Mingfa Group (International) Company Limited
明 發 集 團 （ 國 際 ） 有 限 公 司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 846)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

The unaudited consolidated revenue of the Group was approximately RMB2,886.2 million for the six months ended 30 June 2013, representing an increase of 238.6% from the corresponding period in 2012.

The unaudited consolidated profit attributable to equity holders of the Company was approximately RMB510.3 million for the six months ended 30 June 2013, representing a decrease of 14.1% from the corresponding period in 2012.

If the after-tax fair value gains of RMB167.2 million on investment properties and the after-tax fair value gains of RMB18.2 million on derivative financial instruments were excluded, the resulting amount representing primarily the unaudited consolidated profit from the core property development business of the Group attributable to equity holders of the Company for the six months ended 30 June 2013 would be approximately RMB324.9 million which represented 155.3 times as compared to the corresponding period in 2012.

The unaudited basic and diluted earnings per share was RMB8.4 cents and RMB7.0 cents respectively for the six months ended 30 June 2013, representing a decrease of 14.3% and an increase of 105.9% respectively from the corresponding period in 2012.

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2013.

The board of directors (the "**Board**") of Mingfa Group International Company Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2013 together with comparative amounts for the corresponding period in 2012.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2013

	Note	**Unaudited 30 June 2013** *RMB'000*	Audited 31 December 2012 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**510,885**	519,046
Investment properties		**8,355,001**	7,952,701
Land use rights		**39,775**	37,191
Intangible assets		**7,180**	7,184
Associated companies		**217,960**	170,749
Joint ventures		**266,443**	218,459
Deferred income tax assets		**454,296**	427,308
Available-for-sale financial assets		**20,000**	—
Other receivables	*4*	**13,341**	12,961
Other non-current assets		**3,281,470**	3,640,277
		13,166,351	12,985,876
Current assets			
Land use rights		**5,107,893**	4,736,660
Properties under development		**4,891,969**	3,926,069
Completed properties held for sale		**6,486,928**	7,323,116
Inventories		**9,062**	9,724
Trade and other receivables and prepayments	*4*	**1,065,422**	1,159,414
Prepaid income taxes		**226,295**	163,281
Amounts due from related parties		**39,455**	17,968
Amounts due from non-controlling interests		**768,810**	853,500
Restricted cash		**975,346**	458,404
Cash and cash equivalents		**602,090**	680,079
		20,173,270	19,328,215
Total assets		**33,339,621**	32,314,091

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	5	**536,281**	536,281
Reserves		**8,833,164**	8,332,506
		9,369,445	8,868,787
Non-controlling interests in equity		**984,600**	972,158
Total equity		**10,354,045**	9,840,945
LIABILITIES			
Non-current liabilities			
Deferred government grants		**1,697,495**	1,666,423
Borrowings	6	**2,176,595**	1,540,560
Deferred income tax liabilities		**1,815,122**	1,753,811
		5,689,212	4,960,794
Current liabilities			
Trade and other payables	9	**6,515,190**	6,839,950
Advanced proceeds received from customers		**2,993,706**	2,657,573
Amounts due to related parties		**166,842**	130,549
Amounts due to non-controlling interests		**103,833**	96,374
Income tax payable		**1,924,172**	1,815,331
Borrowings	6	**5,461,391**	5,647,275
Derivative financial instruments	8	**116,930**	310,283
Provision for other liabilities and charges		**14,300**	15,017
		17,296,364	17,512,352
Total liabilities		**22,985,576**	22,473,146
Total equity and liabilities		**33,339,621**	32,314,091
Net current assets		**2,876,906**	1,815,863
Total assets less current liabilities		**16,043,257**	14,801,739

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Revenues	*3*	**2,886,152**	852,337
Cost of sales	*11*	**(1,832,639)**	(453,509)
Gross profit		**1,053,513**	398,828
Fair value gains on investment properties		**222,897**	291,459
Fair value gains on derivative financial instruments		**18,231**	373,097
Other gains	*10*	**58,563**	2,268
Selling and marketing costs	*11*	**(95,594)**	(53,120)
Administrative expenses	*11*	**(156,265)**	(120,811)
Other operating expenses	*11*	**(25,092)**	(17,272)
Operating profit		**1,076,253**	874,449
Finance income	*12*	**9,758**	7,250
Finance costs	*12*	**(129,653)**	(87,921)
Finance costs — net	*12*	**(119,895)**	(80,671)
Share of results of			
— Associated companies		**(3,729)**	(3,373)
— Joint ventures		**(2,016)**	(1,564)
		(5,745)	(4,937)
Profit before income tax		**950,613**	788,841
Income tax expense	*13*	**(449,492)**	(198,486)
Profit for the period		**501,121**	590,355
Attributable to:			
Equity holders of the Company		**510,278**	593,770
Non-controlling interests		**(9,157)**	(3,415)
		501,121	590,355
Earnings per share for profit attributable to equity holders of the Company *(RMB cents)*			
— Basic	*14*	**8.4**	9.8
— Diluted	*14*	**7.0**	3.4
Dividend	*15*	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit for the period	**501,121**	590,355
Other comprehensive loss		
— Currency translation differences	**(9,620)**	(1,504)
Total comprehensive income for the period	**491,501**	588,851
Attributable to:		
Equity holders of the Company	**500,658**	592,266
Non-controlling interests	**(9,157)**	(3,415)
	491,501	588,851

NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2013 (Unaudited)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Mingfa Group (International) Company Limited (the "Company") was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "Group") are property development, property investment and hotel operation in the People's Republic of China (the "PRC").

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2009.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2013 are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, investment properties and derivative financial instruments which are carried at fair value, and in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The condensed consolidated interim financial statements are presented in thousands of Renminbi (RMB'000), unless otherwise stated.

These condensed consolidated interim financial statements have not been audited.

2 ACCOUNTING POLICIES

Except as described below for new account item or which is specific for the interim period, 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 2012.

(a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial assets. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Dividends on available-for-sale financial assets are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established. Fair value adjustments on available-for-sale financial assets are recognised as other comprehensive income and accumulated within equity.

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

New/revised standards and amendments adopted by the Group in 2013

The following new/revised standards and amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2013 and are relevant to the Group's operations.

- HKAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012). The main change resulting from the amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment does not address which items are presented in OCI.

- HKFRS 7 (Amendment) "Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2013). The amendment requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

- HKFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013). The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- HKAS 27 (Revised 2011) "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013). The standard includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

- HKFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013). The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- HKAS 28 (Revised 2011) "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013). The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.

- HKFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013). The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- HKFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs or US GAAP.

- HKFRSs 10, 11 and 12 (Amendments) "Transition Guidance" (effective for annual periods beginning on or after 1 January 2013). These amendments provide additional transition relief to HKFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

The adoption of the above new/revised standards and amendments to existing standards in 2013 does not have any significant impact on the Group's consolidated financial statements. Jointly controlled entities of the Group continue to be equity accounted for and are now called joint ventures. Jointly controlled assets continue to be accounted for on a line-by-line basis based on the Group's share of the assets, liabilities, revenue and expenses and are now called joint operations.

