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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

INTERIM RESULTS HIGHLIGHTS

– Achieved contracted sales* of RMB11,479 million with corresponding GFA of approximately 1,269,789.74 sq.m., representing a period-on-period increase of 18.2% and 23.4%, respectively;

– Revenue was RMB8,803.8 million, representing a period-on-period increase of 117.2%;

– Gross profit was RMB1,481.2 million, representing a period-on-period increase of 57.7%;

– Net profit for the six months ended 30 June 2015 was RMB695.2 million, of which RMB348.1 million was attributable to the equity holders of the Company, representing a period-on-period increase of 200.2%;

– Core earnings** was RMB483.2 million, of which RMB138.6 million was attributable to the equity holders of the Company, representing a period-on-period increase of 45.5%;

– Cash at bank and on hand (cash and cash equivalents plus restricted cash) was RMB6,439.8 million; short-term debt was RMB4,560.8 million;

– Earnings per share was RMB0.06. The Board has considered and resolved not to declare any interim dividend.

* *Contracted sales included contracted sales of RMB277 million and contracted sales area of 26,267.68 square metres ("sq.m.") of the Group's joint ventures and associates' projects on a 100% basis.*

** *Core earnings equal to net profit less after-tax fair value gains on investment properties.*

The board (the "**Board**") of directors (the "**Directors**") of Future Land Development Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2015 (or the "**Reporting Period**"), together with comparative figures for the corresponding period in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the six months ended 30 June 2015

		Six months ended 30 June	
	Note	**2015**	2014
		RMB'000	*RMB'000*
		Unaudited	Unaudited
Revenue		**8,803,816**	4,053,880
Cost of sales	*9*	**(7,322,606)**	(3,114,362)
Gross profit		**1,481,210**	939,518
Fair value gains on investment properties		**282,643**	36,892
Selling and marketing costs	*9*	**(282,550)**	(186,686)
Administrative expenses	*9*	**(443,823)**	(341,717)
Other income		**10,637**	32,570
Other expenses		**(2,325)**	(2,135)
Other gains – net		**6,692**	3,361
Operating profit		**1,052,484**	481,803
Finance costs – net	*10*	**(66,128)**	(73,798)
Share of results of associates		**65,057**	(7,081)
Share of results of joint ventures		**(14,606)**	(684)
Profit before income tax		**1,036,807**	400,240
Income tax expense	*11*	**(341,614)**	(149,509)
Profit for the period		**695,193**	250,731
Attributable to:			
Equity holders of the Company		**348,100**	115,975
Non-controlling interests		**347,093**	134,756
		695,193	250,731
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	*12*	**RMB0.06**	RMB0.02
Dividends	*13*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Profit for the period	**695,193**	250,731
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	**10,500**	–
Total comprehensive income for the period	**705,693**	250,731
Attributable to:		
Equity holders of the Company	**354,026**	115,975
Non-controlling interests	**351,667**	134,756
	705,693	250,731

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	As at 30 June 2015 RMB'000 Unaudited	As at 31 December 2014 RMB'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment		**743,805**	741,152
Investment properties		**7,729,000**	5,936,000
Intangible assets		**27,951**	17,574
Investments in associates		**261,373**	146,317
Investments in joint ventures		**1,083,674**	861,055
Deferred income tax assets		**480,337**	499,175
Available-for-sale financial assets		**308,631**	287,385
Land use rights		**397,428**	397,659
Other receivables and prepayments	*5*	**1,020,531**	976,544
		12,052,730	9,862,861
Current assets			
Prepayments for leasehold land		**3,124,873**	3,263,529
Properties held or under development for sale		**33,523,365**	29,862,468
Trade and other receivables and prepayments	*5*	**3,350,188**	3,216,397
Restricted cash		**2,016,795**	2,618,559
Cash and cash equivalents		**4,423,022**	4,817,907
		46,438,243	43,778,860
Total assets		**58,490,973**	53,641,721
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued and fully paid capital	*6*	**4,617**	4,617
Reserves		**7,696,076**	7,639,363
		7,700,693	7,643,980
Non-controlling interests		**5,034,793**	4,707,042
Total equity		**12,735,486**	12,351,022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2015

	Note	**As at 30 June 2015** *RMB'000* **Unaudited**	As at 31 December 2014 *RMB'000* Audited
LIABILITIES			
Non-current liabilities			
Borrowings	*7*	**11,046,724**	10,555,452
Deferred income tax liabilities		**639,481**	686,260
		11,686,205	11,241,712
Current liabilities			
Trade and other payables	*8*	**13,298,184**	12,023,131
Advances from pre-sale of properties		**15,188,854**	13,164,015
Current income tax liabilities		**842,063**	1,484,495
Borrowings	*7*	**4,560,817**	3,376,189
Dividends payable		**179,364**	1,157
		34,069,282	30,048,987
Total liabilities		**45,755,487**	41,290,699
Total equity and liabilities		**58,490,973**	53,641,721
Net current assets		**12,368,961**	13,729,873
Total assets less current liabilities		**24,421,691**	23,592,734

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**").

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 30 July 2015.

These condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties that 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 2014, 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 2014.

