Mingfa Group (International) Company Limited
明發集團（國際）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 846)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

The unaudited consolidated revenue of the Group was approximately RMB1,114.1 million for the six months ended 30 June 2015, representing a decrease of 27.0% from the corresponding period in 2014.

The unaudited consolidated profit attributable to equity holders of the Company was approximately RMB63.3 million for the six months ended 30 June 2015, representing a decrease of 82.1% from the corresponding period in 2014.

The unaudited basic and diluted earnings per share were RMB1.0 cents and RMB1.0 cents respectively for the six months ended 30 June 2015, representing a decrease of 82.8% and 81.1% respectively as compared to the corresponding period in 2014.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2015.

The board of directors (the "**Board**") of Mingfa Group (International) Company Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2015 together with comparative amounts for the corresponding period in 2014.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2015

	Note	**Unaudited 30 June 2015** *RMB'000*	Audited 31 December 2014 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,455,774**	1,475,041
Investment properties		**7,642,164**	7,393,525
Land use rights		**153,828**	160,119
Intangible assets		**7,169**	7,172
Associated companies		**1,185,303**	1,158,636
Joint ventures		**—**	262,017
Deferred income tax assets		**372,067**	366,238
Available-for-sale financial assets		**20,000**	20,000
Amounts due from a related party		**226,941**	220,886
Other receivables	4	**14,620**	14,396
Other non-current assets		**3,996,054**	4,043,057
		15,073,920	15,121,087
Current assets			
Land use rights		**8,731,944**	7,300,146
Properties under development		**7,535,063**	5,871,966
Completed properties held for sale		**6,605,502**	6,607,124
Inventories		**8,909**	9,731
Trade and other receivables and prepayments	4	**1,956,155**	1,670,821
Prepaid income taxes		**138,167**	118,498
Amounts due from related parties		**361,194**	537,505
Amounts due from non-controlling interests		**20,478**	20,428
Available-for-sale financial assets		**100,000**	117,000
Restricted cash		**2,746,024**	2,464,240
Cash and cash equivalents		**1,560,361**	732,142
		29,763,797	25,449,601
Total assets		**44,837,717**	40,570,688

	Note	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	5	**536,281**	536,281
Reserves		**10,609,305**	10,547,089
		11,145,586	11,083,370
Non-controlling interests in equity		**686,703**	625,822
Total equity		**11,832,289**	11,709,192
LIABILITIES			
Non-current liabilities			
Deferred government grants		**1,456,262**	1,459,979
Borrowings	6	**5,924,047**	3,984,346
Deferred income tax liabilities		**1,611,445**	1,612,630
		8,991,754	7,056,955
Current liabilities			
Trade and other payables	9	**9,331,202**	7,909,370
Advanced proceeds received from customers		**3,894,584**	2,902,624
Amounts due to related parties		**137,079**	356,700
Amounts due to non-controlling interests		**838,306**	230,453
Income tax payable		**2,135,813**	2,175,776
Borrowings	6	**7,667,383**	8,217,892
Derivative financial instruments	8	**13**	2,432
Provision for other liabilities and charges		**9,294**	9,294
		24,013,674	21,804,541
Total liabilities		**33,005,428**	28,861,496
Total equity and liabilities		**44,837,717**	40,570,688
Net current assets		**5,750,123**	3,645,060
Total assets less current liabilities		**20,824,043**	18,766,147

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

		Unaudited	
		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenues	3	**1,114,062**	1,525,498
Cost of sales	11	**(1,040,575)**	(919,691)
Gross profit		**73,487**	605,807
Fair value gains on investment properties		**177,135**	345,459
Fair value gains on derivative financial instruments		**2,419**	2,464
Other gains	10	**37,872**	75,547
Selling and marketing costs	11	**(76,129)**	(82,855)
Administrative expenses	11	**(189,929)**	(173,465)
Other operating expenses	11	**(14,061)**	(83,476)
Operating profit		**10,794**	689,481
Finance income	12	**53,524**	7,988
Finance costs	12	**—**	(43,792)
Finance income/(costs) — net	12	**53,524**	(35,804)
Share of results of			
— Associated companies		**27,733**	(1,227)
— Joint ventures		**(1,141)**	(1,635)
		26,592	(2,862)
Profit before income tax		**90,910**	650,815
Income tax expense	13	**(37,664)**	(300,603)
Profit for the period		**53,246**	350,212
Attributable to:			
Equity holders of the Company		**63,296**	352,748
Non-controlling interests		**(10,050)**	(2,536)
		53,246	350,212
Earnings per share for profit attributable to equity holders of the Company *(RMB cents)*			
— Basic	14	**1.0**	5.8
— Diluted	14	**1.0**	5.3