The Group has not early adopted any new accounting and financial reporting standards, amendments to existing standards and interpretations which have been issued but are not yet effective for the financial year ending on 31 December 2013.

3 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

As majority of the Group's consolidated revenue and results are attributable to the market in the PRC and most of the Group's consolidated assets are located in the PRC, therefore no geographical information is presented.

The CODM assesses the performance of the operating segments based on a measure of revenue and operating profit. The information provided to the CODM is measured in a manner consistent with that in the financial statements.

(a) Revenues

Turnover of the Group consists of the following revenues recognised during the period:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Sale of properties		
— commercial	**647,480**	311,236
— residential	**2,075,082**	417,448
	2,722,562	728,684
Hotel operating income	**33,636**	22,120
Rental income from investment properties	**117,444**	86,458
Property management fee income	**12,510**	15,075
	2,886,152	852,337

The unaudited segment results for the six months ended 30 June 2013 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000*	Hotel *RMB'000*	Property investment and management *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Total segment revenues	**647,480**	**2,075,082**	**35,727**	**129,954**	—	—	**2,888,243**
Inter-segment revenues	—	—	**(2,091)**	—	—	—	**(2,091)**
Revenues	**647,480**	**2,075,082**	**33,636**	**129,954**	—	—	**2,886,152**
Operating profit/(loss)	**369,599**	**405,381**	**(25,423)**	**275,525**	**51,171**	—	**1,076,253**
Finance costs — net							**(119,895)**
Share of results of associated companies	**(515)**	**(3,214)**	—	—	—	—	**(3,729)**
Share of results of joint ventures	**(541)**	**(1,482)**	—	**7**	—	—	**(2,016)**
Profit before income tax							**950,613**
Income tax expense							**(449,492)**
Profit for the period							**501,121**
Other segment information							
Capital and property development expenditure	**358,020**	**1,357,195**	**10,525**	**49,212**	—	—	**1,774,952**
Depreciation	**1,400**	**6,450**	**16,282**	**735**	**2,247**	—	**27,114**
Amortisation of land use rights as expenses	**2,245**	**451**	—	—	—	—	**2,696**
Fair value gains on investment properties	—	—	—	**222,897**	—	—	**222,897**
Fair value gains on derivative financial instruments	—	—	—	—	**18,231**	—	**18,231**
Net loss from repurchase and redemption of 2016 Bonds	—	—	—	—	**11,442**	—	**11,442**
Impairment of goodwill recognised as expenses	—	**4**	—	—	—	—	**4**

The unaudited segment results for the six months ended 30 June 2012 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000*	Hotel *RMB'000*	Property investment and management *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Total segment revenues	311,236	417,448	22,938	101,533	—	—	853,155
Inter-segment revenues	—	—	(818)	—	—	—	(818)
Revenues	311,236	417,448	22,120	101,533	—	—	852,337
Operating profit/(loss)	163,722	38,520	(11,689)	335,262	348,634	—	874,449
Finance costs — net							(80,671)
Share of results of associated companies	(494)	(2,879)	—	—	—	—	(3,373)
Share of results of joint ventures	(415)	(1,137)	—	(12)	—	—	(1,564)
Profit before income tax							788,841
Income tax expense							(198,486)
Profit for the period							590,355
Other segment information							
Capital and property development expenditure	1,393,571	1,653,561	8	136,144	—	—	3,183,284
Depreciation	1,730	5,628	7,339	198	1,849	—	16,744
Amortisation of land use rights as expenses	2,705	642	—	—	—	—	3,347
Fair value gains on investment properties	—	—	—	291,459	—	—	291,459
Fair value gains on derivative financial instruments	—	—	—	—	373,097	—	373,097
Impairment of goodwill recognised as expenses	—	33	—	—	—	—	33

The unaudited segment assets and liabilities as at 30 June 2013 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000*	Hotel *RMB'000*	Property investment and management *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment assets	**17,797,262**	**17,968,133**	**847,732**	**8,458,697**	**7,306,008**	**(20,203,205)**	**32,174,627**
Associated companies	**161,931**	**56,029**	**—**	**—**	**—**	**—**	**217,960**
Joint ventures	**70,590**	**193,357**	**—**	**2,496**	**—**	**—**	**266,443**
	18,029,783	**18,217,519**	**847,732**	**8,461,193**	**7,306,008**	**(20,203,205)**	**32,659,030**
Unallocated:							
Deferred income tax assets							**454,296**
Prepaid income taxes							**226,295**
Total assets							**33,339,621**
Segment liabilities	**8,796,780**	**13,152,806**	**276,046**	**588,301**	**8,880,638**	**(20,203,205)**	**11,491,366**
Unallocated:							
Deferred income tax liabilities							**1,815,122**
Borrowings							**7,637,986**
Derivative financial instruments							**116,930**
Income tax payable							**1,924,172**
Total liabilities							**22,985,576**

The audited segment assets and liabilities as at 31 December 2012 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000*	Hotel *RMB'000*	Property investment and management *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment assets	16,875,499	13,760,312	972,394	6,807,113	6,710,930	(13,791,954)	31,334,294
Associated companies	101,886	68,863	—	—	—	—	170,749
Joint ventures	57,759	158,211	—	2,489	—	—	218,459
	17,035,144	13,987,386	972,394	6,809,602	6,710,930	(13,791,954)	31,723,502
Unallocated:							
Deferred income tax assets							427,308
Prepaid income taxes							163,281
Total assets							32,314,091
Segment liabilities	7,957,016	8,152,591	354,575	708,435	8,025,223	(13,791,954)	11,405,886
Unallocated:							
Deferred income tax liabilities							1,753,811
Borrowings							7,187,835
Derivative financial instruments							310,283
Income tax payable							1,815,331
Total liabilities							22,473,146

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade receivables *(note)*	**274,333**	209,054
Less: Provision for impairment of trade receivables	**(48,826)**	(47,461)
Trade receivables — net	**225,507**	161,593
Deposits for resettlement costs	**755**	755
Deposits for land purchases	**18,050**	79,300
Advances to third parties	**208,825**	208,825
Receivable in connection with the disposal of a joint venture	**204,479**	204,479
Other receivables	**158,209**	134,443
Prepayments for construction costs	**86,934**	234,184
Prepaid business tax and other levies on pre-sale proceeds	**176,004**	148,796
	1,078,763	1,172,375
Less: Non-current portion of other receivables	**(13,341)**	(12,961)
Current portion	**1,065,422**	1,159,414

As at 30 June 2013, the fair values of trade receivables, deposits for resettlement costs and land purchases, advances to third parties, receivable in connection with a disposal and other receivables approximate their carrying amounts.

Note:

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold and leased are to be received in accordance with the terms of the related sales and purchase agreements and lease agreements.

