集團子公司。萬德直接持有本集團子公司常州富域發展有限公司（「常州富域」）的6.22%股權。交易後，萬德成為本集團子公司，及常州富域的非控制權益比例由6.22%減少至0.57%。任何已付代價公允價值與所購買相關應佔常州富域淨資產賬面值人民幣246,942,000元的差額在其他儲備中列作收益。

40 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 23 September 2013, the Group injected a capital of RMB200,000,000 to acquire 90.91% equity interest of Changzhou Future Land Wande Investment Co., Ltd. ("Wande"), a company spun off from Changzhou Future Land Wanbo Investment Co., Ltd., which is wholly owned by Mr. Wang Zhenhua and Mr. Wang Xiaosong, but not a subsidiary of the Group, with its original total paid-in capital of RMB20,000,000. Wande directly holds 6.22% equity interest of Changzhou Wealthzone Development Co., Ltd. ("Changzhou Wealthzone"), a subsidiary of the Group. After the transaction, Wande became the subsidiary of the Group, and the non-controlling interest portion of Changzhou Wealthzone decreased from 6.22% to 0.57%. The difference between fair value of consideration paid and the relevant share acquired of the carrying value of net assets of Changzhou Wealthzone of RMB246,942,000 representing a gain is recorded in other reserves.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2013年12月31日止年度 For the year ended 31 December 2013

41 子公司詳情

本集團子公司於2013年及2012年12月31日的詳情載列如下：

41 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2013 and 2012 are as follows:

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
江蘇新城物業服務有限公司 Jiangsu Future Land Property Management Co., Ltd.	1996年3月26日 26 March 1996	5,000	5,000	56.94%	53.70%	物業管理 Property management
新城控股集團有限公司 Future Land Holdings Co., Ltd.	1996年6月14日 14 June 1996	600,000	600,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
江蘇新城地產股份有限公司 Jiangsu Future Land Co., Ltd.	1997年10月10日 10 October 1997	1,593,187	1,593,187	57.18%	53.93%	物業開發及銷售 Development and sale of properties
常州新城房產開發有限公司(a) Changzhou Future Land Real Estate Development Co., Ltd.(a)	1998年4月26日 26 April 1998	1,100,000	1,100,000	54.78%	51.66%	物業開發及銷售 Development and sale of properties
常州富城發展有限公司 Changzhou Wealthzone Development Co., Ltd.	2002年4月27日 27 April 2002	321,800	321,800	99.43%	93.78%	物業開發及銷售 Development sale of properties
南京新城創置房地產有限公司 Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	2002年9月9日 9 September 2002	120,000	120,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
上海新城創置房地產有限公司 Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	2003年1月29日 29 January 2003	10,000 (2012: 210,000)	10,000 (2012: 210,000)	55.02%	51.89%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
上海新城萬嘉房地產有限公司 Shanghai Future Land Wanjia Real Estate Co., Ltd.	2003年3月19日 19 March 2003	410,000	410,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
上海新城萬嘉物業服務有限公司 Shanghai Future Land Wanjia Property Service Co., Ltd.	2003年11月27日 27 November 2003	500	500	56.75%	53.52%	物業管理 Property management
常州新龍創置房地產開發有限公司(a) Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd. (a)	2004年9月16日 16 September 2004	350,000	350,000	56.70%	53.48%	物業開發及銷售 Development and sale of properties
蘇州新城萬嘉房地產有限公司 Suzhou Future Land Wanjia Real Estate Co., Ltd.	2004年9月17日 17 September 2004	100,000	100,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
常州新城萬嘉建築設計有限公司 Changzhou Future Land Wan Jia Construction Design Co., Ltd.	2005年5月20日 20 May 2005	3,000	3,000	55.74%	52.57%	建築設計及諮詢 Construction design and consulting
常州鼎佳房地產開發有限公司 Changzhou Dingjia Property Real Estate Development Co., Ltd.	2005年5月27日 27 May 2005	10,000 (2012: 100,000)	10,000 (2012: 100,000)	55.09%	51.96%	物業開發及銷售 Development and sale of properties
常州新城東郡房地產開發有限公司 Changzhou Future Land Dongjun Real Estate Development Co., Ltd.	2005年12月27日 27 December 2005	10,000 (2012: 100,000)	10,000 (2012: 100,000)	56.99%	53.75%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
昆山新城創置發展有限公司 Kunshan Future Land Chuangzhi Development Co., Ltd.	2006年4月7日 7 April 2006	290,000 (2012: 300,000)	290,000 (2012: 300,000)	54.83%	51.71%	物業開發及銷售 Development and sale of properties
常州新城資產經營管理有限公司 Changzhou Future Land Assets Operation and Management Co., Ltd.	2006年10月24日 24 October 2006	1,000	1,000	56.94%	53.70%	資產運營及管理 Asset operation and management
常州新城置地房地產開發有限公司 Changzhou Future Land Zhidi Real Estate Development Co., Ltd.	2006年12月13日 13 December 2006	10,000 (2012: 90,000)	10,000 (2012: 90,000)	54.78%	51.66%	物業開發及銷售 Development and sale of properties
常州新城廣場置業有限公司 Changzhou Future Land Guangchang Property Co., Ltd.	2006年12月13日 13 December 2006	62,000	62,000	–	91.62%	物業開發及銷售 Development and sale of properties
常州嘉馳汽車配件有限公司 (原常州嘉楓市場調查有限公司) Changzhou Jia Chi Auto Parts Co., Ltd.	2007年1月16日 16 January 2007	15,000	15,000	54.78%	51.66%	物業市場調研 Marketing research of properties
常州萬方新城房地產開發有限公司 Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	650,000 (2012: 30,000)	650,000 (2012: 30,000)	54.84%	51.72%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
常州福隆房地產開發有限公司 Changzhou Fu Long Real Estate Development Co., Ltd.	2007年2月6日 6 February 2007	220,000	220,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
常州新城萬博置業有限公司 Changzhou Future Land Wanbo Property Co., Ltd.	2007年5月16日 16 May 2007	165,000 (2012: 615,000)	165,000 (2012: 615,000)	97.15%	91.62%	物業開發及銷售 Development and sale of properties
上海東郡房地產開發有限公司(a) Shanghai Dongjun Real Estate Development Co., Ltd. (a)	2007年5月31日 31 May 2007	400,000	400,000	57.18%	53.93%	物業開發及銷售 Development and sale of properties
無錫新城萬嘉置業有限公司 Wuxi Future Land Wanjia Property Co., Ltd.	2007年8月14日 14 August 2007	420,000	420,000	57.18%	53.93%	物業開發及銷售 Development and sale of properties
蘇州新城創佳置業有限公司 Suzhou Future Land Chuangjia Property Co., Ltd.	2007年10月11日 11 October 2007	500,000	500,000	57.18%	53.93%	物業開發及銷售 Development and sale of properties
常州萬嘉置業諮詢有限公司 Changzhou Wanjia Property Consultancy Co., Ltd.	2008年1月18日 18 January 2008	1,000	1,000	57.18%	53.93%	諮詢服務 Consulting

