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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

PERFORMANCE HIGHLIGHTS

The audited consolidated revenue of the Group for 2014 was approximately RMB3,792.6 million, representing a decrease of approximately 39.5% as compared to 2013.

The audited consolidated profit attributable to equity holders of the Company was approximately RMB829.3 million for 2014, representing a decline of approximately 40.7% as compared to 2013.

The basic and diluted earnings per share was RMB13.6 cents and RMB13.1 cents respectively for 2014, representing a decrease of approximately 40.9% and 30.7% respectively as compared to 2013.

The Board does not recommend payment of final dividend for the year ended 31 December 2014.

The board (the "**Board**") of directors (the "**Directors**") of Mingfa Group (International) Company Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014 together with comparative figures. The consolidated annual results have been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 RMB'000	2013 RMB'000
Revenues	3	**3,792,610**	6,269,093
Cost of sales	5	**(2,806,662)**	(4,067,469)
Gross profit		**985,948**	2,201,624
Fair value gains on investment properties		**1,203,202**	453,396
Fair value gains on derivative financial instruments		**6,318**	88,931
Other gains	4	**147,273**	378,674
Selling and marketing costs	5	**(148,947)**	(178,541)
Administrative expenses	5	**(370,283)**	(330,084)
Other operating expenses	5	**(71,972)**	(33,438)
Operating profit		**1,751,539**	2,580,562
Finance income	6	**36,867**	15,921
Finance costs	6	**(43,792)**	(283,031)
Finance costs — net	6	**(6,925)**	(267,110)
Share of results of			
— Associated companies		**(4,803)**	(6,946)
— Joint ventures		**(2,879)**	(3,564)
		(7,682)	(10,510)
Profit before income tax		**1,736,932**	2,302,942
Income tax expense	7	**(680,772)**	(926,628)
Profit for the year		**1,056,160**	1,376,314
Attributable to:			
Equity holders of the Company		**829,310**	1,399,229
Non-controlling interests		**226,850**	(22,915)
		1,056,160	1,376,314
Earnings per share for profit attributable to equity holders of the Company *(RMB cents)*			
— Basic	8	**13.6**	23.0
— Diluted	8	**13.1**	18.9
Dividends	9	**—**	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**1,056,160**	1,376,314
Other comprehensive loss:		
Item that will not be reclassified subsequently to profit or loss		
— Revaluation surplus upon transfer of an owner-occupied property to investment property, net of tax	**5,242**	—
Item that may be reclassified to profit or loss		
— Currency translation differences	**(5,269)**	(13,929)
Other comprehensive loss for the year, net of tax	**(27)**	(13,929)
Total comprehensive income for the year	**1,056,133**	1,362,385
Attributable to:		
Equity holders of the Company	**829,283**	1,385,300
Non-controlling interests	**226,850**	(22,915)
	1,056,133	1,362,385

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,475,041**	1,521,738
Investment properties		**7,393,525**	8,704,268
Land use rights		**160,119**	155,829
Intangible assets		**7,172**	7,177
Associated companies		**1,158,636**	210,435
Joint ventures		**262,017**	264,895
Deferred income tax assets		**366,238**	414,044
Available-for-sale financial assets		**20,000**	20,000
Amount due from a related party		**220,886**	—
Amounts due from non-controlling interests		**—**	265,000
Other receivables	10	**14,396**	13,589
Other non-current assets		**4,043,057**	2,245,062
		15,121,087	13,822,037
Current assets			
Land use rights		**7,300,146**	6,783,714
Properties under development		**5,871,966**	4,132,947
Completed properties held for sale		**6,607,124**	6,296,805
Inventories		**9,731**	6,834
Trade and other receivables and prepayments	10	**1,670,821**	1,447,959
Prepaid income taxes		**118,498**	230,992
Amounts due from related parties		**537,505**	53,879
Amounts due from non-controlling interests		**20,428**	496,620
Available-for-sale financial assets		**117,000**	—
Restricted cash		**2,464,240**	1,128,500
Cash and cash equivalents		**732,142**	971,184
		25,449,601	21,549,434
Total assets		**40,570,688**	35,371,471

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	11	**536,281**	536,281
Reserves		**10,547,089**	9,717,806
		11,083,370	10,254,087
Non-controlling interests in equity		**625,822**	988,671
Total equity		**11,709,192**	11,242,758
LIABILITIES			
Non-current liabilities			
Deferred government grants		**1,459,979**	1,515,479
Borrowings	12	**3,984,346**	2,031,671
Deferred income tax liabilities		**1,612,630**	1,949,336
		7,056,955	5,496,486
Current liabilities			
Trade and other payables	13	**7,909,370**	6,670,142
Advanced proceeds received from customers		**2,902,624**	2,775,825
Amounts due to related parties		**356,700**	348,209
Amounts due to non-controlling interests		**230,453**	160,564
Income tax payable		**2,175,776**	2,017,813
Borrowings	12	**8,217,892**	6,609,730
Derivative financial instruments	14	**2,432**	46,230
Provision for other liabilities and charges		**9,294**	3,714
		21,804,541	18,632,227
Total liabilities		**28,861,496**	24,128,713
Total equity and liabilities		**40,570,688**	35,371,471
Net current assets		**3,645,060**	2,917,207
Total assets less current liabilities		**18,766,147**	16,739,244

Notes to the consolidated financial information:

1 GENERAL INFORMATION

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 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, property investment and hotel operation in the People's Republic of China (the "**PRC**").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 November 2009.

The consolidated financial information is presented in thousands of Renminbi (RMB'000), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial information is extracted from the Company's consolidated financial statements which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap.32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

Amendments and interpretation of HKFRSs adopted by the Group in 2014

The following amendments to existing standards and interpretation of HKFRSs are mandatory for the first time for the financial year beginning on 1 January 2014 and are relevant to the Group's operations.

- HKAS 32 (Amendment) "Financial Instruments: Presentation" on offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014). The amendment clarifies the requirements for offsetting financial instruments on the balance sheet: (i) the meaning of 'currently has a legally enforceable right of set-off'; and (ii) that some gross settlement systems may be considered as equivalent to net settlement systems.

- HKFRS 10, 12 and HKAS 27 (Amendments) regarding consolidation for investment entities (effective for annual periods beginning on or after 1 January 2014). These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made to HKFRS 12 to introduce disclosures that an investment entity needs to make.

- HKAS 36 (Amendment) "Impairment of Assets" on recoverable amount disclosures (effective for annual periods beginning on or after 1 January 2014). This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- HK(IFRIC) 21 "Levies" (effective for annual periods beginning on or after 1 January 2014). This is an interpretation of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". HKAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Annual improvements 2012 include changes from the 2010–2012 cycle of the annual improvements project, that affect 7 standards, only the below are effective for relevant transactions executed on or after 1 July 2014:

  — Amendment to HKFRS 2 "Share-based Payment" clarifies the definition of a 'vesting condition' and separately define 'performance condition' and 'service condition'.

  — Amendments to HKFRS 3 "Business Combinations", and consequential amendments to HKFRS 9 "Financial Instruments", HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets", and HKAS 39 "Financial Instruments — Recognition and Measurement" clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in HKAS 32 "Financial Instruments: Presentation". All non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

The adoption of the above amendments to existing standards and interpretation of HKFRSs in 2014 does not have any significant impact on the Group's consolidated financial statements.

The Group has not early adopted any new standards and amendments of HKFRSs that have been issued but are not effective in 2014. The Group is in the process of making an assessment on the impact of these new standards and amendments and does not anticipate that the adoption when they become effective will result in any material impact on the Group's result of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017) which the Group is not yet in a position to conclude..