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Unaudited	
	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period	**53,246**	350,212
Other comprehensive (loss)/gain, which may be reclassified subsequently to profit or loss		
— Currency translation differences	**(1,080)**	2,649
Total comprehensive income for the period	**52,166**	352,861
Attributable to		
Equity holders of the Company	**62,216**	355,397
Non-controlling interests	**(10,050)**	(2,536)
	52,166	352,861

NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2015 (Unaudited)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Mingfa Group (International) Company Limited (the "**Company**") was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The location 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 unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 are prepared 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, and in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

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

These condensed consolidated interim financial statements have not been audited.

2 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those used for and described in the annual consolidated financial statements of the Company for the year ended 31 December 2014.

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

Amendments adopted by the Group in 2015

The following amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2015 and are relevant to the Group's operations.

- Annual improvements 2012, affecting the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets";
- Annual improvements 2013, affecting the following 3 standards: HKFRS 3 "Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property".

The adoption of the above amendments to existing standards in 2015 does not have any significant impact on the Group's consolidated financial statements.

The Group has not early adopted any new accounting and financial reporting standards, amendments to existing standards and interpretations which have been issued but are not yet effective for the financial year ending on 31 December 2015.

3 REVENUES AND SEGMENT INFORMATION

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

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

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

(a) Revenues

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sale of properties		
— commercial	**153,106**	372,901
— residential	**470,866**	943,553
	623,972	1,316,454
Hotel operating income	**73,037**	50,062
Rental income		
— from investment properties	**95,527**	135,632
— others	**4,285**	9,068
Property management fee income	**19,141**	14,282
Property construction income	**298,100**	—
	1,114,062	1,525,498

(b) Segment information

The unaudited segment results for the six months ended 30 June 2015 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	**153,106**	**470,866**	**74,355**	**118,953**	**298,100**	—	—	**1,115,380**
Inter-segment revenues	—	—	**(1,318)**	—	—	—	—	**(1,318)**
Revenues	**153,106**	**470,866**	**73,037**	**118,953**	**298,100**	—	—	**1,114,062**
Operating (loss)/profit	**(19,719)**	**(128,653)**	**(15,626)**	**187,682**	**10,406**	**(23,296)**	—	**10,794**
Finance income — net								**53,524**
Share of results of associated companies	**(1,877)**	**(3,128)**	—	**32,738**	—	—	—	**27,733**
Share of results of joint ventures	**(270)**	**(871)**	—	—	—	—	—	**(1,141)**
Profit before income tax								**90,910**
Income tax expense								**(37,664)**
Profit for the period								**53,246**
Other segment information								
Capital and property development expenditure	**533,265**	**3,084,413**	**9,262**	**95,901**	—	—	—	**3,722,841**
Depreciation	**6,454**	**8,246**	**16,363**	**1,037**	—	**665**	—	**32,765**
Amortisation of land use rights as expenses	**1,571**	**1,751**	—	—	—	—	—	**3,322**
Fair value gains on investment properties	—	—	—	**177,135**	—	—	—	**177,135**
Fair value gains on derivative financial instruments	—	—	—	—	—	**2,419**	—	**2,419**
Impairment of goodwill recognised as expenses	—	**3**	—	—	—	—	—	**3**

The unaudited segment results for the six months ended 30 June 2014 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	372,901	943,553	52,528	158,982	—	—	1,527,964
Inter-segment revenues	—	—	(2,466)	—	—	—	(2,466)
Revenues	372,901	943,553	50,062	158,982	—	—	1,525,498
Operating profit/(loss)	73,320	242,571	(18,337)	422,416	(30,489)	—	689,481
Finance costs — net							(35,804)
Share of results of associated companies	(791)	(436)	—	—	—	—	(1,227)
Share of results of joint ventures	(438)	(1,200)	—	3	—	—	(1,635)
Profit before income tax							650,815
Income tax expense							(300,603)
Profit for the period							350,212
Other segment information							
Capital and property development expenditure	968,986	2,324,765	14,627	5,518	—	—	3,313,896
Depreciation	1,861	7,355	9,938	1,067	2,278	—	22,499
Amortisation of land use rights as expenses	1,551	962	—	—	—	—	2,513
Fair value gains on investment properties	—	—	—	345,459	—	—	345,459
Fair value gains on derivative financial instruments	—	—	—	—	2,464	—	2,464
Net gain from redemption of 2015 and 2016 Bonds	—	—	—	—	23,988	—	23,988
Impairment of goodwill recognised as expenses	—	1	—	—	—	—	1