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

New amendment and improvements of HKFRSs adopted by the Group in 2015

- Amendment to HKAS 19 "Defined Benefit Plans: Employee Contributions"
- Annual improvements 2012, 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"
- Annual improvements 2013, affecting the following 3 standards: HKFRS 3 "Business Combinations'', HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property''

The adoption of the above new amendment and improvements 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 six months ended 30 June 2015.

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 2015.

4 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 the 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.

	Six months ended 30 June 2015 (Unaudited)				
	B share company	**Non-B share companies**	**Total segment**	**Elimination**	**Total Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**7,205,131**	**1,608,744**	**8,813,875**	**(10,059)**	**8,803,816**
Segment profit/(loss) before fair value gains on investment properties and income tax expense	**1,051,544**	**(180,717)**	**870,827**	**(116,663)**	**754,164**
Finance income	**22,337**	**25,046**	**47,383**	**–**	**47,383**
Finance costs	**(25,076)**	**(88,435)**	**(113,511)**	**–**	**(113,511)**
Depreciation and amortisation	**(28,825)**	**(14,008)**	**(42,833)**	**–**	**(42,833)**
Share of results of associates	**73,176**	**(8,119)**	**65,057**	**–**	**65,057**
Share of results of joint ventures	**(14,606)**	**–**	**(14,606)**	**–**	**(14,606)**

A reconciliation to profit for the period is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	**754,164**
Fair value gains on investment properties	**282,643**
Income tax expense	**(341,614)**
Profit for the period	**695,193**

			As at 30 June 2015 (Unaudited)		
Segment assets	**34,467,507**	**24,188,164**	**58,655,671**	**(164,698)**	**58,490,973**
Segment assets include:					
Investments in associates	**119,492**	**141,881**	**261,373**	**–**	**261,373**
Investments in joint ventures	**1,083,674**	**–**	**1,083,674**	**–**	**1,083,674**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**8,288**	**1,578,804**	**1,587,092**	**–**	**1,587,092**
Segment liabilities	**25,488,566**	**20,431,618**	**45,920,184**	**(164,697)**	**45,755,487**

	Six months ended 30 June 2014 (Unaudited)				
	B share company *RMB'000*	Non-B share companies *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	3,335,804	722,304	4,058,108	(4,228)	4,053,880
Segment profit/(loss) before fair value gains on investment properties and income tax expense	468,217	(8,283)	459,934	(96,586)	363,348
Finance income	28,406	26,246	54,652	–	54,652
Finance costs	(13,117)	(115,333)	(128,450)	–	(128,450)
Depreciation and amortisation	(6,823)	(6,379)	(13,202)	–	(13,202)
Share of results of an associate	(7,081)	–	(7,081)	–	(7,081)
Share of results of a joint venture	(684)	–	(684)	–	(684)

A reconciliation to profit for the period is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	363,348
Fair value gains on investment properties	36,892
Income tax expense	(149,509)
Profit for the period	250,731

			As at 31 December 2014 (Audited)		
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

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Trade receivables	**17,921**	11,364
Notes receivable	**31,575**	31,317
Total trade receivables	**49,496**	42,681
Less: Provision for impairment of receivables	**–**	–
Trade receivables – net	**49,496**	42,681
Receivables from related parties	**953,833**	1,101,436
Receivable from a non-controlling shareholder of a subsidiary	**63,388**	33,388
Receivable from an other investor of a joint venture	**120,000**	–
Amounts paid on behalf of third parties	**134,225**	79,852
Prepaid business tax and surcharges (a)	**838,043**	730,807
Prepaid income tax and land appreciation tax (a)	**544,795**	528,950
Prepayments for construction costs	**119,533**	113,017
Prepayments for office buildings (b)	**907,038**	878,436
Tender deposits (c)	**105,000**	200,358
Deposits with public housing fund centres (d)	**171,345**	149,316
Deposits for timely project construction (e)	**50,429**	54,711
Deposits for property maintenance (f)	**113,493**	98,108
Deposit for acquisition of a subsidiary (g)	**30,000**	50,000
Other deposits	**64,928**	46,600
Others	**105,173**	85,281
	4,370,719	4,192,941
Less: Non-current portion of other receivables and prepayments (b, f)	**(1,020,531)**	(976,544)
Current portion	**3,350,188**	3,216,397

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. As at 30 June 2015, certain of these prepayments amounting to RMB623,198,000 (31 December 2014: Nil) have been pledged as collateral for the Group's borrowings.

(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) 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.

(g) 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 6 months ended 30 June 2015.

The aging of trade receivables and notes receivable as at 30 June 2015 and 31 December 2014 are all within 1 year.

