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港龍中國地產
GANGLONG CHINA PROPERTY

Ganglong China Property Group Limited

港龍中國地產集團有限公司

(於開曼群島註冊成立之有限公司)

(股份代號：6968)

海外監管公告

發行2024年到期的164,411,875美元9.5%優先票據

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承董事會命
港龍中國地產集團有限公司
主席兼執行董事
呂明

香港，2023年11月9日

於本公告日期，本公司的執行董事為呂明先生(主席)、呂進亮先生及呂志聰先生。本公司的非執行董事為呂永茂先生及呂永南先生。本公司的獨立非執行董事為陳栢鴻先生、郭少牧先生及鄧露娜女士。

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Confirmation of your representation: By accepting the electronic transmission through which you have received the attached document and by accessing the attached document, you shall be deemed to have represented that:

- (i) you are a holder of, a beneficial owner of, or are a custodian or an intermediary acting on behalf of a beneficial owner of, the 13.5% senior notes due 2023 (the “**2023 Notes**”) issued by Ganglong China Property Group Limited (港龍中國地產集團有限公司) (the “**Company**”) and guaranteed by Ganglong Huayang Development Co., Ltd. (港龍華揚發展有限公司), Profit Great Investment Limited (盈裕投資有限公司) and Ganglong Development Group Limited (港龍發展集團有限公司) (together, the “**Subsidiary Guarantors**”);
- (ii) you are not a U.S. person, and are not acting for the account or benefit of any U.S. person, and that you are not located or resident in the United States; and
- (iii) you consent to the delivery of the attached document to you by electronic transmission.

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(to be read and construed in conjunction with the exchange offer memorandum dated October 26, 2022)

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ACT”)) AND ARE OUTSIDE THE UNITED STATES.**



港龍中國地產
GANGLONG CHINA PROPERTY

Ganglong China Property Group Limited

港龍中國地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**US\$164,411,875 9.5% SENIOR NOTES DUE 2024
ISSUE PRICE: 100%**

The 9.5% Senior Notes due 2024 (the “Notes”) will bear interest from November 6, 2023 at 9.5% per annum payable in arrear on November 4, 2024. The Notes will mature on November 4, 2024.

The Notes are senior obligations of Ganglong China Property Group Limited 港龍中國地產集團有限公司 (the “Company” or “Issuer”), guaranteed by certain of our existing subsidiaries (the “Subsidiary Guarantors”), other than those organized under the laws of the PRC. We refer to the guarantees by the Subsidiary Guarantors as Subsidiary Guarantees.

At any time and from time to time prior to November 4, 2024, the Company may, at its option, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date. Upon the occurrence of a Change of Control (as defined in the indenture governing the Notes (the “Indenture”), the Company must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined under “Description of the New Notes — Additional Amounts” in the Exchange Offer Memorandum (as defined below)).

A notice of redemption dated November 2, 2023 was issued by the Company (the “Redemption Notice”) with respect to the 13.5% Senior Notes due 2023 issued by the Company (ISIN: XS2545232832; Common Code: 254523283) (the “2023 Notes”) pursuant to the indenture governing the 2023 Notes. Pursuant to the Redemption Notice, all outstanding 2023 Notes will be redeemed in full on November 6, 2023 (the “Redemption Date”) at a redemption price of 100% of the outstanding principal amount of the 2023 Notes, plus any accrued and unpaid interest to (but excluding) the redemption date (the “Redemption Price”). The Redemption Price shall be paid in kind with the Notes issued to the holders of the 2023 Notes in aggregate principal amount of US\$164,411,875, equal to the Redemption Price. We will not receive any cash proceeds from the issuance of the Notes.

The terms and conditions of the Notes will be substantially the same as those of the 2023 Notes, except for certain changes reflected in the section entitled “Summary of the Notes” below and in the Indenture. The 2023 Notes were issued pursuant to the Exchange Offer Memorandum. For a more detailed description of the Notes, see the section entitled “Summary of the Notes” below and the section entitled “Description of the New Notes” in the Exchange Offer Memorandum.

Investing in the Notes involves certain risks. Please see “Risk Factors” in the Exchange Offer Memorandum, which shall be read in conjunction with the section entitled “Update on Risk Factors” below.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval-in-principle from, admission to the Official List of, and listing and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective subsidiaries or associated companies, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being issued by the Company to holders of the 2023 Notes who are not a U.S. person and are not located or resident in the United States. For a description of certain restrictions on resale or transfer, see “Transfer Restrictions.”

It is expected that delivery of the Notes will be made on or about November 6, 2023 through the book-entry facilities of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”).

CMB International Capital Limited is the Sole Deal Advisor in connection with the issuance of the Notes.

Sole Deal Advisor



This Information Memorandum should be read and construed in conjunction with the exchange offer memorandum dated October 26, 2022, appended in Annex A to this Information Memorandum (the “**Exchange Offer Memorandum**”). For purposes of this Information Memorandum, references to the “New Notes” in the Exchange Offer Memorandum shall be deemed to refer to the “Notes”.

You should rely only on the information contained in this Information Memorandum and the Exchange Offer Memorandum. The Exchange Offer Memorandum contains important information with respect to an investment in the Notes. This Information Memorandum is not complete without the Exchange Offer Memorandum. Capitalized terms not defined in this Information Memorandum have the same meanings assigned to them in the Exchange Offer Memorandum. To the extent any information in this Information Memorandum (including any information incorporated by reference in it) is inconsistent with the Exchange Offer Memorandum, you should rely on this Information Memorandum. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Information Memorandum and the Exchange Offer Memorandum is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

The Information Memorandum should be read and construed in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2022 with independent auditor’s report thereon (collectively, the “**Audited 2022 Financial Statements**”), which are contained in the annual report of the Company, which was published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on April 21, 2023 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042101275.pdf>). The Audited 2022 Financial Statements shall be deemed to be incorporated in, and form part of the Information Memorandum.

The Information Memorandum should also be read and construed in conjunction with the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2023 (collectively, the “**Unaudited 2023 Interim Financial Statements**”), which are contained in the interim report of the Company, which was published on the website of the Stock Exchange on September 15, 2023 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0915/2023091500985.pdf>). The Unaudited Interim Financial Statements shall be deemed to be incorporated in, and form a part of the Information Memorandum. The Unaudited 2023 Interim Financial Statements have not been audited or reviewed by our independent accountants or any other independent accountants and may be subject to adjustment if audited or reviewed. The Unaudited 2023 Interim Financial Statements may not be indicative of our future performance and results of operations. Consequently, potential investors must exercise caution when using such information to evaluate our financial condition and results of operations.

We are relying on an exemption from registration under the Securities Act for issuances, offers and sales of securities that do not involve a public offering. By accepting the Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the section entitled “Transfer Restrictions” below. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This Information Memorandum, together with the Exchange Offer Memorandum, may only be used in connection with an investment in the Notes. We have not authorized its use for any other purpose. This Information Memorandum and the Exchange Offer Memorandum may

not be copied or reproduced in whole or in part. They may be distributed and their contents disclosed only to the prospective investor to whom this is provided. By accepting delivery of this Information Memorandum and the Exchange Offer Memorandum, you agree to these restrictions. See “Investor Representations” in the Exchange Offer Memorandum.

This Information Memorandum and the Exchange Offer Memorandum contain information provided by other sources that we believe are reliable. We cannot assure you that information from other sources is accurate or complete. This Information Memorandum and the Exchange Offer Memorandum summarize certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this Information Memorandum and the Exchange Offer Memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the issuance and the Notes, including the merits and risks involved.

No representation or warranty, express or implied, is made by us, the Trustee, the Paying and Transfer Agent or the Registrar to any recipient of the Notes as to the accuracy or completeness of the information set forth herein, or regarding the legality of an investment in the Notes by such recipient any legal, investment or similar laws or regulations. You should not consider any information in this Information Memorandum and the Exchange Offer Memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

We have prepared this Information Memorandum and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section entitled “Transfer Restrictions” below.

You should contact us with any questions about this issuance or for additional information to verify the information contained in this Information Memorandum and the Exchange Offer Memorandum. Neither the U.S. Securities and Exchange Commission nor any state securities commission nor any other regulatory authority has approved or disapproved of these securities nor have any of the foregoing authorities passed judgment upon or endorsed the merits of this issuance or determined if this Information Memorandum and the Exchange Offer Memorandum are truthful or complete. Any representation to the contrary is a criminal offense.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) — Solely in connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”) the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) of the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We reserve the right to withdraw the proposed issuance of the Notes at any time.

THE USE OF PROCEEDS

The Notes will be issued as Redemption Price for the 2023 Notes. Pursuant to the Redemption Notice, all outstanding 2023 Notes will be redeemed in full on the Redemption Date at the Redemption Price which shall be paid in kind with the Notes issued to the holders of the 2023 Notes in aggregate principal amount of US\$164,411,875. We will not receive any cash proceeds from the issuance of the Notes.

SUMMARY OF THE NOTES

The terms and conditions of the Notes will be substantially the same as those of the 2023 Notes, except for certain changes reflected in this section and in the Indenture. The 2023 Notes were issued pursuant to the Exchange Offer Memorandum. The following provisions in this section should be read and construed in conjunction with the section entitled “Description of the New Notes” in the Exchange Offer Memorandum. For purposes of this Information Memorandum, references to the “New Notes” in the Exchange Offer Memorandum shall be deemed to refer to the “Notes”.

The following summary of the Notes is provided solely for your convenience. This summary is not intended to be complete. You should read this summary in conjunction with the section entitled “Description of the New Notes” in the Exchange Offer Memorandum. Capitalized terms used in this summary and not defined shall have the same meanings given to them in the section entitled “Description of the New Notes” in the Exchange Offer Memorandum.

Issuer	Ganglong China Property Group Limited (港龍中國地產集團有限公司) (the “Company”).
Legal Entity Identifier	54930078H4OZ5PWZZ326
Notes Issued	US\$164,411,875 9.5% Senior Notes due 2024 (the “Notes”).
Original Issue Date	November 6, 2023
Maturity Date	November 4, 2024
Interest	The Notes bear interest at 9.5% per annum from (and including) the Original Issue Date to (but excluding) November 4, 2024, payable in arrears on November 4, 2024.

The Company will pay interest (including post-petition interest in any proceeding under any applicable bankruptcy law) on (i) overdue principal amount of the Notes (and premium, if any) and (ii) overdue interest and Additional Amounts (without regard to any applicable grace period), at the rate of 12.5% per annum from (and including) the date when such overdue occurs, to (but excluding) the date when overdue payments have been made pursuant to the Indenture, to the extent lawful.

Ranking of the Notes.....	The Notes are: <ul style="list-style-type: none">• general obligations of the Company;• senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;• at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of
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such unsecured, unsubordinated Indebtedness pursuant to applicable law);

- guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations under “Description of the New Notes — The Subsidiary Guarantees and JV Subsidiary Guarantees” and in “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees” in the Exchange Offer Memorandum;
- effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

**Subsidiary Guarantees and
JV Subsidiary Guarantee .**

Each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee (if any) given by a JV Subsidiary Guarantor may be released in certain circumstances. See “Description of the New Notes — Release of the Subsidiary Guarantees and JV Subsidiary Guarantees” in the Exchange Offer Memorandum.

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will consist of Ganglong Huayang Development Ltd. (港龍華揚發展有限公司), Ganglong Development Group Limited (港龍發展集團有限公司) and Profit Great Investment Limited (盈裕投資有限公司). See “Description of the New Notes” in the Exchange Offer Memorandum. All of the Subsidiary Guarantors are holding companies that do not have significant operations.

The Company will cause each of its future Restricted Subsidiary (other than any PRC Restricted Subsidiaries, any Exempted Subsidiaries or any Listed Subsidiaries) provide a guarantee of the Notes promptly and in any event within 30 days of becoming a Restricted Subsidiary.

Notwithstanding the foregoing sentence, the Company

may elect to have any future Restricted Subsidiary organized outside the PRC (that is not an Exempted Subsidiary or a Listed Subsidiary) not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (such Restricted Subsidiaries that do not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee in accordance with the Indenture, the “Other Non-Guarantor Subsidiaries”) at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary; *provided that* after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of Total Assets.

Ranking of Subsidiary Guarantees

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- ranks at least *pari passu* in right of payment with all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

See “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees” in the Exchange Offer Memorandum.

Ranking of JV Subsidiary Guarantees

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV

Entitlement Amount;

- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee;
- will be limited to the JV Entitlement Amount, and will rank at least *pari passu* with all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

See “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees” in the Exchange Offer Memorandum.

Use of Proceeds..... We will not receive any cash proceeds from the issuance of the Notes. See the section entitled “The Use of Proceeds.”

Optional Redemption..... At any time and from time to time prior to the maturity date, the Company will be entitled at its option to redeem the Notes in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest, if any, to (but not including), the redemption date.

Redemption for Taxation Reasons..... Subject to certain exceptions and as more fully described in “Description of the New Notes — Redemption for Taxation Reasons” in the Exchange Offer Memorandum, the Company may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption, if the Company, a Subsidiary Guarantor or a JV Subsidiary Guarantor (if any) would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws. See “Description of the New Notes — Redemption for Taxation Reasons” in the Exchange Offer Memorandum.