The unaudited segment assets and liabilities as at 30 June 2015 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	**22,667,557**	**34,889,033**	**2,250,855**	**8,601,398**	**797,500**	**9,426,528**	**(35,610,691)**	**43,022,180**
Associated companies	**202,106**	**37,628**	**—**	**945,569**	**—**	**—**	**—**	**1,185,303**
	22,869,663	**34,926,661**	**2,250,855**	**9,546,967**	**797,500**	**9,426,528**	**(35,610,691)**	**44,207,483**
Unallocated:								
Deferred income tax assets								**372,067**
Prepaid income taxes								**138,167**
Available-for-sale financial assets								**120,000**
Total assets								**44,837,717**
Segment liabilities	**13,038,484**	**25,812,571**	**259,284**	**527,699**	**769,661**	**10,869,719**	**(35,610,691)**	**15,666,727**
Unallocated:								
Deferred income tax liabilities								**1,611,445**
Borrowings								**13,591,430**
Derivative financial instruments								**13**
Income tax payable								**2,135,813**
Total liabilities								**33,005,428**

The audited 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

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2015 ***RMB'000***	31 December 2014 *RMB'000*
Trade receivables *(note)*	**731,916**	623,043
Less: Provision for impairment of trade receivables	**(50,737)**	(50,737)
Trade receivables — net	**681,179**	572,306
Deposits for resettlement costs	**2,538**	2,538
Deposits for land purchases	**18,050**	18,050
Advances to third parties	**237,073**	176,073
Receivable in connection with the disposal of a joint venture	**204,479**	204,479
Other receivables	**303,098**	326,961
Prepayments for construction costs	**295,310**	210,256
Prepaid business tax and other levies on pre-sale proceeds	**229,048**	174,554
	1,970,775	1,685,217
Less: Non-current portion of other receivables	**(14,620)**	(14,396)
Current portion	**1,956,155**	1,670,821

As at 30 June 2015, 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.

Note:

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

The ageing analysis of trade receivables is as follows:

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**422,767**	336,023
Over 90 days and within 1 year	**97,604**	96,314
Over 1 year and within 2 years	**144,355**	121,437
Over 2 years	**67,190**	69,269
	731,916	623,043

As at 30 June 2015, provision for impairment of trade receivables was approximately RMB50,737,000 (31 December 2014: approximately RMB50,737,000).

5 SHARE CAPITAL

Details of share capital of the Company are as follows:

	Par value *HK$*	**Number of ordinary shares**	**Nominal value of ordinary shares** *HK$*	**Equivalent** *RMB*
Authorised:				
At 1 January 2014, 31 December 2014 and 30 June 2015	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 1 January 2014, 31 December 2014 and 30 June 2015	0.1	6,093,451,026	609,345,103	536,280,877

6 BORROWINGS

	30 June 2015 RMB'000	31 December 2014 RMB'000
Borrowings included in non-current liabilities		
Bank borrowings — secured	**8,669,450**	7,326,844
Senior notes *(note)*	**633,050**	631,725
Other borrowings — guaranteed and secured	**1,411,000**	566,000
	10,713,500	8,524,569
Less: Amounts due within one year	**(4,789,453)**	(4,540,223)
	5,924,047	3,984,346
Borrowings included in current liabilities		
Bank borrowings — secured	**1,736,114**	2,165,529
Other borrowings — guaranteed and secured	**771,816**	742,140
Other borrowings — unsecured	**370,000**	770,000
Current portion of long-term borrowings	**4,789,453**	4,540,223
	7,667,383	8,217,892

Note:

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**") which were listed on the Stock Exchange. 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 2014 and 30 June 2015, and is therefore not recognised.

7 PLEDGED ASSETS

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Completed properties held for sale	**2,599,844**	2,734,858
Property, plant and equipment	**548,653**	555,218
Properties under development	**1,869,633**	951,610
Land use rights	**3,147,410**	3,166,794
Investment properties	**5,179,970**	4,145,383
Other non-current assets	**268,690**	268,690
Available-for-sale financial assets	**—**	50,000
Restricted cash	**2,746,024**	2,464,240
	16,360,224	14,336,793

8 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Warrants *(note)*	**13**	2,432

Note:

The warrants are issued together with the convertible bonds issued on 10 December 2010, which are valued at HK$16,000 (equivalent to RMB13,000) at 30 June 2015 and HK$3,083,000 (equivalent to RMB2,432,000) at 31 December 2014 respectively by DTZ Debenham Tie Leung Limited. The fair value change is made through profit and loss.

