新城控股
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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

ANNUAL RESULTS HIGHLIGHTS

– Revenue decreased by 0.3% to RMB20,718.7 million;

– Gross profit decreased by 17.3% to RMB3,874 million;

– Net profit for the year was RMB1,679.3 million, of which RMB1,025.7 million was attributable to the equity holders of the Company;

– Core earnings* was RMB1,330.5 million, of which RMB707.3 million was attributable to equity holders of the Company;

– Achieved contracted sales** of RMB24,510 million with corresponding GFA of approximately 2,769,000 sq.m., representing an increase of 18.8% and 25.5%, respectively;

– Cash and cash equivalents decreased by 35.0% to RMB4,817.9 million;

– Net debt-to-equity ratio*** reached 52.6% at the end of the year; and

– The Board recommended a final dividend of RMB0.05 per share.

* *Core earnings equal to net profit less after-tax fair value gains on investment properties and after-tax fair value gains upon transfer of properties held for sale to investment properties which is recorded in other gains.*

** *Contracted sales include contracted sales of RMB1,393 million and contracted sales area of 117,000 Square metres ("**sq.m.**") of the Group's joint ventures and associates' projects on a 100% basis.*

*** *Net debt-to-equity ratio equals total borrowings less cash, cash equivalents and restricted cash divided by total equity and multiplying by 100%.*

The board (the "**Board**") of directors (the "**Directors**") of Future Land Development Holdings Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014 together with the comparative figures for the year 2013 as follows:

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 RMB'000	2013 RMB'000
Revenue	8	**20,718,670**	20,771,255
Cost of sales	9	**(16,844,627)**	(16,088,038)
Gross profit		**3,874,043**	4,683,217
Fair value gains on investment properties		**365,994**	37,839
Selling and marketing costs	9	**(613,387)**	(592,032)
Administrative expenses	9	**(701,787)**	(680,028)
Other income		**36,903**	151,674
Other expenses		**(2,405)**	(4,152)
Other gains – net		**105,627**	46,270
Operating profit		**3,064,988**	3,642,788
Finance income	10	**117,008**	121,793
Finance costs	10	**(252,802)**	(516,693)
Finance costs – net		**(135,794)**	(394,900)
Share of results of associates		**2,849**	(11,422)
Share of results of joint ventures		**(10,195)**	–
Profit before income tax		**2,921,848**	3,236,466
Income tax expense	11	**(1,242,561)**	(1,519,329)
Profit for the year		**1,679,287**	1,717,137
Attributable to:			
Equity holders of the Company		**1,025,721**	981,262
Non-controlling interests		**653,566**	735,875
		1,679,287	1,717,137
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	12	**RMB0.18**	RMB0.17
Dividends	13	**283,400**	283,400

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**1,679,287**	1,717,137
Other comprehensive income, which may be reclassified subsequently to profit or loss		
– Change in fair value of available-for-sale financial assets, net of tax	**20,250**	–
Total comprehensive income for the year	**1,699,537**	1,717,137
Attributable to:		
Equity holders of the Company	**1,037,149**	981,262
Non-controlling interests	**662,388**	735,875
	1,699,537	1,717,137

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		As at 31 December	
	Note	**2014**	2013
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**741,152**	116,009
Investment properties		**5,936,000**	3,307,000
Intangible assets		**17,574**	9,836
Investments in associates		**146,317**	43,468
Investments in joint ventures		**861,055**	10,000
Deferred income tax assets		**499,175**	499,738
Available-for-sale financial assets		**287,385**	221,187
Land use rights		**397,659**	367,248
Other receivables and prepayments	*4*	**976,544**	198,538
		9,862,861	4,773,024
Current assets			
Prepayments for leasehold land		**3,263,529**	3,285,498
Properties held or under development for sale		**29,862,468**	28,728,964
Trade and other receivables and prepayments	*4*	**3,216,397**	2,112,831
Restricted cash		**2,618,559**	886,180
Cash and cash equivalents		**4,817,907**	7,411,713
		43,778,860	42,425,186
Total assets		**53,641,721**	47,198,210
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued and fully paid capital	*5*	**4,617**	4,617
Reserves		**7,639,363**	6,717,031
		7,643,980	6,721,648
Non-controlling interests		**4,707,042**	3,876,311
Total equity		**12,351,022**	10,597,959

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)
As at 31 December 2014

	Note	**As at 31 December 2014** *RMB'000*	2013 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*6*	**10,555,452**	11,715,075
Deferred income tax liabilities		**686,260**	432,922
		11,241,712	12,147,997
Current liabilities			
Trade and other payables	*7*	**12,023,131**	10,368,476
Advances from pre-sale of properties		**13,164,015**	10,235,042
Current income tax liabilities		**1,484,495**	1,673,306
Borrowings	*6*	**3,376,189**	2,174,501
Dividends payable		**1,157**	929
		30,048,987	24,452,254
Total liabilities		**41,290,699**	36,600,251
Total equity and liabilities		**53,641,721**	47,198,210
Net current assets		**13,729,873**	17,972,932
Total assets less current liabilities		**23,592,734**	22,745,956

NOTES:

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.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2014 but are extracted from those financial statements.

2 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 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.

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.

- 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.

- 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.

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretations 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, 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, 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.

3 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.

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.

	Year ended 31 December 2014				
	B share company *RMB'000*	**Non-B share companies** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**17,100,229**	**3,642,588**	**20,742,817**	**(24,147)**	**20,718,670**
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**
Finance income	**67,816**	**49,192**	**117,008**	**–**	**117,008**
Finance costs	**(18,514)**	**(234,288)**	**(252,802)**	**–**	**(252,802)**
Depreciation and amortisation	**(21,751)**	**(14,714)**	**(36,465)**	**–**	**(36,465)**
Share of results of associates	**2,849**	**–**	**2,849**	**–**	**2,849**
Share of results of joint ventures	**(10,195)**	**–**	**(10,195)**	**–**	**(10,195)**

A reconciliation to profit for the year is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	**2,555,854**
Fair value gains on investment properties	**365,994**
Income tax expense	**(1,242,561)**
Profit for the year	**1,679,287**

	As at 31 December 2014				
Segment assets	**33,898,130**	**19,748,283**	**53,646,413**	**(4,692)**	**53,641,721**
Segment assets include:					
Investments in associates	**46,317**	**100,000**	**146,317**	**–**	**146,317**
Investments in joint ventures	**861,055**	**–**	**861,055**	**–**	**861,055**
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**
Segment liabilities	**25,605,503**	**15,689,888**	**41,295,391**	**(4,692)**	**41,290,699**