3 REVENUES AND SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four (2013: three) reportable operating segments:

(i) the property development segment engages in real estate development, and is further segregated into commercial and residential;

(ii) the hotel segment engages in hotel operation;

(iii) the property investment and management segment invests in properties for their rental income potential and/or for capital appreciation, and provides management and security services to residential, hotel and commercial properties;

(iv) the property construction segment which is a new business of the Group in 2014 engages in construction operation.

Other operating segments mainly include investment holding, manufacture and sale of furniture, which are not included within the reportable operating segments, as they are not included in the reports provided to the management. The results of these operations are included in the "all other segments" column.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects may be measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and interest income) and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

The Group's revenue from external customers is derived solely from its operations in the PRC, and no significant non-current assets of the Group are located outside the PRC.

Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale, receivables and cash balances. They also include goodwill recognised arising from acquisition of subsidiaries or non-controlling interests relating to respective segments. They exclude deferred income tax assets, prepaid income taxes and available-for-sale financial assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities, income tax payable, derivative financial instruments.

(a) Revenues

Turnover of the Group comprises revenues recognised as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Sale of properties		
— commercial	**624,849**	2,014,641
— residential	**2,271,055**	3,828,986
	2,895,904	5,843,627
Hotel operating income	**118,241**	80,554
Rental income		
— from investment properties	**234,219**	306,859
— others	**12,512**	10,460
Property management fee income	**32,334**	27,593
Property construction income	**499,400**	—
	3,792,610	6,269,093

(b) Segment information

The segment results and other segment items for the year ended 31 December 2014 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000*	Hotel *RMB'000*	Property investment and management *RMB'000*	Property construction *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Total segment revenues	**624,849**	**2,271,055**	**121,036**	**279,065**	**499,400**	—	—	**3,795,405**
Inter-segment revenues	—	—	**(2,795)**	—	—	—	—	**(2,795)**
Revenues	**624,849**	**2,271,055**	**118,241**	**279,065**	**499,400**	—	—	**3,792,610**
Operating profit/(loss)	**106,781**	**267,378**	**(31,993)**	**1,363,038**	**17,433**	**28,902**	—	**1,751,539**
Finance costs — net								**(6,925)**
Share of results of associated companies	**(2,191)**	**(2,611)**	**(1)**	—	—	—	—	**(4,803)**
Share of results of joint ventures	**(770)**	**(2,109)**	—	—	—	—	—	**(2,879)**
Profit before income tax								**1,736,932**
Income tax expense								**(680,772)**
Profit for the year								**1,056,160**
Other segment information								
Capital and property development expenditure	**1,540,438**	**4,901,528**	**28,299**	**6,547**	—	—	—	**6,476,812**
Depreciation	**5,395**	**12,470**	**26,569**	**2,171**	—	**4,002**	—	**50,607**
Amortisation of land use rights as expenses	**3,047**	**3,898**	—	—	—	—	—	**6,945**
Fair value gains on investment properties	—	—	—	**1,203,202**	—	—	—	**1,203,202**
Fair value gains on derivative financial instruments	—	—	—	—	—	**6,318**	—	**6,318**
Net gain from redemption of 2015 and 2016 Bonds	—	—	—	—	—	**23,988**	—	**23,988**
Impairment of goodwill recognised as expenses	—	**5**	—	—	—	—	—	**5**

The segment assets and liabilities as at 31 December 2014 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	Property construction RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	**20,156,194**	**28,639,168**	**2,295,698**	**8,073,168**	**499,400**	**8,512,244**	**(29,647,573)**	**38,528,299**
Associated companies	**203,983**	**41,822**	—	**912,831**	—	—	—	**1,158,636**
Joint ventures	**69,408**	**190,120**	—	**2,489**	—	—	—	**262,017**
	20,429,585	**28,871,110**	**2,295,698**	**8,988,488**	**499,400**	**8,512,244**	**(29,647,573)**	**39,948,952**
Unallocated:								
Deferred income tax assets								**366,238**
Prepaid income taxes								**118,498**
Available-for-sale financial assets								**137,000**
Total assets								**40,570,688**
Segment liabilities	**11,397,165**	**20,306,309**	**241,989**	**305,088**	**217,419**	**10,048,023**	**(29,647,573)**	**12,868,420**
Unallocated:								
Deferred income tax liabilities								**1,612,630**
Borrowings								**12,202,238**
Derivative financial instruments								**2,432**
Income tax payable								**2,175,776**
Total liabilities								**28,861,496**

The segment results and other segment items for the year ended 31 December 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	2,014,641	3,828,986	84,164	344,912	—	—	6,272,703
Inter-segment revenues	—	—	(3,610)	—	—	—	(3,610)
Revenues	2,014,641	3,828,986	80,554	344,912	—	—	6,269,093
Operating profit/(loss)	825,038	763,225	(43,286)	876,221	159,364	—	2,580,562
Finance costs — net							(267,110)
Share of results of associated companies	(1,645)	(5,301)	—	—	—	—	(6,946)
Share of results of joint ventures	(953)	(2,611)	—	—	—	—	(3,564)
Profit before income tax							2,302,942
Income tax expense							(926,628)
Profit for the year							1,376,314
Other segment information							
Capital and property development expenditure	1,491,535	3,135,114	34,644	169,091	—	—	4,830,384
Depreciation	3,035	13,668	26,197	1,710	4,517	—	49,127
Amortisation of land use rights as expenses	3,921	2,503	—	—	—	—	6,424
Fair value gains on investment properties	—	—	—	453,396	—	—	453,396
Fair value gains on derivative financial instruments	—	—	—	—	88,931	—	88,931
Net loss from repurchase and redemption of 2016 Bonds	—	—	—	—	11,442	—	11,442
Impairment of goodwill recognised as expenses	—	7	—	—	—	—	7

The segment assets and liabilities as at 31 December 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	15,550,412	19,290,502	2,052,058	10,228,574	6,708,059	(19,578,500)	34,251,105
Associated companies	160,801	49,634	—	—	—	—	210,435
Joint ventures	70,178	192,228	—	2,489	—	—	264,895
	15,781,391	19,532,364	2,052,058	10,231,063	6,708,059	(19,578,500)	34,726,435
Unallocated:							
Deferred income tax assets							414,044
Prepaid income taxes							230,992
Total assets							35,371,471
Segment liabilities	8,641,066	13,421,939	218,653	606,539	8,164,236	(19,578,500)	11,473,933
Unallocated:							
Deferred income tax liabilities							1,949,336
Borrowings							8,641,401
Derivative financial instruments							46,230
Income tax payable							2,017,813
Total liabilities							24,128,713

4 OTHER GAINS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Government grants *(note (a))*	**544**	437
Net exchange gain	**—**	105,715
Net gain from disposal of equity interests in subsidiaries	**27,180**	—
Compensation income *(note (b))*	**51,187**	269,340
Net gain from redemption of 2015 and 2016 Bonds	**23,988**	—
Net gain from disposal of property, plant and equipment	**42,650**	—
Miscellaneous	**1,724**	3,182
	147,273	378,674

Notes:

(a) The government grants represented both the amortisation of deferred government grant and other subsidy income received from various local governments by certain subsidiaries which were credited to the consolidated income statement directly. Grants from government were recognised at their fair values when the Group fulfilled the attached conditions.

As the provision of government grants should be approved by local government on a case by case basis there is no assurance that the Group will continue to enjoy such grants in the future.

(b) In 2014, the Group received total compensation of RMB51,187,000 (2013: RMB269,340,000) from the buyers representating overdue interest for late payment of purchase consideration as agreed in the sales and purchase contracts in connection with the Group's disposal in 2012 of its 49% equity interest in a subsidiary and its entire 50% equity interest in a joint venture.