9 TRADE AND OTHER PAYABLES

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Trade payables *(note (a))*	**5,087,586**	5,024,787
Other payables *(note (b))*	**4,019,319**	2,698,466
Other taxes payable	**224,297**	186,117
	9,331,202	7,909,370

Notes:

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

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**4,697,036**	4,710,953
Over 90 days and within 1 year	**390,550**	313,834
	5,087,586	5,024,787

(b) Other payables comprise:

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Deposits and advances from constructors	**172,712**	4,121
Deposits received from tenants and customers	**251,058**	190,357
Advances from third parties *(note (i))*	**2,415,221**	2,059,013
Consideration payable on acquisition of a joint venture	**50,000**	50,000
Consideration payable on acquisition of subsidiaries	**96,382**	96,442
Prepayments received in connection with the deemed disposal of partial interest in subsidiaries *(note (ii))*	**759,020**	—
Payable to a joint operation partner Baolong	**43,859**	32,912
Miscellaneous	**231,067**	265,621
	4,019,319	2,698,466

(i) As at 30 June 2015, the advances from third parties are non-trade in nature, unsecured, interest-free and have no fixed repayment terms except for advances totalling RMB467,000,000 (31 December 2014: RMB54,000,000) made from third parties which bear interests at 5.4%, 12% or 12.5% per annum. RMB200,000,000 of above balances have been repaid subsequently in July 2015. Included in balances as at 31 December 2014, the amount of HK$254,000,000 (equivalent to RMB200,373,000) made from Mr. Zeng Huansha which bear interest at 15.5% per annum has been fully repaid in March 2015.

(ii) The prepayments received were related to the deemed disposal of the Group's 49% equity interest in subsidiaries to a third party, which has not been completed as at 30 June 2015.

10 OTHER GAINS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Government grants	**195**	398
Net exchange gain	**5,933**	—
Compensation income *(note)*	**13,538**	50,154
Net gain arising from disposal of a subsidiary	**7,456**	—
Net gain arising from acquisition of additional interests in joint venture which become a wholly owned subsidiary	**7,744**	—
Net gain from redemption of 2015 and 2016 Bonds	**—**	23,988
Miscellaneous	**3,006**	1,007
	37,872	75,547

Note: During the six months ended 30 June 2014, the Group received total compensation of RMB50,154,000 from the buyers representing 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.

During the six months ended 30 June 2015, the Group received total compensation of RMB13,538,000 from the seller representing overdue interest for late delivery of the project company as agreed in the sales and purchase contract in connection with the Group's acquisition of its 100% equity interest in January 2010.

11 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Staff costs — including directors' emoluments	**108,754**	102,389
Auditor's remuneration	**1,500**	1,500
Depreciation	**32,765**	22,499
Amortisation of land use rights	**3,322**	2,513
Advertising, promotion and commission costs	**41,187**	59,408
Cost of properties sold	**562,016**	716,404
Cost of property construction	**271,000**	—
Business tax and other levies on sales and construction of properties	**51,601**	74,773
Direct outgoings arising from investment properties that generate rental income	**48,979**	36,185
Operating lease expenses on land and buildings	**29,648**	25,671
Hotel operating expenses	**55,199**	49,540
Charitable donations	**9,949**	1,056
Office expenses	**49,116**	43,840
Professional fees	**11,665**	5,594
Provision for impairment of receivables	**1,180**	445
Impairment of goodwill	**3**	1
Provision for delay in delivering properties	**1,359**	12,288
Net exchange loss	**—**	43,781
Miscellaneous	**41,451**	61,600
Total cost of sales, selling and marketing costs, administrative expenses and other operating expenses	**1,320,694**	1,259,487

12 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance income		
— interest income on bank deposits and loan to a related party	**53,524**	7,988
Interest expenses on bank borrowings which are		
— wholly repayable within five years	**(300,266)**	(261,170)
— wholly repayable over five years	**(34,772)**	(33,124)
Interest expenses on other borrowings and advances from third parties	**(129,544)**	(94,808)
Interest expenses on convertible bonds and senior notes	**(42,385)**	(50,007)
Less: Interest capitalised	**506,967**	395,317
Finance costs	**—**	(43,792)
Net finance income/(costs)	**53,524**	(35,804)

13 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax		
— PRC enterprise income tax	**50,905**	35,875
— PRC land appreciation tax	**(4,723)**	110,008
	46,182	145,883
Deferred income tax		
— PRC enterprise income tax	**(19,816)**	145,277
— PRC withholding income tax	**11,298**	9,443
	(8,518)	154,720
	37,664	300,603

(a) Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profit in Hong Kong during the six months ended 30 June 2015 (2014: Nil).