The ageing analysis of trade receivables is as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**60,505**	60,775
Over 90 days and within 1 year	**110,184**	90,420
Over 1 year and within 2 years	**56,334**	13,379
Over 2 years	**47,310**	44,480
	274,333	209,054

As at 30 June 2013, provision for impairment of trade receivables was approximately RMB48,826,000 (31 December 2012: approximately RMB47,461,000).

5 SHARE CAPITAL

Details of share capital of the Company are as follows:

	Par value *HK$*	Number of ordinary shares	Nominal value of ordinary shares *HK$*	Equivalent *RMB*
Authorised:				
At 31 December 2012 and 30 June 2013	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 31 December 2012 and at 30 June 2013	0.1	6,093,451,026	609,345,103	536,280,877
At 1 January 2012	0.1	6,063,470,969	606,347,097	533,842,510
Issue of shares in connection with conversion of convertible bonds *(note)*	0.1	29,980,057	2,998,006	2,438,367
At 30 June 2012	0.1	6,093,451,026	609,345,103	536,280,877

Note:

During the six months ended 30 June 2012, 19,253,066 and 10,726,991 ordinary shares at par value of HK$0.1 per share were issued upon the request for conversion by the bondholders (Note 6 (b)) with the conversion price of HK$3.168 and HK$2.61 per share respectively. The ordinary shares issued have the same rights as the other shares in issue.

6 BORROWINGS

	30 June 2013 ***RMB'000***	31 December 2012 *RMB'000*
Borrowings included in non-current liabilities		
Bank borrowings — secured	**4,265,825**	4,279,559
Convertible bonds *(notes (a) and (b))*	**1,304,380**	2,334,982
Senior notes *(note (c))*	**632,904**	—
Other borrowings — secured	**200,000**	200,000
	6,403,109	6,814,541
Less: Amounts due within one year	**(4,226,514)**	(5,273,981)
	2,176,595	1,540,560
Borrowings included in current liabilities		
Bank overdrafts	**—**	15,533
Bank borrowings — secured	**1,234,877**	357,761
Current portion of long-term borrowings	**4,226,514**	5,273,981
	5,461,391	5,647,275

(a) Convertible bonds issued on 10 December 2010 ("2015 Bonds")

The Company issued HK$1,551,580,000 convertible bonds on 10 December 2010 ("December closing date") to Gain Max Enterprises Limited, an investment vehicle of Warburg Pincus & Co. The 2015 Bonds bear interest at 5% per annum which is payable semi-annually.

The 2015 Bonds mature in five years from the December closing date and shall be redeemed at 129.82% of their nominal value or can be converted into ordinary shares of the Company on or after 11 December 2010 up to 3 December 2015 at a price of HK$2.90 per share.

The 2015 Bonds also contain redemption option at any time after 10 November 2013 which allows bondholders to require the Company to redeem any bond at a premium equal to 17.05% multiplied by a fraction of which the numerator is the total number of days from 10 December 2010 to the redemption due date and the denominator is the total number of days from 10 December 2010 to 10 December 2015.

In conjunction with the 2015 Bonds, the Company also issued warrants on 10 December 2010 to Profit Max Enterprises Limited, another investment vehicle of Warburg Pincus & Co., for no additional consideration. The warrants have a subscription period from 20 January 2011 to 3 December 2015 with an exercise price of HK$4.36 per share and maximum value of issued shares amounting to HK$387,895,000. The warrants also have transferability that the subscription rights are freely transferable either in whole or in part provided that, if necessary, the prior approval of the Stock Exchange shall be required for any transfer to any transferee which is a connected person of the Company.

The values of the liability component of the 2015 Bonds and the conversion, redemption options as well as the warrants were determined at issuance of the bonds. Subsequently, the liability component is measured at amortised cost and the embedded derivatives are measured at fair value at each balance sheet date.

(b) Convertible bonds issued on 23 May 2011 ("2016 Bonds")

The Company issued HK$1,560,000,000 convertible bonds on 23 May 2011 ("May closing date"). The 2016 Bonds bear interest at 5.25% per annum which is payable semi-annually.

The 2016 Bonds mature in five years from the May closing date and shall be redeemed at 126.42% of their principal amount together with accrued and unpaid interest thereon on 23 May 2016 or can be converted at the option of the bondholder into ordinary shares of the Company at any time on or after 2 July 2011 up to the close of business on the seventh day prior to 23 May 2016 at a price of HK$3.168 per share which has been reset to HK$2.61 per share on 10 March 2012.

The 2016 Bonds also contain redemption option which allows any bondholder to require the Company to redeem all and not some only of such holder's 2016 Bonds to the aggregate of the 109.97% of its principal amount together with interest accrued to the respective dates fixed for redemption on 23 June 2013.

The values of the liability component of the 2016 Bonds and the conversion and redemption options were determined at issuance of the bonds. Subsequently, the liability component is measured at amortised cost and the embedded derivatives are measured at fair value at each balance sheet date.

During the year ended 31 December 2011, some of the 2016 Bonds with principal amount of HK$11,000,000 were converted to 3,470,969 ordinary shares at a price of HK$3.168 per share. The corresponding liability component of the 2016 Bonds with carrying amount of HK$9,220,000 (equivalent to RMB7,514,000), together with corresponding embedded derivatives, were transferred to share capital and share premium as consideration for the shares issued.

During the year ended 31 December 2012, some of the 2016 Bonds with principal amount of HK$89,000,000 were converted to 29,980,057 ordinary shares at a price of HK$3.168 or HK$2.61 per share. The corresponding liability component of the 2016 Bonds with carrying amount of HK$74,947,000 (equivalent to RMB60,951,000), together with corresponding embedded derivatives, were transferred to share capital and share premium as consideration for the shares issued.

On 8 February 2013, the Company repurchased some of the 2016 Bonds with an aggregate principal amount of HK$70,000,000 by way of over the counter purchase with cash consideration of HK$76,453,000 (equivalent to RMB61,915,000).

On 23 June 2013, the Company paid HK$1,522,519,000 (equivalent to RMB 1,212,763,000) to redeem some of the 2016 Bonds with principal amount of HK$1,379,000,000 upon the request of the bondholders. After the redemption and as at 30 June 2013, an aggregate principal amount of HK$11,000,000 of the 2016 Bonds remain outstanding.

(c) Senior notes issued on 1 February 2013 ("2018 Notes")

The Company issued US$100,000,000 senior notes on 1 February 2013 ("February closing date"). The 2018 Notes bear interest at 13.25% per annum, which is payable semi-annually. The 2018 Notes mature in five years from the February closing date.

At any time and from time to time on or after 1 February 2016, the Company may at its option 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 not including) the redemption date if redeemed during the twelve month period beginning on 1 February of each of the years indicated below:

Period	**Redemption price**
2016	106.6250%
2017 and thereafter	103.3125%

At any time and from time to time prior to 1 February 2016, the Company may at its option redeem the 2018 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. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 1 February 2016, the Company may redeem up to 35% of the aggregate principal amount of the 2018 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 113.25% of the principal amount of the 2018 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 2018 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The 2018 Notes contain a liability component and the above early redemption options:

(i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

(ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant on issue date of the bonds and as at 30 June 2013, and is therefore not recognised.