The maximum exposure to credit risk at 30 June 2015 and 31 December 2014 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 30 June 2015 and 31 December 2014, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2015 and 31 December 2014, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

6 SHARE CAPITAL

(a) Authorised shares

	Number of authorised shares
	Hong Kong Dollars ("HKD") share
As at 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015 (Unaudited)	10,000,000,000

(b) Issued shares

	Number of issued shares	**Ordinary shares**
	HKD0.001 each	*RMB*
As at 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015 (Unaudited)	5,668,000,000	4,617,069

7 BORROWINGS

	As at 30 June 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
Non-current, secured and borrowed from:		
– Banks (a)	**6,641,880**	4,987,700
– Senior notes due January 2018 ("**2018 Notes**") (b (i))	**1,202,039**	1,199,712
– Senior notes due April 2016 ("**2016 Notes**") (b (ii))	**1,491,655**	1,486,844
– Senior notes due July 2019 ("**2019 Notes**") (b (iii))	**2,094,113**	2,091,577
Non-current, unsecured and borrowed from:		
– Corporate bonds due July 2019 ("**2019 Bonds**") (c)	**1,984,792**	1,981,419
	13,414,479	11,747,252
Less: Current portion of long-term borrowings	**(2,367,755)**	(1,191,800)
	11,046,724	10,555,452
Current, secured and borrowed from:		
– Banks (a)	**2,193,062**	2,184,389
Current portion of long-term borrowings	**2,367,755**	1,191,800
	4,560,817	3,376,189

(a) These bank borrowings of the Group are secured by certain prepayments, 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 30 June 2015 and 31 December 2014.

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 the 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.

8 TRADE AND OTHER PAYABLES

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Trade payables	**10,391,711**	9,571,298
Notes payable	**718,110**	452,310
Advance from a non-controlling shareholder of a subsidiary (a)	**–**	336,980
Business and other taxes payable	**149,004**	274,413
Maintenance & decoration fees collected on behalf	**137,905**	180,844
Accrued payroll	**32,743**	119,809
Interest payable	**359,818**	282,508
Deposits for construction biddings	**176,169**	137,768
Deed tax collected on behalf	**53,373**	46,710
Payables to related parties	**1,035,983**	437,329
Temporary funding payables (b)	**122,416**	18,000
Payable related to acquisition of an associate	**–**	50,000
Others	**120,952**	115,162
	13,298,184	12,023,131

(a) The advance as at 31 December 2014 had been fully repaid during the six months ended 30 June 2015. The advance was non-interest bearing, unsecured and had no fixed repayment terms. However the advance had 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.

As at 30 June 2015 and 31 December 2014, the aging of the majority of trade payables and notes payable are less than one year.

As at 30 June 2015 and 31 December 2014, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2015 and 31 December 2014, the carrying amounts of trade and other payables are primarily denominated in RMB.

9 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Land use rights costs	**2,643,508**	978,196
Construction costs	**3,565,865**	1,624,433
Capitalised interest	**313,592**	138,615
Business tax and surcharges (a)	**493,612**	229,670
Provision for impairment of properties held or under development for sale	**98,537**	49,037
Depreciation of property, plant and equipment	**39,443**	11,465
Amortisation of intangible assets	**3,390**	1,737
Bank charges	**12,801**	15,024
Staff costs	**496,178**	302,545
Entertainment expenses	**32,397**	31,314
Stamp duty and other taxes	**25,021**	16,862
Professional fees	**30,128**	3,970
Auditors' remuneration	**1,200**	1,200
Sales commission	**40,464**	31,261
Advertising and publicity costs	**132,218**	75,464
Rental expenses	**29,943**	20,197
Travelling expenses	**27,872**	17,533
Other expenses	**62,810**	94,242
Total cost of sales, selling and marketing costs and administrative expenses	**8,048,979**	3,642,765

(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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
– Interest on bank loans, senior notes and trust financing arrangements	**(627,833)**	(595,104)
– Less: Interest capitalised	**502,621**	489,346
	(125,212)	(105,758)
– Net foreign exchange gains/(losses) relating to borrowings	**3,300**	(21,359)
– Net foreign exchange gains/(losses) on cash and cash equivalents	**8,401**	(1,333)
Total finance costs	**(113,511)**	(128,450)
Finance income		
– Interest income on bank deposits	**47,383**	54,652
Net finance costs	**(66,128)**	(73,798)

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	**71,579**	46,751
– PRC corporate income tax	**301,476**	(27,056)
	373,055	19,695
Deferred income tax	**(31,441)**	129,814
Total income tax charged for the period	**341,614**	149,509

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 2015 (Six months ended 30 June 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 six months ended 30 June 2015, the Group accrued for PRC withholding tax with amount of RMB3,375,000 (Six months ended 30 June 2014: RMB1,569,000) 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 six months ended 30 June 2015 and 2014 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.

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Consolidated profit attributable to equity holders of the Company *(RMB'000)*	**348,100**	115,975
Weighted average number of ordinary shares in issue *('000)*	**5,668,000**	5,668,000
Basic earnings per Share *(RMB)*	**0.06**	0.02

As there were no dilutive options and other dilutive potential shares in issue during the six months ended 30 June 2015 and 2014, diluted earnings per share is the same as basic earnings per share.

13 DIVIDENDS

The board of directors does not recommend any payment of interim dividend for the six months ended 30 June 2015 (Six months ended 30 June 2014: Nil).

A final dividend in respect of 2014 of RMB0.05 per ordinary share using the share premium account, amounting to RMB283,400,000, has been approved at the annual general meeting of the Company held on 21 May 2015. Such final dividend not yet paid out by the Company as at 30 June 2015 was approximately RMB178,500,000.

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S STATEMENT

On behalf of the Company, I am pleased to present to the shareholders of the Company (the "**Shareholders**") the unaudited interim results of the Group for the six months ended 30 June 2015.