(b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2014: 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.

14 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six months ended 30 June 2015 and 2014 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Profit attributable to equity holders of the Company *(RMB'000)*	**63,296**	352,748
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,093,451
Basic earnings per share *(RMB cents)*	**1.0**	5.8

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and warrants. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect and any exchange and fair value movements. All the remaining convertible bonds have been redempted by the Group in year 2014. For the warrants, a calculation is done to determine the number of shares that could have been acquired based on the monetary value of the subscription rights attached to the warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

For the six months ended 30 June 2015 and 2014, as the average market share price of the ordinary shares during the period was lower than the subscription price, the impact of exercise of warrants on earnings per share is anti-dilutive.

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company	**63,296**	352,748
Interest expenses on convertible bonds (net of tax)	**—**	564
Exchange losses on convertible bonds — liability component	**—**	890
Changes in fair value of convertible bonds — embedded derivatives	**—**	(6,619)
Net gain from repurchase and redemption of 2015 and 2016 Bonds	**—**	(23,988)
Profit used to determine diluted earnings per share	**63,296**	323,595
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,093,451
Adjustment for conversion of convertible bonds *(thousands)*	**—**	45,946
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**6,093,451**	6,139,397
Diluted earnings per share *(RMB cents)*	**1.0**	5.3

15 DIVIDENDS

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

16 FINANCIAL GUARANTEES

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties *(note)*	**4,197,184**	4,005,525

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

MANAGEMENT DISCUSSION AND ANALYSIS

The unaudited consolidated revenue of the Group decreased by 27.0% to approximately RMB1,114.1 million (corresponding period in 2014: approximately RMB1,525.5 million) for the six months ended 30 June 2015. During the period under review, the unaudited consolidated profit attributable to equity holders of the Company was approximately RMB63.3 million (corresponding period in 2014: approximately RMB352.7 million), representing a decrease of 82.1% from the corresponding period in 2014. The unaudited basic and diluted earnings per share were RMB1.0 cents and RMB1.0 cents respectively for the six months ended 30 June 2015, representing a decrease of 82.8% and 81.1% respectively compared to the corresponding period in 2014.

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

INDUSTRY REVIEW

In the first half of 2015, the property market in China continued to improve in response to the series of favorable government measures including the release of home-purchase restriction, interest rate cuts, easing of mortgage transactions which started from the middle of 2014. These favorable policies have spurred buyers in a wait-and-see position to more active investment in the property market.

In the market, contracted sales have performed well in tier-1 cities due to steady demand while the selling prices have also shown an upward trend in tier-2 and tier-3 cities. However, the rebound rate was less attractive in lower-tier cities as compared to the tier-1 cities, and developers have remained cautious when investing in smaller cities which were still suffering from oversupply and limited demand.

In order to improve liquidity, developers have started to issue onshore bonds to raise funds. Local investors are keen to invest in these bonds due to the competitive pricing and strong liquidity in the PRC market. Such onshore bonds have become new platforms to raise capital in China.

On the other hand, the PRC stock market has entered a period of volatility in June 2015 which may have some negative impacts towards the property market which may be reflected in the market during the second half year of 2015.

Despite the uncertainty of the Chinese economy and financial markets, the property market in the first half of 2015 has been active and is expected to have further improvements in terms of average sales price (“**ASP**”) and volume during the second half of 2015.

BUSINESS REVIEW

Sales and Earnings

The unaudited consolidated revenue for the six months ended 30 June 2015 was approximately RMB1,114.1 million (corresponding period in 2014: approximately RMB1,525.5 million), representing a decrease of 27.0%. The decrease was due to less gross floor area (“**GFA**”) had been delivered to the buyers for the six months ended 30 June 2015 as compared to the corresponding period in 2014.

The unaudited consolidated gross profit for the six months ended 30 June 2015 was approximately RMB73.5 million (corresponding period in 2014: approximately RMB605.8 million), representing a decrease of 87.9%. The gross profit decreased in line with the reduced revenue and the cost adjustment in Xiamen Mingfa Xiang Wan Peninsula in 2015.

The unaudited consolidated profit attributable to the equity holders of the Company for the six months ended 30 June 2015 was approximately RMB63.3 million (corresponding period in 2014: approximately RMB352.7 million), representing a decrease of 82.1% from the corresponding period in 2014. The change was mainly due to the decrease in gross profit of approximately RMB532.3 million for the six months ended 30 June 2015 which arose from the decrease in property delivery and the cost adjustment in Xiamen Mingfa Xiang Wan Peninsula.