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
新城萬博置業有限公司 Future Land Wanbo Property Co., Ltd.	2008年1月24日 24 January 2008	220,000	220,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
上海新城創佳置業有限公司 Shanghai Future Land Chuangjia Property Co., Ltd.	2008年3月20日 20 March 2008	760,000	760,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
常州新城東昇房地產有限公司 Changzhou Future Land Dongsheng Real Estate Co., Ltd.	2009年6月4日 4 June 2009	360,000	360,000	56.99%	53.75%	物業開發及銷售 Development and sale of properties
南京新城創嘉房地產有限公司 Nanjing Future Land Chuangjia Real Estate Co., Ltd.	2009年7月2日 2 July 2009	18,000	18,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
常州新城金郡房地產有限公司(a) Changzhou Future Land Jinjun Real Estate Co., Ltd. (a)	2009年9月11日 11 September 2009	700,000 (2012: 470,000)	700,000 (2012: 470,000)	54.78%	51.66%	物業開發及銷售 Development and sale of properties
常州市恒福置業有限公司(a) Changzhou Hengfu Property Co., Ltd. (a)	2009年11月26日 26 November 2009	20,000	20,000	54.78%	51.66%	物業開發及銷售 Development and sale of properties
常州新城萬佳房地產有限公司(a) Changzhou Future Land Wanjia Real Estate Co., Ltd. (a)	2009年12月10日 10 December 2009	700,000	700,000	54.78%	51.66%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
常州新城宏業房地產有限公司 Changzhou Future Land Hongye Real Estate Co., Ltd.	2009年12月28日 28 December 2009	800,000	800,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
南京新城萬嘉房地產有限公司 Nanjing Future Land Wanjia Real Estate Co., Ltd.	2010年1月13日 13 January 2010	310,000	310,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
常州新城創佳房地產開發有限公司 Changzhou Future Land Chuangjia Real Estate Co., Ltd.	2010年1月22日 22 January 2010	520,000	520,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties
上海新城創宏房地產有限公司 Shanghai Future Land Chuanghong Real Estate Co., Ltd.	2010年1月26日 26 January 2010	10,000 (2012: 420,000)	10,000 (2012: 420,000)	55.02%	51.89%	物業開發及銷售 Development and sale of properties
常州新城科達投資諮詢有限公司 Changzhou Future Land Keda Investment Consultancy Co., Ltd.	2010年2月4日 4 February 2010	500	500	97.15%	91.62%	諮詢服務 Consulting
常州新城經典建築設計有限公司 Changzhou Future Land Jingdian Architectural Design Co., Ltd.	2010年2月4日 4 February 2010	500	500	97.15%	91.62%	物業開發及銷售 Development and sale of properties
上海新城金郡房地產有限公司 Shanghai Future Land Jinjun Real Estate Co., Ltd.	2010年3月26日 26 March 2010	820,000	820,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
無錫新城創置房地產有限公司(a) Wuxi Future Land Chuangzhi Real Estate Co., Ltd. (a)	2010年5月6日 6 May 2010	500,000 (2012: 200,000)	500,000 (2012: 200,000)	57.18%	53.93%	物業開發及銷售 Development and sale of properties
常州新城萬盛房地產有限公司 Changzhou Future Land Wansheng Real Estate Co., Ltd.	2010年6月12日 12 June 2010	120,000	120,000	97.53%	91.98%	物業開發及銷售 Development and sale of properties
香港宏盛發展有限公司(b) Hong Kong Prosperity Development Ltd. (b)	2010年8月30日 30 August 2010	10	—	100%	100%	投資公司 Investment company
香港創拓發展有限公司(b) Hong Kong Achievement Development Limited (b)	2010年8月30日 30 August 2010	10	3	100%	100%	投資公司 Investment company
常州新城吾悅商業管理有限公司 Changzhou Future Land Injoy Commercial Management Co., Ltd.	2010年11月8日 8 November 2010	10,000	10,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
上海新城萬聖置業有限公司 Shanghai Future Land Wansheng Property Co., Ltd.	2010年11月10日 10 November 2010	10,000	10,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
南京新城允升房地產有限公司 Nanjing Future Land Yunsheng Real Estate Co., Ltd.	2010年11月19日 19 November 2010	860,000	860,000	55.02%	51.89%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
常州新城宏業百貨有限公司 Changzhou Future Land Hongye Baihuo Co., Ltd.	2010年11月30日 30 November 2010	10,000	10,000	97.15%	91.62%	百貨商店管理 Department store management
無錫新城萬博置業有限公司 Wuxi Future Land Wanbo Property Co., Ltd.	2011年1月6日 6 January 2011	500,000	500,000	97.24%	91.17%	物業開發及銷售 Development and sale of properties
金壇市新城萬郡置業有限公司 Jintan Future Land Wanjun Property Co., Ltd.	2011年3月22日 22 March 2011	10,000	10,000	75.96%	71.64%	物業開發及銷售 Development and sale of properties