Review of the first half of 2015

For the first half of 2015, the Group continued to uphold the development strategy of "High Regional Concentration, High Turnover and Product Diversification". Besides adopting a flexible marketing strategy to clean up inventories based on our accurate prediction of market changes, we have launched new projects to the market and achieved a steady growth of contracted sales. During the Reporting Period, the Group achieved contracted sales of approximately RMB11,479 million, accounting for 41% of the annual contracted sales target of RMB28.0 billion, which is in line with expectation. To uphold geographical planning in pace with our own development situation, the Group has been careful in selecting opportune times to acquire land parcels. During the first half of 2015, we acquired a total of 11 premium land parcels in 9 cities, enriching our land reserve with high quality resource and underpinning our geographical development plan.

The Group has finalized its substantial corporate restructuring plan during the Reporting Period. The restructuring is aimed at facilitating the access of the Group to the capital market in China through the A share market and will allow us to widen our financing channels and help realizing the intrinsic value of the Group. Through the restructuring, the residential property development and operation of commercial projects will be integrated into a single platform, which can improve the Group's operating structure and operation efficiency; saving operating, marketing and administrative costs. Following the review by the Reviewing Committee of China Securities Regulatory Commission responsible for Merger and Restructuring of Listed Companies at its 63rd working meeting of 2015 held on 29 July 2015, the acquisition of Jiangsu Future Land Co., Ltd.* (江蘇新城地產股份有限公司) ("**Jiangsu Future Land**") by our subsidiary Future Land Holdings Co., Ltd. (新城控股集團股份有限公司) ("**Future Land Holdings**") through share exchange has been considered and approved, and completion of the restructuring plan is expected within the year.

Stable sales and profit growth

Upholding the prudent and sound management approach and thanks to the smooth implementation of the sales plan formulated at the beginning of the year, during the Reporting Period the Group registered contracted sales of RMB11,479 million, representing a period-on-period increase of 18.2%; contracted total gross floor area ("**GFA**") sold was approximately 1,269,789.74 sq.m., representing a period-on-period increase of 23.4%. The property deliveries were in good progress with revenues increased by approximately 117.2% period-on-period to RMB8,803.8 million. Core earnings (excluding after-tax fair value gains on investment properties) attributable to Shareholders of the Company amounted to approximately RMB138.6 million, representing an increase of approximately 45.5% compared to the same period of 2014.

Seizing opportunities to carefully expand land bank

The Group has been enforcing the "1+3" expansion strategies of "Focusing On Shanghai and Yangtze River Delta While Expanding Into Pearl River Delta, Bohai Rim and Central and Western China". After careful study of market patterns in different cities and regions, the Group acquired 11 quality sites at competitive prices, which added to the Group's land reserve by an additional buildable GFA of approximately 2,897,500 sq.m. As at 30 June 2015, the Group had 97 real estate projects in 19 major cities in the PRC, of which 58 were under construction and/or held for future development. The Group has a land bank of a total GFA of approximately 18,054,110 sq.m., of which approximately 13,263,459 sq.m. are attributable to the Group's interests.

Promoting the "Injoy" brand and expanding sources of profits

The Group adopted a guiding principle of maintaining an agreeable balance between residential properties development and commercial operation. After nearly seven years of commercial operation test-drive and experience build-up, we have shaped a standardized model for commercial development and operation, and grown into a comprehensive developer of residential properties, shopping malls, hotels and office buildings. In June 2015, Suzhou Wujiang Injoy Plaza, the fourth project of the Group's Injoy series, officially opened for business and met with overwhelming applause, marking a good start for the subsequent launch of Suzhou, Zhangjiagang and Zhenjiang Injoy Plaza scheduled in the second half of the year. "Injoy" is accelerating its market penetration across the country at a steady pace, and we are striving to enhance its brand influence. During the Reporting Period, the Group has developed a total of 15 "Injoy" urban complex projects across the 12 major cities nationwide, of which 11 "Injoy Plaza" were under construction, 4 were in operation. As of the end of the Reporting Period, we have investment properties with a total GFA of approximately 580,000 sq.m., which are expected to be over 1,000,000 sq.m. by the end of 2016. These commercial projects will generate stable rental returns for the Group in the future.

Maximize synergy by promoting internal and external collaborations

During the Reporting Period, the Group rolled out a number of internal control and external initiatives. Internally, we launched the Future Land version of Partners System, which achieved sharing of risks and profits with an innovative operating model. The Future Land version of Partners System can help enhance the risk management awareness of the team, attract and retain talents, induce the highest efficiency out of the project team and maximize benefits.

Externally, the Group remained receptive to enter into partnerships with prestigious real estate developers such as China Vanke Co., Ltd.* (萬科企業股份有限公司), Longfor Properties Co. Ltd. (龍湖地產有限公司), Beijing Capital Land Ltd.* (首創置業股份有限公司) and Shanghai Shibei Hi-tech Co., Ltd.* (上海市北高新股份有限公司), wishing to learn from and complement each other in terms of resources, which will lead to synergies, reduced investment and operating risks and accomplish a win-win situation.

Prudent financial strategies, optimizing debt structure

The Group pursued a prudent financial and cash flow management strategy. Backed by our financial strength and good reputation, the Group secured an overseas dual-currency term loan of US$101 million in May 2015, which has expanded our financial resources, further optimized our debt structure and reduced our financing costs. As at 30 June 2015, the Group had deposits in bank and cash at hand (including restricted cash) amounting to RMB6,439.8 million.