Regarding the recognised sales for the six months ended 30 June 2015, the ASP per square metre ("**sq.m.**") achieved by the Group was RMB6,630.1, representing a decrease of 19.5% from RMB8,237.7 per sq.m. for the corresponding period in 2014. Such drop was due to the change in product mix. In addition, the GFA sold and delivered for the six months ended 30 June 2015 was 94,112.3 sq.m., representing a decrease of 41.1%, from 159,809 sq.m. for the corresponding period in 2014.

In the first half of 2015, the Group achieved contracted sales of approximately RMB1,412.0 million (corresponding period in 2014: approximately RMB991.6 million). The ASP for the contracted sales has increased by 8.1% to RMB7,146.8 per sq.m. during the period under review (corresponding period in 2014: approximately RMB6,613.4 per sq.m.).

Segment Information

Turnover generated from various segments are analyzed as follows:

For the six months ended	**Commercial Properties**	**Residential Properties**	**Property Investment and Management**	**Hotel**	**Property Construction**	**Total**
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*
30 June 2015	153.1	470.9	119.0	73.0	298.1	**1,114.1**
30 June 2014	372.9	943.6	159.0	50.0	—	**1,525.5**

The decrease in turnover generated from commercial and residential properties was mainly due to less GFA having been delivered to the buyers for the six months ended 30 June 2015 as compared to the corresponding period in 2014. A new business segment, property construction, was started in the second half of 2014 which contributed turnover of RMB298.1 million for six months ended 30 June 2015.

Pre-sold Properties

As at 30 June 2015, the attributable GFA of pre-sold properties not yet delivered to the buyers was 427,729 sq.m. (approximately 410,673 sq.m. as at 31 December 2014). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

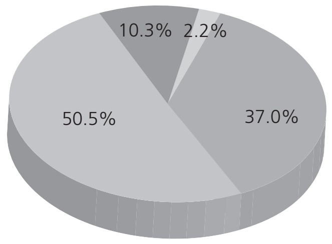
City	Property	Group's Interest	Attributable Pre-sold GFA *(sq.m.)*
Beijing	Beijing Mingfa Mall	100%	67,319
Changsha	Changsha Mingfa Shopping Mall	100%	12,626
Hefei	Hefei Mingfa Shopping Mall	100%	19,996
Honglai	Honglai Mingfa Commercial Centre	100%	2,134
Huai'an	Huai'an Mingfa Shopping Mall	100%	5,724
Huizhou	Huizhou Mingfa Gaobang New City	80%	1,056
Nanjing	Nanjing Mingfa City Square	100%	1,488
Nanjing	Nanjing Mingfa Xiang Hill Garden	100%	3,581
Nanjing	Nanjing Mingfa Cloud Mansion	100%	8,484
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	7,095
Nanjing	Nanjing Mingfa Riverside New Town	100%	7,887
Nanjing	Nanjing Mingfa Shopping Mall	100%	1,628
Nanjing	Nanjing Mingfa New City Finance Building	64%	12,956
Pingliang	Pingliang Mingfa European City	60%	23,858
Shenyang	Shenyang Mingfa Jinxiuhua City	100%	6,895
Taizhou	Taizhou Mingfa City Complex	100%	97,380
Wuxi	Wuxi Mingfa International New Town	100%	57,157
Wuxi	Wuxi Mingfa Shopping Mall	70%	2,409
Xiamen	Xiamen Mingfa Harbour Resort	100%	2,765
Xiamen	Xiamen Mingfa Shopping Mall	70%	14,287
Xiamen	Xiamen Mingfa Xiang Wan Peninsula	100%	4,670
Yangzhou	Yangzhou Mingfa Jiangwan City	100%	7,051
Yangzhou	Yangzhou Mingfa Shopping Mall	100%	1,006
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	7,689
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	27,583
Zhenjiang	Zhengjiang Jinxiu Yishan	100%	23,005
			427,729

Summary of Land Bank

As at 30 June 2015, land bank attributable to the Group increased by 15.0% to approximately 14.6 million sq.m. (approximately 12.7 million sq.m. as at 31 December 2014), consisting of 62 projects (55 projects as at 31 December 2014) in total.