7 PLEDGED ASSETS

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Completed properties held for sale	**2,917,244**	2,322,693
Property, plant and equipment	**107,681**	110,814
Properties under development	**355,889**	491,305
Land use rights	**2,784,936**	1,774,478
Investment properties	**3,778,488**	3,844,390
Restricted cash	**975,346**	458,404
	10,919,584	9,002,084

8 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
2015 Bonds — Embedded derivatives *(note (a))*	**109,118**	114,139
2016 Bonds — Embedded derivatives *(note (a))*	**1,278**	190,079
Warrants *(note (b))*	**6,534**	6,065
	116,930	310,283

Notes:

(a) The embedded derivatives in connection with the 2015 Bonds and the 2016 Bonds mainly include bondholders' redemption option and conversion option. The embedded derivatives of the 2015 Bonds issued on 10 December 2010 are valued at HK$140,764,000 (equivalent to RMB114,139,000) at 31 December 2012 and HK$136,989,000 (equivalent to RMB109,118,000) at 30 June 2013 respectively by DTZ Debenham Tie Leung Limited ("DTZ"). The embedded derivatives of the 2016 Bonds issued on 23 May 2011 are valued at HK$234,420,000 (equivalent to RMB190,079,000) at 31 December 2012 and HK$1,605,000 (equivalent to RMB1,278,000) at 30 June 2013 by DTZ. The fair value change is made through profit and loss.

During the six months ended 30 June 2013, some of the 2016 Bonds with principal amount of HK$70,000,000 and HK$1,379,000,000 were repurchased and redeemed by the Company respectively and corresponding embedded derivatives with total carrying amount of HK$219,563,000 (equivalent to RMB175,122,000) were disposed along with the liability component, resulted in a net loss of RMB11,442,000 to the Group (Note 11).

(b) The warrants are issued together with the 2015 Bonds on 10 December 2010, which are valued at HK$7,480,000 (equivalent to RMB6,065,000) at 31 December 2012 and HK$8,202,000 (equivalent to RMB6,534,000) at 30 June 2013 respectively by DTZ. The fair value change is made through profit and loss.

9 TRADE AND OTHER PAYABLES

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade payables *(note (a))*	**4,120,486**	4,907,965
Other payables *(note (b))*	**2,204,082**	1,777,411
Other taxes payable	**190,622**	154,574
	6,515,190	6,839,950

Notes:

(a) The ageing analysis of trade payables is as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**3,876,168**	4,518,738
Over 90 days and within 1 year	**244,318**	389,227
	4,120,486	4,907,965

(b) Other payables comprise:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Deposits and advances from constructors	**728**	816
Deposits received from tenants	**35,917**	30,256
Advances from third parties *(note (i))*	**1,718,086**	1,382,212
Consideration payable on acquisition of a joint venture	**50,000**	50,000
Consideration payable on acquisition of subsidiaries	**87,275**	88,818
Payable to a joint operations partner Baolong	**116,941**	118,686
Miscellaneous	**195,135**	106,623
	2,204,082	1,777,411

(i) The advances from third parties are non-trade in nature, unsecured, interest-free and have no fixed repayment terms except for advances of RMB82,000,000 (31 December 2012: RMB92,000,000) made from Nanjing Guoding Investment Property Company and HK$823,000,000 (equivalent to RMB655,561,000) (31 December 2012: HK$464,000,000, equivalent to RMB376,234,000) made from Mr. Zeng Huansha which bear interest at 12% and 15.5% per annum respectively and are due for repayment upon receiving demand from the lender.

10 OTHER GAINS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Government grants	**387**	1,782
Net exchange gain	**55,923**	—
Miscellaneous	**2,253**	486
	58,563	2,268

11 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Staff costs — including directors' emoluments	**87,792**	61,724
Auditor's remuneration	**1,500**	1,500
Depreciation	**27,114**	16,744
Amortisation of land use rights	**2,696**	3,347
Advertising, promotion and commission costs	**64,425**	37,842
Cost of properties sold	**1,577,062**	361,239
Business tax and other levies on sales of properties	**155,339**	41,188
Direct outgoings arising from investment properties that generate rental income	**53,309**	17,957
Hotel operating expenses	**40,364**	27,190
Charitable donations	**4,394**	670
Office expenses	**38,097**	31,979
Professional fees	**7,617**	4,609
Additional/(Reversal of) provision for impairment of receivables	**1,365**	(298)
Impairment of goodwill	**4**	33
Provision for delay in delivering properties	**5,811**	1,116
Net exchange loss	**—**	13,358
Net loss from repurchase and redemption of 2016 Bonds	**11,442**	—
Miscellaneous	**31,259**	24,514
Total cost of sales, selling and marketing costs, administrative expenses and other operating expenses	**2,109,590**	644,712

12 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Finance income		
— interest income on bank deposits	**9,758**	7,250
Interest on bank borrowings and overdrafts		
— wholly repayable within five years	**(174,379)**	(159,818)
— wholly repayable over five years	**(20,875)**	(8,849)
Interest expense on other borrowings and advances from third parties	**(50,035)**	(14,806)
Interest expense on convertible bonds and senior notes *(Note 6)*	**(192,851)**	(154,520)
Less: Interest capitalised	**308,487**	250,072
Finance costs	**(129,653)**	(87,921)
Net finance costs	**(119,895)**	(80,671)

13 INCOME TAX EXPENSE

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current income tax		
— PRC enterprise income tax	**177,577**	53,742
— PRC land appreciation tax	**237,593**	73,571
	415,170	127,313
Deferred income tax		
— PRC enterprise income tax	**30,765**	68,386
— PRC withholding income tax	**3,557**	2,787
	34,322	71,173
	449,492	198,486

(a) Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profit in Hong Kong during the six months ended 30 June 2013 (2012: Nil).

(b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2012: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

(c) PRC 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 cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

A property project in Jiangsu province is subject to land appreciation tax calculated at a rate of 4.5% on the proceeds from sales of properties, as agreed with the local tax authority.

(d) PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

14 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six months ended 30 June 2013 and 2012 is calculated by dividing the profit 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	
	2013	2012
Profit attributable to equity holders of the Company *(RMB'000)*	**510,278**	593,770
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,085,329
Basic earnings per share *(RMB cents)*	**8.4**	9.8

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and warrants. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect and any exchange and fair value movements. For the warrants, a calculation is done to determine the number of shares that could have been acquired based on the monetary value of the subscription rights attached to the warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

For the six months ended 30 June 2013 and 2012, as the average market share price of the ordinary shares during the period was lower than the subscription price, the impact of exercise of warrants on earnings per share is anti-dilutive.