Repurchase of Notes Upon a Change of Control	Upon the occurrence of a Change of Control, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date. See “Description of the New Notes — Repurchase of New Notes Upon a Change of Control” in the Exchange Offer Memorandum.
Carve-out to Events of Default	The events of default provision under the Notes will carve out the default of the Excluded Indebtedness and other defaults whose occurrence is as a result of any default or event of default under the Excluded Indebtedness. See “Events of Default” in “Description of the New Notes,” and “Risk Factors — Risks Relating to the Exchange Offer Generally — The events of default provision under the New Notes will carve out certain cross-default events arising directly or indirectly from any defaults or events of default under the Existing Notes” in the Exchange Offer Memorandum.
Withholding Taxes, Additional Amount.....	All payments of principal of, and premium (if any) on and interest on the Notes or under the Subsidiary Guarantees and the JV Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “— Consolidation, Merger and Sale of Assets”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), including, without limitation, if applicable, the PRC (each, as applicable, a “Relevant Jurisdiction”), or any jurisdiction through which payments are made or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a “Taxing Jurisdiction”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required. See “Description of the New Notes — Additional Amounts” in the Exchange Offer Memorandum.
Covenants.....	The Notes and the Indenture governing the Notes will limit the Company’s ability and the ability of its

Restricted Subsidiaries to, among other things:

- incur additional indebtedness and issue disqualified or preferred stock;
- make investments, dividend payments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

**Amendments and Waivers
of the Indenture**

Certain major terms of the Indenture may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding Notes, including the reduction of the principal amount of, or premium, if any, or interest on, any New Note, the release of any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture. See "Description of the New Notes — Amendments and Waivers — Amendments With Consent of Holders" and "Risk Factors — Risks Relating to the Exchange Offer Generally — Certain major terms of the indenture governing the New Notes may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes at the time of the consent and there are certain other differences between the Existing Notes and the New Notes, which may adversely affect the interest of the holders of the New Notes and increase the credits risks of the New Notes" in the Exchange Offer Memorandum.

Transfer Restrictions	The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act or under any state securities laws of the United States, are being issued by the Company to holders of the 2023 Notes who are not a U.S. person and are not located or resident in the United States, and will be subject to customary restrictions on transfer and resale. See “Transfer Restrictions.”
Form, Denomination and Registration.....	The Notes will be issued only in fully registered form, without coupons, in denominations of US\$150,000 and integral multiples of US\$1 in excess thereof and will be initially represented by one or more global notes registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry Only	The Notes will be issued in book-entry through the facilities of Euroclear and Clearstream for the accounts of its participants. For a description of certain factors relating to clearance and settlement, see “Description of the New Notes — Book-Entry; Delivery and Form” in the Exchange Offer Memorandum.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Paying and Transfer Agent ..	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Registrar	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
ISIN	XS2711868435.
Common Code.....	271186843.
Listing and trading	Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the global note is exchanged for definitive notes. In addition, in the event that the global note is exchanged for definitive notes, an announcement of such exchange shall be made by or on

behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore.

Governing Law..... The Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Indenture will be governed by and will be constructed in accordance with the laws of the State of New York.

Risk Factors..... For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see the section entitled “Risk Factors” in the Exchange Offer Memorandum, which shall be read in conjunction with the section entitled “Update on Risk Factors” below.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

The Notes are subject to restrictions on transfer as summarized below. By accepting the Notes, you will be deemed to have made the following acknowledgements, representations to, and agreements with, us.

- (1) You understand and acknowledge that:
 - the Notes have not been registered under the Securities Act or any other applicable securities laws;
 - the Notes are being issued in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Notes are being issued to you as a holder of, a beneficial owner of, or a custodian or an intermediary acting on behalf of a beneficial owner of, the 2023 Notes;
 - the Notes are being issued outside the United States to persons other than U.S. persons (as defined in Regulation S under the Securities Act).
- (2) You represent that:
 - you are a holder of, a beneficial owner of, or are a custodian or an intermediary acting on behalf of a beneficial owner of, the 2023 Notes; and
 - you are not a U.S. person, and are not acting for the account or benefit of any U.S. person, and that you are not located or resident in the United States.
- (3) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours.
- (4) You acknowledge that neither we nor any person representing us has made any representation to you with respect to us or the issuance of the Notes, other than the information contained in this Information Memorandum. You represent that you are relying only on this Information Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to accept the Notes including an opportunity to ask questions of and request information from us.
- (5) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act.
- (6) You acknowledge that we, the Trustee, the Paying and Transfer Agent, the Registrar and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your acceptance of the Notes is no longer accurate, you will promptly notify us, the Trustee, the Paying and

Transfer Agent and the Registrar. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

(7) You also acknowledge that this Information Memorandum has not been, and will not be, registered as a prospectus with the MAS. Accordingly, you have represented, warranted and agreed that you have not circulated or distributed, nor will you circulate or distribute, this Information Memorandum or any other document or material in connection with the issuance of the Notes, and have not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor as defined in Section 275(2) of the SFA or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

UPDATE ON BUSINESS

OVERVIEW

We are an established property developer in the Yangtze River Delta Region focusing on the development and sales of residential properties and accompanying ancillary facilities, such as retail units, car parks and ancillary areas. Headquartered in Shanghai, we have established an active presence and a strategic regional coverage in the Yangtze River Delta Region, one of the most economically prosperous and vibrant regions in the PRC, which is expected to enjoy healthy economic growth.

We intend to continue to adopt our diversified land acquisition strategy to enrich and optimize our land reserves and support our business growth. As of June 30, 2023, we (together with our joint ventures and associates) had 62 projects with land reserves amounting to 6,162,504 sq.m., of which 55 projects were located in the cities in the Yangtze River Delta region. We believe that such diversified land acquisition strategy will allow us to reinforce our business strategy of focusing on the Yangtze River Delta Region and strategically expanding into new markets and to accumulate strategically located land reserves.

RECENT DEVELOPMENTS

Equity Interests Swap Agreement

On January 12, 2023, Jiangsu Zhengchang Zhongrunfu Investment Development Co., Ltd. (江蘇正昌眾潤富投資發展有限公司), a company established in the PRC with limited liability (the “**JV Partner**”), Anhui Gangfan Real Estate Co., Ltd. (安徽港帆置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company (“**Anhui Gangfan**”), Anhui Ganglong Real Estate Co., Ltd. (安徽港龍置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company (“**Anhui Ganglong**”), Huangshan Ganglong Real Estate Co., Ltd. (黃山港龍置業有限公司), a company established in the PRC with limited liability (“**Huangshan Project Co**”) and Huangshan Ganglong Real Estate Co., Ltd. (黃山港龍置業有限公司), a company established in the PRC with limited liability (“**Guangde Project Co**”) entered into an equity interests swap agreement, pursuant to which (i) JV Partner agrees to transfer the 30% equity interests in Huangshan Project Co held by it to Anhui Ganglong and (ii) Anhui Gangfan agrees to transfer the entire equity interests in Guangde Project Co held by it to the JV Partner. As of January 12, 2023, Huangshan Project Co was owned as to 70% by Anhui Ganglong and 30% by the JV Partner, and Guangde Project Co was an indirect wholly-owned subsidiary of the Company. The consideration for the disposal of the entire equity interest in Guangde Project Co is RMB152,170,000, which would be set off against the consideration for the acquisition of the 30% equity interest in Huangshan Project Co of RMB152,170,000 at completion.

Disposal of Project in Jiangsu Province

On April 2, 2023, an indirect and wholly-owned subsidiary of the Company (the “**Vendor**”), Nantong Jiuhe Property Development Co., Ltd. (南通久和房地產開發有限公司), a company established in the PRC with limited liability and an independent third party (the “**Purchaser**”) and Nantong Jiuhe Real Estate Co., Ltd. (南通久和置業有限公司), a company established in the PRC with limited liability which held the entire interest in the Hai’an Site located at South Side of Donghai Avenue and East Side of Ninghai South Road, Hai’an City, Jiangsu Province (江蘇省海安市東海大道南側、寧海南路東側) (the “**Target Company**”),

among others, entered into an equity transfer agreement, pursuant to which the Vendor agrees to sell, and the Purchaser agrees to purchase the 35% equity interests in the Target Company held by the Vendor. As of April 3, 2023, the Target Company was a non-wholly-owned subsidiary of the Vendor and was owned by the Vendor as to 35%, the Purchaser as to 25%, and other independent third parties as to the 40%. The Consideration for the disposal of the 35% equity interests in the Target Company was RMB173,000,000.

Audited Consolidated Financial Statements for the Year Ended December 31, 2022

On March 31, 2023, we released the 2022 annual results in accordance with the rules of the Stock Exchange as applicable to us, and on April 21, 2023, we released the annual report of the Company on the website of the Stock Exchange on April 21, 2023 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042101275.pdf>), which included the audited consolidated financial statements of the Group for the year ended December 31, 2022 with independent auditor's report thereon. This Information Memorandum should be read and construed in conjunction with the Audited 2022 Financial Statements. The Audited 2022 Financial Statements shall be deemed to be incorporated in, and form part of the Information Memorandum.

Unaudited Condensed Consolidated Interim Results for the Six Months Ended June 30, 2023

On August 22, 2023, we released the 2023 interim results in accordance with the rules of the Stock Exchange as applicable to us, and on September 15, 2023, we released the interim report of the Company on the website of the Stock Exchange (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0915/2023091500985.pdf>), which included unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2023. This Information Memorandum should be read and construed in conjunction with the Unaudited 2023 Interim Financial Statements. The Unaudited 2023 Interim Financial Statements shall be deemed to be incorporated in, and form a part of the Information Memorandum. The Unaudited 2023 Interim Financial Statements have not been audited or reviewed by our independent accountants or any other independent accountants and may be subject to adjustment if audited or reviewed. The Unaudited 2023 Interim Financial Statements may not be indicative of our future performance and results of operation. Consequently, potential investors must exercise caution when using such information to evaluate our financial condition and results of operations.

GENERAL INFORMATION

We were incorporated in the Cayman Islands on October 8, 2018, as an exempted company with limited liability. Our shares have been listed on the Hong Kong Stock Exchange since July 15, 2020. Our principal place of business in Hong Kong is at Suites 501, 5/F, Five Pacific Place, 28 Hennessy Road, Wan Chai, Hong Kong. Our head office in the PRC is at No. 11 Building, PortMix South District, No. 2177 Shenkun Road, Minhang District, Shanghai, China. Our registered office is located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. Our website is www.glchina.group. Information contained on our website does not constitute part of this Information Memorandum.

UPDATE ON RISK FACTORS

You should carefully consider the risks and uncertainties described below and other information contained in this Information Memorandum before making an investment decision. This section shall be read and construed in conjunction with the section entitled “Risk Factors” in the Exchange Offer Memorandum. For purposes of this Information Memorandum, references to the “New Notes” in the Exchange Offer Memorandum shall be deemed to refer to the “Notes”. The risks and uncertainties described below and in the section entitled “Risk Factors” in the Exchange Offer Memorandum may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our business, financial condition or results of operations. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.

Our business and prospects are heavily dependent on the economic conditions in the PRC and may be adversely affected by the performance of the PRC property markets.

Beginning in the second half of 2021 and continuing into 2023, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point characterized by a number of adverse developments, including the following:

- reduced bank lending for real estate development adversely affected access by property developers to onshore capital;
- reduced bank lending for mortgage finance for buyers, combined with buyers’ concerns towards the ability of property developers to complete projects, has adversely affected property sales;
- tightened restrictions on the use of pre-sale proceeds under the applicable PRC law; and
- more recently, a material decrease in aggregate contracted sales and a substantial reduction in prices for residential units across the sector.

The negative news relating to certain Chinese property companies including defaults on their indebtedness have had a further negative impact on, and resulted in increased volatility in, the property sector in China. Such recent defaults make it difficult for Chinese property developers, management companies and potential property purchasers to obtain onshore and offshore financing, and result in very low market confidence in and very low demand for China real estate and increased market volatility. Some Chinese property developers have been engaging in debt restructuring efforts to repair their debt maturity profile. However, these efforts may not succeed in the manner that such Chinese property developers intend, or at all.

Reduced bank lending for real estate development, coupled with certain negative credit events, has intensified market concerns over the operations of Chinese property developers. The market condition in the real estate sector will remain under pressure in 2023, and therefore, in the absence of a sharp recovery in the market and a resurgence of various financing options, we remain cautious about our liquidity in the near term. We continue to examine various options to improve our liquidity and cash position. However, there can be no assurance that we will be able to continue generating sufficient cash through operations and financing activities to meet our obligations as they come due (including the Notes), as well as to continue funding our significant operational cash flow needs and ongoing investments and other commitments. Failure by us to generate such cash could have a material adverse effect on our business, results of operations and financial condition, on the trading price of the Notes, and ultimately on our ability to repay our obligations under the Notes on a timely basis, or at all.