5 EXPENSES BY NATURE

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

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Staff costs — including directors' emoluments *(note (a))*	**231,147**	211,957
Auditor's remuneration	**2,750**	2,750
Depreciation	**50,607**	49,127
Amortisation of land use rights	**6,945**	6,424
Advertising, promotion and commission costs	**92,070**	132,780
Cost of properties sold	**2,316,660**	3,520,411
Business tax and other levies on sales of properties *(note (b))*	**190,100**	328,191
Direct outgoings arising from investment properties that generate rental income	**84,261**	60,064
Operating lease expenses on land and buildings	**47,594**	36,041
Hotel operating expenses	**98,633**	86,105
Charitable donations	**2,021**	6,606
Office expenses	**92,547**	99,394
Professional fees	**12,253**	10,041
Provision for impairment of receivables *(Note 10(d))*	**3,031**	2,103
Impairment of goodwill	**5**	7
Additional/(Reversal of) provision for delay in delivering properties	**18,355**	(2,822)
Net loss from repurchase and redemption of 2016 Bonds	**—**	11,442
Net exchange loss	**23,398**	—
Miscellaneous	**125,487**	48,911
Total cost of sales, selling and marketing costs, administrative expenses and other operating expenses	**3,397,864**	4,609,532

Notes:

(a) Staff costs (including directors' emoluments)

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Wages and salaries	**189,540**	174,090
Pension costs — defined contribution plans	**23,115**	22,615
Other allowances and benefits	**18,492**	15,252
	231,147	211,957

(b) Business tax and other levies on sales of properties

The PRC companies of the Group are subject to business tax of 5% and other levies on their revenues from sale of properties. These expenses are included in cost of sales.

6 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Finance income		
— interest income on bank deposits and loan to a related party	**36,867**	15,921
Interest expenses on bank borrowings which are		
— wholly repayable within five years	**(445,340)**	(373,925)
— wholly repayable over five years	**(52,827)**	(40,098)
Interest expenses on other borrowings and advances from third parties	**(175,220)**	(113,886)
Interest expenses on convertible bonds and senior notes	**(92,305)**	(320,629)
Less: Interest capitalised	**721,900**	565,507
Finance costs	**(43,792)**	(283,031)
Net finance costs	**(6,925)**	(267,110)

7 INCOME TAX EXPENSE

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Current income tax		
— PRC enterprise income tax	**297,520**	290,230
— PRC land appreciation tax	**175,901**	427,609
	473,421	717,839
Deferred income tax		
— PRC enterprise income tax	**183,836**	154,459
— PRC withholding income tax	**23,515**	54,330
	207,351	208,789
	680,772	926,628

(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 for the year ended 31 December 2014 (2013: Nil).

(b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2013: 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 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.

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended 31 December 2014 and 2013 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 year.

	Year ended 31 December	
	2014	2013
Profit attributable to equity holders of the Company *(RMB'000)*	**829,310**	1,399,229
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,093,451
Basic earnings per share *(RMB cents)*	**13.6**	23.0

(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 years ended 31 December 2014 and 2013, as the average market share price of the ordinary shares during the year was lower than the subscription price, the impact of exercise of warrants on earnings per share is anti-dilutive.

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company	**829,310**	1,399,229
Interest expenses on convertible bonds (net of tax)	**564**	31,450
Exchange losses/(gains) on convertible bonds — liability component	**890**	(55,874)
Changes in fair value of convertible bonds — embedded derivatives	**(6,619)**	(84,997)
Net (gain)/loss from repurchase and redemption of 2015 and 2016 Bonds	**(23,988)**	11,442
Profit used to determine diluted earnings per share	**800,157**	1,301,250
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,093,451
Adjustment for conversion of convertible bonds *(thousands)*	**22,784**	795,281
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**6,116,235**	6,888,732
Diluted earnings per share *(RMB cents)*	**13.1**	18.9

9 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2014 (2013: Nil).

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables *(note (a))*	**623,043**	298,733
Less: Provision for impairment of trade receivables *(note (d))*	**(50,737)**	(49,136)
Trade receivables — net	**572,306**	249,597
Deposits for resettlement costs	**2,538**	2,755
Deposits for land purchases	**18,050**	28,050
Advances to third parties *(note (c))*	**176,073**	280,826
Receivable in connection with the disposal of a joint venture *(note (e))*	**204,479**	204,479
Other receivables	**326,961**	269,382
Prepayments for construction costs	**210,256**	257,016
Prepaid business tax and other levies on pre-sale proceeds	**174,554**	169,443
	1,685,217	1,461,548
Less: Non-current portion of other receivables *(note (b))*	**(14,396)**	(13,589)
Current portion	**1,670,821**	1,447,959

As at 31 December 2014 and 2013, the fair values of trade receivables, deposits for resettlement costs and land purchases, advances to third parties, receivable in connection with a disposal of equity interest and other receivables approximate their carrying amounts.

Notes:

(a) 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:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**336,023**	74,298
Over 90 days and within 1 year	**96,314**	92,235
Over 1 year and within 2 years	**121,437**	85,346
Over 2 years	**69,269**	46,854
	623,043	298,733

The ageing analysis of trade receivables past due but not impaired is as follows:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**8,715**	5,189
Over 90 days and within 1 year	**8,115**	5,509
	16,830	10,698

As at 31 December 2014, trade receivables of RMB16,830,000 (2013: RMB10,698,000) which were past due but not impaired have been received subsequent to the year end.

As at 31 December 2014, trade receivables of RMB50,737,000 (2013: RMB49,136,000) are considered impaired.

(b) Non-current other receivables represent the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.

(c) The advances to third parties are unsecured, interest-free and have no fixed repayment terms.

(d) Movements on provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Opening balance	**49,136**	47,461
Additional provision for receivable impairment	**3,031**	2,103
Receivables written off during the year as uncollectible	**(1,430)**	(428)
Ending balance	**50,737**	49,136

(e) The amount relates to reimbursement of certain accrued expenses in connection with a disposal of equity interest to be received from the buyer.

11 SHARE CAPITAL

	Par value	**Number of ordinary shares**	**Nominal value of ordinary shares**	**Equivalent**
	HK$		*HK$*	*RMB*
Authorised:				
At 1 January 2013, 31 December 2013 and at 31 December 2014	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 1 January 2013, 31 December 2013 and at 31 December 2014	0.1	6,093,451,026	609,345,103	536,280,877

12 BORROWINGS

	As at 31 December	
	2014	2013
	RMB'000	***RMB'000***
Borrowings included in non-current liabilities		
Bank borrowings — secured	**7,326,844**	4,523,475
Convertible bonds *(notes (a) and (b))*	**—**	1,343,682
Senior notes *(note (c))*	**631,725**	626,053
Other borrowings — secured	**566,000**	180,000
	8,524,569	6,673,210
Less: Amounts due within one year	**(4,540,223)**	(4,641,539)
	3,984,346	2,031,671
Borrowings included in current liabilities		
Bank borrowings — secured	**2,165,529**	1,368,085
Other borrowings — guaranteed and secured	**742,140**	600,106
Other borrowings — unsecured	**770,000**	—
Current portion of long-term borrowings	**4,540,223**	4,641,539
	8,217,892	6,609,730

(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 the bondholder 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.

On 15 January 2014, the Company paid HK$1,723,355,000 (equivalent to RMB1,355,815,000) to redeem all of the 2015 Bonds with principal amount of HK$1,551,580,000 upon the request of the bondholders.