	B share company RMB'000	Non-B share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
	Year ended 31 December 2013				
Segment revenue	16,583,969	4,188,605	20,772,574	(1,319)	20,771,255
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
Finance income	52,466	69,327	121,793	–	121,793
Finance costs	(66,254)	(450,439)	(516,693)	–	(516,693)
Depreciation and amortisation	(16,371)	(5,500)	(21,871)	–	(21,871)
Share of results of an associate	(11,422)	–	(11,422)	–	(11,422)

A reconciliation to profit for the year is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	3,198,627
Fair value gains on investment properties	37,839
Income tax expense	(1,519,329)
Profit for the year	1,717,137

	B share company RMB'000	Non-B share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
	As at 31 December 2013				
Segment assets	33,886,077	13,334,828	47,220,905	(22,695)	47,198,210
Segment assets include:					
Investments in associates	43,468	–	43,468	–	43,468
Investment in a joint venture	10,000	–	10,000	–	10,000
Additions to non-current assets (other than financial instruments and deferred tax assets)	29,933	173,046	202,979	–	202,979
Segment liabilities	27,005,135	9,617,811	36,622,946	(22,695)	36,600,251

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**11,364**	2,250
Notes receivable	**31,317**	4,400
Total trade receivables	**42,681**	6,650
Less: Provision for impairment of receivables	**–**	–
Trade receivables – net	**42,681**	6,650
Receivables from related parties	**1,101,436**	362,565
Receivable in connection with the disposal of a subsidiary	**–**	35,156
Receivable from a non-controlling shareholder of a subsidiary	**33,388**	–
Amounts paid on behalf of third parties	**79,852**	41,964
Prepaid business tax and surcharges (a)	**730,807**	567,828
Prepaid income tax and land appreciation tax (a)	**528,950**	382,333
Prepayments for construction costs	**113,017**	157,406
Prepayments for office buildings (b)	**878,436**	–
Tender deposits (c)	**200,358**	276,420
Deposit for trust financing arrangements (d)	**–**	125,000
Deposits with public housing fund centres (e)	**149,316**	122,920
Deposits for timely project construction (f)	**54,711**	101,125
Deposits for property maintenance (g)	**98,108**	73,538
Deposit for acquisition of a subsidiary (h)	**50,000**	–
Other deposits	**46,600**	5,177
Others	**85,281**	53,287
	4,192,941	2,311,369
Less: Non-current portion of other receivables and prepayments (c, d, g)	**(976,544)**	(198,538)
Current portion	**3,216,397**	2,112,831

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.

(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.

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.

5 SHARE CAPITAL

Group and Company

(a) Authorised shares

	Number of authorised shares
	Hong Kong Dollars ("HKD") share
As at 1 January 2013, 31 December 2013 and 31 December 2014	10,000,000,000

(b) Issued shares

	Number of issued shares	**Ordinary shares**
	HKD0.001 each	*RMB*
As at 1 January 2013, 31 December 2013 and 31 December 2014	5,668,000,000	4,617,069

6 BORROWINGS

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Non-current, secured and borrowed from:		
– Banks (a)	**4,987,700**	10,179,459
– Senior notes due January 2018 ("**2018 Notes**") (b (i))	**1,199,712**	1,189,147
– Senior notes due April 2016 ("**2016 Notes**") (b (ii))	**1,486,844**	1,477,928
– Senior notes due July 2019 ("**2019 Notes**") (b (iii))	**2,091,577**	–
Non-current, unsecured and borrowed from:		
– Banks	**–**	400,000
– Corporate bonds due July 2019 ("**2019 Bonds**") (c)	**1,981,419**	–
	11,747,252	13,246,534
Less: Current portion of long-term borrowings	**(1,191,800)**	(1,531,459)
	10,555,452	11,715,075
Current, secured and borrowed from:		
– Banks (a)	**2,184,389**	643,042
Current portion of long-term borrowings	**1,191,800**	1,531,459
	3,376,189	2,174,501

(a) These bank borrowings of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of subsidiaries and bank deposits of the Group 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 United States Dollars ("**USD**") 200,000,000 ("**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:

- 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:

Year	**Redemption Price**
31 January 2016 to 30 January 2017	105.1250%
31 January 2017 and thereafter	102.5625%

- 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.

(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.

(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:

Year	**Redemption Price**
21 July 2017 to 20 July 2018	105.1250%
21 July 2018 and thereafter	102.5625%

- 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.

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.

(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.

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade payables	**9,571,298**	8,276,829
Notes payable	**452,310**	659,238
Advance from a non-controlling shareholder of a subsidiary (a)	**336,980**	555,580
Business and other taxes payable	**274,413**	233,539
Maintenance & decoration fees collected on behalf	**180,844**	152,591
Accrued payroll	**119,809**	127,136
Interest payable	**282,508**	118,392
Deposits for construction biddings	**137,768**	70,594
Deed tax collected on behalf	**46,710**	34,770
Payables to related parties	**437,329**	50,000
Temporary funding payables (b)	**18,000**	18,000
Payable related to acquisition of an associate	**50,000**	–
Others	**115,162**	71,807
	12,023,131	10,368,476

(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 at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Less than 1 year	**9,601,173**	8,673,152
Between 1 and 2 years	**272,280**	178,168
Between 2 and 3 years	**93,203**	56,826
Over 3 years	**56,952**	27,921
	10,023,608	8,936,067

As at 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.

8 REVENUE

Turnover of the Group consists of the following for the years ended 31 December 2014 and 2013:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Revenue from sales of properties	**20,216,114**	20,421,811
Revenue from property management	**282,889**	182,501
Rental income	**127,830**	102,356
Others	**91,837**	64,587
	20,718,670	20,771,255

9 EXPENSES BY NATURE

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

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Land use rights costs	**5,658,544**	4,770,651
Construction costs	**8,637,339**	9,101,315
Capitalised interest	**747,398**	770,865
Business tax and surcharges (a)	**1,169,558**	1,166,306
Provision for impairment of properties held or under development for sale	**382,231**	79,588
Depreciation of property, plant and equipment	**31,855**	19,453
Amortisation of intangible assets	**4,610**	2,418
Bank charges	**27,289**	18,610
Staff costs	**787,814**	609,667
Entertainment expenses	**67,719**	72,568
Stamp duty and other taxes	**38,642**	56,295
Professional fees	**19,549**	6,714
Auditors' remuneration	**3,200**	3,200
Sales commission	**111,145**	151,057
Advertising and publicity costs	**284,686**	309,961
Rental expenses	**38,733**	36,820
Travelling expenses	**42,449**	27,805
Other expenses	**107,040**	156,805
Total cost of sales, selling and marketing costs and administrative expenses	**18,159,801**	17,360,098

(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.