The global financial markets, and therefore PRC markets, have experienced significant slowdown and volatility during the past few years and any continued deterioration may adversely affect our business and results of operations.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting to increase inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. In February 2022, Russia launched a special military operation in Ukraine. The special military operation started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic. Such situation in Eastern Europe have led to significant volatility in the global capital markets and on the global economy. The conflict between Russia and Ukraine is still evolving and the impact of such geo-political conflicts on global economy is still unclear. In October 2023, Israel was attacked by Palestinian militant groups led by Hamas, and Israel formally declared war on Hamas and responded with a counteroffensive. The conflict in the region is still evolving and its impact on the global economy is still unclear. Our business, results of operations, financial condition and prospects may be materially and adversely affected by such geo-political conflicts and changes in global macro-economic environment.

ANNEX A

EXCHANGE OFFER MEMORANDUM

STRICTLY CONFIDENTIAL — DO NOT FORWARD — NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”) OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THIS EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE OR ARE ACTING FOR THE ACCOUNT OR BENEFIT OF NON-U.S. PERSONS THAT ARE ADDRESSEES OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached exchange offer memorandum following this page. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached exchange offer memorandum. In accessing the attached exchange offer memorandum, you agree to be bound by the following terms and conditions including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed your representation to Guotai Junan Securities (Hong Kong) Limited and CMB International Capital Limited (the “**Dealer Advisors**” and each a “**Dealer Advisor**”) that (1) you and any customers you represent or are acting for the account or benefit of are non-U.S. persons outside the United States and to the extent you purchase the securities described in the attached exchange offer memorandum, you will be doing so pursuant to Regulation S under the U.S. Securities Act and (2) that you consent to delivery of the attached exchange offer memorandum and any amendments or supplements thereto by electronic transmission.

The communication of the attached document and any other document or materials relating to the issue of the securities offered thereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The attached document and such other documents and/or materials are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (ii) fall within Article 43(2) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). The attached document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the attached document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached document or any of its contents.

The attached document is not a prospectus for the purposes of Regulation (EU) 2017/1129, including as the same forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Dealer Advisors or any person who controls any Dealer Advisor or any of its directors, employees representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

THE EXISTING NOTES AND THE NEW NOTES (AS DEFINED IN THE ATTACHED EXCHANGE OFFER MEMORANDUM) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or to the Dealer Advisors to subscribe for or purchase any of the securities described therein and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer Advisors or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be described to be made by the Dealer Advisors or their respective affiliates on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached exchange offer memorandum on the basis that you are a person into whose possession such exchange offer memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver such exchange offer memorandum, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORIZED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED EXCHANGE OFFER MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH EXCHANGE OFFER MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED EXCHANGE OFFER MEMORANDUM, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other items of a destructive nature. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INVESTOR REPRESENTATIONS

By accessing the attached exchange offer memorandum, you are further deemed to have made the following representations, warranties, agreements undertakings, confirmations and acknowledgements to the Company and the Dealer Advisors (as defined herein). For the purposes of the below, “you” means the Company and/or the Dealer Advisors as the context may indicate, and “we” means such holder participating the exchange offer by submitting instructions and tendering the Existing Notes (as defined herein) for exchange pursuant to the Exchange Offer (as defined herein).

1. We base our investment decision solely on the information published on or prior to the date of this exchange offer memorandum by the Company on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**HKEXnews website**”) (the “**Public Disclosure**”) and not on any other information or representation concerning the Company which we may have received from the Company, the Dealer Advisors or their representatives. We acknowledge that none of the Company, any of its affiliates or any other person has made any representations, express or implied, to us with respect to the Company, the exchange offer, the New Notes or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the exchange offer or the New Notes. We agree that we will not distribute, forward, transfer or otherwise transmit any presentational or other materials concerning the exchange offer (including electronic copies thereof) to any person (other than any Eligible Holder on behalf of which we act), and we have not distributed, forwarded, transferred or otherwise transmitted any such materials to any person (other than any Eligible Holder on behalf of which we act).
2. We understand that the exchange offer involves a high degree of risk and that the New Notes are complex products.
3. We (a) have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent we have deemed necessary, (b) have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company and the Subsidiary Guarantors (as defined herein) concerning their respective financial condition and results of operations and the exchange offer, and any such questions have been answered to our satisfaction, (c) have requested from the Company and the Subsidiary Guarantors and reviewed all information that we believe is necessary or appropriate in connection with the exchange offer, (d) have made our own investment decisions based upon our own judgment, due diligence and advice from such advisers as we have deemed necessary and not upon any view expressed by or on behalf of you, and (e) have been and will continue to be solely responsible for making our own independent analysis of and investigations into the status, creditworthiness, prospects, business, operations, assets and condition of the Company and any of the subsidiaries of the Company (collectively, the “**Group**”), the Subsidiary Guarantors and any other person referred to herein and for making its own decisions as to the purchase of, or the taking or not taking of any action in connection with, the exchange offer and the New Notes.
4. We understand and agree that we may not rely on any investigation that any person acting on your behalf has conducted with respect to the exchange offer, the New Notes, the Company and the Subsidiary Guarantors or any of their respective affiliates, and no other party has made any representation to us, express or implied, with respect to the exchange offer, the New Notes, the Company or the Subsidiary Guarantors. Neither the Dealer Advisors nor any of their respective associates or affiliates have made, and we have not relied upon, any written or oral communication, representation, warranty or condition (express or implied) about, and the Dealer Advisors shall have no liability or responsibility for (a) the effectiveness, validity or enforceability of any agreement or other document entered into by or provided to us in connection with the exchange offer; (b) any non-performance by any party to any such documents; (c) the exchange offer or the New Notes; or (d) the business, properties, prospects, condition (financial or otherwise) or results of operations of the Group, and the Dealer Advisors do not owe and shall not owe any duty whatsoever in connection with any of the foregoing. Any information or explanations related to the terms and conditions of the exchange offer and the New Notes and any Public Disclosure does not constitute investment advice or a recommendation in respect of the exchange offer and is not considered or deemed to be an assurance or guarantee as to the expected performance of the New Notes, the Company, and each other member of the Group.
5. We acknowledge that the information provided to us with regard to the Company or the Subsidiary Guarantors and the New Notes has been prepared and supplied by the Company and the Subsidiary

Guarantors (whether or not it was conveyed by you to us on the Company's behalf), and that no other party has verified such information or makes any representation or warranty as to its accuracy or completeness.

6. We are a sophisticated institutional investor and have such knowledge and experience in financial, business and international investment matters, and in particular in purchasing debt securities issued by PRC property companies, that, and we are capable of evaluating the merits and risks of the exchange offer, have had the opportunity to ask questions of, and receive answers and request additional information from, the Company and the Subsidiary Guarantors and we are aware that we may be required to bear, and are able to bear, the economic risk of an investment in the New Notes, including the possibility that it may lose all or a substantial portion of its investment.
7. We represent and acknowledge that (a) neither the Dealer Advisors nor any of their affiliates have been requested to or have provided us with any information or advice with respect to the exchange offer or the New Notes nor is such information or advice necessary or desired; (b) neither the Dealer Advisors nor any of their affiliates have made or make any representation as to the Company, the exchange offer or the credit quality of the New Notes; (c) the Dealer Advisors and their affiliates may have acquired, or during the term of the exchange offer and/or the New Notes may acquire, non-public information with respect to the Company, which we agree need not be provided to us; and (d) in connection with the exchange offer and the issuance of the New Notes, neither the Dealer Advisors nor any of their affiliates have acted as our financial advisor or fiduciary.
8. We are acquiring the New Notes for our own account (or for the account of a person that is not a U.S. person as defined in Regulation S under the Securities Act) as to which we exercise sole investment discretion and have authority to make these statements) for investment purposes, and not with a view to any resale or distribution thereof within the meaning of the U.S. securities laws.
9. We understand that the New Notes and the guarantees to be provided by the Subsidiary Guarantors have not been, and will not be, registered under the Securities Act or with any state or other jurisdiction of the United States.
10. If we are acting as a fiduciary or agent for one or more investor accounts, (a) we have investment discretion with respect to each such account and (b) we have full power and authority to make the representations, warranties, agreements and acknowledgements in this letter on behalf of each such account.
11. We acknowledge and agree that we did not become aware of the exchange offer through any form of general solicitation or advertising within the meaning of Rule 502 under the Securities Act or otherwise through a "public offering" under Section 4(a)(2) of the Securities Act or as a result of any directed selling efforts (as that term is defined in Regulation S under the Securities Act) and we did not become aware of the exchange offer and was not otherwise solicited to enter into the exchange offer through solicitation of any party other than the Company and its respective affiliates.
12. The exchange offer is lawful under the securities laws of the jurisdiction in which we accept the exchange for the New Notes.
13. We are not a nominee company (unless the name of the ultimate beneficiary has been disclosed).
14. The terms and provisions of this letter shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, and the terms and provisions hereof shall be binding on our permitted successors in title, permitted assigns and permitted transferees. We confirm that, to the extent we are acting for the account of one or more persons, (i) we have been duly authorized to make on their behalf the confirmations, acknowledgements and agreements set forth herein and (ii) these provisions constitute legal, valid and binding obligations of us and any other persons for whose account we are acting.
15. We understand that the foregoing representations, warranties, agreements undertakings, confirmations and acknowledgements are required in connection with United States and other securities laws and that you and your affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings, confirmations and acknowledgements.

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION.
 NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO ANY PERSON LOCATED OR
 RESIDENT IN THE UNITED STATES.
 THIS EXCHANGE IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS AND ARE
 OUTSIDE THE UNITED STATES.



港龍中國地產
 GANGLONG CHINA PROPERTY

Ganglong China Property Group Limited
 港龍中國地產集團有限公司

(incorporated in the Cayman Island with limited liability)

Offer to Exchange at least a Minimum Acceptance Amount (as defined below) of
 the Outstanding 13.5% Senior Notes Due 2022

Description of Debt Securities	Outstanding Amount	ISIN/Common Code	Minimum Acceptance Amount	Exchange Consideration per US\$1,000 of applicable Existing Notes (as defined herein) tendered for exchange
13.5% Senior Notes Due 2022 (the "Existing Notes")	US\$158,000,000	XS2400313883/240031388	US\$142,200,000	US\$1,000 in aggregate principal amount of New Notes (as defined below) and Accrued Interest (as defined below). See the section entitled "Summary of the Exchange Offer — Exchange Consideration."

THIS EXCHANGE OFFER (AS DEFINED HEREIN) WILL EXPIRE AT 4:00 P.M., LONDON TIME ON NOVEMBER 2, 2022, UNLESS EXTENDED OR EARLIER TERMINATED AT OUR SOLE DISCRETION (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED, THE "EXCHANGE EXPIRATION DEADLINE"). ELIGIBLE HOLDERS (AS DEFINED HEREIN) WHO GIVE INSTRUCTIONS TO EXCHANGE EXISTING NOTES WILL RECEIVE EXCHANGE CONSIDERATION AS DESCRIBED BELOW. INSTRUCTIONS (AS DEFINED HEREIN) MAY NOT BE WITHDRAWN ONCE SUBMITTED.

Upon the terms and subject to the conditions set forth in this exchange offer memorandum (this "exchange offer memorandum"), we, Ganglong China Property Group Limited (the "Company"), are offering to exchange (the "Exchange Offer") at least US\$142,200,000, or 90%, of the Existing Notes (the "Minimum Acceptance Amount") held by Eligible Holders (as defined herein) for the exchange consideration for each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange (the "Exchange Consideration") consisting of the following:

- (a) US\$1,000 in aggregate principal amount of the US\$ denominated Senior Notes due 2023 (the "New Notes"); and
- (b) any Accrued Interest (as defined below).

Terms used in this exchange offer memorandum that are not otherwise defined herein have the meanings set forth in the indenture dated November 12, 2021, governing the Existing Notes (the "Existing Notes Indenture"). We plan to use our own internal funds to pay all such cash components of the various fees and considerations described above.

The Existing Notes are guaranteed by certain of our existing subsidiaries (together, the "Subsidiary Guarantors"). We refer to the guarantees by the Subsidiary Guarantors as the "Subsidiary Guarantees." Under certain circumstances and subject to certain conditions, a limited-recourse guarantee (the "JV Subsidiary Guarantee") may be provided by certain subsidiaries of the Company or may replace a Subsidiary Guarantee. We refer to the subsidiaries providing JV Subsidiary Guarantees as JV Subsidiary Guarantors. The New Notes will also be guaranteed by the Subsidiary Guarantors and JV Subsidiary Guarantors (if any).

The New Notes will have a tenor of 364 days and bear an interest rate of 13.5% per annum, payable in arrears on the date that is the last day of the six-month period starting from the Original Issue Date and on the maturity date.

Accrued and unpaid interest on any Existing Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Settlement Date, will be payable in cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) (such accrued and unpaid interest in cash, the "Accrued Interest"). For further details, see the section entitled "Summary of the Exchange Offer — Accrued Interest."

Instructions to exchange any of the Existing Notes may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Any New Notes to be issued to any Eligible Holder in the Exchange Offer will be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof. Any fractional amounts of New Notes will be forfeited. To the extent that any Eligible Holder elects to exchange only a portion of its Existing Notes, any retained portion must be in a minimum principal amount of US\$200,000. Eligible Holders are responsible for ensuring that their instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of US\$150,000. Instructions that would result in a principal amount of New Notes below US\$150,000 will be rejected.