長沙新城萬博置業有限公司 Changsha Future Land Wanbo Property Co., Ltd.	2011年3月28日 28 March 2011	420,000	420,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties
常州吾悅百貨有限公司 Changzhou Injoy Baihuo Co., Ltd.	2011年4月22日 22 April 2011	500	500	97.15%	91.62%	百貨商店管理 Department store management
上海新城創域房地產有限公司 Shanghai Future Land Chuangyu Real Estate Co., Ltd.	2011年5月10日 10 May 2011	589,000 (2012: 30,000)	589,000 (2012: 30,000)	55.02%	51.89%	物業開發及銷售 Development and sale of properties
昆山新城創宏房地產有限公司 Kunshan Future Land Chuanghong Real Estate Co., Ltd.	2011年6月20日 20 June 2011	460,000 (2012: 370,000)	460,000 (2012: 370,000)	57.18%	53.93%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
昆山新城創域房地產有限公司 Kunshan Future Land Chuangyu Real Estate Co., Ltd.	2011年6月23日 23 June 2011	100,000	100,000	77.16%	72.78%	物業開發及銷售 Development and sale of properties
常州新城瑞壹國際酒店有限公司 Changzhou Future Land Rui Yi International Co., Ltd.	2011年9月7日 7 September 2011	1,000	1,000	54.78%	51.66%	物業、酒店和會議管理以 及公寓租賃服務 Property, hotel and conference management; apartment leasing services
常州嘉楓市場調查有限公司 Changzhou Jiafeng Market Research Co., Ltd.	2011年9月15日 15 September 2011	5,000	5,000	54.78%	51.66%	物業市場調研 Marketing research of properties
長沙萬博物業管理有限公司 Changsha Wanbo Property Management Co., Ltd.	2011年9月21日 21 September 2011	— (2012: 500)	— (2012: 500)	—	91.62%	物業管理 Property management
常州吾悅國際廣場商業管理有限 公司 Changzhou Injoy International Plaza Commercial Management Co., Ltd.	2012年4月5日 5 April 2012	5,000	5,000	97.15%	91.62%	百貨商店管理 Department store management
武漢新城宏盛置業有限公司 Wuhan Future Land Hongsheng Property Co., Ltd.	2012年5月9日 9 May 2012	400,000	400,000	97.15%	91.62%	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
上海富銘房地產開發有限公司*	2009年9月7日	638,000	638,000	55.02%	51.89%	物業開發及銷售
Shanghai Fuming Real Estate Development Co., Ltd.	7 September 2009	(2012: 338,000)	(2012: 338,000)			Development and sale of properties
常州凱盛房地產發展有限公司	2012年6月19日	—	—	—	99.16%	物業開發及銷售
Changzhou Kaisheng Real Estate Co., Ltd.	19 June 2012	(2012: 20,000)	(2012: 20,000)			Development and sale of properties
蘇州新城創恒房地產有限公司	2012年8月13日	300,000	300,000	57.18%	53.93%	物業開發及銷售
Suzhou Future Land Chuangheng Real Estate Co., Ltd.	13 August 2012	(2012: 20,000)	(2012: 20,000)			Development and sale of properties
上海青浦吾悅商業管理有限公司	2012年12月31日	5,000	5,000	97.15%	91.62%	百貨商店管理
Shanghai Qingpu Injoy Commercial Management Co., Ltd.	31 December 2012					Department store management
上海新城寶郡置業有限公司	2013年1月16日	360,000	360,000	55.02%	—	物業開發及銷售
Shanghai Future Land Baojun Property Co., Ltd.	16 January 2013					Development and sale of properties
常州萬盛商業管理有限公司	2013年1月22日	450,000	450,000	97.15%	—	百貨商店管理
Changzhou Wansheng Property Management Co., Ltd.	22 January 2013					Department store management
南京新城創隆房地產有限公司	2013年3月14日	550,000	550,000	55.02%	—	物業開發及銷售
Nanjing Future Land Chuanglong Real Estate Co., Ltd.	14 March 2013					Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
常州匯盛房地產發展有限公司 Changzhou Future Land Huisheng Development Co., Ltd.	2013年5月15日 15 May 2013	452,000	180,802	98.57%	—	物業開發及銷售 Development and sale of properties
常州悅盛房地產發展有限公司 Changzhou Future Land Yuesheng Development Co., Ltd.	2013年5月15日 15 May 2013	612,000	612,000	98.57%	—	物業開發及銷售 Development and sale of properties
常州卓盛房地產發展有限公司 Changzhou Future Land Zhuosheng Development Co., Ltd.	2013年5月15日 15 May 2013	756,000	303,309	98.57%	—	物業開發及銷售 Development and sale of properties
豪泰環球有限公司(b) Heroic Time Global Limited (b)	2013年5月28日 28 May 2013	300	—	100.00%	—	投資公司 Investment company
鎮江新城凱盛開發有限公司 Zhenjiang Future Land Kaisheng Development Co., Ltd.	2013年6月7日 7 June 2013	270,000	270,000	100.00%	—	物業開發及銷售 Development and sale of properties
蘇州凱拓房地產發展有限公司 Suzhou Future Land Kaituo Development Co., Ltd.	2013年6月20日 20 June 2013	1,228,800	1,122,577	36.62% (c)	—	物業開發及銷售 Development and sale of properties
蘇州博盛房地產發展有限公司 Suzhou Future Land Bosheng Development Co., Ltd.	2013年6月20日 20 June 2013	450,000	170,013	100.00%	—	物業開發及銷售 Development and sale of properties
昇創有限公司(b) Exalt Creation Limited (b)	2013年6月27日 27 June 2013	300	—	100.00%	—	投資公司 Investment company