10 FINANCE COSTS – NET

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Finance costs		
– Interest on bank loans, senior notes, trust financing arrangements and borrowings from other financial institutions	**(1,291,029)**	(1,209,771)
– Less: Interest capitalised	**1,043,338**	682,959
	(247,691)	(526,812)
– Net foreign exchange gains relating to borrowings	**7,955**	63,782
– Net foreign exchange losses on cash and cash equivalents	**(13,066)**	(53,663)
Total finance costs	**(252,802)**	(516,693)
Finance income		
– Interest income on bank deposits	**117,008**	121,793
Net finance costs	**(135,794)**	(394,900)

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**597,135**	866,582
– PRC corporate income tax	**398,275**	761,242
	995,410	1,627,824
Deferred income tax	**247,151**	(108,495)
Total income tax charged for the year	**1,242,561**	1,519,329

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:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**2,921,848**	3,236,466
PRC land appreciation tax	**(597,135)**	(866,582)
	2,324,713	2,369,884
Income tax calculated at statutory rate of 25%	**581,178**	592,471
Non-deductible expenses	**55,602**	63,730
Non-taxable income	**(1,638)**	(1,651)
Utilisation of previously unrecognised tax losses	**(1,015)**	(15,147)
Tax losses not recognised as deferred tax assets	**344**	570
Prior year tax adjustments	**376**	1,003
PRC withholding tax	**10,579**	11,771
PRC land appreciation tax	**597,135**	866,582
Total income tax expense	**1,242,561**	1,519,329

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.

12 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.

	Year ended 31 December	
	2014	2013
Consolidated profit attributable to equity holders of the Company (RMB'000)	**1,025,721**	981,262
Weighted average number of ordinary shares in issue ('000)	**5,668,000**	5,668,000
Basic earnings per share (RMB)	**0.18**	0.17

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.

13 DIVIDENDS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Proposed final dividend of RMB0.05 (2013: RMB0.05) per ordinary share	**283,400**	283,400

No interim dividend was declared during the year (2013: Nil).

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.

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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

On behalf of Future Land Development Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), I am pleased to present to our shareholders the annual results of the Group for the year ended 31 December 2014.

Review of 2014

As a leading real estate developer in the Yangtze River Delta, the Group continued to uphold the development strategy of "high regional concentration, high turnover and product diversification" in 2014, during which we achieved encouraging contracted sales of approximately RMB24.51 billion (annual contracted sales target for the year was RMB24 billion) against the backdrop of growth slowdown in the domestic real estate market, based on its forward-looking judgement, efficient and excellent execution power. In addition, faced with the increasingly complex and ever-changing market environment and differentiated industry trends, the Group has managed to consistently study and keep up with the latest trends, worked out countermeasures in a timely manner and steadily pushed forward land expansion, geographical planning, construction, property sales and business operations in a down-to-earth manner. During the year, we have successively gained 13 quality sites in 11 cities. While consolidating our leading position in the Yangtze River Delta, we have also managed to expand presence into six key cities, including Changchun, Qingdao, Jinan, Anqing, Nanchang and Haikou, serving as the first step of our nationalization strategy and laying a sound foundation for the Group's national deployment of the "Injoy" brand.

During the year, we continued to explore innovative business models. In addition to the venture into property development in the tourism and cultural industry, the Group had a trial in prefabricated houses and 3D modularized residential units in cooperation with Zhenjiang Wei Xin Guangsha Modular System Ltd. ("**Zhenjiang Wei Xin**")（鎮江威信廣廈模塊住宅工業有限公司）. We have also seized the opportunity to launch our marketing broker APP platform and the "**New Orange**"（新橙社）service platform, bringing fully enhanced living experiences to customers, property owners, employees and consumers. Meanwhile, we carefully expanded presence to the international market by cooperating with America's famous real estate developer Lennar Corporation ("**Lennar**") on the development of apartment buildings for lease-out purpose. In addition, "Shanghai Qingpu Injoy Plaza", our first commercial project in first-tier cities, successfully started trial operations at the end of the year and set a new business record in the local area by celebrating more than 300,000 visits on the first day of its opening. 2014 was a very challenging and fruitful year for the Group!

Sound property sales, stable increase in revenues

Benefiting from strict implementation of the operation strategies formulated at the beginning of the year, the Group has successfully fulfilled its full-year sales target by achieving contracted sales of RMB24.51 billion, representing a year-on-year increase of 18.8%; contracted total gross floor area ("**GFA**") sold was approximately 2,769,000 sq.m., representing an increase of 25.5% as compared to the full year of 2013. Project deliveries were in good progress with revenues slightly down by approximately 0.3% only to RMB20,718.7 million from 2013. Core earnings (excluding after-tax fair value gains on investment properties and after-tax fair value gains upon transfer of properties held for sale to investment properties) attributable to shareholders of the Company amounted to approximately RMB707.3 million, representing a decrease of approximately 26.4% compared to 2013. The Board has recommended a final dividend of RMB0.05 per share, representing a pay-out ratio of 40.1% of the core earnings attributable to shareholders.

Carefully expanding land bank, seizing market opportunities

During the year, the Group carefully studied market patterns in different cities and regions, and seized opportunities arising from the moderated state of the land market from its previously overheated condition by acquiring 13 quality sites at competitive prices, which enhanced the Group's land reserve to an additional buildable GFA of approximately 4.40 million sq.m.. Besides further deepening its presence in key cities, such as Shanghai, Nanjing, Suzhou, Hangzhou, Wuhan, Changzhou, Wuxi, Nantong, Zhenjiang and Changsha, the Group has selected six new cities, including Changchun, Qingdao, Jinan, Anqing, Nanchang and Haikou, to further expand and balance the distribution of its business operations. The Group believes that acquisition of the above quality sites will help provide necessary resources and support to the Group's "1+3" business strategies of "focusing on Shanghai and Yangtze River Delta while expanding into Pearl River Delta, Bohai Rim and Central and Western China". As at 31 December 2014, we had 100 real estate projects in 16 major cities in the PRC, of which 51 were under construction and/or held for future development. The Group has a land bank of a total GFA of approximately 15.56 million sq.m., of which approximately 11.21 million sq.m. is attributable to the Group's interests.

Enhancing external cooperation, reducing investment risks

During the year, the Group has held an open attitude to enhance cooperation and explore various opportunities. Besides cooperating with excellent counterparts in the real estate industry, such as China Vanke Co., Ltd. (萬科企業股份有限公司), CIFI Group Co., Ltd. (旭輝集團股份有限公司) and Excellence Group Co., Ltd. (卓越置業集團有限公司) etc., the Group has also carried out cooperation with quality local companies, such as Gefei Asset Management Co., Ltd.(歌斐資產管理有限公司), Nanjing Gongmi Industrials Co., Ltd. (南京工密實業有限公司) and Zhenjiang Wei Xin etc.. In addition, the Group tried to establish partnership with leading real estate companies in the international market by cooperating with America's famous real estate developer Lennar on the development of apartment buildings for lease-out purpose. The Group sincerely hopes to learn from and complement resources with the above excellent companies. While trying for more beneficial attempts, the Group intends to learn from each other, share each other's resources and explore more growth opportunities and synergies for joint growth and achieve effective reduction of investment and operation risks.