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company	**510,278**	593,770
Interest expense on convertible bonds (net of tax)	**21,184**	6,259
Exchange (gains)/losses on convertible bonds — liability component	**(40,048)**	12,162
Changes in fair value of convertible bonds — embedded derivatives	**(18,700)**	(369,680)
Net loss from repurchase and redemption of 2016 Bonds	**11,442**	—
Profit used to determine diluted earnings per share	**484,156**	242,511
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,085,329
Adjustment for conversion of convertible bonds *(thousands)*	**795,281**	1,102,537
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**6,888,732**	7,187,866
Diluted earnings per share *(RMB cents)*	**7.0**	3.4

15 DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2013 (2012: Nil).

16 FINANCIAL GUARANTEES

	30 June	31 December
	2013	2012
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties *(note)*	**3,452,967**	3,080,495

Note: The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the Group obtained the "property title certificate" for the mortgagees, or when the Group obtained the "master property title certificate". The directors of the Company consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

MANAGEMENT DISCUSSION AND ANALYSIS

The unaudited consolidated revenue of the Group increased by 238.6% to approximately RMB2,886.2 million for the six months ended 30 June 2013 (corresponding period in 2012: approximately RMB852.3 million). The increase was attributable to more residential properties in Xiamen, Nanjing, Wuxi and Zhangzhou delivered. During the period under review, the unaudited consolidated profit attributable to equity holders of the Company was approximately RMB510.3 million, representing a decrease of 14.1% from the corresponding period in 2012. The unaudited basic and diluted earnings per share was RMB8.4 cents and RMB7.0 cents respectively for the six months ended 30 June 2013, representing a decrease of 14.3% and an increase of 105.9% respectively compared to the corresponding period in 2012.

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2013.

INDUSTRY REVIEW

In the first half of 2013, the global economy was bundled with certain market volatility featured by the prevailed worry in debt crisis among Euro zone and concern in the shrinkage of US bond purchase. Domestically, the issue of credit crunch as a result of tightening interbank liquidity in the PRC, coupled with sluggish growth of national GDP further to 7.6% in the second quarter of 2013, has imposed pressure on the growth of economy and property market in the PRC.

Despite such adverse condition and the strengthened austerity controls this year, the property price and sales volume in the major cities continued to rise and new heights of land price recorded. Developers become more competitive in land acquisition and industry consolidation speeded up. The property market with strong demand in housing will continue to be one of the major engines driving the national economy growth in the future. Developers have to diversify different income flow from a more balanced product mix in order to fulfill different needs in the market and meanwhile, seek for sufficient liquidity and capital in order to tap the opportunities ahead.

BUSINESS REVIEW

Sales and Earnings

The sales for the six months ended 30 June 2013 was approximately RMB2,886.2 million (corresponding period in 2012: approximately RMB852.3 million), representing an increase of 238.6%.

The gross profit for the six months ended 30 June 2013 was approximately RMB1,053.5 million, (corresponding period in 2012: approximately RMB398.8 million), representing an increase of 164.2%. The reason for the increase was mainly due to the increase in the gross floor area ("GFA") delivered during the first half of 2013 whereby the GFA sold and delivered in the six months ended 30 June 2013 was 304,004 sq.m., representing an increase of 192.0%, from 104,096 sq.m. for the corresponding period in 2012.

The average sales price ("ASP") per sq.m. achieved by the Group in respect of the sales recognised for the six months ended 30 June 2013 was RMB8,955.7, representing an increase of 27.9% from the ASP per sq.m. of RMB7,000 for the corresponding period in 2012. The primary reason for the increase was due to more residential properties delivered in Xiamen Mingfa Xiang Wan Peninsula which had higher ASP.

The unaudited consolidated profit attributable to the equity holders of the Company for the six months ended 30 June 2013 was approximately RMB510.3 million (corresponding period in 2012: approximately RMB593.8 million), representing a decrease of 14.1% from the corresponding period in 2012. The decrease was mainly due to the decrease in fair value gains in derivative financial instruments for the six months ended 30 June 2013.

If the after-tax fair value gains of RMB167.2 million on investment properties and the after-tax fair value gains of RMB18.2 million on derivative financial instruments were excluded, the resulting amount representing primarily the unaudited consolidated profit from the core property development business of the Group attributable to equity holders of the Company for the six months ended 30 June 2013 would be approximately RMB324.9 million which represented 155.3 times as compared to the corresponding period in 2012.

Segment Information

Turnover generated from various sectors are analyzed as follows:

For the six months ended	**Commercial Properties**	**Residential Properties**	**Properties Investment and Management**	**Hotel**	**Total**
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*
30 June 2013	647.5	2,075.1	130.0	33.6	2,886.2
30 June 2012	311.2	417.5	101.5	22.1	852.3

The increase in turnover generated from commercial properties sector was mainly due to the increase in GFA delivered for the first half of 2013.

The turnover generated from residential properties sector increased 397.0% to RMB2.1 billion in the first half of 2013 as compared to the corresponding period in 2012. Such increase was due to more GFA delivered as compared to the corresponding period in 2012.

Pre-sold Properties

As at 30 June 2013, the Group has pre-sold properties to the buyers with an aggregate GFA of 612,858 sq.m. Set out below are the details of the properties, the Group's interest and the attributable GFA pre-sold by the Group:

City	Project	Interest	GFA *(sq.m.)*
Hefei	Hefei Mingfa Shopping Mall	100%	41,641
Honglai	Honglai Mingfa Commercial Centre	100%	3,112
Huai'an	Huai'an Mingfa Shopping Mall	100%	59,287
Nanjing	Nanjing Mingfa City Square	100%	10,690
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	162
Nanjing	Nanjing Mingfa Riverside New Town	100%	24,331
Nanjing	Nanjing Mingfa Shopping Mall	100%	883
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	64,233
Taizhou	Taizhou Mingfa City Complex	100%	31,594
Wuxi	Wuxi Mingfa International New Town	100%	18,720
Wuxi	Wuxi Mingfa Shopping Mall	70%	3,595
Xiamen	Xiamen Mingfa Harbour Resort	100%	1,885
Xiamen	Xiamen Mingfa Shopping Mall	70%	11,272
Xiamen	Xiamen Mingfa Xiang Wan Peninsula	100%	90,609
Yangzhou	Yangzhou Mingfa Jiangwan City	100%	35,061
Yangzhou	Yangzhou Mingfa Shopping Mall	100%	2,144
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	158,534
Zhenjiang	Zhenjiang Jinxiu Yishan	100%	55,105
Others			
			612,858

Summary of Land Bank

The following table summarizes the details of the Group's land bank:

Property	Location	Actual/Estimated Completion Date	Type of Property	Status	Site Area *(sq.m.)* *(Note 3)*	Approximate Leasable and Saleable GFA *(sq.m.)* *(Note 4)*	Group's Interest	Attributable GFA *(sq.m.)*
Completed properties (held for sale/leasing) *(Note 1)*								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/Office	Completed	18,247	488	100%	488
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/Office	Completed	5,529	2,111	100%	2,111
Xiamen Mingfa Garden	Located at Huanhuli South, lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/ Commercial	Completed	18,697	15,607	100%	15,607
Xiamen Jianqun Elegant Garden	Located at Qianpu Lianqian East Road North, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,707	100%	1,707