(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 RMB1,212,763,000) 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 31 December 2013, an aggregate principal amount of HK$11,000,000 of the 2016 Bonds remained outstanding.

On 10 March 2014, the Company paid HK$12,457,000 (equivalent to RMB9,842,000) to redeem all of the remaining 2016 Bonds with principal amount of HK$11,000,000.

(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, as at 31 December 2013 and 31 December 2014, and is therefore not recognised.

13 TRADE AND OTHER PAYABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade payables *(note (a))*	**5,024,787**	4,071,332
Other payables *(note (b))*	**2,698,466**	2,384,808
Other taxes payable	**186,117**	214,002
	7,909,370	6,670,142

Notes:

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

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**4,710,953**	3,920,959
Over 90 days and within 1 year	**313,834**	150,373
	5,024,787	4,071,332

(b) Other payables comprise:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Deposits and advances from constructors	**4,121**	135
Deposits received from tenants and customers	**190,357**	64,292
Advances from third parties *(note (i))*	**2,059,013**	1,928,710
Consideration payable on acquisition of a joint venture	**50,000**	50,000
Consideration payable on acquisition of subsidiaries	**96,442**	96,138
Payable to a joint operation partner Baolong	**32,912**	22,766
Miscellaneous	**265,621**	222,767
	2,698,466	2,384,808

Note:

(i) The advances from third parties are non-trade in nature, unsecured, interest-free and have no fixed repayment terms except for advances of RMB54,000,000 (2013: RMB68,000,000) made from Nanjing Guoding Investment Property Company and HK$254,000,000 (equivalent to RMB200,373,000) (2013: HK$835,000,000, equivalent to RMB656,502,000) 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.

14 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
2015 Bonds — Embedded derivatives *(note (a))*	**—**	43,299
2016 Bonds — Embedded derivatives *(note (a))*	**—**	800
Warrants *(note (b))*	**2,432**	2,131
	2,432	46,230

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$55,072,000 (equivalent to RMB43,299,000) at 31 December 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$1,017,000 (equivalent to RMB800,000) at 31 December 2013 by DTZ. The fair value change is made through profit and loss.

During the year ended 31 December 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 5).

During the year ended 31 December 2014, all of the 2015 Bonds with principal amount of HK$1,551,580,000 and outstanding 2016 Bonds with principal amount of HK$11,000,000 were redeemed by the Company and corresponding embedded derivatives with total carrying amount of HK$46,617,000 (equivalent to RMB36,676,000) and HK$1,017,000 (equivalent to RMB804,000) respectively were disposed along with the liability component, resulted in a net gain of RMB23,988,000 to the Group (Note 4).

(b) The warrants are issued together with the 2015 Bonds (Note 12(a)) on 10 December 2010, which are valued at HK$2,710,000 (equivalent to RMB2,131,000) at 31 December 2013 and HK$3,083,000 (equivalent to RMB2,432,000) at 31 December 2014 respectively by DTZ. The fair value change is made through profit and loss.

RESULTS

The audited consolidated revenue of the Group was approximately RMB3,792.6 million for 2014 (2013: approximately RMB6,269.1 million), representing a decrease of 39.5% as compared to 2013. The audited consolidated profit attributable to equity holders of the Company was approximately RMB829.3 million for 2014 (2013: approximately RMB1,399.2 million), representing a decline of 40.7% as compared to the previous year. The basic and diluted earnings per share were RMB13.6 cents and RMB13.1 cents respectively for 2014 (2013: RMB23.0 cents and RMB18.9 cents respectively), representing a decrease of approximately 40.9% and 30.7% respectively as compared to 2013.

The Board does not recommend payment of final dividend for the year ended 31 December 2014.

INDUSTRY REVIEW

The overall property market plunged in the beginning of 2014, resulting in a downtrend in the first half of the year. Property prices fell, sales volume weakened, inventory climbed and valuation was undermined in most cities. The lackluster condition weighed on market sentiment and imposed a downside risk on the industry.

To turn the performance of the market around, the PRC government launched various measures including Housing Purchase Restrictions (the "**HPRs**") relaxation since June 2014, mortgage easing in September 2014 and different rate cuts by the People's Bank of China (the "**PBOC**") in November 2014. Although HPRs remained in force in first-tier cities, there were more upgrade demand and demand in high quality properties, the elasticity of sales recovery would be more sensitive. Meanwhile, signs of healthier housing affordability in second- and third-tier cities have been identified caused by growth in disposable income, showing a positive prerequisite for a market turnaround.

The favourable fiscal policy directed the market upward and created a more flexible macro-credit environment, providing more funding channels and relaxing onshore loan access. These aided developers in maintaining solid balance sheets, as well as narrowing any cash flow deficit during periods of slow turnover.

Benefiting from the accommodative policies by the Government, pent-up demand was started to release in the second half of 2014. However, the positive message took time to transit to the market and the overall impact from such catalyst was not completely reflected in the second half of 2014. It is expected that better conditions will be extended in 2015 and the overall market performance will improve steadily.

BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB3,792.6 million for 2014 (2013: approximately RMB6,269.1 million), representing a decrease of 39.5% as compared to 2013. The reduced revenue was mainly due to the decrease in gross floor area (the "**GFA**") delivered from 787,024 sq.m. in 2013 to 420,664 sq.m. in 2014.

The gross profit of the Group was approximately RMB985.9 million for 2014, representing a drop of 55.2% as compared to 2013 (2013: approximately RMB2,201.6 million). The reason for the decline was due to the decrease in revenue.

The audited consolidated profit attributable to the equity holders of the Company was reduced from approximately RMB1,399.2 million in 2013 to approximately RMB829.3 million in 2014, representing a decrease of approximately RMB569.9 million or 40.7% from that of 2013 (2013: approximately RMB1,399.2 million). The major reason for the decrease was due to less GFA delivered in 2014 as compared to 2013.

The cost of sales of the Group was RMB2,806.7 million for 2014, representing a decrease of approximately 31.0% as compared to 2013 (2013: approximately RMB4,067.5 million). Cost of sales decreased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB4,925.7 per sq.m. for 2014, representing a slight increase of approximately 0.8% over 2013 (2013: average cost of properties included in cost of sales was RMB4,888.8 per sq.m.).

The total GFA sold and delivered by the Group in 2014 was approximately 420,664 sq.m., representing a decrease of 46.6% as compared to 2013 (2013: approximately 787,024 sq.m.). Such decrease was due to less properties in Xiamen Mingfa Xiangwan Peninsula and Zhangzhou Mingfa Shopping Mall being delivered in 2014 as most of the properties had been delivered in 2013 upon full completion.

During the year under review, the average sales price (the "**ASP**") of the Group's properties delivered and recognised as sales was RMB6,884.1 per sq.m., representing a decrease of 7.3% as compared to 2013 (2013: RMB7,425.0 per sq.m.). The decrease was mainly due to the decrease in ASP of residential properties of 5.1% in 2014.

In the year of 2014, the Group recorded contracted sales of RMB1,889.7 million with GFA of 291,450 sq.m. (2013: approximately RMB6,320.0 million and 768,145 sq.m., respectively).