Carrying out strict financial management, optimizing debt structure

During the year, the Group continued to maintain a prudent and sound debt and cash flow management policy. As a testimony to its financial capabilities, the Group was issued a 'Ba3' by Moody's and maintained a 'BB-' rating with Standard & Poor's. Meanwhile, the Group seized local and foreign financing opportunities by issuing a tranche of USD350 million 10.25% senior notes due 2019 in July 2014, and our subsidiary Jiangsu Future Land Co., Ltd. (江蘇新城地產股份有限公司) also issued corporate bonds with principal amount of RMB2,000 million in the same month. Issuance of the above-mentioned senior notes and bonds helped the Company further improve debt structure and diversify financing channels. As at 31 December 2014, the Group's net debt-to-equity ratio was 52.6%, cash at bank and on hand (including restricted cash) was RMB7,436.5 million.

Actively promoting public welfare and undertaking social responsibility

In 2014, we continued to promote the Group's public welfare brand "Seven Color Program", aiming to actively take the corporate social responsibility, bring people together and care about the next generation's education. During the year, we successively provided education support, donated books and multimedia teaching instruments, and established reading rooms in Zhangling Elementary School in Wuning County, Jiangxi Province, Wu Jun Elementary School in Taihu County, Anhui Province and Qingshan Elementary School in Lichuan County, Enshi Autonomous Prefecture of Hubei Province, providing more education opportunities and care to children in the impoverished areas. In the future, we will continue to take more social responsibilities and provide more practical support to the underprivileged groups through "Seven Color Program" and many more other public welfare programs.

Prospects and future developments

In 2015, the Chinese economy will maintain the "new normal" of middle and low-speed growth with the government shifting more attention to healthy, rational and sustainable economic development in the long term. Along with the withdrawal of administrative measures, such as restrictions on home purchases and bank loans, and gradual return to market-based regulation and control, differentiation in development will become more apparent among different cities and regions. However, the long-term stable and healthy macroeconomic development, ongoing urbanization, unabated demand of consumers for improving housing quality and experiencing fascination at commercial places will remain the most powerful drivers for sustainable and steady development of the real estate industry. We believe enhanced adjustments will lead to white-hot competition among companies and future competition will focus more on a company's capabilities to self improvements, continue to enhance its core competitiveness and adapt to the ever-changing environment.

In view of the above, the Group will steadily promote contracted sales in a flexibly way grasping an understanding of changing customer's need amid the on-going effort of active inventory clearance. We are very confident to achieve the Group's preset sales target of RMB28 billion for 2015. We will continue to deepen presence in the existing markets by further consolidating our competitive edges and residential property business. Meanwhile, we will continue to be prudent about entering new markets, where we intend to seek commercial properties in regions with development potentials, further enhance the market exposure and influence of the "Injoy" brand across the country. In addition, we will also be careful about cooperation or acquisition opportunities, seek cooperation with excellent companies, explore new business models in domestic and overseas markets, further optimize the Company's diversification strategy and enhance the Group's adaptability to changes so as to open up a new space for the Group's middle and long-term development.

The Group will continue to adhere to a stringent financial policy, optimize capital structure, reduce financing costs, ensure sound cash flow and enhance risk management ability of the Group. The Group believes that these operating strategies will enable us to remain competitive and mitigate risks in a volatile market environment, thereby ensuring the Group's sustainable growth.

Appreciation

The Group's steady growth is attributable to the enormous support from relevant parties and invaluable contributions of our staff. On behalf of the Board, I would like to take this opportunity to express our wholehearted gratitude to our staff, shareholders, investors, partners and customers for their trust and support. Bearing in mind the motto of "Hearty Dedication Just For You (以心致誠，因你而真)", we are going to create higher values and returns for our customers, shareholders and investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Overview

The Group achieved contracted sales of RMB24,510.3 million for the year of 2014, representing a year-on-year increase of 18.8%. Revenue decreased by 0.3% to RMB20,718.7 million as compared to 2013, and core earnings attributable to equity holders of the Company decreased by 26.4% to RMB707.3 million as compared to last year.

Business Overview

Property Development

In 2014, the Group achieved contracted sales of approximately RMB24,510 million, representing an increase of 18.8% as compared to 2013. The Group sold approximately 2,769,000 sq.m. in GFA, representing an increase of 25.5% over 2013. Contracted sales (excluding carparks) recorded in different regions, in particular, Shanghai, Changzhou, Suzhou, Nanjing and Zhenjiang, were approximately RMB6,511.5 million, RMB5,235.5 million, RMB4,827.4 million, RMB3,809.0 million and RMB1,210.2 million, contributing to 27.0%, 21.7%, 20.0%, 15.8% and 5.0% of the Group's total contracted sales (excluding carparks), respectively.

Table 1: Details of contracted sales of the Group in 2014

The following table sets out the geographic breakdown of the Group's contracted sales in 2014:

Project/Properties	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Shanghai		
Fragrant View	86,641.77	1,549.03
Garden House	53,762.17	887.05
Bright Green Land	53,373.65	803.59
Elite Mansion**	72,484.86	720.67
Golden Territory**	44,192.42	672.94
Fragrant Legend	24,796.68	498.47
Petrus Hacienda	9,985.69	377.37
Gorgeous Mansion	10,736.51	368.05
Fragrant Metropolitan	8,949.01	166.79
YOHO City	10,520.62	144.27
Exalted Uptown	8,988.10	122.44
Park View International Community *	4,368.52	104.87
Other Projects	5,671.72	95.92
Shanghai Sub-Total	**394,471.72**	**6,511.46**

Project/Properties	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Changzhou		
Future Land Emporium	75,581.10	738.92
Injoy Plaza	84,861.96	640.01
Future France	118,848.91	629.08
In Spring Live	90,530.26	594.96
Future Success	84,543.91	585.77
Fragrant Legend	91,502.50	583.21
Injoy International Plaza	27,535.92	450.81
Changzhou YOHO City	49,391.44	236.46
Future Consequence	24,297.69	225.79
Future Land Southern Metropolis	16,549.28	167.12
Future Capital	17,826.99	166.90
Future Royal Bay	11,184.71	92.75
Injoy Lifestyle Plaza	3,304.73	40.30
Lakeview	2,639.48	24.98
Future Mansion	2,725.67	16.96
Park No.1	1,167.40	10.57
Four Seasons Future Land	3,199.72	10.25
Other Projects	3,137.30	20.62
Changzhou sub-total	**708,828.97**	**5,235.46**
Suzhou		
Wujiang Injoy Plaza	120,071.02	1,066.65
Future Mangrove Bay	116,251.48	959.62
Legend Mansion	81,250.20	849.18
Zhangjiagang Injoy Plaza	66,008.49	678.35
Future France	66,883.14	467.89
Fragrant Legend	47,694.05	455.53
Beautiful Harbour	47,425.78	316.72
Other Projects	2,781.72	33.41
Suzhou Sub-Total	**548,365.88**	**4,827.35**
Nanjing		
Longwan Garden	124,260.30	2,005.13
Future France	152,791.34	1,456.77
Xianlin Lake Land Parcel	23,984.83	347.14
Nanjing Sub-Total	**301,036.47**	**3,809.04**