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
蘇州新城創盛置業有限公司 Suzhou Future Land Chuangsheng Property Co., Ltd.	2013年7月1日 1 July 2013	30,000	30,000	40.03% (d)	—	物業開發及銷售 Development and sale of properties
香港鼎盛發展有限公司(b) Hong Kong Flourishing Development Limited (b)	2013年7月16日 16 July 2013	8	—	100.00%	—	投資公司 Investment company
香港恒宇發展有限公司(b) Hong Kong Perpetual Development Limited (b)	2013年7月16日 16 July 2013	8	—	100.00%	—	投資公司 Investment company
蘇州吾悅商業管理有限公司 Suzhou Injoy Commercial Management Co., Ltd.	2013年7月19日 19 July 2013	5,000	5,000	97.15%	—	百貨商店管理 Department store management
常州德潤諮詢管理有限公司 Changzhou Derun Consultancy Co., Ltd.	2013年8月28日 28 August 2013	2,000	2,000	100.00%	—	諮詢服務 Consulting
常州新城萬德投資有限公司 Changzhou Future Land Wande Investment Co., Ltd.	2013年9月9日 9 September 2013	220,000	220,000	90.91%	—	投資公司 Investment company
杭州新城創宏房地產開發有限公司 Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	2013年9月27日 27 September 2013	320,000	320,000	57.18%	—	物業開發及銷售 Development and sale of properties
杭州新城鼎宏房地產開發有限公司 Hangzhou Future Land Dingghong Real Estate Development Co., Ltd.	2013年10月8日 8 October 2013	100,000	100,000	57.18%	—	物業開發及銷售 Development and sale of properties