The GFA of the properties delivered by the Group in 2014 and the ASP per sq.m. were as follows:

	Sales Revenue (RMB '000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2014	2013	**2014**	2013	**2014**	2013
Hefei Mingfa Shopping Mall	**150,027.6**	388,459.0	**22,165.8**	65,566.0	**6,768.4**	5,924.7
Honglai Mingfa Commercial Centre	**12,535.3**	28,232.1	**2,908.5**	6,820.5	**4,309.9**	4,139.3
Huai'an Mingfa Shopping Mall	**114,737.0**	214,947.9	**33,907.0**	66,037.1	**3,383.9**	3,255.0
Nanjing Mingfa City Square	**247,984.3**	811,476.9	**22,150.5**	58,260.8	**11,195.4**	13,928.3
Nanjing Mingfa Pearl Spring Resort	**1,396.7**	12,472.2	**80.8**	766.7	**17,285.9**	16,268.0
Nanjing Mingfa Riverside New Town	**410,247.7**	566,332.3	**47,689.7**	77,666.2	**8,602.4**	7,291.9
Shenyang Mingfa Jinxiuhua City	**299,284.4**	0.0	**66,894.7**	0.0	**4,474.0**	n/a
Taizhou Mingfa City Complex	**12,988.3**	137,795.4	**3,208.0**	33,484.0	**4,048.7**	4,115.3
Wuxi Mingfa International New Town	**341,353.4**	471,279.1	**59,569.0**	81,893.4	**5,730.4**	5,754.8
Xiamen Mingfa Habour Resort	**24,177.3**	0.0	**1,436.7**	0.0	**16,828.4**	n/a
Xiamen Mingfa Shopping Mall	**36,249.4**	28,164.5	**1,154.0**	992.3	**31,412.1**	28,382.9
Xiamen Mingfa Xiangwan Peninsula	**525,013.1**	1,713,070.6	**51,372.3**	173,983.4	**10,219.8**	9,846.2
Yangzhou Mingfa Jiangwan City	**411,018.8**	0.0	**59,187.6**	0.0	**6,944.3**	n/a
Yangzhou Mingfa Shopping Mall	**2,168.3**	97,622.1	**264.5**	6,359.9	**8,197.7**	15,349.7
Zhangzhou Mingfa Shopping Mall	**180,456.1**	1,085,838.2	**26,711.3**	159,957.6	**6,755.8**	6,788.3
Zhenjiang Jinxiu Yinshan	**59,726.2**	159,188.9	**14,955.3**	42,191.0	**3,993.6**	3,773.1
Others	**66,540.0**	128,747.0	**7,008.1**	13,045.4	**9,494.7**	9,869.2
	2,895,903.9	**5,843,626.2**	**420,663.8**	**787,024.2**	**6,884.1**	**7,425.0**

PRE-SOLD PROPERTIES

As at 31 December 2014, the GFA of pre-sold properties not yet delivered to the buyers was 410,673 sq.m. (2013: 549,434 sq.m.). Set out below are the details of the properties, the Group's interests and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable Pre-sold GFA *(sq.m.)*
Beijing	Beijing Mingfa Mall	100%	67,641
Hefei	Hefei Mingfa Shopping Mall	100%	21,295
Honglai	Honglai Mingfa Commercial Centre	100%	4,077
Huai'an	Huai'an Mingfa Shopping Mall	100%	10,810
Nanjing	Nanjing Mingfa City Square	100%	2,655
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	6,508
Nanjing	Nanjing Mingfa Riverside New Town	100%	9,977
Nanjing	Nanjing Mingfa Shopping Mall	100%	4,627
Nanjing	Nanjing Mingfa New City Finance Building	64%	12,956
Pingliang	Pingliang Mingfa European City	60%	16,447
Shenyang	Shenyang Mingfa Jinxiuhua City	100%	11,218
Taizhou	Taizhou Mingfa City Complex	100%	79,338
Wuxi	Wuxi Mingfa International New Town	100%	80,289
Wuxi	Wuxi Mingfa Shopping Mall	70%	2,899
Xiamen	Xiamen Mingfa Harbour Resort	100%	4,061
Xiamen	Xiamen Mingfa Shopping Mall	70%	14,088
Xiamen	Xiamen Mingfa Xiang Wan Peninsula	100%	5,817
Yangzhou	Yangzhou Mingfa Jiangwan City	100%	10,596
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	8,170
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	21,923
Zhengjiang	Zhengjiang Jinxiu Yishan	100%	15,281
Total			**410,673**

SUMMARY OF LAND BANK

As at 31 December 2014, land bank of the Group increased by 18.7% to approximately 12.7 million sq.m. (2013: approximately 10.7 million sq.m.), consisting of 55 projects (44 projects as at 31 December 2013) in total.

	No. of Projects	Attributable GFA *(million sq.m.)*
Completed projects	19	1.7
Projects under development	14	5.6
Projects for future development	22	5.4
Total	**55**	**12.7**

The following tables summarize the details of the Group's land bank:

Property Name	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	478	100%	478
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/ Office	Completed	5,529	1,672	100%	1,672
Xiamen Mingfa Garden	Located at Huanhuli South, Lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/ Commercial	Completed	18,697	14,146	100%	14,146
Xiamen Jianqun Elegant Garden	Located at the north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/ Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at the south of Qianpu Lianqian Road, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/ Commercial/ Office	Completed	26,016	8,641	100%	8,641
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	34,780	70%	24,346
Xiamen Mingfa Town	Located at Siming Industrial Park, Lvling Road, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/ Commercial	Completed	12,879	15,397	100%	15,397
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/ Hotel	Completed	112,973	29,779	100%	29,779
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/ Commercial	Completed	1,072,182	101,072	100%	101,072
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	112,186	100%	112,186

Property Name	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.)*
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	437,470	70%	306,229
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	200,952	100%	200,952
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/ Commercial/ Hotel	Completed	145,267	234,677	100%	234,677
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/ Commercial/ Office	Completed	128,683	90,103	100%	90,103
Honglai Mingfa Commercial Centre	Located at Honglai District, Nanan, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	16,678	100%	16,678
Xiamen Mingfa Xiang Wan Peninsula	Located at the eastern part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/ Commercial	Completed	104,380	33,796	100%	33,796
Zhangzhou Mingfa Shopping Mall	Located at the 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	Completed	223,589	250,630	100%	250,630
Xiamen Mingfa Harbor Resort	Located at the 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	Completed	58,952	160,268	100%	160,268
Huai'an Mingfa Shopping Mall (Block C)	Located at Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	54,091	100%	54,091
Sub-total					**2,758,765**	**1,798,234**		**1,656,559**

Property Name	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)*								
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 120,340 sq.m. in December 2013. The remaining GFA of 284,338 sq.m. will be completed in December 2015	296,702	316,325	100%	316,325
Huai'an Mingfa Shopping Mall (Block A)	Located at Shenzhen South Road, Huai'an, Jiangsu Province	Dec/2016	Commercial	Approximately 60% of construction has been completed	133,110	266,335	100%	266,335
Shenyang Mingfa Jinxiuhua City	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2015	Residential/ Commercial	Completion certificate had been granted for GFA of 130,484 sq.m. in December 2014. The remaining GFA of 175,626 sq.m. will be completed in December 2015	61,222	239,215	100%	239,215
Wuxi Mingfa International New Town	Located at the south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2016	Residential/ Commercial	Completion certificate had been granted for GFA of 332,062 sq.m. in December 2014. The remaining GFA of 217,499 sq.m. will be completed in December 2016	258,297	316,532	100%	316,532
Yangzhou Mingfa Jiangwan City	Located at the east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2016	Residential	Completion certificate had been granted for GFA of 86,052.95 sq.m. in December 2014. The remaining GFA of 135,480.25 sq.m. will be completed in May 2016	158,238	162,346	100%	162,346
Taizhou Mingfa City Complex	Located at the west of Machang Zhonggou, south of Huangang Avenue, Gaogang Distrct, Taizhou, Jiangsu Province	Dec/2016	Residential/ Commercial	Completion certificate had been granted for GFA of 40,930 sq.m. in December 2013. The remaining GFA of 690,370 sq.m. will be completed in December 2015	292,487	694,608	100%	694,608
Zhangzhou Longhai Mingfa Mall	Located in Kekeng Village, Bangshan Town, Longhai, Zhangzhou, Fujian Province	Dec/2016	Residential/ Commercial	Approximately 90% of construction has been completed	78,622	277,762	100%	277,762
Nanjing Mingfa Business Park	Located in Nanjing High-Tech Development Zone, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Industrial	Completion certificate had been granted for GFA of 119,697 sq.m. in November 2014. The remaining GFA of 1,440,669 sq.m. will be completed in December 2016	520,122	1,560,366	100%	1,560,366
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2015	Residential/ Commercial	Approximately 90% of construction has been completed	45,414	127,159	100%	127,159