Looking forward into the second half year

During the second half of 2015, the PRC economy is expected to remain on a stable growth track with the government putting more stress on the healthy, reasonable and sustainable development in the long term. At the same time, the ongoing urbanization in China, coupled with increasing demand from first time property buyers and consumers' demand for improved housing quality and enhanced experience in commercial projects, are expected to support the steady development of the real estate industry.

In view of the above, the Group will continue to properly execute its annual plan. We will further improve our product mix and secure satisfactory contracted sales by keeping up with changes in customers' demand for improved housing quality. Furthermore, we will also adhere to our prudent land acquisition strategy, further deepen our presence in those cities where we are operating and seek opportunities in new cities with good business prospects.

In addition, we will seek cooperation with more outstanding enterprises and acquisition opportunities, explore new business models in domestic and overseas markets, optimize the Company's diversification strategy and enhance the Group's adaptability to changes so as to identify new opportunities for the Group's mid-term and long-term development. The Group will continue to adhere to a stringent financial policy and take full advantage of our diversified financing channels, so as to better protect ourselves against various risks. The Group believes that these cautious yet responsive operating strategies would enable us to remain competitive and mitigate risks in a highly competitive environment, thereby ensuring the Group's sustainable growth in the long term.

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 seek to pay back the society, fulfill corporate social responsibility and create higher values and returns for our customers, shareholders and investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Overview

Total contracted sales of the Group for the first half of 2015 were approximately RMB11,479 million, representing an increase of 18.2% as compared to the corresponding period of 2014. Revenue increase by 117.2% to approximately RMB8,803.8 million from the corresponding period in 2014. The core earnings attributable to the equity holders of the Company were approximately RMB138.6 million, representing an increase of 45.5% as compared to the same period of last year.

Business Review

Property Development

The contracted sales of the Group for the first half of 2015 amounted to approximately RMB11,479 million. Total GFA sold (including areas of car parks sold) was approximately 1,269,798.74 sq.m., representing an increase of 23.4% as compared to the corresponding period of last year. Contracted sales (excluding carparks) were evenly distributed geographically, with contracted sales in Suzhou, Nanjing, Shanghai and Changzhou amounting to approximately, RMB2,841.20 million, RMB2,260.73 million, RMB1,895.76 million and RMB1,841.44 million, respectively, representing 25.08%, 19.96%, 16.74% and 16.26% of the Group's total contracted sales, respectively.

Table 1: Details of the Group's contracted sales in the first half of 2015

The following table sets out the geographic breakdown of the Group's contracted sales in the first half of 2015:

Project/Properties	**Contracted GFA sold in the first half of 2015** *(sq.m.)*	**Contracted sales in the first half of 2015** *(RMB million)*	**Average price** *(RMB/sq.m.)*
Suzhou			
Zhangjiagang Injoy Plaza	97,984.83	834.96	8,521.31
Wujiang Injoy Plaza	87,168.16	704.68	8,084.12
Future Mangrove Bay	50,533.12	433.88	8,586.13
Legend Mansion	33,016.94	355.08	10,754.56
Beautiful Harbour	38,559.50	271.17	7,032.55
Future County	21,151.83	181.99	8,604.13
Fragrant Legend	4,829.97	46.08	9,541.28
Other projects	2,053.17	13.36	6,501.71
Suzhou sub-total	**335,297.52**	**2,841.20**	**8,473.67**
Nanjing			
Longwan Garden	51,290.43	924.53	18,025.36
Xianlin Lake Land Parcel	57,378.46	896.03	15,616.06
Future France	40,232.19	440.17	10,940.77
Nanjing sub-total	**148,901.08**	**2,260.73**	**15,182.73**
Shanghai			
Fragrant Jade	16,922.24	355.31	20,996.53
Fragrant Metropolitan	16,903.53	328.25	19,418.93
Future Royal Fame	9,053.82	286.63	31,658.60
Elite Mansion	26,267.68	277.34	10,558.22
Park View International Community*	18,262.52	262.14	14,353.89
Garden House	12,313.07	216.44	17,578.04
Fragrant View	3,561.79	78.72	22,100.59
Fragrant Legend	2,868.28	43.73	15,245.85
YOHO City	1,260.23	20.07	15,924.82
Petrus Hacienda	428.23	18.38	42,920.86
Bright Green Land	1,058.17	8.76	8,273.76
Shanghai sub-total	**108,899.56**	**1,895.76**	**17,408.31**
Changzhou			
Future Land Emporium	52,492.15	607.01	11,563.75
In Spring Live	61,161.90	353.58	5,781.10
Future France	46,603.65	251.64	5,399.57
Future Success	29,585.28	201.27	6,803.21
Changzhou YOHO City	29,646.46	139.25	4,697.15
Fragrant Legend	18,766.83	110.40	5,882.96
Injoy Plaza	10,691.69	78.08	7,302.93
Future Capital	4,204.97	50.63	12,039.42
Future Consequence	2,297.23	33.05	14,388.25