Instructions in connection with the Exchange Offer are irrevocable. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms herein.

The Exchange Offer is subject to the conditions discussed under "Description of the Exchange Offer — Conditions to the Exchange Offer." Notwithstanding anything to the contrary contained in this exchange offer memorandum or in any other document related to the Exchange Offer, we expressly reserve the right, at our sole discretion and regardless of whether any of the conditions described under "Description of the Exchange Offer — Conditions to the Exchange Offer" have been satisfied, subject to applicable law, at any time to (i) terminate the Exchange Offer, in whole or in part, (ii) waive any of the conditions described herein, in whole or in part, (iii) extend the Exchange Expiration Deadline or Settlement Date, (iv) amend the terms of the Exchange Offer, including the Minimum Acceptance Amount, or (v) modify the form or amount of the consideration to be paid pursuant to this Exchange Offer. Our obligation to accept for exchange the Existing Notes validly tendered is subject to, and conditioned upon, among other things, the valid tender of the Existing Notes for at least the Minimum Acceptance Amount. **Unless waived by us, if we receive valid tenders of the Existing Notes for less than the Minimum Acceptance Amount, we will not proceed with the Exchange Offer and the Exchange Offer shall lapse automatically.**

Only direct participants in Euroclear Bank SA/NV ("Euroclear") or Clearstream Banking S.A. ("Clearstream") may submit instructions through Euroclear and Clearstream. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Existing Notes to submit an instruction on your behalf to the relevant clearing system prior to the deadline specified by the relevant clearing system, which may be earlier than the deadline specified in this exchange offer memorandum. Upon giving instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer is modified or terminated so as to result in a cancellation of such instructions.

You should carefully consider all the information in this exchange offer memorandum including, in particular, the "Risk Factors" section in this exchange offer memorandum before you make any decision regarding the Exchange Offer. For more information regarding the New Notes, see the section entitled "Description of the New Notes."

YOU MUST MAKE YOUR OWN DECISION WHETHER TO EXCHANGE YOUR EXISTING NOTES IN THE EXCHANGE OFFER. NONE OF THE COMPANY, THE EXISTING NOTES TRUSTEE, THE EXISTING NOTES AGENTS, THE SUBSIDIARY GUARANTORS, THE DEALER ADVISORS, THE INFORMATION AND EXCHANGE AGENT (EACH AS DEFINED HEREIN) OR ANY OTHER PERSON IS MAKING ANY RECOMMENDATION AS TO WHETHER OR NOT YOU SHOULD EXCHANGE YOUR EXISTING NOTES IN THE EXCHANGE OFFER.

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval-in-principle from, admission to the Official List of, and listing and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

The New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the New Notes are being offered and sold only to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. For a description of certain restrictions on resale or transfer, see the section entitled "Transfer Restrictions."

Dealer Advisors



國泰君安國際
 GUOTAI JUNAN INTERNATIONAL



招銀國際
 CMB INTERNATIONAL

The date of this exchange offer memorandum is October 26, 2022

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This exchange offer memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this exchange offer memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this exchange offer memorandum or that the information contained in this exchange offer memorandum is correct as of any time after that date.

This exchange offer memorandum is not a prospectus for the purposes of Regulation (EU) 2017/1129, including as the same forms part of domestic law in the United Kingdom by virtue of by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

The communication of this exchange offer memorandum and any other document or materials relating to the issue of the New Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. This exchange offer memorandum and such other documents and/or materials are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”)), (ii) fall within Article 43(2)) of the Financial Promotion Order, (iii) are

outside the United Kingdom, or (iv) are other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”). This exchange offer memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this exchange offer memorandum relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this exchange offer memorandum or any of its contents.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) — Solely in connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”) the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) of the classification of the New Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We, having made all reasonable inquiries, confirm that: (i) this exchange offer memorandum contains all information with respect to us, our subsidiaries and affiliates referred to in this exchange offer memorandum, the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees, that is material in the context of the Exchange Offer and the issue of the New Notes; the statements contained in this exchange offer memorandum relating to us and our subsidiaries are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this exchange offer memorandum with regard to us and our subsidiaries are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other material facts in relation to us, our subsidiaries, the New Notes and the Subsidiary Guarantees, the omission of which would, in the context of the Exchange Offer and the issue of the New Notes, make this exchange offer memorandum, as a whole, misleading; and (v) we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. We accept responsibility accordingly.

No representation or warranty, express or implied, is made by Guotai Junan Securities (Hong Kong) Limited and CMB International Capital Limited (the “**Dealer Advisors**”), China Construction Bank (Asia) Corporation Limited (the “**Existing Notes Trustee**”), China Construction Bank (Asia) Corporation Limited (the “**Paying and Transfer Agent**”) and China Construction Bank (Asia) Corporation Limited (the “**Registrar**”, together with the Paying and Transfer Agent, the “**Existing Notes Agents**”) or Morrow Sodali Limited, being the information and exchange agent (the “**Information and Exchange Agent**”) or any of their respective affiliates, directors or advisors as to the accuracy or completeness of the information set forth herein, and nothing contained in this exchange offer memorandum is, or should be relied upon as, a promise or representation, whether as to the past or the future. None of the Dealer Advisors, the Existing Notes Trustee, the Existing Notes Agents, the Information and Exchange Agent, any person who controls any of them and any of their respective affiliates, directors, officers, representatives or advisors has independently verified any of the information contained in this exchange offer memorandum. They can give no assurance that this information is accurate, truthful or complete, and, to the fullest extent permitted by law, none of them accepts any responsibility for the contents of this exchange offer memorandum. This exchange offer memorandum is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors, the Existing Notes Trustee, the Existing Notes Agents, or the Information and Exchange Agent as to whether Eligible Holders of the Existing Notes should tender the Existing Notes pursuant to the Exchange Offer.

Each person receiving this exchange offer memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on any Dealer Advisor, the Existing Notes Trustee and the Existing Notes Agents, any person who controls any of them or any of their respective affiliates, directors, officers,

representatives or advisors in connection with any investigation of the accuracy of such information or its decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates, the New Notes or the Subsidiary Guarantees (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of our company and the terms of the Exchange Offer) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Dealer Advisors, the Existing Notes Trustee or the Existing Notes Agents.

The New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been approved or disapproved of by the United States Securities and Exchange Commission ("SEC"), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Exchange Offer or the accuracy or adequacy of this exchange offer memorandum. Any representation to the contrary is a criminal offense in the United States.

We are not, and the Dealer Advisors are not, making an offer to sell the New Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), in any jurisdiction except where an offer or sale is permitted. The distribution of this exchange offer memorandum and the Exchange Offer may in certain jurisdictions be restricted by law. Persons into whose possession this exchange offer memorandum comes are required by us and the Dealer Advisors to inform themselves about and to observe any such restrictions. For a description of the restrictions on the offer and distribution of the New Notes, including the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), and distribution of this exchange offer memorandum, see the section entitled "Offer and Distribution Restrictions" below.

This exchange offer memorandum summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this exchange offer memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the Exchange Offer, including the merits and risks involved. We are not making any representation to you regarding the legality of tendering the Existing Notes pursuant to the Exchange Offer by you under any legal, investment, taxation or similar laws or regulations. You should not consider any information in this exchange offer memorandum to be legal, business or tax advice. You should consult your own professional advisors for legal, business, tax and other advice regarding tendering the Existing Notes pursuant to the Exchange Offer.

Whether or not the Exchange Offer is consummated, we expressly reserve the absolute right, at our sole discretion, from time to time to redeem or purchase any Existing Notes that remain outstanding after the consummation or termination of the Exchange Offer through open market or privately negotiated transactions, one or more tender offers or additional exchange offers or otherwise, on terms that may differ from those of this exchange offer memorandum and could be for cash or other consideration, or to exercise any of our rights (including rights of redemption) under the Existing Notes Indenture.

OFFER AND DISTRIBUTION RESTRICTIONS

This exchange offer memorandum does not constitute an offer of securities for sale in any jurisdiction where it is unlawful to do so. The distribution of this exchange offer memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this exchange offer memorandum comes are required by each of us, the Existing Notes Trustee, the Existing Notes Agents, the New Notes Trustee, the New Notes Agents, the Dealer Advisors and the Information and Exchange Agent to inform themselves about and to observe any such restrictions.

United States

The Exchange Offer will only be made to Eligible Holders who are located outside the United States and hold the Existing Notes through the Clearing Systems (as defined herein) or certain fiduciaries holding accounts for the benefit of persons outside the United States and holding the Existing Notes through the relevant Clearing System. The Exchange Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Existing Notes may not be tendered in the Exchange Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the Securities Act, or to a U.S. person (as defined in Regulation S of the Securities Act).

Accordingly, copies of this exchange offer memorandum and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to U.S. persons. Any purported offer of Existing Notes for exchange resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported offer of Existing Notes for exchange made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

The New Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdictions, and the New Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the Securities Act) outside the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of any other jurisdiction.

The purpose of this exchange offer memorandum is limited to the Exchange Offer and this exchange offer memorandum may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each holder of the Existing Notes participating in the Exchange Offer will represent that it is not a U.S. Person and it is not located in the United States and is not participating in the Exchange Offer from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Exchange Offer from the United States.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the New Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Company, the Subsidiary Guarantors or the JV Subsidiary Guarantors (if any).

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the New Notes in, from or otherwise involving the United Kingdom.

Hong Kong

This exchange offer memorandum has not been and will not be registered with the Registrar of Companies in Hong Kong. Accordingly, except as mentioned below, this exchange offer memorandum may not be issued, circulated or distributed in Hong Kong. A copy of this exchange offer memorandum may, however, be issued to a limited number of prospective applicants for the Exchange Offer or the New Notes in Hong Kong (i) in a manner which does not constitute an offer to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

No advertisement, invitation or document relating to the Exchange Offer or the New Notes has been or may be issued or has been or may be in the possession of any person for the purpose of issue (in each case, whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder.

Japan

The Exchange Offer and the New Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the “FIEA”) and may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer Advisor has acknowledged that this exchange offer memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each Dealer Advisor has represented, warranted and agreed that it has not offered or sold any New Notes or caused the New Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any New Notes or cause the New Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this exchange offer memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 and in accordance with the conditions specified in Section 275 of the SFA and (where

applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor as defined in Section 275(2) of the SFA or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

The PRC

No New Notes shall be offered or sold in the PRC (excluding Hong Kong, Macau and Taiwan), directly or indirectly, except in compliance with applicable laws and regulations.

Cayman Islands

No offer or invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the New Notes and no such invitation is made hereby.

British Virgin Islands

No invitation has been or will be made directly or indirectly to the public in the British Virgin Islands or any natural person resident or citizen in the British Virgin Islands to subscribe for any of the New Notes.

This Exchange Offer does not constitute, and will not be, an offering of the New Notes to any person in the British Virgin Islands.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this exchange offer memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “we,” “us,” “our,” the “Company,” the “Group” and words of similar import, we are referring to Ganglong China Property Group Limited itself and its consolidated subsidiaries, as the context requires.

Market data, industry forecast and the PRC and property industry statistics in this exchange offer memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe this information to be reliable, it has not been independently verified by us or the Dealer Advisors, the Existing Notes Trustee, the Existing Notes Agents, the New Notes Trustees, the New Notes Agents or any person who controls any of them or our or their respective directors, officers, employees, agents, affiliates and advisers, and neither we, the Dealer Advisors, the Existing Notes Trustee, the Existing Notes Agents, the New Notes Trustees, the New Notes Agents or any person who controls any of them nor our or their respective directors, officers, employees, agents, affiliates and advisers make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate. You should not unduly rely on such market data, industry forecast and the PRC and property industry statistics.

In this exchange offer memorandum, all references to “US\$” and “U.S. dollars” are to United States dollars, the official currency of the United States of America (the “United States” or “U.S.”); all references to “HK\$” and “H.K. dollars” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC (“Hong Kong” or “HK”); all references to “S\$” are to Singapore dollars, the official currency of the Republic of Singapore (“Singapore”); and all references to “CNY,” “RMB” or “Renminbi” are to the Renminbi, the official currency of the People’s Republic of China (“China” or the “PRC”).

We record and publish our financial statements in Renminbi. Unless otherwise stated in this exchange offer memorandum, all translations from Renminbi amounts to U.S. dollar amounts were made at the rate of RMB6.6981 to US\$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2022, and all translations from H.K. dollar amounts into U.S. dollar amounts were made at the rate of HK\$7.8472 to US\$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2022. All such translations in this exchange offer memorandum are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate, or at all. For further information relating to the exchange rates, see “Exchange Rate Information.”

References to “PRC” and “China,” in the context of statistical information and description of laws and regulations in this exchange offer memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC (“Macau”), or Taiwan. “PRC government” or “State” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Our financial statements are prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”) which differ in certain respects from generally accepted accounting principles in the United States (“U.S. GAAP”) and certain other jurisdictions. Unless the context otherwise requires, references to “2019,” “2020” and “2021” in this exchange offer memorandum are to our financial years ended December 31, 2019, 2020 and 2021, respectively.