Property Name	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.*)
Shanghai Mingfa Shopping Mall	Located at the east of Hu Yi Highway, south of Baiyin Road, west of Boundary, Gaotai North Road, Shanghai	Dec/2016	Commercial	Approximately 50% of construction has been completed	53,779	169,305	100%	169,305
Pingliang Mingfa European City	Located at the west of Water bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2016	Residential	Approximately 40% of construction has been completed	117,594	268,259	60%	160,955
Nanjing Mingfa New City Finance Building	Located at the north of New Town Business Avenue, Pukou District, Nanjing, Jiangsu Province	Dec/2016	Residential/ Commercial	Approximately 25% of construction has been completed	59,042	401,297	64%	256,830
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2016	Residential/ Commercial	Approximately 30% of construction has been completed	285,594	928,837	100%	928,837
Xiamen Mingfeng Town	Located in Lingdou, Siming District, Xiamen, Fujian Province	Dec/2016	Commercial/ Office	About 10% of construction has been completed	19,909	103,921	100%	103,921
Sub-total					**2,380,132**	**5,832,267**		**5,580,496**
Properties with land use rights certificate for future development								
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2017	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/2016	Industrial	Vacant	41,434	62,151	100%	62,151
Lanzhou Mingfa Zhongke Ecological park	Located in Weijia Village of Southwest Region, Gansu Province	Dec/2017	Residential/ Commercial	Vacant	1,371,786	1,371,786	51%	699,611
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2017	Commercial	Vacant	209,048	418,096	100%	418,096
Nanjing Mingfa Wealth Center	Located at New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2016	Commercial/ Office	Vacant	56,694	283,470	100%	283,470
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2017	Residential/ Commercial	Vacant	154,024	462,072	100%	462,072

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area	Approximate Leasable and Saleable GFA	Group's Interest	Attributable GFA
					(sq.m.) *(Note 3)*	*(sq.m.)* *(Note 4)*		*(sq.m.)*
Zhangzhou Longhai Mingfa Mall (2011G15)	Located in Kekeng Village, Bangshan Town, Longhai, Zhangzhou, Fujian Province	Dec/2016	Residential	Vacant	29,426	88,278	100%	88,278
Taiwan Taoyuan 54 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Dec/2017	Commercial	Vacant	13,710	32,905	40%	13,162
Taiwan Taoyuan 169 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Dec/2017	Commercial	Vacant	16,110	38,663	40%	15,465
Sub-total					**2,224,567**	**3,465,578**		**2,608,831**
Properties with signed land use rights contract for future development								
Hong Six Highway rebuilding property	Located in Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2016	Residential/ Commercial	Vacant	22,784	92,298	100%	92,298
Shandong Zibo World Trade Center	Located at the north of People's Road and east of Shanghai Road, Zhangdian District, Zibo, Shandong Province	Dec/2016	Residential/ Commercial	Vacant	147,371	618,958	100%	618,958
New project in Nanjing Pukou G88	Located at the south of and along the mountain road, east of Caiba Road, Pukou District, Nanjing, Jiangsu Province	Dec/2016	Residential	Vacant	115,876	185,402	100%	185,402
Nanjing Zhongrui G08 Block	Located at the south of and along the mountain road, Jiangpu Street, Nanjing, Jiangsu Province	Dec/2016	Residential	Vacant	32,787	59,016	100%	59,016
Guang'an Mingfa City Complex Project (GC2013-45 Block)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2016	Residential/ Commercial	Vacant	76,153	304,612	100%	304,612
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Located at Binjiang Road, Guan'an, Sichuan Province	Dec/2016	Residential/ Commercial	Vacant	76,363	305,452	100%	305,452
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2017	Residential/ Commercial	Vacant	260,292	481,946	100%	481,946
Shenyang Mingfa Wealth Center	Located at Young Street, Heping District, Shenyang	Dec/2017	Commercial	Vacant	5,468	54,677	100%	54,677
Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14, 2012G15	Located in Kekeng Village, Bangshan Town, Longhai, Zhangzhou, Fujian Province	Dec/2017	Residential	Vacant	138,889	248,025	100%	248,025

Property Name	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.)*
New project in Nanjing Pukou G86	Located at the angle of the Jiangpu Street Technology University and Flower Avenue, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential	Vacant	72,280	79,508	100%	79,508
New project in Nanjing Pukou G07	Located at the south along the Mountain Road, the east side to the Nanjing University of Technology, Pukou District, Jiangsu Province	Dec/2016	Commercial	Vacant	31,455	62,911	100%	62,911
New project in Nanjing Pukou G11	Located at Jiangpu Street, east to Xianzhuang Road, south to Jiangpu Secondary School, north to South River, west to the Guihua Road, Pukou District, Jiangsu Province	Dec/2016	Residential	Vacant	8,586	25,759	100%	25,759
Jinzhai Mingfa City Square	Located in New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Dec/2017	Residential/ Commercial	Vacant	105,504	355,900	100%	355,900
Sub-total					**1,093,808**	**2,874,464**		**2,874,464**
Total land bank					**8,457,272**	**13,970,541**		**12,720,350**

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 had been obtained as at 31 December 2014.

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 31 December 2014.

3. The site area is in respect of the whole property (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 summarises 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 at Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	110,301	8–20 years	70%–100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	1,123	5–6 years	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	14,985	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 the east of Longjiang Road, north of Shuixian Street, west of No.6 Road, south of Xinpu Road, Zhangzhou, Fujian Province	Commercial	112,416	10–15 years	100%
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%

Property	Location	Existing Usage	Attributable GFA *(sq.m.)*	Term of Leases with Tenants	Percentage of Interest in the Properties Attributable to the Group
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	138,059	15–20 years	100%
Quanzhou Mingfa Hotel	Located in Jiangnan Torch Village, Licheng District, 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	47,104	15 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Commercial	70,742	Under construction	100%
			821,955		

Properties to be Completed in 2015

Set out below are the properties expected to be completed by the Group in 2015. The total GFA for such properties available for sale/leasing by the Group upon completion will be approximately 682,699 sq.m. including those already pre-sold as at 31 December 2014.