Project/Properties	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Zhenjiang		
Zhenjiang Future Land Exalted Uptown	61,514.09	305.78
Danyang Injoy Plaza	149,084.64	904.45
Zhenjiang sub-total	**210,598.73**	**1,210.23**
Wuxi		
Future France	84,225.32	626.22
Up Town	27,752.45	175.80
Other Projects	3,515.81	22.23
Wuxi sub-total	**115,493.58**	**824.25**
Hangzhou		
Hangzhou Leisure Land	16,829.79	254.27
Hangzhou Wispering Hills	67,622.71	447.32
Hangzhou sub-total	**84,452.50**	**701.59**
Changsha		
Future Land International Metropolis	86,607.82	431.03
Changsha Sub-Total	**86,607.82**	**431.03**
Wuhan		
In Spring Live	47,300.72	370.30
Wuhan sub-total	**47,300.72**	**370.30**
Nantong		
Future France	35,172.66	175.95
Nantong sub-total	**35,172.66**	**175.95**
Car parks	**236,396.36**	**413.70**
Total	**2,768,725.41**	**24,510.34**

* Shanghai Park View International Community includes Park View International Community A and Park View International Community B;

** Shanghai Elite Mansion and Shanghai Golden Territory are joint ventures and associates' projects.

Land Bank

As at 31 December 2014, the total land bank of the Group was approximately 15,564,300 sq.m., of which 11,207,145 sq.m. was attributable to the Group's interests. The average acquisition cost of the Group's land bank was approximately RMB1,834 per sq.m. The geographic spread of the land bank of the Group as at 31 December 2014 was as follows:

Table 2: Breakdown of land bank of the Group

City	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interest	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Changzhou	4,154,969	26.70%	3,245,858	28.96%
Suzhou	2,660,225	17.09%	1,712,873	15.28%
Nanjing	1,427,771	9.17%	745,958	6.66%
Shanghai	1,162,065	7.47%	618,606	5.52%
Changsha	927,951	5.96%	927,951	8.28%
Zhenjiang	772,812	4.96%	772,812	6.90%
Anqing	668,975	4.30%	668,975	5.97%
Qingdao	564,188	3.62%	166,041	1.48%
Wuhan	562,200	3.61%	338,958	3.02%
Nantong	556,728	3.58%	252,243	2.25%
Nanchang	437,079	2.81%	437,079	3.90%
Changchun	400,833	2.57%	400,833	3.58%
Haikou	363,792	2.34%	363,792	3.25%
Jinan	354,320	2.28%	208,553	1.86%
Hangzhou	320,477	2.06%	188,633	1.68%
Wuxi	229,915	1.48%	157,980	1.41%
Total	**15,564,300**	**100.00%**	**11,207,145**	**100.00%**

In 2014, the Group acquired a total of 13 projects to replenish its land bank, all through government public tender, auction, listing-for-sale acquisition and share, debt acquisition. The Group acquired approximately 4,396,376 sq.m. (including those of the Group's joint ventures and associates' projects on a 100% basis) (excluding underground floor area) of land to replenish it's land bank whilst the average acquisition cost was approximately RMB2,717 per sq.m.

Table 3: Land acquisition from January to December 2014

Project/Land parcel	Land use	Attributable interest (%)	Site area (sq.m.)	Total GFA (sq.m.)	Land premium (RMB million)
Nanjing					
Plot No.2014G07 in Xianlin Lake (仙林湖2014G07地塊)	Residential	39.64%	147,521	368,802	3,000
Shanghai					
Plot No.C2-6 in Jiading (嘉定C2-6地塊)	Residential	56.64%	25,209	63,023	466
Hangzhou					
Plot No.Yuzheng chuchu (2014) 5 in Yuhang District (餘杭餘政儲出(2014)5號地塊)	Residential	58.86%	33,598	50,397	403
Suzhou					
Plot No.Sudi 2014-G-24 in Wuzhong District (吳中蘇地2014-G-24地塊)	Residential	40.02%	73,960	267,369	820
Wuhan					
Plot No.P (2014) 081, 082 in Hanyang District (漢陽P(2014)081、082地塊)	Residential	58.86%	193,800	542,640	1,470
Nanchang					
Plot No.DAFJ2014046 in High-tech Industrial Development Zone (高新區DAFJ2014046地塊)	Mixed-use	100.00%	102,842	437,079	617
Changchun					
Plot No.220106001018GB00031, 32 in lvyuan District (綠園區220106001018GB00031、32地塊)	Mixed-use	100.00%	108,933	400,833	900
Anqing					
Plot No. (2014) 34 in Yingjiang District (迎江區(2014)34號地塊)	Mixed-use	100.00%	191,136	668,976	596
Nanjing					
Plot No.2014G75 in Pukou District (浦口區No.2014G75地塊)	Residential	56.64%	131,114	288,452	860
Jinan					
Plot No.C-4 in Tian Yuan Xin Cheng Licheng District (歷城區田園新城片區C-4地塊)	Residential	58.86%	84,362	354,320	329
Qingdao					
Plot No.C-1, C-2, H, I-1 in Licang District (李滄區C-1、C-2、H及I-1地塊)	Residential	29.43%	202,581	564,188	1,735
Haikou					
Plot No.02 in the south end of Ye Hai Avenue (椰海大道南側02號地塊)	Mixed-use	100.00%	145,517	363,792	516
Shanghai					
Plot No.30-02 in Unit H, Yongfeng Street, Songjiang District (松江區永豐街道H單元30-02地塊)	Residential	58.86%	18,932	26,505	234
Total			1,459,505	4,396,376	11,946

Property Delivery and Revenue from Sale of Properties

For the year ended 31 December 2014, revenue from sale of properties by the Group was approximately RMB20,216.1 million, representing a decrease of 1.0% over 2013. Properties with a total GFA of approximately 2,373,281 sq.m. was delivered during the year ended 31 December 2014, representing a decrease of 4.1% as compared to 2013. Average selling price of properties delivered and recognized as sales was RMB8,518 per sq.m. in 2014, representing an increase of 3.2% as compared to 2013.