References to “share” are to, unless the context indicates otherwise, an ordinary share, with a nominal value of HK\$0.01, in our share capital.

In this exchange offer memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

Certain statements in this exchange offer memorandum are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “aim,” “aspire,” “objective,” “target,” “schedules” and “outlook”) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this exchange offer memorandum), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects,
- our strategies, plans and goals and our ability to implement such strategies, plans and goals,
- general political and economic conditions in China,
- the development of the property development and related markets in China,
- future developments, competition, trends, regulatory environment and conditions in the property development industry and any other industries we operate or plan to operate in China,
- our dividend policy,
- projects under development,
- our future capital needs and capital expenditure plans,
- capital markets developments,
- volumes, operations, margins, overall market trends and risk management,
- other statements in this exchange offer memorandum that are not historical fact,
- exchange rate fluctuations and developing legal system, in each case pertaining to China and the industry and markets in which we operate,
- financial condition and performance,
- macroeconomic measures taken by China to manage economic growth, and
- other factors beyond our control.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions are made as of the date of this document.

Any such intentions may change in light of future developments. All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability exempted company incorporated in the Cayman Islands and operate principally in China. As substantially all of our business is conducted, and substantially all of our assets are located, in China, our operations are generally affected by and subject to the PRC legal system and PRC laws and regulations. Substantially all of our Directors and officers and the experts named herein reside outside the United States. All or a substantial portion of our assets and of such persons' assets are or may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons, or to enforce against us or such persons judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

The New Notes and the Indenture are each governed by the laws of the State of New York. Under the New Notes and the Indenture, we and the Subsidiary Guarantors will irrevocably submit to the non-exclusive jurisdiction of any New York state or United States federal court sitting in the Borough of Manhattan in The City of New York over any suit, action or proceeding arising out of or relating to the New Notes, the Subsidiary Guarantee and the Indenture. We and the Subsidiary Guarantors expect to appoint Cogency Global Inc. as the agent to receive service of process with respect to any action brought against us or the Subsidiary Guarantors in the United States federal courts sitting in the Borough of Manhattan, the City of New York under the federal securities laws of the United States or of any state of the United States or any action brought against us or the Subsidiary Guarantors in the courts of the State of New York in the Borough of Manhattan, the City of New York under the securities laws of the State of New York.

We have been advised by Harney Westwood & Riegels, our counsel as to Cayman Islands law, that it is uncertain whether the courts of the Cayman Islands would (i) enforce judgments of United States courts obtained against us or our Directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or (ii) entertain original actions brought in the Cayman Islands against us or our Directors or officers predicated upon the securities laws of the United States or any state in the United States. Harney Westwood & Riegels has further advised us that the courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment in *personam* obtained in a federal or state court of the United States under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an *in personam* judgment for non-monetary relief and would give a judgment based thereon; provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

Ganglong Huayang Development Ltd. (港龍華揚發展有限公司) (“**Ganglong Huayang**”) and Profit Great Investment Limited (盈裕投資有限公司) (“**Profit Great**”) are incorporated in the BVI. Any final and conclusive monetary judgment for a definite sum obtained against Ganglong Huayang and Profit Great in a competent foreign court in respect of the New Notes would be treated by the courts of the BVI as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary provided that:

- (i) the foreign court had jurisdiction in the matter and the BVI company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
- (ii) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations;

- (iii) in obtaining judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the foreign court;
- (iv) recognition or enforcement of the judgment would not be contrary to BVI public policy; and
- (v) the proceedings pursuant to which judgment was obtained were not contrary to the principles of natural justice.

We have also been advised by our counsel as to PRC Law, that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law that was last amended in December 24, 2021 and became effective from January 1, 2022. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based either on treaties between China and the country where the judgment was made or on reciprocity between jurisdictions. We have been further advised that, under the PRC Civil Procedure Law, a foreign judgment which does not violate basic legal principles, state sovereignty, state security, or social public interest may be recognized and enforced by a PRC court, based either on treaties between China and the country where the judgment was made or on reciprocity between jurisdictions. As there currently exists no treaty or other form of reciprocity between China and the United States governing the recognition of judgments, including those predicated solely upon the liability provisions of the United States federal securities laws, there is uncertainty as to whether and on what basis a PRC court would enforce judgments rendered by United States courts.

Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. However, under Hong Kong common law, a foreign judgment (including one from a court in the United States predicated upon U.S. federal or state securities laws) may be enforced in Hong Kong by bringing an action in a Hong Kong court and seeking summary or default judgment on the strength of the foreign judgment, provided that the foreign judgment is for debt or a definite sum of money and is final and conclusive on the merits. In addition, the Hong Kong courts may refuse to recognize or enforce a foreign judgment if such judgment:

- (a) was obtained by fraud;
- (b) was rendered by a foreign court that lacked the appropriate jurisdiction at the time (as determined by Hong Kong jurisdictional rules);
- (c) is contrary to public policy or natural justice;
- (d) is based on foreign penal, revenue or other public law; or
- (e) falls within Section 3(1) of the Foreign Judgment (Restriction on Recognition and Enforcement) Ordinance.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this exchange offer memorandum as they relate to us and as they are used in this exchange offer memorandum in connection with our business or us. These terms and their given meanings may not correspond to standard industry definitions or usage of those terms.

“ASP”	average selling price
“building ownership certificate”	building ownership certificate issued by relevant PRC government authorities with respect to the ownership rights of buildings (房屋所有權證)
“CAGR”	compound annual growth rate
“Central Region”	economic region which covers Henan Province, Hubei Province, Hunan Province and Anhui Province of the PRC, for the purpose of this exchange offer memorandum
“commodity residential properties”	residential properties developed by a property developer for sale
“completion certificate”	construction work completion inspection acceptance certificate/record issued by local urban construction bureaux or competent authorities in the PRC with respect to completion of property projects (竣工驗收備案)
“construction land planning permit”	construction land planning permit issued by local urban zoning and planning bureaux or competent authorities in the PRC (建設用地規劃許可證)
“construction work commencement permit”	construction work commencement permit issued by local construction committees or competent authorities in the PRC (建築工程施工許可證)
“construction work planning permit”	construction work planning permit issued by local urban zoning and planning bureaux or competent authorities in the PRC (建設工程規劃許可證)
“contracted GFA” or “contracted sales”	the aggregate amount of GFA pre-sold/sold or sales (as the case may be) set forth in all of the pre-sale and sale property purchases contracts entered by us and our joint venture and associated companies during a given year regardless of when the properties would be delivered; contract sales data is our operating data, which is provided for investor’s reference only; it differs from revenue in that the latter is an accounting concept, the amount of which is recognized for a specific year or period according to applicable accounting stand and rules
“COVID-19”	coronavirus disease 2019
“EIT”	《中國人民共和國企業所得稅法》(the PRC Enterprise Income Tax)

“ERP”	enterprise resource planning
“GDP”	gross domestic product
“GFA”	gross floor area
“HKFRSs”	Hong Kong Financial Reporting Standards issued by HKICPA
“jointly developed projects”	property projects developed or to be developed by our non-wholly-owned subsidiaries, joint ventures or associated companies
“land grant contract”	a land use rights grant contract (土地使用權出讓合同)
“land use rights certificate”	a certificate (or certificates as the case may be) of the right of a party to use a parcel of land (土地使用權證)
“LAT”	land appreciation tax (土地增值稅), as defined in the Provisional Regulations of the People’s Republic of China on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) and the Detailed Implementation Rules on the Provisional Regulations of the People’s Republic of China on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例實施細則)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“OA”	office automation
“occupancy rate”	refers to the ratio of leased GFA to rentable GFA held for property investment of a property development project on a given date
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“plot ratio”	the ratio between the saleable GFA of a development and the area of the site on which it is erected
“PRC GAAP”	generally accepted accounting principles in the PRC
“pre-sale permit”	a pre-sale permit authorizing a developer to start the pre-sale of a property under construction (商品房預售許可證)
“real estate title certificate”	a certificate to ascertain the ownership title of a party over a parcel of land and/or the building(s) erected upon (不動產權證書)
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)

“Saleable GFA”	GFA of a property which we intend to sell and which does not exceed the multiple of the site area and the maximum permissible plot ratio as specified in the relevant land grant contracts or other approval documents from governmental authorities relating to the project
“SAT”	the State Administration of Taxation (國家稅務總局)
“second-tier cities”	for the purpose of this exchange offer memorandum, includes Nanjing and Hangzhou
“sq.km.”	square kilometer
“sq.m.”	square meter
“third-tier cities”	for the purpose of this exchange offer memorandum, includes Changshu, Changzhou, Hai’an, Haimen, Huai’an, Lianyungang, Nantong, Taixing, Taizhou, Yancheng, Yixing, Luoyang, Huzhou, Shaoxing, Zhangjiagang, Jiaxing, Jiangyin and Rugao
“Yangtze River Delta Region”	economic region which covers Shanghai, Jiangsu Province, Anhui Province and Zhejiang Province of the PRC

SUMMARY

This summary does not contain all the information that may be important to you in deciding to invest in the New Notes. You should read the entire exchange offer memorandum, including the section entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.

OVERVIEW

We are an established property developer in the Yangtze River Delta Region focusing on the development and sales of residential properties and accompanying ancillary facilities, such as retail units, car parks and ancillary areas. Headquartered in Shanghai, we have established an active presence and a strategic regional coverage in the Yangtze River Delta Region, one of the most economically prosperous and vibrant regions in the PRC, which is expected to enjoy healthy economic growth.

We were founded in Changzhou in 2007 and since then have expanded our footprint in surrounding cities near the Yangtze River Delta Region including Changshu, Yancheng and Nantong in Jiangsu Province and Hangzhou, Jiaxing, Huzhou and Shaoxing in Zhejiang Province. Leveraging our brand, experience and execution capability in property development, we further expanded into Shanghai, a first-tier city, and major cities in Henan and Guizhou provinces in 2018. According to Cushman & Wakefield Limited, or C&W, we ranked 83rd among the property developers in the residential property market in the PRC in terms of contracted GFA sold in 2019.

Adhering to our core values of “striving for innovation, building with integrity” (用心創新，以誠築城), we believe that we have built an excellent reputation in our markets for constant innovation, quality of our various product series and credibility. Our targeted customer groups mainly include (i) first-time homebuyers, (ii) mid-range home-upgraders; and (iii) high-end home-upgraders. Depending on the local market demand and government development plans, we intend to meet the demand of each of our targeted customer groups by enriching our product series and improving our product quality and design.

For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, our revenue amounted to RMB1,978.0 million, RMB4,171.3 million, RMB10,368.7 million (US\$1,548.0 million), RMB4,858.8 million and RMB5,478.7 million (US\$818.0 million), respectively, and our net profit amounted to RMB470.1 million, RMB641.9 million, RMB1,102.2 million (US\$164.6 million), RMB453.1 million and RMB453.3 million (US\$67.7 million), respectively.

We intend to continue to adopt our diversified land acquisition strategy to enrich and optimize our land reserves and support our business growth. As of June 30, 2022, we had 72 development projects in 35 cities, developed by our subsidiaries, joint ventures and associated companies with an aggregate land reserves of 8,620,790 sq.m., including (i) completed properties with a saleable and leasable GFA of 845,329 sq.m., (ii) properties under development with an aggregate planned GFA of 5,774,496 sq.m., and (iii) properties held for future development with an aggregate estimated GFA of 2,000,965 sq.m. We believe that such diversified land acquisition strategy will allow us to reinforce our business strategy of focusing on the Yangtze River Delta Region and strategically expanding into new markets and to accumulate strategically located land reserves.

RECENT DEVELOPMENTS

Banking Facility in August 2022

Fo Shan Gang Long Real Estate Co., Ltd. (佛山港龍置業有限公司), an indirect wholly-owned subsidiary of the Company (“**FSGL**”) obtained a banking facility amounted to RMB800 million from Industrial Bank Co., Ltd. Foshan Branch (興業銀行佛山分行) (“**IBFS**”), a branch of Industrial Bank Co., Ltd., a commercial bank established in the PRC. Pursuant to the banking facility agreement (the “**August 2022 Facility Agreement**”) between FSGL and IBFS, IBFS agreed to provide credit facility up to RMB\$800 million (US\$119.4 million) for a property development project undertaken by FSGL in Shunde District, Foshan City, Guangdong Province, the PRC, the facility is available for three years and at an interest rate calculated with reference to one-year loan prime rate published by the National Interbank Funding Centre of the PRC plus 1.3% per annum. Our board of directors is of the view that the entering into the August 2022 Facility Agreement is beneficial to the Group as it provides additional financing resources for property development project which can strengthen its cashflow.

COVID-19 Pandemic

A respiratory illness caused by a novel coronavirus (COVID-19) has spread across the world since early 2020. In response to the COVID-19 pandemic, the PRC government has imposed measures across the PRC including, but not limited to, travel restrictions and quarantine for travelers or returnees, whether infected or not, and an extended shutdown of certain business operations. The COVID-19 outbreak poses potential risks to our business operation and financial condition. As of the date of this exchange offer memorandum, the COVID-19 pandemic did not have any material adverse impact on our financial position or results of operation, including the construction and pre-sale of property projects. See “Risk Factors — Risks Relating to the PRC — The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics.”