Property	Expected Completion Date	Usage	GFA Available for Sales/ Leasing *(sq.m.)*	Percentage of Interest in the Property Attributable to the Group
Zhenjiang Jinxiu Yinshan	Dec/2015	Residential/ Commercial/ Hotel	316,325	100%
Shenyang Mingfa Jinxiuhua City	Dec/2015	Residential/ Commercial	239,215	100%
Beijing Mingfa Mall	Dec/2015	Residential/ Commercial	127,159	100%

ACQUISITION FRAMEWORK AGREEMENTS

As at 31 December 2014, the Group entered into 13 uncompleted 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. One MOU was signed in 2014, the rest were signed in or before 2013. These MOUs are not legally-binding and there is no assurance that the Group will be granted the land use rights after signing of the MOUs. On the contrary, the MOUs only set out the parties' intention of cooperation in the 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 Project (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)*
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 (南京軟件園啓動區項目)	Nanjing City, Jiangsu Province	14-Jan-12	220,001	800,000	

Project Name	Location	Date of MOU	Site Area *(sq.m.)*	GFA *(sq.m.)*	*Note*
Nanjing Zijin (Pukou) Technology Entrepreneurship Special Community 2# Block Project (南京紫金(浦口)科技創業特區2#地塊項目)	Nanjing City, Jiangsu Province	9-Oct-12	200,001	800,000	
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	*(5)*
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	
Guan'an Mingfa City Complex Project (廣安明發城市綜合體項目)	Guan'an City, Sichuan Province	10-Jul-13	158,001	632,003	
Jinzhai Mingfa City Square (金寨明發城市廣場)	Jinzhai City, Anhui Province	17-Jun-14	666,670	1,333,340	*(6)*
Total			**9,844,179**	**24,611,613**	

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 in 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 one plot of land under the MOU signed on 6 December 2012. The land is located at west of Software Park, Gaoxin District, Nanjing, Jiangsu Province. Total land area and GFA is approximately 11,244 sq.m. and approximately 67,465 sq.m. respectively.

(6) The Group had acquired one plot of land under the MOU signed on 15 December 2014. The land is located at New City, Mei Shan Town, Jinzhai Country, Hefei, Anhui Province. Total land area and GFA is approximately 105,504 sq.m. and approximately 355,900 sq.m. respectively.

Prospects

During the cyclical downtrend, the Group stayed vigilant and prudent in both operation and execution. To maintain a certain level of margins, the Group retained its ASP with a stable pricing strategy and proactively adjusted its marketing plan in a timely manner in accordance with the latest market conditions. In the long run, the Group will continue efforts in balanced property mix and geographical diversification in land bank to broaden income base and reduce risk efficiently.

One of the Group's core practices is to preserve no more than 50% of each property type. As for the year ended 31 December 2014, residential and commercial properties accounted for 48.0% and 28.3% of the Group's total attributable GFA respectively. The steady rental contribution of approximately RMB279.1 million from investment properties has cushioned the Group from external volatility in the property sales market and assured a stable income stream. The Group expects to have steady performance from its investment properties. Besides, a newly established business in the property construction segment, generating income of approximately RMB499.4 million during the year under review has further broadened the income base for the Group.

Low land cost strategy accompanied with exploration of high potential cities have been applied and remain as key policies of the Group. During the year under review, some land purchases in Pukou, Nanjing will be developed and turned to a focal point for sales contribution in the near future. In addition, joint collaboration in overseas land acquisitions in 2014, including Shouson Hill and Tung Chung in Hong Kong, as well as Taoyuan in Taiwan, will be an economical and practical way to explore the new market and enrich the Group's land bank abroad, accumulating the total attributable land reserve to GFA of approximately 12.7 million sq.m. as of 31 December 2014.

In regard to the capital market financing, the uplifted financing cost and sluggish investment atmosphere correlated with volatility in the property sector have concerned many developers. In light of the industry pick-up at the end of 2014, the Group has successfully issued US$60 million one-year senior notes to Huarong (HK) International Holdings Limited in December 2014 demonstrating confidence from investors in the Group's prospect. The proceeds has been used for the Group's principal business, including working capital financing and property development. Together with the Group's good reputation with strong repayment ability and long-term relationship with the banks, the Group was granted favourable bank loans with lower interest cost.

The Group's creditworthiness was evidenced not only by the complete redemption of the two previously issued convertible bonds in 2014, but also its selection as a constituent of the MSCI Global Small Cap Index since May 2014 and an eligible stock for southbound trading under Shanghai-Hong Kong Stock Connect since November 2014. The selections further recognised the Group's presence and performance in the stock market.

The promotion of various easing facilities, signified by HPRs liberalization and liquidity injection by the PBOC, all acted as catalyst for boosting the property market as well as growth in the national GDP. The prevailing policies have provided a positive and clear direction in the onshore market with current lower interest rate, which facilitates maintaining the supply pipeline at moderate inventory levels as well as inspires a more positive sales outlook.

Looking ahead around the globe, despite concerns on the effectiveness of quantitative easing policies adopted in various countries and the expectation of interest rate rise by the US Federal Reserve in the second half or third quarter of 2015 which may swing the overall global market, the property market in the PRC, as one of the major economic pillars in the country, is expected to grow modestly and the Group is optimistic about the industry development trend in the years to come.

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2014, revenue generated by the Group was approximately RMB3,792.6 million for 2014 (2013: approximately RMB6,269.1 million), representing a decrease of 39.5% as compared to 2013. The decrease in revenue generated from properties sector in 2014 was mainly due to decrease in GFA delivered from 787,024 sq.m. in 2013 to 420,664 sq.m. in 2014. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Commercial Properties *(RMB' million)*	Residential Properties *(RMB' million)*	Properties Investment and Management *(RMB' million)*	Hotel *(RMB' million)*	Property construction *(RMB' million)*	Total *(RMB' million)*	Percentage of (Decrease)/ Increase
2014	**624.8**	**2,271.1**	**279.1**	**118.2**	**499.4**	**3,792.6**	**(39.5%)**
2013	2,014.6	3,829.0	344.9	80.6	—	6,269.1	67.6%

Revenue from the properties sector contributed 76.4% in total to the Group's revenue. Revenue from the commercial properties sector decreased by 69.0% which was primarily due to the decrease in delivery of commercial properties in Zhangzhou Mingfa Shopping Mall as most of the pre-sold properties had been delivered upon full completion in 2013 while decrease in revenue from the residential properties sector of 40.7% was mainly due to the decrease in delivery of residential properties in Xiamen Mingfa Xiangwan Peninsula as most of the pre-sold properties had been delivered upon full completion in 2013.

Revenue from the properties investment and management sector decreased by 19.1%, which was mainly due to the disposal of the investment properties during 2014.

Income generated from hotel operations increased by 46.7% from RMB80.6 million for 2013 to RMB118.2 million for 2014. It was mainly due to the opening of new hotels in Yangzhou and Hefei, which contributed revenue of RMB10.2 million for 2014 in total.

Construction business was a new business segment in 2014 which generated an income of RMB499.4 million (2013: Nil).

The gross profit of the Group decreased in line with revenue and amounted to approximately RMB985.9 million for 2014, representing a decrease of approximately 55.2% as compared to 2013 (2013: approximately RMB2,201.6 million).

The profit attributable to the equity holders of the Company was approximately RMB829.3 million for 2014, representing a decrease of approximately RMB569.9 million or approximately 40.7% from 2013 (2013: approximately RMB1,399.2 million). It was mainly due to the decrease in the recognised income for 2014 arisen from the decrease in GFA delivered from 787,024 sq.m. in 2013 to 420,664 sq.m. in 2014.

The cost of sales of the Group was RMB2,806.7 million for 2014, representing a decrease of approximately 31.0% as compared to 2013 (2013: approximately RMB4,067.5 million). Cost of sales decreased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB4,925.7 per sq.m. for 2014, representing a very small increase of approximately 0.8% over 2013 (2013: average cost of properties included in cost of sales was RMB4,888.8 per sq.m.).

Fair value gains on investment properties and derivative financial instruments increased by 165.4% and decreased by 92.9% respectively to RMB1,203.2 million and RMB6.3 million respectively (2013: RMB453.4 million and RMB88.9 million respectively). Fair value gains on investment properties was mainly due to the increase in fair value gains on valuation of Nanjing Mingfa International Industrial Material Park before disposal while the decrease in fair value gains on financial derivative was due to the redemption of 2015 Bonds in early 2014.