The following table sets forth the revenue information relating to the properties the Group delivered for sale during 2014:

Table 4: Breakdown of property development revenue by projects in 2014

Project	**City**	**Revenue** *(RMB million)*	**GFA** *(sq.m.)*	**Average selling price** *(RMB/sq.m.)*
Future France (香溢紫郡)	Nanjing	1,987.6	234,312	8,483
Fragrant Legend (香溢瀾橋)	Suzhou	1,372.9	146,418	9,377
Bright Green Land (昱翠灣)	Shanghai	1,179.8	78,553	15,019
Wujiang Injoy Plaza (吳江吾悅廣場)	Suzhou	1,170.0	140,558	8,324
Fragrant Legend (香溢瀾橋)	Changzhou	1,166.0	172,864	6,745
Future France (香溢紫峻)	Wuxi	1,147.1	153,491	7,474
Fragrant Legend (香溢瀾庭)	Shanghai	1,012.1	50,030	20,230
Future Consequence (香悅半島)	Changzhou	868.1	109,732	7,911
Future France (香溢紫郡)	Changzhou	823.9	143,504	5,742
Petrus Hacienda (碧翠園)	Shanghai	810.7	36,298	22,334
Gorgeous Mansion (憶華里)	Shanghai	810.2	26,045	31,110
Future Land Emporium (新城帝景)	Changzhou	754.4	70,759	10,662
Future France (香溢紫郡)	Suzhou	696.3	95,065	7,324
Future Success (香溢俊園)	Changzhou	683.5	93,673	7,296
In Spring Live (春天里)	Wuhan	536.1	72,528	7,391
Other Projects		5,197.4	749,451	6,935
Total		**20,216.1**	**2,373,281**	**8,518**

Of the properties the Group had pre-sold, a total GFA of approximately 1,831,714.2 sq.m. with total pre-sale revenue of approximately RMB16,661.1 million, had not been delivered as at 31 December 2014 (excluding those of the Group's joint ventures and associates' projects). This, however, laid a solid foundation for a steady growth in the Group's revenue for the year to come.

Property Investment

For the year ended 31 December 2014, the Group had investment properties of 401,343.5 sq.m. that have already commenced operations, and rental income from these investment properties was approximately RMB105.7 million, representing an increase of 30% over 2013. Such rental income was mainly derived from Changzhou Injoy Plaza (常州吾悦廣場) and Changzhou Injoy International Plaza (常州吾悦國際廣場) which were both completed in 2012 and Qingpu Injoy Plaza (青浦吾悦廣場) which was completed in 2014.

In 2014, the Group developed several new investment properties, namely, Zhangjiagang Injoy Plaza (張家港吾悦廣場), Danyang Injoy Plaza (丹陽吾悦廣場) and Nanchang Injoy Plaza (南昌吾悦廣場). As at 31 December 2014, such investment properties have not been completed.

The Group did not hold any other significant investments except for the aforementioned investment properties as at 31 December 2014.

Table 5: Breakdown of rental income from investment properties of the Group in 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Rental Income		
Injoy Plaza (吾悦廣場)	**54,553**	43,822
Injoy International Plaza (吾悦國際廣場)	**44,098**	36,878
Four Seasons Future Land Commercial Complexes (四季新城商鋪)	**185**	410
Qingpu Injoy Plaza (青浦吾悦廣場)	**6,904**	–
Total	**105,740**	81,110

Financial Review

Revenue

The Group's revenue comprises income from sale of properties and, to a lesser extent, property management, rental and other property related services earned during the year. The Group's revenue decreased by 0.3%, to approximately RMB20,718.7 million for the year ended 31 December 2014 from approximately RMB20,771.3 million for the year ended 31 December 2013. As a breakdown, income from sales of properties during the year ended 31 December 2014 was approximately RMB20,216.1 million, representing a year-on-year decrease of 1.0%; income from property management and other income was approximately RMB374.7 million, representing a year-on-year increase of 51.7%; and rental income was approximately RMB127.8 million, representing a year-on-year increase of 24.9%.

Cost of Sales

Cost of sales consists primarily of the costs the Group incurred directly in relation to its property development activities as well as its leasing and property management operations. Cost of sales includes construction costs, land use rights costs, business tax and surcharges, capitalized interest and other business costs. The Group's cost of sales increased by 4.7% to approximately RMB16,844.6 million for the year ended 31 December 2014 from approximately RMB16,088.0 million for the year ended 31 December 2013.

The following table sets forth information relating to the Group's cost of sales for the years indicated:

Table 6: Breakdown of the Group's cost of sales

	Year ended 31 December		
	2014	2013	**Percentage increase/ decrease in 2014 versus 2013**
	RMB'000	*RMB'000*	*(%)*
Land use rights costs	**5,658,544**	4,770,651	**18.6**
Construction costs	**8,637,339**	9,101,315	**(5.1)**
Capitalized interest	**747,398**	770,865	**(3.0)**
Business tax and surcharges	**1,169,558**	1,166,306	**0.3**
Provision for impairment of properties held or under development for sale	**382,231**	79,588	**380.3**
Other expenses	**249,557**	199,313	**25.2**
	16,844,627	16,088,038	**4.7**
Total GFA delivered *(sq.m.)*	**2,373,281**	2,475,098	**(4.1)**
Average cost per sq.m. sold *(RMB)**	**6,339**	5,916	**7.2**
Average selling price per sq.m. sold *(RMB)*	**8,518**	8,251	**3.2**
Average cost as % of average selling price	**74.4%**	71.7%	**3.8**

* Average cost per sq.m. sold refers to the average cost of the Group's property sales (excluding the Group's 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 by the total GFA delivered in that year.

Gross Profit

The Group's gross profit decreased by 17.3% to approximately RMB3,874.0 million for the year ended 31 December 2014 from approximately RMB4,683.2 million for the year ended 31 December 2013. The Group reported a gross profit margin of approximately 18.7% for the year ended 31 December 2014, lower than that of approximately 22.5% for the year ended 31 December 2013, primarily attributable to the increase in unit cost for 2014.

Fair Value Gains on Investment Properties

The Group develops and holds certain of its commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of income. Valuation gains on investment properties was approximately RMB366.0 million before tax for the year ended 31 December 2014. Valuation gains on investment properties increased as newly developed investment properties in 2014 increased.

Other Gains – Net

Net other gains increased by 128% to approximately RMB105.6 million for the year ended 31 December 2014 from approximately RMB46.3 million for the year ended 31 December 2013. The increase was primarily attributable to valuation gains of approximately RMB99.0 million before tax arising upon transfer of properties held for sale to investment properties during 2014 (2013: Nil).

