

**FUTURE LAND DEVELOPMENT HOLDINGS LTD:
WHAT DOES THE FUTURE HOLD, CHAIRMAN WANG ZHEN HUA ?**

The share price of publicly listed Future Land Development Holdings Ltd () (Code: 1030, Main Board, The Stock Exchange of Hongkong Ltd) is standing, today, at its lowest level since being listed on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

At today's share price of about \$HK1.18, it is about 18.62 percent below its Offer Price of \$HK1.45, struck at November 28, 2012.

When this Company issued its Global Offering Prospectus (November 19, 2012), it Offered 1,418,000,000, \$HK0.001 Shares at the Indicative Offer Price Range Per Share of between \$HK1.45 and \$HK1.79.

When the number of shares was tallied (November 22, 2012), it was determined that the Hongkong Offer Tranche of 141,800,000 Shares had been undersubscribed by 74.89 percent: The number of shares, requested in the valid applications from Hongkong investors, numbered only 35,602,000.

A total of 106,198,000 shares, formerly reserved for Hongkong Investors, was re-allocated to International Investors, bringing up the total in this class of Places to 1,382,398,000 shares.

In respect of the International Offering, the Company announced that the original size of the tranche (1,376,200,000 Shares) had '*been slightly over-subscribed*'.

This Company is engaged in property development in the Yangtze River Delta.

The Global Offering Prospectus stated that the Company focused '*on the development of quality residential properties and mixed-use complex projects ...*'.

The Prospectus stated, very clearly:

'Our operations are subject to extensive government policies and regulations and, in particular, we are susceptible to changes in policies related to the PRC property industry and in regions in which we operate

'Our business is subject to extensive governmental regulations and, in particular, we are susceptible to policy changes in the PRC property sector. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector.'

‘During the Track Record Period and up to the Latest Practicable Date (November 19, 2012), the PRC government had implemented a series of regulations and policies to slow down the property market and inflation of property prices, as well as to dampen property speculation. These policies may therefore limit our ability to obtain financing, acquire land for future developments, sell our properties at a profit or generate sufficient operating cash flows from contracted sales. In addition, as a result of the various measures implemented by the PRC government since January 2011, the transaction volumes for properties in most cities in which we operate experienced significant decline between September 2011 and January 2012. Average selling prices for property sales also decreased between September 2011 and January 2012, but to a lesser and varying extent in different cities, as market players began launching a wide range of promotional initiatives, including but not limited to different forms of price reduction offers, to stimulate demand for properties in the market. In view of the challenging market conditions and its continuous downward pricing pressures, we responded strategically by adapting our pricing strategy in the fourth quarter of 2011 to focus our sales efforts on smaller-sized and lower-priced units that target the mass market segment, which is less impacted by the property purchase restrictions to achieve our cash receipts targets. We also strategically deferred the pre-sale schedules of some of our projects. As a result, the average selling prices for our contracted sales for the last four months of 2011 was RMB9,602 per sq.m. (square metre), which was 4.2% lower than that for the first eight months of 2011.

‘Furthermore, after an in-depth review of the average selling prices of properties in the areas where we have projects under development, our Directors are of the view that, as of December 31, 2011, the market prices, and correspondingly our estimated total recoverable amounts, of the properties comprising our Future Land Consequence Project in Changzhou, Legend Mansion Project in Shanghai and the car parks in a number of our other projects under development were lower than the respective carrying amounts of such properties and car parks. In accordance with our accounting policies, we recorded a total impairment loss of RMB398.7 million with respect to such projects for the year ended December 31, 2011, which was approximately six times the total impairment losses we recorded for 2009 or 2010...

‘We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. It is also impossible to ascertain the extent of the impact of these measures or to accurately estimate our sales volume and turnover had the measures been introduced. If we fail to adapt our operations to new policies, regulations or measures that may come into effect from time to time with respect to the property industry, or if our marketing and pricing strategies are ineffective in promoting our contracted sales, such policy changes may dampen our contracted sales and cause us to lower our average selling prices and/or incur additional costs, in which case our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected ...’.

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