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41 子公司詳情 (續)

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

公司名稱 Company name	註冊成立／成立日期 Date of incorporation/ establishment	法定或 註冊資本 Authorised or registered capital 人民幣千元 RMB'000	已發行和 繳足股本 Issued and fully paid capital 人民幣千元 RMB'000	於12月31日應佔股權百分比 Percentage of attributable equity interest as at 31 December		主要業務 Principal activities
				2013年 2013	2012年 2012	
張家港鼎盛房地產有限公司 Zhangjiagang Future Land Dingsheng Real Estate Co., Ltd.	2013年10月25日 25 October 2013	720,000	365,355	100.00%	—	物業開發及銷售 Development and sale of properties
杭州新城創盛房地產開發有限公司 Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	2013年11月6日 6 November 2013	100,000	100,000	57.18%	—	物業開發及銷售 Development and sale of properties
丹陽新城宏盛房地產發展有限公司 Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	2013年11月5日 5 November 2013	450,000	306,585	100.00%	—	物業開發及銷售 Development and sale of properties
常州賽福諮詢管理有限公司 Changzhou Saifu Consultancy Co., Ltd.	2013年11月27日 27 November 2013	122,216	122,216	100.00%	—	諮詢服務 Consulting
昆山新城萬龍房地產發展有限公司 Kunshan Future Land Wanlong Real Estate Development Co., Ltd.	2013年12月31日 31 December 2013	10,000	10,000	54.83%	—	物業開發及銷售 Development and sale of properties

* 於2012年5月16日，本集團以代價人民幣311,157,000元收購上海富銘房地產開發有限公司（「上海富銘」）100%股權。董事認為，此項收購實質屬於資產收購，而並非業務合併，因此作為資產收購入賬。

* On 16 May 2012, the Group acquired 100% equity interest in Shanghai Fuming Real Estate Development Co., Ltd. ("Shanghai Fuming"), at a consideration of RMB311,157,000. The directors consider this acquisition is an asset acquisition in substance rather than a business combination and therefore is accounted for as an asset acquisition.