GENERAL INFORMATION

We were incorporated in the Cayman Islands on October 8, 2018, as an exempted company with limited liability. Our shares have been listed on the Hong Kong Stock Exchange since July 15, 2020. Our principal place of business in Hong Kong is at Suites 3620-22, 36/F, Two Pacific Place, 88 Queensway, Hong Kong. Our head office in the PRC is at No. 11 Building, PortMix South District, No. 2177 Shenkun Road, Minhang District, Shanghai, China. Our registered office is located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. Our website is www.glchina.group. Information contained on our website does not constitute part of this exchange offer memorandum.

SUMMARY OF THE EXCHANGE OFFER

This summary contains basic information about the Exchange Offer. It may not contain all of the information that is important to you in deciding to accept the Exchange Offer and it is qualified in its entirety by the more detailed information included in this exchange offer memorandum. You should carefully consider the information contained in this exchange offer memorandum, including the “Risk Factors.” In addition, certain statements include forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements.”

The material terms of the Exchange Offer are summarized below. In addition, we urge you to read the detailed descriptions in the section of this exchange offer memorandum titled “Description of the Exchange Offer.”

Company Ganglong China Property Group Limited.

Legal Entity Identifier 54930078H4OZ5PWZZ326.

The Exchange Offer Upon the terms and subject to the conditions set forth in this exchange offer memorandum, we are offering to exchange at least a Minimum Acceptance Amount of our outstanding Existing Notes for the Exchange Consideration.

As of the date of this exchange offer memorandum, US\$158,000,000 in aggregate principal amount of our Existing Notes is outstanding.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange Consideration) and will release and discharge us from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Background of the Exchange Offer During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has adversely affected access by property developers to onshore capital. Buyers’ concerns about the ability of property developers to deliver projects has adversely affected property sales. In addition, use of pre-sale proceeds becomes subject to more stringent restrictions under applicable PRC rules and regulations. Negative offshore capital markets reactions to all these negative onshore events and austerity measures limited our funding sources to address upcoming maturities.

The property sector in China has continued to experience volatility in 2022. Further tightened bank lending, coupled with various negative credit events, has intensified market concerns over the operations of Chinese property developers. As a result, pre-sale of Chinese property developers has generally decreased.

We anticipate that the market condition in the PRC real estate sector will remain under pressure in 2022, and in the absence of a sharp recovery in the market and a resurgence of various financing options, we remain cautious about our access to external capital to refinance our existing indebtedness in the near term. We, therefore, are striving to meet our financial commitments by, among others, generating cash flow, negotiating with creditors to extend or refinance existing indebtedness and reducing expenses. As part of these efforts, we are conducting the Exchange Offer.

If the Exchange Offer is not successfully consummated, we may not be able to fully repay the Existing Notes, and our other efforts to meet our financial commitments may not achieve the desired effect. As such, we may have to consider alternative debt restructuring exercise.

Purpose of the Exchange Offer We intend to refinance the Existing Notes and improve our debt structure to enable us to extend our debt maturity profile, develop more steadily, strengthen our balance sheet and improve cash flow management.

Minimum Acceptance Amount The minimum aggregate principal amount of the Existing Notes, being US\$142,200,000, or 90%, of the outstanding principal amount of the Existing Notes, for which valid tenders are received and that we will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer.

Unless waived by us, if we receive valid tenders of the Existing Notes for less than the Minimum Acceptance Amount, we will not proceed with the Exchange Offer and the Exchange Offer shall lapse automatically.

We reserve the right, in our sole discretion, to amend or waive the conditions to the Exchange Offer, including the Minimum Acceptance Amount, in accordance with the terms of this Exchange Offer, subject to applicable law.

Exchange Consideration For each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder of such Existing Notes will receive the Exchange Consideration consisting of:

- (a) US\$1,000 in aggregate principal amount of the US\$ denominated Senior Notes due 2023 (the “**New Notes**”), and
- (b) Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards).

We plan to use our own internal funds to pay all such cash components of the various fees and considerations described above.

Interest Rates of the New Notes The New Notes will have a tenor of 364 days and bear an interest rate of 13.5% per annum, payable in arrears on the date that is the last day of the six-month period starting from the Original Issue Date and on the maturity date.

See “Summary of the New Notes.”

Accrued Interest The Existing Notes bear interest at the rate of 13.5% per annum. Accrued and unpaid interest on the Existing Notes validly tendered and accepted for exchange, up to but not including the Settlement Date, will be payable in cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) (“**Accrued Interest**”).

Minimum Denominations of New Notes Each of the New Notes will be issued in minimum denominations of US\$150,000 and integral multiples of US\$1 in excess thereof.

Exchange Expiration Deadline 4:00 p.m., London Time on November 2, 2022, unless extended or earlier terminated at our sole discretion.

Settlement Date We anticipate that the Settlement Date will occur on or about November 7, 2022, unless the Exchange Offer is extended or earlier terminated.

Exchange Website <https://projects.morrowsodali.com/glchina>, the website set up by the Information and Exchange Agent for the purposes of hosting the documents relating to the Exchange Offer.

Eligible Holders The Exchange Offer will only be made to, and the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) are being offered and will be issued only to, eligible holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act) in exchange for their Existing Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S under the Securities Act) with the Existing Notes held through Euroclear and Clearstream (the “**Eligible Holders**”).

By giving Instructions, Eligible Holders of Existing Notes will be deemed to make a series of representations, warranties and undertakings, which are set out in “Description of the Exchange Offer — Representations, Warranties and Covenants of Eligible Holders of Existing Notes.”

Only Eligible Holders who have, or on whose behalf their brokers, dealers, custodians, trust companies or other nominees have, completed the procedures described in, and required by, this exchange offer memorandum are eligible to participate in the Exchange Offer.

For a description of restrictions on resale or transfer of the New Notes, see “Transfer Restrictions.”

Conditions to the Exchange Offer . . . Our obligation to consummate the Exchange Offer is conditional upon the following:

- not less than the Minimum Acceptance Amount of the Existing Notes shall have been validly tendered prior to the Exchange Expiration Deadline;
- there being no material adverse change in the market from the date of this exchange offer memorandum to the Settlement Date;
- an affirmative determination by us that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in our best interests; and
- the satisfaction of the other conditions described in “Description of the Exchange Offer — Conditions to the Exchange Offer.”

Subject to applicable law, we may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by us by the Settlement Date. We may also extend the Exchange Offer from time to time until the conditions are satisfied or waived. Although we have no present plans or arrangements to do so, we reserve the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. We will give you notice of any amendments, modifications or waivers as and if required by applicable law.

**Procedures for Tendering Existing
Notes**

To participate in the Exchange Offer, an Eligible Holder must validly tender its Existing Notes for exchange pursuant to the Exchange Offer prior to the Exchange Expiration Deadline pursuant to the procedures described herein.

If you are an Eligible Holder holding the Existing Notes through Euroclear and Clearstream or through a fiduciary holding accounts and you wish to participate in the Exchange Offer, you must tender your Existing Notes pursuant to the procedures described herein by way of an electronic instruction, which must be submitted or delivered through the relevant Clearing System by each Eligible Holder of the Existing Notes who is shown in the records of such Clearing System as a holder of an interest in the Existing Notes, authorizing delivery of your tender to exchange the Existing Notes that are the subject of such electronic instruction (the “**Instruction**”).

No guaranteed delivery procedures are being offered in connection with the Exchange Offer. You must tender your Existing Notes for exchange prior to the Exchange Expiration Deadline in order to participate and receive the Exchange Consideration.

Only direct participants in Euroclear or Clearstream may submit Instructions. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Existing Notes to submit an Instruction on your behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System.

Any Instructions must be given with respect to Existing Notes in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Upon giving Instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer is modified or terminated so as to result in a cancellation of such Instructions.

PLEASE NOTE: The Exchange Offer is available only to investors who are not U.S. persons (within the meaning of Regulation S) and are outside the United States. U.S. PERSONS (AS DEFINED IN REGULATION S) AND PERSONS LOCATED OR RESIDENT IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.

**Minimum Aggregate Principal
Amount of the Existing Notes to be
Tendered**

The Existing Notes being tendered for exchange may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The aggregate principal amount of the New Notes to be issued to any Eligible Holder will be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof; *provided* that, if an Eligible Holder shall elect to partially exchange its Existing Notes into New Notes, the principal amount of each retained Existing Note must be in a minimum principal amount of US\$200,000.

Eligible Holders are responsible for ensuring that their Instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of US\$150,000. Instructions that would result in a principal amount of New Notes below US\$150,000 will be rejected.

Withdrawal and Revocation

Instructions in connection with the Exchange Offer are irrevocable, unless withdrawal thereof is required by applicable law.

**Acceptance of Tenders; Delivery of
Exchange Consideration**

Subject to the terms and conditions described herein, we will accept Instructions that are validly tendered prior to the Exchange Expiration Deadline. Upon our determination that the conditions to the Exchange Offer have been satisfied, participants in the Exchange Offer who validly gave Instructions, and which Instructions are accepted by us, will receive the Exchange Consideration on the Settlement Date.

**Extensions, Amendments and
Terminations**

To the extent that it is legally permitted so to do, we expressly reserve our absolute right to (i) waive any condition to the Exchange Offer; (ii) amend any of the terms of the Exchange Offer, including the Minimum Acceptance Amount; and (iii) modify the consideration offered. Any amendment to the Exchange Offer will apply to all Existing Notes tendered, regardless of when and in what order such Existing Notes were tendered. If we make a material change in the terms of the Exchange Offer, we will disseminate additional offer materials or, if appropriate, issue a press release setting forth such changes, and will extend the Exchange Offer as we consider appropriate. We have the right, at our sole discretion, to extend the Exchange Expiration Deadline or Settlement Date.

Additionally, we expressly reserve the right, at our absolute discretion, to terminate the Exchange Offer at any time if the conditions to the Exchange Offer are not met prior to the Settlement Date.

In the event that the Exchange Offer is terminated, withdrawn or otherwise not consummated prior to the Settlement Date, no consideration will be paid or become payable and no New Notes will be issued or become issuable to Eligible Holders who have validly tendered their Existing Notes pursuant to the Exchange Offer. In any such event, the Existing Notes previously tendered pursuant to the Exchange Offer will be promptly returned to the tendering Eligible Holders.

Consequences of Failure to Exchange Existing Notes	For a description of the consequences of failing to exchange your Existing Notes, see “Risk Factors.”
Brokerage Commissions	No brokerage commissions are payable by the holders of the Existing Notes to us, the Dealer Advisors or the Information and Exchange Agent.
Dealer Advisors	Guotai Junan Securities (Hong Kong) Limited and CMB International Capital Limited
Information and Exchange Agent . . .	Morrow Sodali Limited has been appointed as the Information and Exchange Agent. You can find the address and telephone number for the Information and Exchange Agent on the back cover of this exchange offer memorandum.
Existing Notes Trustee	China Construction Bank (Asia) Corporation Limited
Existing Notes Paying and Transfer Agents	China Construction Bank (Asia) Corporation Limited
Existing Notes Registrar	China Construction Bank (Asia) Corporation Limited
New Notes Trustee	China Construction Bank (Asia) Corporation Limited
New Notes Paying and Transfer Agents	China Construction Bank (Asia) Corporation Limited
New Notes Registrar	China Construction Bank (Asia) Corporation Limited
Clearing Systems	Euroclear and/or Clearstream (each a “ Clearing System ”)
Use of Proceeds	We will not receive any cash proceeds from the Exchange Offer. See “Use of Proceeds.”
Further Information	Questions about the terms of the Exchange Offer should be directed to the Dealer Advisors and the Information and Exchange Agent.

If you have questions regarding tender or offer procedures or require additional copies of this exchange offer memorandum, please contact the Information and Exchange Agent.

Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee for assistance concerning the Exchange Offer.

All documents related to the Exchange Offer will be made available, subject to eligibility, on the Exchange Website.

SUMMARY OF THE NEW NOTES

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this exchange offer memorandum. See “Description of the New Notes.” Terms used in this summary and not defined shall have the same meanings given to them in “Description of the New Notes.”

Issuer Ganglong China Property Group Limited (港龍中國地產集團有限公司) (the “Company”).

Notes Offered 13.5% Senior Notes due 2023 (the “New Notes”).

Interest The New Notes bear interest from and including the Original Issued Date at the rate of 13.5% per annum, payable in arrears on the date that is the last day of the six-month period starting from the Original Issue Date and on the maturity date.

Ranking of the Notes The New Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations below under “Description of the New Notes — The Subsidiary Guarantees and JV Subsidiary Guarantees” and in “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees”;
- effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Subsidiary Guarantees and JV Subsidiary Guarantee Each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes.

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee (if any) given by a JV Subsidiary Guarantor may be released in certain circumstances. See “Description of the New Notes — Release of the Subsidiary Guarantees and JV Subsidiary Guarantees.”

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will consist of Ganglong Huayang Development Ltd. (港龍華揚發展有限公司), Ganglong Development Group Limited (港龍發展集團有限公司) and Profit Great Investment Limited (盈裕投資有限公司). See “Description of the New Notes.” All of the Subsidiary Guarantors are holding companies that do not have significant operations.