	Number of Projects	Attributable GFA *(million sq.m.)*
Completed projects	19	1.6
Projects under development	19	6.7
Projects for future development	24	6.3
Total	**62**	**14.6**

Total Land Bank by Province as at 30 June 2015



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	450	100%	450
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	13,976	100%	13,976
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

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.)
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	8,516	100%	8,516
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	33,500	70%	23,450
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	93,604	100%	93,604
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
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	437,337	70%	306,136
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	194,717	100%	194,717
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	234,634	100%	234,634
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/ Commercial/Office	Completed	128,683	85,811	100%	85,811
Honglai Mingfa Commercial Centre	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	14,035	100%	14,035
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	32,942	100%	32,942
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	249,662	100%	249,662
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	158,770	100%	158,770
Huai'an Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	48,672	100%	48,672
Sub-total					**2,758,765**	**1,767,078**		**1,625,827**

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	315,701	100%	315,701
Huai'an Mingfa Shopping Mall (Block A)	Located on 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 s.q.m. will be completed in December 2015	61,222	234,892	100%	234,892
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	259,279	100%	259,279
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 s.q.m. will be completed in May 2016	158,238	158,847	100%	158,847
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 s.q.m. in December 2013. The remaining GFA of 690,370 s.q.m. will be completed in December 2015	292,487	694,250	100%	694,250
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 s.q.m. in November 2014. The remaining GFA of 1,440,669 s.q.m. will be completed in December 2017	520,122	1,560,366	100%	1,560,366
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2015	Residential/ Commercial	Completed	45,414	127,159	100%	127,159
Shanghai Mingfa Shopping Mall	Located at the east of Hu Yi Highway, south of Baiyin Road, west boundary of Gaotai North Road, Shanghai	Dec/2016	Commercial	Approximately 60% 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 50% 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 30% of construction has been completed	59,042	401,297	64%	256,830

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.)
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2016	Residential/ Commercial	Approximately 35% 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	To be developed	19,909	103,921	100%	103,921
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2017	Residential	To be developed	332,335	708,157	80%	566,526
Nanjing Mingfa Cloud Mansion	Located in along the south of Mountain Road, Jiangpu Street, Nanjing, Jiangsu Province	Dec/2016	Residential	To be developed	32,787	59,016	100%	59,016
Nanjing Mingfa Xiang Hill Garden	Located in along the south of Mountain Road, east of Caiba Road, Pukou District, Nanjing, Jiangsu Province	Dec/2016	Residential	To be developed	115,876	185,402	100%	185,402
Nanjing Mingfa Pearl River International	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Dec/2017	Residential	To be developed	8,586	25,759	100%	25,759
New project in Anhui Jinzhai	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Dec/2018	Residential/ Commercial	To be developed	105,504	355,831	100%	355,831
Sub-total					**2,975,220**	**7,100,375**		**6,706,973**

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 with land use rights certificate for future development								
Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Dec/2016	Industrial	Vacant	41,434	103,585	100%	103,585
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
Zhangzhou Longhai Mingfa Mall (Block 2011 G15)	Located in Kekeng Village, Bangshan Town, Longhai, Zhangzhou, Fujian Province	Dec/2016	Residential	Vacant	63,127	189,381	100%	189,381
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
New project in Anhui Hexian	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2017	Residential/ Commercial	Vacant	219,826	516,006	100%	516,006
New project in Anhui Jinzhai (Block D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/ Commercial	Vacant	62,885	128,252	100%	128,252
New project in Nanjing Pukou G77	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential	Vacant	132,937	255,552	51%	130,331
Sub-total					**2,341,581**	**3,799,768**		**2,959,431**

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 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
Guang'an Mingfa Mall (GC2013–45 Block)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2016	Residential/ Commercial	Vacant	76,153	382,692	100%	382,692
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Located on 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	520,584	100%	520,584
Shenyang Mingfa Wealth Center	Located at Young Street, Heping District, Shenyang, Liaoning Province	Dec/2017	Commercial	Vacant	5,468	54,677	100%	54,677
Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14)	Located in Kekeng Village, Bangshan Town, Longhai, Zhangzhou, Fujian Province	Dec/2017	Residential	Vacant	105,188	315,564	100%	315,564
New project in Nanjing Pukou G86	Located at the intersection of the Jiangsu 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
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
New project in Shenzhen (Block A603-0387)	Located at Tianliao Yulv Are, Guangming New District, Shenzhen	Dec/2018	Commercial	Vacant	4,109	12,320	100%	12,320
New project in Anhui Jinzhai (Block EF)	Located at Golden Leaf Road East, General Road West, New City District, Meishan Town, Jinzhai County, Anhui Province.	Dec/2018	Residential/ Commercial	Vacant	203,406	464,275	100%	464,275
New project in Nanjing Yuhua G67	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Dec/2018	Residential	Vacant	58,914	117,827	49%	57,735
Sub-total					**1,169,287**	**3,382,966**		**3,322,874**
Total land bank					**9,244,853**	**16,050,187**		**14,615,105**

Notes:

1. Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates have been obtained as at 30 June 2015.

2. Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates have been obtained as at 30 June 2015.

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

Property Name	**Location**	**Existing Usage**	**Attritable GFA** *(sq.m.)*	**Term of Leases**	**Percentage of Interest in the Properties Attributable to the Group**
Xiamen Mingfa Shopping Mall	Located at the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	113,053	8–20 years	70%–100%
Xiamen Mingfa Group Mansion	Located in 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	13,163	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 West Road, 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%

Property Name	Location	Existing Usage	Attritable GFA *(sq.m.)*	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	4,687	15–20years	70%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	140,775	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%
			825,601		

ACQUISITION FRAMEWORK AGREEMENTS

As at 30 June 2015, the Group entered into 11 uncompleted memoranda of understanding ("**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. All MOUs were signed in or before 2015. 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 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	GFA	Note
			(sq.m.)	*(sq.m.)*	
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)
Shenyang Creative Park (瀋陽創意創業園)	Shenyang City, Liaoning Province	28-Jan-10	912,005	2,000,000	(2)
Shenyang Residential and Commercial Complex (瀋陽商住項目)	Shenyang City, Liaoning Province	28-Jan-10	142,800	714,000	(3)
Panjin Mingfa City Square (盤錦明發城市廣場)	Panjin City, Liaoning Province	20-Oct-10	427,332	1,281,996	
Jiangsu Taizhou Mingfa City Complex Project (江蘇泰州明發城市綜合體項目)	Taizhou City, Jiangsu Province	22-Dec-10	1,466,674	3,666,685	(4)
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	
Nanjing Zijin (Pukou) Technology Entrepreneurship Special Community 2# Block Project (南京紫金(浦口)科技創業特別社區2#地塊項目)	Nanjing City, Jiangsu Province	9-Oct-12	200,001	800,000	
Nanjing 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	(6)
Jinzhai Mingfa city square (金寨明發城市廣場)	Jinzhai City, Anhui Province	17-Jun-14	666,670	1,333,340	(7)
Total			**8,152,837**	**20,979,610**	

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 seven plots of land under the MOU signed on 28 April 2013. The land is located at Wujiang Town Four Lian, Hexian, Anhui Province. Total land area and GFA is approximately 219,826 sq.m. and approximately 516,006 sq.m. respectively.

(7) The Group had acquired seven plots of land under the MOU signed on 17 June 2014. The land is located at New City, Meishan Town, Jinzhai County, Anhui Province. Total land area and GFA is approximately 317,795 sq.m. and approximately 901,415 sq.m. respectively.

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

PROSPECTS AND OUTLOOK

The Group has been adhering to the strategy of maintaining a balanced and diversified property mix. The proportion of residential and commercial properties in the Group's portfolio accounted for 48.0% and 31.0% of the land bank respectively as at 30 June 2015. Meanwhile, the Group has a balanced investment properties portfolio which generates stable income stream.

Along with the prudent land acquisition strategy and balanced property portfolio, the Group is constantly exploring land parcels with high potential across the region, with a geographical diversification in tier-1, tier-2 and tier-3 cities domestically as well as several cooperation projects in Hong Kong, Taiwan and abroad. The land reserve of the Group has been expanded by 15.0% to a GFA of 14.6 million sq.m. as at the first half of 2015.

The "Great Jiangbei" strategy has been approved by the PRC Central Government in 2015 with Pukou District, Nanjing as one of the major districts to be developed under this strategy. The property market in this area has rebound rapidly in terms of volume and selling price. The Group has 10 projects with attributable GFA of approximately 1.4 million sq.m. in this district. It is expected that these projects will contribute to the Group's revenue from the second half of 2015.

The real estate sector is one of the key elements of China's GDP growth as it is the country's largest industry. Looking ahead, the Group's outlook towards the property market remains positive as its business continues to steadily grow.

CAPITAL COMMITMENTS

As at 30 June 2015, the contracted capital commitments of the Group were approximately RMB6,186.0 million (31 December 2014: approximately RMB6,083 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SUBSEQUENT EVENTS

There was no matter between the balance sheet date (i.e. 30 June 2015) and the date of this announcement that would cause material impact to the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the directors' securities transactions on terms no less than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Having made specific enquiries of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions for the six months ended 30 June 2015.

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. Throughout the six months ended 30 June 2015, the Company had complied with all code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") consists of three independent non-executive directors, namely Mr. Qu Wenzhou (the chairperson of the Audit Committee), Mr. Dai Yiyi and Mr. Lau Kin Hon. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the interim results and the unaudited condensed consolidated financial statements for the six months ended 30 June 2015.

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

Hong Kong, 28 August 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