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41 子公司詳情 (續)

- (a) 於2013年及2012年12月31日，本公司子公司若干股權已就借款予以抵押 (附註22)。有關詳情，請參閱下表：

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (a) Certain equity interests in the subsidiaries of the Company were pledged for borrowings as at 31 December 2013 and 2012, respectively (Note 22). For details, please refer to the table below:

		於12月31日 As at 31 December	
		2013年 2013	2012年 2012
江蘇新城地產股份有限公司 法人股數目	Number of legal person shares of Jiangsu Future Land Co., Ltd.	50,000,000	874,500,000
上海東郡房地產開發有限公司 股權百分比	Percentage of equity interests in Shanghai Dongjun Real Estate Development Co., Ltd.	—	100%
常州市恒福置業有限公司 股權百分比(i)	Percentage of equity interests in Changzhou Hengfu Property Co., Ltd. (i)	100%	100%
常州新城房產開發有限公司 股權百分比	Percentage of equity interests in Changzhou Future Land Real Estate Development Co., Ltd.	—	70%
無錫新城創置房地產有限公司 股權百分比	Percentage of equity interests in Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	—	100%
常州新城萬佳房地產開發有限公司 股權百分比	Percentage of equity interests in Changzhou Future Land Wanjia Real Estate Co., Ltd.	—	100%
常州新城金郡房地產有限公司 股權百分比	Percentage of equity interests in Changzhou Future Land Jinjun Real Estate Co., Ltd.	—	100%

- (i) 常州市恒福置業有限公司股權已就銀行借款予以抵押，除此之外，所抵押的所有其他股權均就信託融資安排予以抵押。

- (i) The equity interests in Changzhou Hengfu Property Co., Ltd. were pledged for bank borrowing. Other than this, all other equity interests pledged were for trust financing arrangements.

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41 子公司詳情 (續)

(b) 本公司於該等子公司直接或間接擁有股權，而該等子公司於其他子公司直接或間接擁有股權。該等子公司於香港成立，而所有其他子公司於中國內地成立。所有子公司均為有限公司。

(c) 於2013年6月20日，本集團成立蘇州凱拓房地產發展有限公司，原註冊資本為75,000,000美元。根據合作發展協議，第三方投資者其後注資129,800,000美元。經注資後，本集團於蘇州凱拓房地產發展有限公司的持股下跌至36.62%，而本集團享有65%的經營業績。

項目公司的營運環境和架構需要所有主要財務和營運政策在第三方投資者訂立前釐定。項目公司在任何重大方面不可以偏離其核定目的和設計。同時，根據多份法律文件（包括項目公司組織章程細則、投資協議及與第三方投資者訂立的其他協議），本集團保留在項目公司日常業務過程中和日常管理過程中對項目公司營運和管理的權力。

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

(b) The Company has direct or indirect equity interests in these subsidiaries which have direct or indirect equity interests in the other subsidiaries. These subsidiaries were incorporated in Hong Kong and all the other subsidiaries were established in mainland China. All the subsidiaries are limited liability companies.

(c) On 20 June 2013, the Group set up Suzhou Kaituo Development Co., Ltd. with the original registered capital of USD75,000,000. According to the cooperative development agreement, a third party investor injected the capital with amounts of USD129,800,000 thereafter. After the capital injection, the Group's share holding in Suzhou Kaituo Development Co., Ltd. dropped to 36.62% while the Group is entitled to 65% of the operating results.

The operation environment and structure of the project company require that all the major financial and operating policies are determined before third party investor is entered into. The project company may not deviate from its approved purpose and design in any material respect. At the same time, according to various legal documents, including the articles of association of the project company, investment agreements and other agreements with the third party investor, the Group retains the power to operate and manage the project company in the ordinary course of business and the day-to-day management of the project company.

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41 子公司詳情 (續)

- (d) 本公司持有57.18%權益的子公司蘇州新城創佳置業有限公司持有本公司70%權益。因此，本集團擁有的實際比率為40.03%，惟本公司對公司擁有控制權。

(e) 重大非控股權益

於2013年12月31日的非控股權益總額為人民幣3,876,311,000元，其中人民幣3,030,583,000元屬江蘇新城地產股份有限公司（「江蘇新城」）所有，而人民幣795,241,000元則歸屬於蘇州凱拓房地產發展有限公司（「蘇州凱拓」）。其他子公司的非控股權益並不重大。

重大限制

現金及短期存款人民幣7,604,735,070元乃在中國持有，並受當地匯兌控制規例所規限。該等當地匯兌控制規例訂明對國家輸出資金（並非透過正常股息）的限制。

持有屬重大的非控股權益的子公司財務資料概要

以下載列持有對本集團屬重大的非控股權益的各子公司財務資料概要。有關與非控制權益進行的交易，請參閱附註40。

41 PARTICULARS OF SUBSIDIARIES (Cont'd)

- (d) Suzhou Future Land Chuangjia Property Co., Ltd., the Company's 57.18% held subsidiary, holds 70% interests in the Company. Hence, the effective rate owned by the Group is 40.03%, but the Company has control over the entity.