Project/Properties	Contracted GFA sold in the first half of 2015 *(sq.m.)*	Contracted sales in the first half of 2015 *(RMB million)*	Average price *(RMB/sq.m.)*
Park No.1	1,167.75	9.48	8,118.18
Other projects	946.56	7.05	7,434.67
Changzhou sub-total	**257,564.47**	**1,841.44**	**7,149.43**
Zhenjiang			
Danyang Injoy Plaza	65,491.08	573.13	8,751.20
Zhenjiang Future Land Exalted Uptown	18,243.78	83.37	4,569.87
Zhenjiang sub-total	**83,734.86**	**656.50**	**7,840.19**
Hangzhou			
Hangzhou Leisure Land	20,564.00	331.65	16,127.86
Hangzhou Wispering Hills	22,963.56	159.24	6,934.46
Hangzhou sub-total	**43,527.56**	**490.89**	**11,277.75**
Nanchang			
Nanchang Injoy Plaza	58,401.38	437.25	7,487.06
Nanchang sub-total	**58,401.38**	**437.25**	**7,487.06**
Changchun			
Changchun Injoy Plaza	30,375.44	256.27	8,436.64
Changchun sub-total	**30,375.44**	**256.27**	**8,436.64**
Wuxi			
Up Town	13,696.14	116.78	8,526.35
Future France	4,226.56	45.82	10,841.98
East China Home Decor Centre	10,103.64	42.42	4,198.44
Wuxi sub-total	**28,026.34**	**205.02**	**7,315.33**
Changsha			
Future Land International Metropolis	50,978.69	200.60	3,934.98
Changsha sub-total	**50,978.69**	**200.60**	**3,934.98**
Anqing			
Anqing Injoy Plaza	25,819.91	147.80	5,724.09
Anqing sub-total	**25,819.91**	**147.80**	**5,724.09**
Nantong			
Future France	18,749.17	93.58	4,990.99
Nantong sub-total	**18,749.17**	**93.58**	**4,990.99**
Car parks	**79,513.76**	**151.71**	
Total	**1,269,789.74**	**11,478.75**	

* Park View International Community includes Park View International Community A and Park View International Community B.

Car parks are not included in various project contracting information

Joint ventures and associates' projects are included in the above sales information

As at 30 June 2015, the Group had contracted sales of RMB19,281 million with a total GFA of 2,089,102 sq.m. for properties which had not yet been delivered to purchasers. This lays a solid foundation for the continuous and steady growth in the Group's future revenue.

Land Bank

In the first six months of 2015, the total land bank of the Group was approximately 18,054,110 sq.m., of which approximately 13,263,459 sq.m. was attributable to the Group's interests. The average acquisition cost of our land bank was approximately RMB1,857 per sq.m. The geographic spread of the land bank of the Group 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	4,262,969	23.61%	3,501,651	26.40%
Shanghai	1,115,222	6.18%	559,575	4.22%
Nanjing	1,393,278	7.72%	704,569	5.31%
Wuxi	157,541	0.87%	110,398	0.83%
Suzhou	3,061,657	16.96%	1,886,951	14.23%
Changsha	896,091	4.96%	896,091	6.76%
Wuhan	683,487	3.79%	407,166	3.07%
Hangzhou	510,694	2.83%	300,595	2.27%
Zhenjiang	935,941	5.18%	935,941	7.06%
Nantong	735,201	4.07%	333,105	2.51%
Nanchang	437,079	2.42%	437,079	3.30%
Changchun	400,833	2.22%	400,833	3.02%
Anqing	668,975	3.71%	668,975	5.04%
Haikou	363,792	2.02%	363,792	2.74%
Qingdao	564,188	3.12%	166,041	1.25%
Jinan	672,007	3.72%	395,543	2.98%
Taizhou	371,150	2.06%	371,150	2.80%
Chengdu	482,809	2.67%	482,809	3.64%
Jiaxing	341,196	1.89%	341,196	2.57%
Total	**18,054,110**	**100.00%**	**13,263,459**	**100.00%**

In the first half of 2015, the Group acquired a total of eleven new projects to replenish its land bank, all of which were acquired through government public tender, auction, listing-for-sale acquisition or equity acquisition. The Group acquired approximately 2,897,535 sq.m. (excluding underground floor area) of land to replenish its land bank whilst the average acquisition cost was approximately RMB2,059.09 per sq.m.

Table 3: Land acquisition in the first half of 2015

Project/Land parcel	Land use	Attributable interest	Site area *(sq.m.)*	Total GFA *(excluding underground floor area)* *(sq.m.)*	Land premium *(RMB million)*
Suzhou Kunshan Huaqiao Development Zone 2014-0102 Land Parcel	Residential	58.86%	79,748	199,370	601
Taizhou Huangyan Land Parcel	Mixed	100%	94,484	371,150	1,078
Shanghai Fengxian District Fengchengzhen 44-10 Land Parcel	Residential	56.64%	57,294	68,753	218
Zhenjiang Zhenjiang Danyang G1502, G1503 Land Parcel	Mixed	100%	36,264	126,924	109
Chengdu The Land Parcel to the north of Longgong Road, Longquan Street, Longquanyi District	Mixed	100%	120,702	482,809	579
Changzhou The Land Parcel to the south of South Ring No. 2 Road, east of East Ring No. 2 Road, Jintan	Mixed	100%	125,156	438,046	160
Suzhou Changshu 2015A-006 Land Parcel	Residential	11.77%	82,469	197,926	755
Suzhou Changshu 2015A-007 Land Parcel	Residential	38.26%	87,273	174,546	839
Hangzhou Xiaoshan District Xiaozheng Chuchu 2015 6 Land Parcel	Residential	58.86%	44,048	123,334	751
Jiaxing Tongxiang Tong Tuchu 2012 No. 18 Land Parcel	Mixed	100%	121,856	341,196	485
Jinan Plot No.B2-1 in Tian Yuan Xin Cheng Licheng District	Residential	58.86%	98,294	373,482	393
Total				**2,897,536**	**5,968**