Property	Location	Actual/Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.)
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/ Commercial/Office	Completed	26,016	20,175	100%	20,175
Xiamen Mingfa Shopping Mall	Located at the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/ Hotel	Completed	166,775	37,336	70%	26,135
Xiamen Mingfa Town	Located at lvling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/ Commercial	Completed	12,879	15,397	100%	15,397
Xiamen Mingli Garden	Located at Qianpu Keque Road, Siming District, Xiamen, Fujian Province	Jan/2008	Residential	Completed	17,356	383	100%	383
Nanjing Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	30,627	100%	30,627
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/ Commercial	Completed	1,072,182	177,787	100%	177,787
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/ Hotel	Completed	182,588	112,313	100%	112,313
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/ Commercial/Hotel	Completed	216,643	438,274	70%	306,792
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/ Commercial/Office/ Hotel	Completed	176,698	268,810	100%	268,810
Yangzhou Mingfa Shopping Mall	Located at south of Yunhe Road and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/ Commercial/Hotel	Completed	145,267	236,428	100%	236,428
Nanjing Mingfa City Square	Located On Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/ Commercial/Office	Completed	128,683	129,035	100%	129,035
Honglai Mingfa Commercial Centre	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	22,852	100%	22,852
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Xiamen, Fujian Province	Dec/2012	Residential/ Commercial	Completed	104,380	142,537	100%	142,537
Sub-total					**2,442,235**	**1,651,867**		**1,509,184**

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area *(sq.m.)* *(Note 3)*	Approximate Leasable and Saleable GFA *(sq.m.)* *(Note 4)*	Group's Interest	Attributable GFA *(sq.m.)*
Properties under development *(Note 2)*								
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Construction has been completed	58,952	161,705	100%	161,705
Zhangzhou Mingfa Shopping Mall	Located at east of Longjiang Road, north of Shuixian Street, west of No. 6 Road, south of Xinpu Road, Zhangzhou, Fujian Province	Dec/2013	Residential/Commercial/ Office/Hotel	Completion certificate had been granted for GFA of 241,222 sq.m. in December 2012. The remaining GFA of 447,161 sq.m. will be completed in December 2013	223,589	421,750	100%	421,750
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2015	Residential/Commercial/ Hotel	Completion certificate had been granted for GFA of 53,278 sq.m. in December 2012. The remaining GFA of 351,400 sq.m. will be completed in December 2015	296,702	372,435	100%	372,435
Huaian Mingfa Shopping Mall (Block A)	Located at Shenzhen South Road, Huaian,Jiangsu Province	Dec/2014	Commercial	Approximately 30% of construction has been completed	133,110	266,335	100%	266,335
Huaian Mingfa Shopping Mall (Block C)	Located at Weihai East Road, Huaian,Jiangsu Province	Dec/2013	Residential	Approximately 90% of construction has been completed	51,345	154,035	100%	154,035
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqu Daoyi Development Zone, Shenyang Liaoning Province	Dec/2014	Residential/Commercial	Approximately 40% of construction has been completed	61,222	306,110	100%	306,110
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2014	Residential/Commercial	Completion certificate had been granted for GFA of 221,630 sq.m. in December 2012. The remaining GFA of 327,931 sq.m. will be completed in December 2014	258,297	408,430	100%	408,430
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road,Yangzhou, Jiangsu Province	Dec/2014	Residential	Approximately 40% of construction has been completed	158,238	221,533	100%	221,533
Quanzhou Mingfa Huachang International Town	Located in Guanqiao Town Neicuo Village, Nanan, Fujian Province	Dec/2015	Commercial	Approximately 30% of construction has been completed	276,120	698,507	50%	349,254
Taizhou Mingfa City Complex	Located at west of Machang Zhonggou and south of Huangang Avenue, Gaogang District, Taizhou, Jiangsu Province	Dec/2015	Residential/Commercial	Approximately 20% of construction has been completed	292,487	731,300	100%	731,300
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2015	Residential/Commercial	Approximately 30% of construction has been completed	32,163	277,762	100%	277,762
Nanjing Mingfa Business Park	Located in Nanjing High-Tech Development Zone, Pukou District, Nanjing, Jiangsu Province	Dec/2014	Industrial	Approximately 20% of construction has been completed	547,215	827,762	100%	827,762
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2015	Residential/Commercial	Approximately 20% of construction has been completed	45,414	127,159	100%	127,159
Sub-total					**2,434,854**	**4,974,823**		**4,625,570**

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area *(sq.m.)* *(Note 3)*	Approximate Leasable and Saleable GFA *(sq.m.)* *(Note 4)*	Group's Interest	Attributable GFA *(sq.m.)*
Properties with land use rights certificate for future development								
New project in Huizhou	Huizhou City West Train Station, Guangdong Province	Dec/2014	Residential	Vacant	332,335	708,157	80%	566,526
Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Dec/2014	Industrial	Vacant	41,434	62,151	100%	62,151
New property in Lanzhou	Located in Weijia Village of Southwest, Gansu Province	Dec/2014	Residential/Commercial	Vacant	1,371,786	1,371,786	51%	699,611
Shanghai Mingfa Shopping Mall	Located at east of Hu Yi Highway, south of Baiyin Road, west boundary of Gaotai North Road, Shanghai	Dec/2014	Commercial	Vacant	53,779	169,305	100%	169,305
Sub-total					**1,799,334**	**2,311,399**		**1,497,593**

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area *(sq.m.)* *(Note 3)*	Approximate Leasable and Saleable GFA *(sq.m.)* *(Note 4)*	Group's Interest	Attributable GFA *(sq.m.)*
Properties with signed land use rights contract for future development								
Xiamen Mingfeng Town	Located at Douling, Siming District, Xiamen, Fujian Province	Dec/2014	Industrial	Vacant	19,909	103,921	100%	103,921
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Shenyang Liaoning Province	Dec/2014	Residential/Commercial	Vacant	154,024	462,072	100%	462,072
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone,Tianjin	Dec/2014	Commercial	Vacant	209,048	418,096	100%	418,096
Hong Six highway rebuilding project	Located at Xixia Village, Honglai Town,Nanan, Fujian Province	Dec/2015	Residential/Commercial	Vacant	22,784	92,298	100%	92,298
Nanjing Mingfa Tongda Information Port	Located in west of Software Park, Gaoxin District, Nanjing, Jiangsu Province	Dec/2015	Office	Vacant	11,244	67,465	90%	60,719
Nanjing Mingfa Headquarters Commercial Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Jun/2016	Residential/Commercial	Vacant	56,694	368,511	100%	368,511
Changsha Wangcheng District Binshui New Town Commercial Center Project	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2016	Residential/Commercial	Vacant	285,594	999,579	100%	999,579
Sub-total					**759,297**	**2,511,942**		**2,505,196**
Total land bank					**7,435,720**	**11,450,031**		**10,137,543**

Notes:

1. Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates have been obtained as at 30 June 2013.

2. Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates have been obtained as at 30 June 2013.

3. The site area is in respect of the whole project (regardless of GFA that have been sold).

4. The approximate leasable and saleable GFA have excluded the GFA that have been sold/leased.

Summary of Properties held by the Group for Investment

The following table summarizes the details of the Group's major properties held for investment:

Property	**Location**	**Existing Usage**	**Attributable GFA** *(sq.m.)*	**Term of Leases With Tenants**	**Percentage of Interest in the Properties Attributable to the Group**
Xiamen Mingfa Shopping Mall	Located at the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	103,096	8–20 years	70%–100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Commercial	135,436	10–15 years	100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province	Industrial	62,131	18 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	4,121	3–9 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8–15 years	100%
Xiamen Lianfeng Furniture Park	Located at Honglian Road, Siming District, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xinpu Road South, Zhangzhou, Fujian Province	Commercial	112,416	Under construction	100%
Lianfeng Building Room 401	Located at Lianqian East Road, Siming District, Xiamen, Fujian Province	Office	2,028	8 years	100%
Nanjing Mingfa International Industrial Material Park	Located in Yuhua Economic Development Zone, Nanjing, Jiangsu Province	Industrial	234,481	10 years	51%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	4,687	15–20 years	70%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	133,484	15–20 years	100%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	13,707	5 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	37,362	15 years	100%
			891,582		

ACQUISITION FRAMEWORK AGREEMENTS

As at 30 June 2013, the Group had entered into 15 memoranda of understanding (the "**MOU(s)**") with various local governmental bodies of the PRC after being approached by them in relation to various urban renewal and redevelopment programs in different cities and locations. 13 MOUs were signed on or before 2012 while 2 MOUs were signed in 2013. These MOUs are not binding and there is no assurance that the Group will be granted with the land use rights after signing of the MOUs. On the contrary, the MOUs only set out the parties' intention of cooperation in future development of land and the Group still has to go through the public tender, auction or listing-for-sale procedures pursuant to the relevant PRC rules and regulations in order to obtain the land use rights from the PRC governmental authorities for such lands. Notwithstanding that, the Company considers these as opportunities for the Group to establish a closer strategic and working relationship with the relevant PRC governmental authorities which are in the interest and to the benefit of the Group in the long run. Summary of these MOUs and the related projects are listed as follows:

Project Name	**Location**	**Date of MOU**	**Site Area** *(sq.m.)*	**GFA** *(sq.m.)*	**Note**
Huai'an Mingfa International Industrial Material Park and Mingfa International Town (淮安明發國際工業原料城和明發國際城)	Huai'an City, Jiangsu Province	28-Nov-07	666,670	1,180,219	(1)
Tianjin Jingjin Mingfa International Town (天津京津明發國際城)	Tianjin City	6-Dec-09	1,533,341	3,000,000	
Shenyang Creative Park (瀋陽創意產業園)	Shenyang City, Liaoning Province	28-Jan-10	912,005	2,000,000	(2)
Shenyang residential and commercial complex (瀋陽商住項目)	Shenyang City, Liaoning Province	28-Jan-10	142,800	714,000	(3)
Panjin Mingfa City Square (盤錦明發城市廣場)	Panjin City, Liaoning Province	20-Oct-10	427,332	1,281,996	
Jiangsu Taizhou Mingfa City Complex Project (江蘇泰州明發城市綜合體項目)	Taizhou City, Jiangsu Province	22-Dec-10	1,466,674	3,666,685	(4)
Tianjin Mingfa City Complex Project (天津明發城市綜合體項目)	Tianjin City	9-Mar-11	280,000	560,000	(5)
Shenyang Mingfa Integrated Science and Technology Park (瀋陽明發綜合科技園)	Shenyang City, Liaoning Province	23-Sep-11	1,344,007	1,830,000	
Nanjing Software Park Starting Area Project (南京軟件園啟動區項目)	Nanjing City, Jiangsu Province	14-Jan-12	220,001	800,000	(6)
Nanjing Zijin (Pukou) Technology Entrepreneurship Special Community 2# Block Project (南京紫金(浦口)科技創業特別社區2#地塊項目)	Nanjing City, Jiangsu Province	9-Oct-12	200,001	800,000	
Nanjing Mingfa New Town Financial Centre Project (南京明發新城金融中心項目)	Nanjing City, Jiangsu Province	11-Oct-12	59,042	295,209	
Nanjing Software Valley Technology City Project (南京軟件谷科技城項目)	Nanjing City, Jiangsu Province	6-Dec-12	106,667	373,335	
Nanjing Mingfa Headquarters Commercial Building (南京明發總部商業大廈)	Nanjing City, Jiangsu Province	5-Dec-12	56,667	360,000	

Project Name	Location	Date of MOU	Site Area *(sq.m.)*	GFA *(sq.m.)*	Note
Shandong Zibo World Trade Center Project (山東淄博世界貿易中心項目)	Zibo City, Shandong Province	8-Apr-13	300,002	990,005	
Anhui Hexian Wujiang New Town (安徽和縣明發烏江新城)	Maanshan City, Anhui Province	28-Apr-13	2,000,010	7,000,035	
Total			**9,715,219**	**24,851,484**	

Notes:

(1) The Group had acquired three plots of land in 2010 and 2011 under the MOU signed on 28 November 2007. The land is located at Weihai East Road, Shenzhen South Road, and east of Guangzhou Road respectively in Huai'an. Total land area and GFA is approximately 184,455 sq.m. and approximately 420,370 sq.m. respectively.

(2) The Group had acquired one plot of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 154,024 sq.m. and approximately 462,072 sq.m. respectively.

(3) The Group had acquired two plots of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 61,222 sq.m. and approximately 306,110 sq.m. respectively.

(4) The Group had acquired two plots of land in 2011 under the MOU signed on 22 December 2010. One plot of the land is located at west of Machang Zhonggou and south of Huangang Avenue, Taizhou and the other is located at east of Diaodong Zhonggou and south of Huangang Avenue in Taizhou. Total land area and GFA is approximately 292,487 sq.m. and approximately 731,300 sq.m. respectively.

(5) The Group had acquired three plots of land under the MOU signed on 9 March 2011 which are located in Tanggu Marine Hi-Tech Development Zone, Tianjin. Total land area and GFA is approximately 209,048 sq.m. and approximately 418,082 sq.m. respectively.

(6) The Group had acquired one plot of land under the MOU signed on 6 December 2012 which are located in Software Park of West, Gaoxin District, Nanjing, Jiangsu Province. Total land area and GFA is approximately 11,244 sq.m. and approximately 67,465 sq.m. respectively.

Save as disclosed in this announcement, there has been no material change in respect of the business of the Group since the publication of the latest annual report of the Company.