Selling and Marketing Costs

Selling and marketing costs increased by 3.6% to approximately RMB613.4 million for the year ended 31 December 2014 from approximately RMB592.0 million for the year ended 31 December 2013. The increase was primarily attributable to an increase in marketing expenses incurred as the Group launched more projects for pre-sale in 2014.

Administrative Expenses

Administrative expenses increased by 3.2% to approximately RMB701.8 million for the year ended 31 December 2014 from approximately RMB680.0 million for the year ended 31 December 2013. The increase in administrative expenses was primarily attributable to an increase in staff costs resulting from an increase in the Group's staff headcount in 2014.

Finance Costs – Net

The Group's finance costs primarily consist of interest expenses on bank loans, senior notes and corporate bonds less capitalized interest and 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. Net finance costs decreased by 65.6% to approximately RMB135.8 million for the year ended 31 December 2014 from approximately RMB394.9 million for the year ended 31 December 2013. This decrease was mainly attributable to the increase in capitalized interest of senior notes during the year ended 31 December 2014.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax ("**LAT**"), PRC corporate income tax and deferred income tax during the year. Income tax expense decreased by 18.2% to approximately RMB1,242.6 million for the year ended 31 December 2014 from RMB1,519.3 million for the year ended 31 December 2013. The decrease was primarily due to the decrease in the Group's profit from property development segment in 2014.

Profit for the Year

Net profit attributable to equity holders of the Company increased by 4.5% to approximately RMB1,025.7 million for the year ended 31 December 2014 from approximately RMB981.3 million for the year ended 31 December 2013.

Core earnings (excluding post-tax fair value gains on investment properties and after-tax fair value gains upon transfer of properties held for sale to investment properties) attributable to equity holders of the Company decreased by 26.4% to RMB707.3 million for the year ended 31 December 2014 from approximately RMB960.5 million for the year ended 31 December 2013.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2014, the Group's cash at bank and on hand (including restricted cash) decreased by 10.4% to approximately RMB7,436.5 million from approximately RMB8,297.9 million as at 31 December 2013. The carrying amount of the Group's cash and cash equivalents decreased by 35% to approximately RMB4,817.9 million as at 31 December 2014 from approximately RMB7,411.7 million as at 31 December 2013. For the year ended 31 December 2014, the Group had net cash generated from operating activities of approximately RMB2,468.5 million, net cash used in investing activities of approximately RMB3,062.8 million, net cash used in financing activities of approximately RMB1,986.5 million and exchange losses on cash and cash equivalents of RMB13.1 million.

Borrowings and charges on the Group's assets

The Group's outstanding current and non-current borrowings amounted to RMB13,931.6 million as at 31 December 2014, of which approximately RMB3,376.2 million is repayable within one year, approximately RMB2,632.7 million is repayable after one year but within two years, approximately RMB7,682.7 million is repayable after two years but within five years and approximately RMB240.0 million is repayable after five years. The Group's current and non-current borrowings increased RMB42.0 million to RMB13,931.6 million as at 31 December 2014 from RMB13,889.6 million as at 31 December 2013.

As at 31 December 2014, the Group's bank loans were approximately RMB7,172.1 million, all of which were secured by one or a combination of the following methods: land use rights, land to be developed, properties under development, properties held for sale, investment properties, property, plant and equipment, shares of the Company's subsidiaries, bank deposits and/or guarantees by the Company's subsidiaries. The Group's bank borrowings are from major commercial banks, all of which are independent third parties.

In addition, the Group successfully issued a tranche of five-year US$200 million senior notes at a fixed interest rate (10.25%) in January 2013, and a tranche of three-year RMB1.5 billion senior notes at a fixed interest rate (9.75%) in April 2013. In 2014, the Group successfully issued a tranche of five-year US$350 million senior notes at a fixed interest rate (10.25%) in July 2014. These notes were secured by shares of the Company's subsidiaries. Furthermore, the Group's subsidiary, Jiangsu Future Land Co., Ltd. successfully issued corporate bonds with principal amount of RMB2,000 million in July 2014. The issuance of the above-mentioned notes and bonds drove the proportion of the Group's long-term borrowings in the total borrowings to 75.8% as at 31

December 2014, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the constant optimization of the Group's debt level and financial structure had laid a solid foundation for the Group to weather market volatility and diminish financial risks.

The weighted average interest rate for the Group's bank borrowings, senior notes and corporate bonds as at 31 December 2014 was 7.7%.

Gearing ratio (Net debt-to-equity ratio)

The Group's net debt-to-equity ratio was 52.6% as at 31 December 2014. Net debt-to-equity ratio equals net debt divided by total equity as at the end of the period and multiplied by 100%. Net debt is calculated as total borrowings less cash, cash equivalents and restricted cash. If net debt was calculated as total borrowing less cash and cash equivalents, net debt-to-equity ratio would be 73.8%, and such net debt-to-equity ratio increased from 61.1% as at 31 December 2013, primarily due to an increase in net debt resulted from the increase in financing and the increase in investment cash outflow.

Contingent Liabilities

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at the earlier of: (i) the issue of the real estate ownership certificate by government authorities to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties. If a purchaser defaults on a mortgage loan, 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 typically starts from the date of grant of the mortgage.

As at 31 December 2014, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB4,478.6 million (as at 31 December 2013: approximately RMB2,980.7 million). In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

There are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings as at 31 December 2014. The Directors consider that the Company's subsidiaries are sufficiently financially resourced to settle their obligations.

Save as disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2014.

Available-For-Sale Financial Assets

As at 31 December 2014, the fair value of the Group's available-for-sale financial assets increased by 29.9% to approximately RMB287.4 million from approximately RMB221.2 million as at 31 December 2013. The increase is mainly attributable to the Group's acquisition of available-for-sale financial assets in 2014 that amounted to approximately RMB42.8 million and the increase of the fair value of the available-for-sale financial assets.

Foreign Exchange Risk

As at 31 December 2014, the Group had cash balances denominated in Renminbi of approximately RMB6,947.1 million, in Hong Kong dollars of approximately RMB5.32 million and in U.S. dollars of approximately RMB484.0 million.

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of U.S. dollars and Hong Kong dollars against Renminbi as a result of certain cash and the settlement of certain general and administrative expenses and other loans in U.S. dollars or Hong Kong dollars.

In addition to the US$200 million senior notes issued in 2013, the Company issued US$350 million senior notes in July 2014 through the international capital market at a fixed interest rate of 10.25% with a tenor of five years to secure healthy and sound cash flow for the Group in the future. As a result of the issuance of these senior notes, the Group became exposed to foreign currency risk arising from the exposure of Renminbi against U.S. dollars.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting appropriate foreign currency hedging policy in the future.