Property Delivery and Revenue from Sale of Properties

The revenue of the Group's property development business for the first half of 2015 was approximately RMB8,803.8 million, representing an increase of 117.2% as compared to the same period of last year. Properties with total GFA of approximately 942,620.1 sq.m. were delivered during the first six months of 2015, representing increase of 107.14% as compared to the same period of last year. Average selling price of properties delivered and recognized as sales for the first half of 2015 was approximately RMB8,973.35 per sq.m.

Table 4: Breakdown of property development revenue by projects in the first half of 2015

The following table sets forth the revenue information relating to the properties the Group delivered for sale during the first half of 2015:

Project/Properties	**City**	**Revenue** *(RMB million)*	**GFA** *(sq.m.)*	**Average price** *(RMB/sq.m.)*
Nanjing Future France	Nanjing	1,963.2	203,789	9,634
Suzhou Future Mangrove Bay	Suzhou	1,280.0	159,331	8,034
Shanghai Garden House	Shanghai	690.1	43,627	15,819
Shanghai Fragrant View	Shanghai	591.0	33,439	17,673
Legend Mansion	Suzhou	535.8	50,000	10,715
Changzhou Future Land Emporium	Changzhou	496.4	56,109	8,847
Changzhou In Spring Live	Changzhou	460.5	79,940	5,761
Kunshan Future France	Suzhou	373.9	53,127	7,038
Injoy International Plaza	Changzhou	251.5	12,917	19,474
Zhenjiang Exalted Uptown	Zhenjiang	233.3	42,898	5,438
Changzhou Fragrant Legend	Changzhou	175.5	34,461	5,093
Injoy Plaza	Changzhou	166.2	21,806	7,622
Changsha International Metropolis	Changsha	157.8	43,227	3,650
Shanghai Petrus Hacienda	Shanghai	154.8	5,302	29,187
Shanghai Fragrant Legend	Shanghai	135.8	8,469	16,035
Other projects		792.6	94,178	
Total		**8,458.5**	**942,620**	**8,973**

Property Investment

With the completion of various investment properties, rental income from investment properties of the Group increased to approximately RMB68.27 million in the first half of 2015.

Table 5: Breakdown of rental income from investment properties of the Group in the first half of 2015

Project/Properties	Rental Income **First half of 2015** *(RMB'000)*	 First half of 2014 *(RMB'000)*
Changzhou Injoy Plaza	**21,843.8**	23,581.0
Changzhou Injoy International Plaza	**21,154.0**	17,688.2
Shanghai Qingpu Injoy Plaza	**24,846.7**	–
Suzhou Wujiang Injoy Plaza	**423.3**	–
Changzhou Four Seasons Future Land Commercial Complexes	**–**	185.0
Total	**68,267.8**	41,454.2

Financial Review

Revenue

For the first half of 2015, the Group's revenue amounted to approximately RMB8,803.8 million, representing an increase of 117.2% as compared to the corresponding period of last year. As a breakdown, income from sales of properties during the Reporting Period was approximately RMB8,458.5 million, representing a period-on-period increase of 122.8%; income from property management and other income was approximately RMB269.1 million, representing increase of 32.9% as compared to the same period last year; and rental income was approximately RMB76.3 million, representing increase of 36.9% as compared to the corresponding period of last year.

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. For the first half of 2015, valuation gains on investment properties increased to approximately RMB282.6 million from approximately RMB36.9 million for the same period in 2014, as newly developed investment properties in 2015 increased.

Gross Profit

For the first half of 2015, as compared to the corresponding period of last year, the gross profit of the Group was approximately RMB1,481.2 million, representing an increase of 57.7%. The increase in gross profit was mainly due to the increase in revenue as the properties we delivered for the six months ended 30 June 2015 were more than those for the same period last year.

Selling and Marketing Costs

In the first half of 2015, selling and marketing costs of the Group increased to approximately RMB282.6 million from approximately RMB186.7 million for the same period in 2014, which was primarily attributable to the increase in the Company's marketing team building during the Reporting Period.

Administrative Expenses

For the first half of 2015, administrative expenses of the Group increased to approximately RMB443.8 million from approximately RMB341.7 million for the same period in 2014, which was mainly due to the increase in the Group's staff headcount and remuneration during the Reporting Period.

Finance Costs – Net

For the first half of 2015, finance costs decreased by approximately 10.39% to approximately RMB66.1 million from approximately RMB73.8 million for the same period of last year. The decrease in finance costs was mainly due to an increase in net foreign exchange gain.

Income Tax Expense

Income tax expense comprises the PRC corporate income tax and land appreciation tax. The PRC corporate income tax and land appreciation tax of the Group for the first half of 2015 were approximately RMB270.0 million and approximately RMB71.6 million, respectively.