PROSPECTS AND OUTLOOK

With a prudent and diversified approach, the Group has successfully developed a balanced property portfolio which not only minimizes external risk, but also enhances mixed land use. As at 30 June 2013, residential properties and commercial properties were accounted for 47.0% and 36.8% of the Group's total attributable GFA. Rental income and property management fee from commercial sector has increased by 28.0% to RMB130.0 million as compared to the corresponding period in 2012. The Group, as practice, allocates 30%–50% of shops in shopping malls as investment properties. The Group is adhered to developing balanced proportion of residential, commercial, property investment and management, as well as hotel sector for stable and diversified recurring income stream under economic and political uncertainties.

The Group's products have earned recognition in the market. Sales revenue increased by 238.6% in the first half of 2013 as compared to the corresponding period in 2012. The Group is also expecting more than 20 projects adding impetus to the Group's revenue in the remaining half of 2013 and will carry on exerting greater efforts to achieve the full year sales target.

The Group has achieved contracted sales of RMB2.55 billion for the six months ended 30 June 2013 as compared to RMB1.51 billion for the corresponding period in 2012. ASP for the contracted sales has increased 7.4% to RMB7,330.0 per sq.m. in the first half of 2013 as compared to the corresponding period in 2012.

The Group's adequate and of good quality land bank enables its substantial development in the long run. Nevertheless, the Group will seize every opportunity to acquire suitable land parcel to enrich its land reserve. By signing 2 new MOUs in the first half of 2013, the Group has engaged in a closer co-operation with the PRC governmental authorities underlining both parties' intention to develop particular land parcel. The Group has executed low cost strategy for land acquisition since its establishment and will continue to stick to such policy in the future for margin maximization.

Maintaining a sound leverage profile to strengthen the Group's financial capabilities has always been one of the Group's core objectives. Apart from generating sales proceeds, the Group diversifies different financing channels and evaluates every fund raising opportunity prudently in accordance to the Group's strategy and market conditions.

In February 2013, the Group successfully issued senior notes with an aggregate principal amount of US$100 million at 13.25% coupon rate due 2018 with the aim to refinance the Group's indebtedness and for general corporate purposes. The notes received extensive support from local and international investors, with the investment grade rating B- issued by Standard & Poor's, thus the Group's creditability was further acknowledged.

In June 2013, the Company has redeemed the principal amount of HK$1,379 million convertible bonds due 2016 issued in May 2011 by using internal resources and bank loans. After the redemption, an aggregate principal amount of HK$11.0 million of the bonds remains outstanding. These multiple financing platforms laid a solid foundation for the Group's future financing and liquidity, as well as enabled the Group to maintain reasonable gearing ratio at competitive borrowing cost.

Going into the second half of 2013, although the new round of austerity controls on property speculation and investment were launched earlier this year, property market in the PRC remains one of the primary forces for the economy growth and is believed to develop more steadily in an orderly manner as well as more mature in the long run, supported by strong inelastic demand in housing and escalating urbanization promoted by the PRC government. On the other hand, such policies will gradually eliminate fragile developers in the process of consolidation and create a more competitive and fierce environment. Nonetheless, the Group will stay the course to leverage its competitive edges and remarkable brand name by developing efficient and replicable business models with integrated mixed-use complexes and large-scale mixed-use residential properties. Riding on the Group's well established foothold in Western Straits Economic Zone and Yangtze River Delta, it will carry on radiating and expanding to other regions for a more comprehensive and extensive blueprint. The Group remains positive in respect of its operation and financial status and will adjust its strategy in line with market changes and cyclicality in a timely fashion for capital maximization.

CAPITAL COMMITMENTS

As at 30 June 2013, the contracted capital commitments of the Group were approximately RMB5,217.7 million (31 December 2012: approximately RMB4,270.1 million), which were mainly the capital commitments for property development and acquisition of the project companies. It is expected that the Group will finance such commitments from internally generated funds and resources.

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2013, the Company had purchased certain 2016 Bonds by way of an over-the-counter purchase in an aggregate principal amount of HK$70,000,000 on 6 February 2013, and the Company had also redeemed certain 2016 Bonds in an aggregate principal amount of HK$1,379,000,000 on the put option date (i.e. 23 June 2013). Save for abovementioned, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 8 February 2013 and 28 June 2013, the Company purchased and redeemed certain 2016 Bonds and as at the date of this announcement, an aggregate principal amount of HK$11,000,000 of the 2016 Bonds remains outstanding.

Details of the convertible bonds issued by the Company are set out in Note 6 to the condensed consolidated interim financial information set out in this announcement.

SENIOR NOTES

Reference is made to the announcements of the Company dated 24 January 2013, 25 January 2013 and 1 February 2013, the Company issued senior notes due 2018 in an aggregate principal amount of US$100,000,000, bearing interest rate at 13.25% per annum by way of debt issue to professional investors, as described in the offering circular dated 25 January 2013 and the senior notes was listed on the Stock Exchange.

Details of the senior notes issued by the Company are set out in Note 6 to the condensed consolidated interim financial information set out in this announcement.

SUBSEQUENT EVENTS

There was no matter between the balance sheet date (i.e. 30 June 2013) and the date of this announcement that would cause material impact to the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the directors of the Company's securities transactions on terms no less than the required standard set out in the Model Code in Appendix 10 of the Listing Rules. Having made specific enquiries of all directors by the Company, all directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding the directors' securities transactions for the six months ended 30 June 2013.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2013, except as noted hereunder.

During the period under review, the Company has not yet confirmed an insurance scheme for the Company's directors and officers as required by the code provision A.1.8 of the CG Code. The Company has been undergoing the evaluation process and consulting with insurance service providers for arranging an appropriate insurance coverage for the directors and officers of the Company.

In respect of code provision A.6.7 of the CG Code, one independent non-executive director of the Company were unable to attend the annual general meeting of the Company held on 31 May 2013 due to other business commitments at the relevant time.

The non-executive director of the Company has not been appointed for a specific term pursuant to code provision A.4.1. The appointment of the non-executive director of the Company is in effect until such appointment is terminated in accordance with the articles of association of the Company. His appointment is a condition to the issue of the 2015 Bonds and is in line with the common practice of Warburg Pincus & Co. to send board representative to its invested entities, and as the issue of convertible bonds can strengthen the financial positions of the Company, the Company considers that the non-compliance with code provision A.4.1 is acceptable.

The Board will review the management structure of the Group from time to time and will adopt appropriate measures as desirable for future development of the operating activities or business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive directors, namely Mr. Qu Wenzhou (the chairperson of the Audit Committee), Mr. Dai Yiyi and Mr. Lau Kin Hon. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the interim results and the unaudited condensed consolidated financial statements for the six months ended 30 June 2013.

By order of the Board
Mingfa Group (International) Company Limited
WONG WUN MING
Chairman

Hong Kong, 26 August 2013

As at the date of this announcement, the board of directors of the Company comprises eight directors, of which Mr. Wong Wun Ming, Mr. Huang Qingzhu, Mr. Huang Lianchun and Mr. Huang Li Shui are executive directors; Mr. Chi Miao is non-executive director, Mr. Dai Yiyi, Mr. Qu Wenzhou and Mr. Lau Kin Hon are independent non-executive directors.