The Company will cause each of its future Restricted Subsidiary (other than any PRC Restricted Subsidiaries, any Exempted Subsidiaries or any Listed Subsidiaries) provide a guarantee of the New Notes promptly and in any event within 30 days of becoming a Restricted Subsidiary.

Notwithstanding the foregoing sentence, the Company may elect to have any future Restricted Subsidiary organized outside the PRC (that is not an Exempted Subsidiary or a Listed Subsidiary) not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (such Restricted Subsidiaries that do not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee in accordance with the Indenture, the “Other Non-Guarantor Subsidiaries”) at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary; *provided that* after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of Total Assets.

Ranking of Subsidiary Guarantees . . . The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;

- ranks at least *pari passu* in right of payment with all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

See “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees.”

Ranking of JV Subsidiary Guarantees

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee;
- will be limited to the JV Entitlement Amount, and will rank at least *pari passu* with all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

See “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees.”

Use of Proceeds

See the section entitled “*Use of Proceeds*.”

Optional Redemption

At any time prior to the maturity date, the Company will be entitled at its option to redeem the New Notes in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes to be redeemed plus accrued and unpaid interest, if any, to (but not including), the redemption date.

Redemption for Taxation Reasons . . . Subject to certain exceptions and as more fully described in “Description of the New Notes — Redemption for Taxation Reasons,” the Company may redeem the New Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption, if the Company, a Subsidiary Guarantor or a JV Subsidiary Guarantor (if any) would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws. See “Description of the New Notes — Redemption for Taxation Reasons.”

Repurchase of New Notes Upon a Change of Control Upon the occurrence of a Change of Control, the Company will make an offer to repurchase all outstanding New Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date. See “Description of the New Notes — Repurchase of New Notes Upon a Change of Control.”

Carve-out to Events of Default The events of default provision under the New Notes will carve out the default of the Excluded Indebtedness and other defaults whose occurrence is as a result of any default or event of default under the Excluded Indebtedness. See “Events of Default” in “Description of the New Notes,” and “Risk Factors — Risks Relating to the Exchange Offer Generally — The events of default provision under the New Notes will carve out certain cross-default events arising directly or indirectly from any defaults or events of default under the Existing Notes” in the exchange offer memorandum.

Withholding Taxes, Additional Amount All payments of principal of, and premium (if any) on and interest on the New Notes or under the Subsidiary Guarantees and the JV Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “— Consolidation, Merger and Sale of Assets”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), including, without limitation, if applicable, the PRC (each, as applicable, a “Relevant Jurisdiction”), or any jurisdiction through which payments are made or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a “Taxing Jurisdiction”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required. See “Description of the New Notes — Additional Amounts.”

Covenants The New Notes and the Indenture governing the New Notes will limit the Company’s ability and the ability of its Restricted Subsidiaries to, among other things:

- incur additional indebtedness and issue disqualified or preferred stock;
- make investments, dividend payments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict the Restricted Subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

Amendments and Waivers of the Indenture Certain major terms of the Indenture may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes, including the reduction of the principal amount of, or premium, if any, or interest on, any New Note, the release of any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture. See “Description of the New Notes — Amendments and Waivers — Amendments With Consent of Holders” and “Risk Factors — Risks Relating to the Exchange Offer Generally — Certain major terms of the indenture governing the New Notes may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes at the time of the consent and there are certain other differences between the Existing Notes and the New Notes, which may adversely affect the interest of the holders of the New Notes and increase the credits risks of the New Notes” in the exchange offer memorandum.

Transfer Restrictions	The New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act or under any state securities laws of the United States, are being offered and sold in offshore transactions in reliance on Regulation S under the Securities Act, and will be subject to customary restrictions on transfer and resale. See “Transfer Restrictions.”
Form, Denomination and Registration	The New Notes will be issued only in fully registered form, without coupons, in denominations of US\$150,000 and integral multiples of US\$1 in excess thereof and will be initially represented by one or more global notes registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry Only	The New Notes will be issued in book-entry through the facilities of Euroclear and Clearstream for the accounts of its participants. For a description of certain factors relating to clearance and settlement, see “Description of the New Notes — Book-Entry; Delivery and Form.”
Trustee	China Construction Bank (Asia) Corporation Limited.
Principal Paying Agent	China Construction Bank (Asia) Corporation Limited.
Registrar and Transfer Agent	China Construction Bank (Asia) Corporation Limited.
ISIN	XS2545232832.
Common Code	254523283.
Legal Entity Identifier	54930078H4OZ5PWZZ326.
Listing and trading	Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.
Governing Law	The New Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Indenture will be governed by and will be constructed in accordance with the laws of the State of New York.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the New Notes, see the section entitled “ <i>Risk Factors</i> .”

SUMMARY TIMETABLE

The following summarizes the current schedule for the Exchange Offer. Please note that the expiration and settlement of the Exchange Offer, as well as the other events listed below, may be earlier or later than indicated below. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this exchange offer memorandum.

In relation to the times and dates indicated below, Eligible Holders of the Existing Notes should note the particular practices and policies of the relevant Clearing System regarding their communications deadlines, which will determine the latest time at which tenders of the Existing Notes for exchange may be delivered to the relevant Clearing System (which may be earlier than the deadlines set forth below) so that they are received by the Information and Exchange Agent within the deadlines set forth below.

All notices to Eligible Holders of the Existing Notes will be released through delivery to the Clearing Systems for communication to direct participants.

Date	Event
October 26, 2022	Commencement of the Exchange Offer and announcement via the websites of the SGX-ST, The Hong Kong Stock Exchange Limited (the “SEHK”), the Exchange Website and through Euroclear and Clearstream. Exchange offer memorandum will be made available to Eligible Holders of the Existing Notes on the Exchange Website.
November 2, 2022 (4:00 p.m., London time)	Exchange Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer.
As soon as practicable after the Exchange Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Exchange Expiration Deadline, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about November 7, 2022	Settlement Date, unless being amended or extended. Subject to satisfaction of the conditions as set forth under “Description of the Exchange Offer — Conditions to the Exchange Offer,” delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.
On or about November 8, 2022	Listing of the New Notes on the SGX-ST.

All references in this exchange offer memorandum to times are to London time, unless we state otherwise. The above dates are indicative only.

We reserve the right to extend the Exchange Expiration Deadline at our sole discretion. In such a case, the date on which the notice of the results of the Exchange Offer will be delivered and the Settlement Date will be adjusted accordingly. The Eligible Holders of the Existing Notes should inform themselves of any earlier deadlines that may be imposed by the Clearing Systems and/or any intermediaries, which may affect the timing of the submission of a notice of exchange.

The Company intends to publicly announce the commencement date of the Exchange Offer, any extensions of the Exchange Expiration Date, other notifications or amendments relating to the Exchange Offer and the results of the Exchange Offer by the issue of a press release and/or a notice sent via the Euroclear or Clearstream and announcement on the websites of the SGX-ST, the SEHK and the Exchange Website.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary financial and other data. The summary consolidated income statement data for the years ended December 31, 2019, 2020 and 2021 and the summary consolidated financial position data as of December 31, 2019, 2020 and 2021 set forth below (except for EBITDA data) have been derived from our audited consolidated financial statements for the years ended and as of December 31, 2020 and 2021, as audited by PricewaterhouseCoopers, our independent certified public accountants, and included elsewhere in this exchange offer memorandum. The summary consolidated income statement data for the six months ended June 30, 2021 and 2022 and the summary consolidated financial position data as of June 30, 2021 and 2022 set forth below (except for EBITDA data) have been derived from our unaudited interim condensed consolidated financial information for the six months ended and as of June 30, 2022, as reviewed by PricewaterhouseCoopers, our independent certified public accountants in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, and included elsewhere in this exchange offer memorandum. Our financial statements have been prepared and presented in accordance with HKFRS, which differ in certain respects from U.S. GAAP and generally accepted accounting principles in other jurisdictions. The summary financial data below should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this exchange offer memorandum. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of our management, include all adjustments considered necessary for a fair presentation of the financial position and results of operations for such periods. Results for interim periods are not indicative of results for the full year. Historical results are not necessarily indicative of results that may be achieved in any future period.

Summary Consolidated Income Statement and Other Financial Data

	For the year ended December 31,				For the six months ended June 30,		
	2019	2020	2021		2021	2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
Revenue from contracts with customers	1,978,034	4,171,331	10,368,685	1,548,004	4,858,839	5,478,713	817,950
Cost of sales	(1,133,507)	(2,654,238)	(7,968,312)	(1,189,638)	(3,719,851)	(4,338,019)	(647,649)
Gross profit	844,527	1,517,093	2,400,373	358,366	1,138,988	1,140,694	170,301
Other income and other gains, net	77,245	26,172	87,289	13,032	75,467	25,178	3,759
Selling and marketing expenses	(212,441)	(388,552)	(514,368)	(76,793)	(296,441)	(209,510)	(31,279)
General and administrative expenses	(250,454)	(461,659)	(626,590)	(93,547)	(284,878)	(242,305)	(36,175)
Fair value changes in investment properties	15,600	10,100	2,120	317	—	—	—
Operating profit	474,477	703,154	1,348,824	201,374	633,136	714,057	106,606
Finance income	8,607	38,735	43,575	6,506	21,614	19,929	2,975
Finance costs	(78,623)	(121,702)	(281,605)	(42,043)	(148,738)	(84,148)	(12,563)
Finance costs, net	(70,016)	(82,967)	(238,030)	(35,537)	(127,124)	(64,219)	(9,588)
Share of results of joint ventures and associates	359,427	403,436	393,009	58,675	192,121	49,074	7,327
Profit before income tax	763,888	1,023,623	1,503,803	224,512	698,133	698,912	104,345
Income tax expense	(293,824)	(381,684)	(401,622)	(59,961)	(245,045)	(245,656)	(36,675)
Profit and total comprehensive income for the years	<u>470,064</u>	<u>641,939</u>	<u>1,102,181</u>	<u>164,551</u>	<u>453,088</u>	<u>453,256</u>	<u>67,669</u>
Attributable to:							
Owners of the Company	668,041	960,748	480,936	71,802	156,937	180,421	26,936
Non-controlling interests	(197,977)	(318,809)	621,245	92,749	296,151	272,835	40,733
Other Financial Data (Unaudited)							
EBITDA ⁽¹⁾	856,253	1,129,613	2,047,021	305,612	1,083,671	852,718	127,307
EBITDA Margin (%) ⁽²⁾	43.3%	27.1%	19.7%	19.7%	22.3%	15.6%	15.6%

Notes:

- (1) EBITDA for any period consists of net profit before finance costs, income tax expenses, depreciation of property, plant and equipment and right-of-use assets, amortization expenses and capitalized interest under cost of sales. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the New Notes. Interest expense excludes amounts capitalized. See "Description of the New Notes — Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the New Notes.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Summary Consolidated Financial Position Data

	As of December 31,				As of June 30,	
	2019	2020	2021		2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	36,004	67,975	138,939	20,743	130,026	19,412
Investment properties	170,800	180,900	183,020	27,324	183,020	27,324
Investments accounted for using the equity method.	1,103,432	1,468,834	1,619,884	241,842	1,668,958	249,169
Deferred income tax assets	151,192	347,836	409,496	61,136	391,512	58,451
	<u>1,461,428</u>	<u>2,065,545</u>	<u>2,351,339</u>	<u>351,046</u>	<u>2,373,516</u>	<u>354,357</u>
Current assets						
Properties under development.	16,052,548	32,108,351	36,670,782	5,474,804	35,381,299	5,282,289
Completed properties held for sale	732,904	295,960	2,375,337	354,628	1,891,933	282,458
Trade and other receivables and prepayments	1,252,942	1,128,141	1,804,477	269,401	2,343,176	349,827
Amounts due from associates	124,709	175,789	129,850	19,386	133,108	19,873
Amounts due from joint ventures	350,268	426,390	253,761	37,886	139,735	20,862
Amounts due from non-controlling interests.	198,443	2,578,961	3,960,807	591,333	4,176,644	623,557
Financial assets at fair value through profit or loss	–	–	–	–	20,828	3,110
Tax recoverable	206,629	670,214	1,497,073	223,507	692,631	103,407
Restricted cash	1,414,744	2,211,490	4,608,272	687,997	4,128,246	616,331
Pledged time deposits	45,920	37,727	71,657	10,698	3,199	478
Cash and cash equivalents.	1,052,217	4,547,628	2,304,919	344,115	1,605,909	239,756
	<u>21,431,324</u>	<u>44,180,651</u>	<u>53,676,935</u>	<u>8,013,755</u>	<u>50,516,708</u>	<u>7,541,946</u>
Total assets.	<u><u>22,892,752</u></u>	<u><u>46,246,196</u></u>	<u><u>56,028,274</u></u>	<u><u>8,364,801</u></u>	<u><u>52,890,224</u></u>	<u><u>7,896,303</u></u>
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	–	14,919	14,900	2,225	14,881	2,222
Reserves	1,243,531	3,679,095	3,826,972	571,352	4,006,536	598,160
	1,243,531	3,694,014	3,841,872	573,576	4,021,417	600,382
Non-controlling interests	409,823	792,679	6,435,880	960,852	6,990,540	1,043,660
Total equity	<u><u>1,653,354</u></u>	<u><u>4,486,693</u></u>	<u><u>10,277,752</u></u>	<u><u>1,534,428</u></u>	<u><u>11,011,957</u></u>	<u><u>1,644,042</u></u>