Material Acquisition and Disposal

On 10 April 2014, the Company's subsidiary, Shanghai Future Land Chuangyu Real Estate Co., Ltd. (上海新城創域房地產有限公司), acquired the land use right of a land parcel (C2-6) located on the west side of Huyi Highway and north side of Huicheng South Road, Jiading Industrial District, Jiading District, Shanghai, the PRC, through equity acquisition. The land parcel, with a planned plot ratio not more than 2.5, has a transferred land area of 25,209.2 sq.m., for which the total consideration amounted to RMB466 million. The nature of the land is for residential and commercial use. For further details, please refer to the announcement published by the Company on 5 May 2014.

On 9 December 2014, Hong Kong Jingsheng Development Limited ("**Hong Kong Jingsheng**") (香港景盛發展有限公司), the Company's subsidiary, has entered into a share transfer agreement with, among others, Mr. Noel Aherne and Mrs. Hairong Aherne, pursuant to which Hong Kong Jingshen has conditionally agreed to purchase the ATL Group Limited (中愛集團有限公司), a limited liability company incorporated in Hong Kong on 21 March 2006, at the consideration of RMB100 million. Through the acquisition of ATL Group Limited, the Company is holding 22.222% of Zhenjiang Wei Xin, which is in possession of the capability of research and development, manufacture, sales and after-sale services for prefabricated houses, and the right to use the relevant patent (including but not limited to that for "Modular structures of constructing buildings"), proprietary technology and technology secret. For further details, please refer to the announcement published by the Company on 9 December 2014.

On 17 December 2014, the Company's subsidiary, Jiangsu Future Land Co., Ltd. (江蘇新城地產股份有限公司), acquired 100% interest in land parcel (No.C-4) located in Tian Yuan Xin Cheng, Licheng District, Jinan, Shandong (山東省濟南市曆城區田園新城片區C-4地塊) held by Shandong Tianhong Development Co., Ltd. (山東天鴻置業開發有限公司) at the consideration of RMB328,803,976.79 under an equity and debt transfer agreement entered into between the parties. The nature of the land is for ordinary commodity housing and commercial and financial use. The land parcel has a planned plot ratio of 4.2. Of which, a part with an area of 9,000 sq.m. shall be used for commercial and financial purpose and the terms of land use right shall expire on 16 July 2054. The other part of approximately 75,300 sq.m. of the land shall be used for ordinary commodity housing purpose and the terms of land use right shall expire on 16 July 2084. For further details, please refer to the announcement published by the Company on 6 January 2015.

On 18 December 2014, the commodity housing pre-sale contract was entered into between Shanghai Future Land Chuangyu Real Estate Co., Ltd. (上海新城創域房地產有限公司), a subsidiary of the Company, as the transferee, and Shanghai Xinhaolong Property Development Co., Ltd. (上海新浩隆房地產開發有限公司), as the transferor, pursuant to which the transferee has conditionally agreed to acquire Guoco Changfeng City No. 6 Office Tower (《國浩長風城》6號辦公樓) (located at Lane 388, Zhongjiang Road, Shanghai) at a consideration of RMB623,197,800. The gross floor area of the building is approximately 24,900 sq.m.. The Directors considered that the acquisition of the target asset is favourable for the brand display of the Company and reception of customers, and have positive influence on the enhancement of the image and the overall competitiveness of the Company. For further details, please refer to the announcement published by the Company on 19 December 2014.

During the year ended 31 December 2014, the Group did not have any material acquisitions or disposal of subsidiaries, associates or assets save as disclosed in this results announcement.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

Employees and Compensation Policy

As at 31 December 2014, the Group had 6,447 full-time employees in the PRC and Hong Kong, 2,353 of these employees worked in the property development operations, 560 are engaged in management of commercial complexes and 3,534 are engaged in property management, branded customer services, property management and other related operations.

The Group determines the remuneration packages of all the employees (including the Directors) based on their performance, work experience and the prevailing market wage level, and provide promotional opportunities for them with reference to their individual strengths and potentials. The remuneration package of the employees consists of basic salary, cash bonus and share-based payments. The Group has established performance appraisal system so as to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly. The Group recognized an expense in relation to share-based payments of RMB18.2 million for the year ended 31 December 2014 (for the year ended 31 December 2013: RMB25.7 million).

USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company's shares (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 29 November 2012 (after deducting underwriting fees and related expenses) amounted to approximately HK$1,975.8 million. During the year ended 31 December 2014, such net proceeds were applied in the manner consistent with that set out in the Company's prospectus dated 19 November 2012.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company is to be held on Thursday, 21 May 2015 and the notice of AGM is expected to be published and dispatched to the Shareholders on or about Thursday, 16 April 2015.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.05 per Share for the year ended 31 December 2014 (2013: RMB0.05) to the Shareholders.

The proposed final dividend will be paid by the end of June in 2015 after approval by Shareholders at the forthcoming AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from 19 May 2015 to 23 May 2015.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 May 2015 to Thursday, 21 May 2015, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Thursday, 21 May 2015. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 15 May 2015.

The record date for qualifying to receive the proposed final dividend is Monday, 1 June 2015. In order to determine the rights of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders at the forthcoming AGM, the register of members of the Company will also be closed from Thursday, 28 May 2015 to Monday, 1 June 2015, both days inclusive. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 27 May 2015.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange. Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and performed by different individuals. Under the current organization structure of the Company, Mr. WANG Zhenhua is the Chairman of the Board and the chief executive officer. With extensive experience in the property industry, the Board considered that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises four executive Directors, two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the year ended 31 December 2014. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

On 8 October 2014, the Company announced that Madam Nie Meisheng ("**Madam Nie**") tendered her resignation as an independent non-executive Director, a member of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company with effect from 7 October 2014. The requirements set out Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules, and code provision A.5.1 (the "**Code Provision**") of Corporate Governance Code concerning the number and composition of Board, the audit committee, the remuneration committee and nomination committee of the Company could not be met for the interim period of time after the resignation of Madam Nie. On 3 December 2014, upon the appointment of Mr. Zhong Wei as the Company's independent non-executive Director, a member of the remuneration committee, a member of the nomination committee and a member of the audit committee, the Company has been in compliance with the requirements under relevant Listing Rules and the Code Provision.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the year ended 31 December 2014.

During the year ended 31 December 2014, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2014.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2014 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futureholdings.com.cn), and the 2014 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

PRC, 16 February 2015

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Liang Zhicheng, Mr. Liu Yuanman and Madam Huang Maoli as executive Directors, Mr. Lv Xiaoping and Mr. Wang Xiaosong as non-executive Directors, and Mr. Chen Huakang, Mr. Zhong Wei and Mr. Zhu Zengjin as independent non-executive Directors.