Financial Resources and Liquidity Ratios

As at 30 June 2015, the Group had cash and cash equivalents of approximately RMB4,423.0 million (As at 31 December 2014: approximately RMB4,817.9 million), and current and non-current borrowings of approximately RMB15,607.5 million (As at 31 December 2014: approximately RMB13,931.6 million). Approximately RMB4,560.8 million of current and non-current borrowings is repayable within one year, approximately RMB10,866.7 million of current and non-current borrowings is repayable after one year but within five years, and approximately RMB180.0 million of current and non-current borrowings is repayable after five years. As at 30 June 2015, our net debt-to-equity ratio increased from 52.6% as at the end of 2014 to 72.0%. 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 was calculated as total borrowings less cash and cash equivalents and restricted cash. Our net debt-to-equity ratio increased primarily due to the increase in net debt resulted from the increase in financing and the decrease in cash and cash equivalents as well as restricted cash.

The Group successfully issued a tranche of five-year US$200 million senior notes at a fixed interest rate (10.25%) in January 2013, a tranche of three-year RMB1.5 billion senior notes at a fixed interest rate (9.75%) in April 2013, and a tranche of five-year US$350 million senior notes at a fixed interest rate (10.25%) in July 2014. In July 2014, Jiangsu Future Land also issued corporate bonds in a principal amount of RMB2.0 billion. The issuance of the above-mentioned notes has not only ensured the healthy and stable cash flow of the Group in the future, but also further optimized the borrowing structure of the Group. The Directors believed that the constant optimisation of our debt level and financial structure had laid a solid foundation for the Group to weather market volatility and diminish financial risks.

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 for repaying 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 30 June 2015, the Group's contingent liabilities in respect of the guarantees given to financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB5,258.7 million (As at 31 December 2014: approximately RMB4,478.6 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 30 June 2015. The Directors consider that the subsidiaries are sufficiently financially resourced to settle their obligations.

Save as disclosed in this interim results announcement, the Group had no other material contingent liabilities as at 30 June 2015.

Available-For-Sale Financial Assets

As at 30 June 2015, the fair value of the Group's available-for-sale financial assets increased by 7.4% to approximately RMB308.6 million from approximately RMB287.4 million as at 31 December 2014. The increase is mainly attributable to the addition of cost of available-for-sale financial assets of approximately RMB11.3 million and the increase of the fair value of the available-for-sale financial assets.

Foreign Exchange Risk

As at 30 June 2015, the Group had cash at bank and on hand denominated in Renminbi of approximately RMB6,291.3 million, in Hong Kong dollars of RMB4.1 million and in U.S. dollars of approximately RMB144.4 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 January 2013 and July 2014, the Company issued US$200 million and US$350 million senior notes respectively through the international capital market both 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 significant foreign currency hedging policy in the future.

Material Acquisition and Disposal

On 13 July 2015, the commodity housing pre-sale contract (the "**Contract**") in relation to, among other things, the acquisition of the Guoco Changfeng City No. 5 Office Tower* (《國浩長風城》5號辦公樓), Lane 388, Zhongjiang Road, Shanghai (the "**Target Asset**") was entered into between the Shanghai Xinhaolong Property Development Co., Ltd.* (上海新浩隆房地產開發有限公司) (the "**Transferor**") and Shanghai Jiamu Investment Management Co., Ltd.* (上海嘉牧投資管理有限公司), a subsidiary of the Company (the "**Transferee**"). Pursuant to the Contract, the Transferee has conditionally agreed to acquire and the Transferor has conditionally agreed to transfer the Target Asset held by it to the Transferee, at the consideration of RMB832,508,300. The planning use of the Target Asset, as approved by the government, is office building. For further details, please refer to the announcement published by the Company on 14 July 2015.

During the six months ended 30 June 2015, the Group did not have any material acquisitions or disposals of subsidiaries, associates or assets save as disclosed in this interim results announcement.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this interim 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.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015 to the Shareholders (2014: Nil).

EMPLOYEES AND COMPENSATION POLICY

As at 30 June 2015, the Group had 8,082 full-time employees in the PRC and Hong Kong. 2,886 of these employees worked in the property development operations, 1,037 are engaged in management of commercial complexes and 4,122 are engaged in property management, branded customer services 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 approximately RMB4.1 million for the six months ended 30 June 2015 (six months ended 30 June 2014: approximately RMB9.1 million).

PURCHASE, SALE OR REDEMPTION OF ANY OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the initial public offering of the Company's 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 six months ended 30 June 2015, such net proceeds were applied in the manner consistent with that set out in the Company's prospectus dated 19 November 2012.

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 Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate 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 considers 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 balance of power and authority is ensured by the operation of the senior management and the Board, which comprise 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 six months ended 30 June 2015. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 has complied with the Model Code during the six months ended 30 June 2015.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed with the management the accounting principles and policies adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2015.

PUBLICATION OF THE INTERIM RESULTS AND 2015 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futureholdings.com.cn), and the 2015 interim report containing all the information required under the Listing Rules will be despatched 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

30 July 2015

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Liang Zhicheng, Mr. Liu Yuanman and Mr. Chan Wai Kin 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.

* *Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purpose only.*