(e) Material non-controlling interests

The total non-controlling interest as at 31 December 2013 is RMB3,876,311,000, among which RMB3,030,583,000 is for Jiangsu Future Land Co., Ltd. ("Jiangsu Future Land") and RMB 795,241,000 is attributed to Suzhou Kaituo Development Co., Ltd. ("Suzhou Kaituo"). The non-controlling interests in respect of other subsidiaries are not material.

Significant restrictions

Cash and short-term deposits of RMB7,604,735,070 are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 40 for transactions with non-controlling interests.

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41 子公司詳情 (續)

(e) 重大非控股權益 (續)

財務狀況表概要

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元
流動資產	Current Assets	32,530,404	28,081,425	1,828,555	—
負債	Liabilities	(20,895,838)	(20,635,568)	(780,774)	—
總流動資產淨值	Total current net assets	11,634,566	7,445,857	1,047,781	—
非流動資產	Non-current Assets	1,355,673	1,199,222	161,198	—
負債	Liabilities	(6,109,297)	(3,268,644)	(100,000)	—
總非流動資產淨值	Total non-current net assets	(4,753,624)	(2,069,422)	61,198	—
資產淨值	Net assets	6,880,942	5,376,435	1,108,979	—

全面收益表概要

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元
收益	Revenue	16,583,969	14,300,447	—	—
除投資物業公允價值收益和 所得稅開支前的利潤	Profit before fair value gains on investment properties and income tax expense	2,973,596	2,336,309	17,919	—
所得稅開支	Income tax expense	(1,336,666)	(981,372)	(4,321)	—
除稅後利潤	Post-tax profit	1,636,930	1,354,937	13,598	—
全面收益總額	Total comprehensive income	1,636,930	1,354,937	13,598	—
分配至非控股權益的 全面收益總額	Total comprehensive income allocated to non-controlling interests	747,255	641,408	(3,513)	—
向非控股股東支付的股息	Dividends paid to non-controlling interests	65,546	32,774	—	—

41 PARTICULARS OF SUBSIDIARIES

(Cont'd)

(e) Material non-controlling interests (Cont'd)

Summarised statement of financial position

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元
流動資產	Current Assets	32,530,404	28,081,425	1,828,555	—
負債	Liabilities	(20,895,838)	(20,635,568)	(780,774)	—
總流動資產淨值	Total current net assets	11,634,566	7,445,857	1,047,781	—
非流動資產	Non-current Assets	1,355,673	1,199,222	161,198	—
負債	Liabilities	(6,109,297)	(3,268,644)	(100,000)	—
總非流動資產淨值	Total non-current net assets	(4,753,624)	(2,069,422)	61,198	—
資產淨值	Net assets	6,880,942	5,376,435	1,108,979	—

Summarised statement of comprehensive income

		江蘇新城 Jiangsu Future Land		蘇州凱拓 Suzhou Kaituo	
		2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元	2012 2012年 RMB'000 人民幣千元
收益	Revenue	16,583,969	14,300,447	—	—
除投資物業公允價值收益和 所得稅開支前的利潤	Profit before fair value gains on investment properties and income tax expense	2,973,596	2,336,309	17,919	—
所得稅開支	Income tax expense	(1,336,666)	(981,372)	(4,321)	—
除稅後利潤	Post-tax profit	1,636,930	1,354,937	13,598	—
全面收益總額	Total comprehensive income	1,636,930	1,354,937	13,598	—
分配至非控股權益的 全面收益總額	Total comprehensive income allocated to non-controlling interests	747,255	641,408	(3,513)	—
向非控股股東支付的股息	Dividends paid to non-controlling interests	65,546	32,774	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 子公司詳情(續)

現金流量表概要

(Cont'd)

Summarised cash flows

上述資料為對銷集團內公司間交易前的金額。

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