Other gains decreased by 61.1% from RMB378.7 million in 2013 to RMB147.3 million in 2014. The decrease in other gains was due to decrease in exchange gain generated from RMB depreciation.

Selling, general and administrative expenses and other operating expenses of the Group were RMB591.2 million in 2014, representing an increase of approximately 9.1% over 2013 (2013: approximately RMB542.1 million). Additional administrative expenses had been incurred for newly established project companies.

Net finance costs of the Group decreased by 97.4% to RMB6.9 million in 2014 (2013: approximately RMB267.1 million). The decrease was due to the replacement of borrowings with higher interest cost by those with lower interest cost. Meanwhile, more interest expenses had been capitalised in 2014.

CAPITAL STRUCTURE

As at 31 December 2014, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB732.1 million (31 December 2013: approximately RMB971.2 million). Restricted cash of the Group was RMB2,464.2 million (31 December 2013: RMB1,128.5 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB8,217.9 million and RMB3,984.3 million respectively (31 December 2013: approximately RMB6,609.7 million and RMB2,031.7 million respectively).

Total interest expenses including the capitalised interest expenses amounted to approximately RMB765.7 million (2013: approximately RMB848.5 million) in total. In addition, interests with an amount of approximately RMB721.9 million (2013: approximately RMB565.5 million) were capitalised in 2014.

Set out below are the major ratios of the Group:

	As at and for the year ended 31 December	
	2014	2013
Gross profit margin	**26.0%**	35.1%
Operating profit margin	**46.2%**	41.2%
Net profit margin	**27.8%**	22.0%
Returns on equity	**7.5%**	13.7%
Current ratio	**1.17**	1.16
Interest cover (1)	**2.3 times**	3.0 times
Total liabilities to total assets	**71.1%**	68.2%
Bank loans and other borrowings to shareholders' funds	**110.1%**	84.3%
Non-current bank loans and other borrowings to total assets	**9.8%**	5.7%
Gearing ratio (2)	**49.5%**	40.7%

(1) Including amount of interests capitalised

(2) Defined as net debt (total borrowings and derivative financial instruments less cash and cash equivalents) divided by the sum of shareholders' funds and net debt

PLEDGES OF ASSETS

As at 31 December 2014, investment properties of the Group with net book value of approximately RMB4,145.4 million (31 December 2013: approximately RMB3,850.0 million), buildings of approximately RMB555.2 million (31 December 2013: approximately RMB315.6 million), land use rights of approximately RMB3,166.8 million (31 December 2013: approximately RMB2,572.4 million), completed properties held for sale of approximately RMB2,734.9 million (31 December 2013: approximately RMB1,115.6 million), properties under development of approximately RMB951.6 million (31 December 2013: approximately RMB498.1 million), available-for-sale financial assets of approximately RMB50.0 million (31 December 2013: Nil), other non-current assets of approximately RMB268.7 million (31 December 2013: Nil) and restricted bank deposits of approximately RMB2,458.6 million (31 December 2013: approximately RMB1,118.0 million) were pledged to secure the banking facilities of the Group. Cash deposits of approximately RMB5.69 million (31 December 2013: approximately RMB10.5 million) were restricted and deposited in certain banks as security for bank notes.

CAPITAL COMMITMENTS

As at 31 December 2014, the contracted capital commitments of the Group were approximately RMB6,083 million (31 December 2013: approximately RMB5,459.2 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.

GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2014, the contingent liabilities of the Group were approximately RMB4,005.5 million (31 December 2013: approximately RMB4,147.6 million), which were mainly the guarantees given by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties. Such guarantees will be released following completion of transfer of property title by the Group to the buyers.

FOREIGN EXCHANGE RISK

As at 31 December 2014, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, Hong Kong dollars and US dollars in the respective proportions of 92.0%, 1.2% and 6.8% (31 December 2013: Renminbi, Hong Kong dollars and US dollars accounted for 89.4%, 0.5% and 10.1% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars in respective proportions of 63.1%, 19.0%, 17.2% and 0.7% (31 December 2013: Renminbi, Hong Kong dollars and US dollars accounted for 61.3%, 27.5% and 11.2% respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2014 were made mainly in Renminbi and Hong Kong dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi or Hong Kong dollars, the Group will convert the Hong Kong dollars and US dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2014, and the Group believes that the foreign exchange risk exposed by the Group was relatively minimal.

INTEREST RATE RISK

As at 31 December 2014, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, Hong Kong dollars and US dollars, whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

FUNDING AND TREASURY POLICY

The Group utilizes cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure; to increase its land banks; to discharge its debt and to ensure the continuous growth of the Group's business.

HUMAN RESOURCES

As at 31 December 2014, the Group employed a total of 2,412 staff (31 December 2013: 2,445 staff). There were no material changes in the number of staff. For 2014, the staff costs of the Group including Directors' emoluments were approximately RMB231.1 million (2013: approximately RMB212.0 million), representing an increase of approximately 9.0%. The increase was mainly due to the annual salary adjustment. The staff costs include basic salary and welfare expenses, whereby employees' welfare covered a medical insurance plan, a pension plan, an unemployment insurance plan, a pregnancy insurance plan and training.

The Group values human capital and is keen to improve the professionalism and competitiveness of employees through training and regular performance reviews. The Group provided various trainings for accounting teams in relation to the latest reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts. In practice, the Group annually conducts reviews on the remuneration packages and performance appraisal with employees which are taken into account for bonus entitlement and promotion assessment. The Group also studies and compares its remuneration packages with those of its peers and competitors and will make adjustments whenever necessary so as to maintain its competitiveness in the employment market.

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. During the year ended 31 December 2014, all code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") ("**Listing Rules**") were fulfilled by the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, all Directors have confirmed that they had 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 year ended 31 December 2014.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company redeemed all remaining 2016 Bonds in an aggregate principal amount of HK$11,000,000 and accrued interest on 10 March 2014, further details of which are disclosed in the announcement of the Company dated 17 February 2014.

Save for the above mentioned, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2014.

CLOSURE OF REGISTER OF MEMBERS AND ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on Friday, 29 May 2015. The notice of the AGM which constitutes part of the circular will be sent together with the annual report to shareholders of the Company in due course. The notice of the AGM and the proxy form will be published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.ming-fa.com) and be despatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules.

The register of members of the Company will be closed and no transfer of shares will be registered during the following period:

To determine the identity of shareholders of the Company who are entitled to attend and vote at the AGM

Latest time for lodging transfers	:	4:30 p.m. on Friday, 22 May 2015
Closure of register of members	:	Tuesday, 26 May 2015 to Friday, 29 May 2015, both days inclusive
Date of the AGM	:	Friday, 29 May 2015

To qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than the latest time for lodging transfers as stated above.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises of all independent non-executive directors, namely, Mr. Qu Wenzhou, Mr. Dai Yiyi and Mr. Lau Kin Hon. The duties of the Audit Committee include making recommendations to the Board in relation to the independency and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed the annual results and consolidated financial statements of the Group for the year ended 31 December 2014.

PUBLICATION OF ANNUAL REPORT

The 2014 annual report of the Company will be despatched to the shareholders of the Company and published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.ming-fa.com) in due course.

By order of the Board of
MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED
WONG WUN MING
Chairman

Hong Kong, 27 March 2015

As at the date of this announcement, the Board comprises:
Executive Directors: Mr. Wong Wun Ming, Mr. Huang Qingzhu, Mr. Huang Lianchun and Mr. Huang Li Shui
Independent Non-Executive Directors: Mr. Dai Yiyi, Mr. Qu Wenzhou and Mr. Lau Kin Hon