	As of December 31,				As of June 30,	
	2019	2020	2021		2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
LIABILITIES						
Non-current liabilities						
Borrowings	1,709,099	2,590,967	6,736,574	1,005,744	6,812,011	1,017,006
Lease liabilities	3,782	18,049	80,188.00	11,972	74,980	11,194
Deferred income tax liabilities	94,699	110,402	157,124	23,458	203,248	30,344
	<u>1,807,580</u>	<u>2,719,418</u>	<u>6,973,886</u>	<u>1,041,174</u>	<u>7,090,239</u>	<u>1,058,545</u>
Current liabilities						
Trade payables, bills payables and other payables	2,463,085	5,836,270	5,076,982	757,973	3,606,119	538,379
Lease liabilities	8,188	12,151	16,629	2,483	16,681	2,490
Contract liabilities	8,416,172	20,979,809	27,240,235	4,066,860	26,239,400	3,917,439
Amounts due from associates	1,497,735	1,159,616	705,827	105,377	971,733	145,076
Amounts due from joint ventures	869,944	914,191	804,488	120,107	686,269	102,457
Amount due from a Controlling Shareholder	23,539	—	—	—	—	—
Amounts due from non-controlling interests	4,682,599	3,761,926	1,858,586	277,480	1,365,678	203,890
Tax payable	326,356	325,482	315,876	47,159	348,205	51,986
Borrowings	1,144,200	6,050,640	2,758,013	411,760	1,553,943	231,998
	<u>19,431,818</u>	<u>39,040,085</u>	<u>38,776,636</u>	<u>5,789,199</u>	<u>34,788,028</u>	<u>5,193,716</u>
Total liabilities	<u>21,239,398</u>	<u>41,759,503</u>	<u>45,750,522</u>	<u>6,830,373</u>	<u>41,878,267</u>	<u>6,252,261</u>
Total equity and liabilities	<u>22,892,752</u>	<u>46,246,196</u>	<u>56,028,274</u>	<u>8,364,801</u>	<u>52,890,224</u>	<u>7,896,303</u>

RISK FACTORS

You should carefully consider the risks and uncertainties described below and other information contained in this exchange offer memorandum before investing in the New Notes. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of the possible events described below occurs, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the New Notes, and you could lose all or part of your investment.

RISKS RELATING TO THE EXCHANGE OFFER GENERALLY

Failure to obtain tenders of at least the Minimum Acceptance Amount could increase our default risk under the Existing Notes.

If at least the Minimum Acceptance Amount is not tendered, or if any of the other conditions as described in “Description of the Exchange Offer — Conditions to the Exchange Offer” are not satisfied or waived, we will not be able to refinance the Existing Notes. We will therefore face liquidity pressure and will be subject to increased default risk under the Existing Notes Indenture and our other outstanding indebtedness.

The events of default provision under the New Notes will carve out certain cross-default events arising directly or indirectly from any defaults or events of default under the Existing Notes.

As the purpose of the Exchange Offer is to refinance the Existing Notes and improve our liquidity position, the events of default provision under the New Notes carves out certain cross-default events arising directly or indirectly from any defaults or events of default under the Existing Notes. See “Description of the New Notes” for details. However, the terms of our other existing indebtedness may include cross-default or cross-acceleration provisions. Holders of the New Notes may face more uncertainty and potentially higher credit risk in this regard if any default occurs with respect to the Existing Notes, because the Existing Notes and certain of our other indebtedness could become immediately due and payable upon such defaults, and we would have to settle or repay such indebtedness, but payment of the New Notes would not be accelerated and holders of the New Notes would continue to hold the New Notes without recourse to any such cross-default.

Certain major terms of the indenture governing the New Notes may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes at the time of the consent and there are certain other differences between the Existing Notes and the New Notes, which may adversely affect the interest of the holders of the New Notes and increase the credits risks of the New Notes.

Typically certain major terms of an indenture may only be modified, amended or waived with the consent of all holders of the outstanding notes. However, as part of the purpose of the Exchange Offer is to improve our overall financial condition, the indenture governing the New Notes allows modification, amendments or waivers of certain major terms to be made with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes at the time of the consent, including the waiver of payment defaults, the reduction of the principal amount of, or premium, if any, or interest on, any New Note, the release of any Subsidiary Guarantor or JV Subsidiary Guarantor from their guarantees, as the case may be, except as provided in the indenture governing the New Notes. There are certain other differences between the Existing Notes and the New Notes. For example, the right of any Holder of the Existing Notes to institute any proceeding, judicial or otherwise, to receive payment of the principal of, premium, if any, or interest on, such Existing Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Existing Notes, which right shall not be impaired or affected without the consent of the Holder of the Existing Notes, is different from that of the Holder of the New Notes as the right of any Holder

of the New Notes may be subject to any amendment or waiver obtained as described under “Description of the New Notes — Amendments and Waiver”. Such provisions would reduce the protection afforded to the holders of the New Notes and potentially increase the credits risks of the New Notes. See “Description of the New Notes” for details on the New Notes.

We are experiencing difficulty in maintaining and raising sufficient cash, including through financing activities, to meet our obligations as they become due and to continue funding our on-going business operations and investments.

Since mid-2021, sales for residential property in China slowed significantly and prices for residential units suffered a substantial reduction. Many companies in the Chinese property development sector, including us, are experiencing difficulty in maintaining and raising sufficient cash to meet our obligations as they become due and to continue funding our on-going business operations and investments. There has been significant negative news recently on difficulties experienced by the Chinese property sector and companies in that sector, including us. See “Summary of the Exchange Offer — Background” and “Summary of the Exchange Offer — Purpose of the Exchange Offer.”

We continue to examine various options to improve our liquidity and cash position. However, even after consummation of the Exchange Offer, we will continue to face pressure with respect to our coupon and principal payments on our borrowings becoming due given the current significant and negative situation with our liquidity and cash position. There can be no assurance that we will be able to continue generating sufficient cash through operations and financing activities to meet our obligations as they come due (including any Existing Notes not exchanged even if the Exchange Offer is consummated), as well as to continue funding our significant operational cash flow needs and ongoing investments and other commitments. Failure by us to generate such cash could have a material adverse effect on our business, results of operations and financial condition, on the trading price of the New Notes, and ultimately on our ability to repay our obligations under the New Notes on a timely basis, or at all.

Even after consummation of the Exchange Offer, we may not be able to make payments due on any outstanding Existing Notes or any other outstanding indebtedness.

It is possible that not all of the Existing Notes will be tendered, in which case some principal amount of Existing Notes will continue to remain outstanding. Although we are undertaking the Exchange Offer as part of our broader strategy to improve our overall financial condition, extend our debt maturity profile, strengthen our balance sheet and improve cash flow management, we cannot assure you that we will be successful in our strategy, or that we will have sufficient cash to pay the remaining coupon and principal payments as they come due under any outstanding Existing Notes. If we fail to make timely payment under any outstanding Existing Notes or any other outstanding indebtedness, that may in turn trigger cross-defaults or cross-acceleration under our other borrowings, and could have a material adverse effect on our business, results of operations and financial conditions, on the trading price of the New Notes, and ultimately on our ability to repay our obligations under the New Notes on a timely basis, or at all.

Upon consummation of the Exchange Offer, liquidity of the market for outstanding Existing Notes may be substantially reduced, and market prices for outstanding Existing Notes may decline as a result.

The trading market for Existing Notes that are not exchanged for New Notes could become more limited than the existing trading market for the Existing Notes and could cease to exist altogether due to the reduction in the principal amount of the Existing Notes outstanding upon consummation of the Exchange Offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Existing Notes. If a market for Existing Notes that are not exchanged exists or develops, the Existing Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can be no assurance that an active market in the Existing Notes will exist, develop or be maintained, or as to the prices at which the Existing Notes may trade, after the Exchange Offer is consummated.

We expressly reserve the right to purchase any Existing Notes that remain outstanding after the consummation or termination of the Exchange Offer.

Whether or not the Exchange Offer is consummated, we expressly reserve our absolute right, at our sole discretion, from time to time to redeem or purchase any Existing Notes that remain outstanding after the consummation or termination of the Exchange Offer through open market or privately negotiated transactions, one or more tender offers or additional exchange offers or otherwise, on terms that may differ from the Exchange Offer and could be for cash or other consideration, or to exercise any of our other rights, including redemption rights, under the Existing Notes Indenture.

A trading market for the New Notes may not develop.

We do not intend to make any application for the listing and quotation of the New Notes other than on the SGX-ST. It is expected that the listing and quotation of the New Notes will, if approval in principle is granted by the SGX-ST for the listing and quotation of the New Notes on the SGX-ST, commence on or about one business day following the Settlement Date.

There is no existing trading market for the New Notes prior to their listing on SGX-ST. The liquidity of the New Notes will be dependent on the level of acceptances by us of valid submissions to exchange Existing Notes, among other things. To the extent that the New Notes are traded, the price of the New Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders, and there can be no assurance of future liquidity in the New Notes.

Holdings are urged to contact their brokers to obtain the best available information as to the potential market price and liquidity of the New Notes and for advice concerning the effect of the Exchange Offer on their Existing Notes and the terms of the Exchange Offer.

Eligible Holders must tender a principal amount of the Existing Notes in the minimum denomination of such Existing Notes in order to participate in the Exchange Offer.

In order to participate in the Exchange Offer, an Eligible Holder of Existing Notes must validly tender for exchange a principal amount of Existing Notes in a minimum principal amount of US\$200,000 or in integral multiples of US\$1,000 in excess thereof. An Eligible Holder that holds Existing Notes having a principal amount which is less than such minimum denomination must, if it wishes to participate in the Exchange Offer, first acquire such additional Existing Notes as is necessary to enable that Eligible Holder to be able to offer for exchange and/or tender Existing Notes equal to at least the minimum denomination.

Eligible Holders of Existing Notes with a residual holding of less than the minimum denomination in principal amount of the Existing Notes may not be able to trade or transfer such Existing Notes.

If an Eligible Holder of Existing Notes does not, for any reason, tender all of its Existing Notes in the Exchange Offer and following the Exchange Offer, such holder continues to hold in its account with the relevant Clearing System a principal amount of Existing Notes which is less than the minimum denomination of US\$200,000, such holder would need to purchase a principal amount of Existing Notes such that its holding amounts to at least US\$200,000 in principal amount of Existing Notes, otherwise its residual holding may not be tradeable or transferrable in the Clearing Systems.

The Exchange Offer may be cancelled, delayed or amended.

We are not obligated to complete the Exchange Offer under certain circumstances and unless and until certain conditions are satisfied or waived, the Exchange Offer may be terminated, as described more fully below in “Description of the Exchange Offer — Conditions to the Exchange Offer.” Even if the Exchange Offer is completed, it may not be completed on the schedule described in this exchange offer memorandum. Accordingly, participating Eligible Holders may have to wait longer than expected to receive their Exchange

Consideration (or to have their Existing Notes returned to them in the event that we terminate the Exchange Offer), during which time those Eligible Holders will not be able to effect transfers of their Existing Notes tendered in the Exchange Offer. In addition, subject to applicable laws, we have the right to amend the terms of the Exchange Offer prior to the Exchange Expiration Deadline.

We may choose to terminate or amend certain parts of the Exchange Offer, but retain other aspects unchanged. In particular, we may terminate the Exchange Offer or amend the terms of the Exchange Offer with respect to the Existing Notes, including the relevant timing of the Exchange Offer. In such event, we will issue announcements of such decisions accordingly.

Although we are undertaking the Exchange Offer as part of our broader strategy to improve our overall financial condition, strengthen our balance sheet and improve cash flow management, we cannot assure you that we will be successful in our strategy, or that we will have sufficient cash to pay the remaining coupon and principal payments as they come due under any outstanding indebtedness, including the Existing Notes and the New Notes.

The Exchange Consideration to be received in the Exchange Offer does not reflect any market valuation of the Existing Notes or the New Notes.

We have made no determination that the consideration to be received in the Exchange Offer represents a fair valuation of the Existing Notes or the New Notes. The Exchange Consideration should not be construed as assurance or an indication of, and may not accurately reflect, the current or future market value of the Existing Notes or the New Notes. We have not obtained a fairness opinion from any financial advisor about the fairness to us or to you of the consideration to be received by holders of the Existing Notes. Accordingly, none of us, our board of directors, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors, the Information and Exchange Agent and any other person is making any recommendation as to whether you should tender any Existing Notes for exchange in the Exchange Offer.

Your decision to tender any Existing Notes for the Exchange Consideration may expose you to the risk of nonpayment for a longer period of time.

The Existing Notes will mature on November 11, 2022. The New Notes will mature in 2023. If you tender Existing Notes for New Notes and, following the maturity date of your tendered Existing Notes but prior to the maturity date of the New Notes, we were to become subject to a bankruptcy or similar proceedings, the holders of such earlier-maturing indebtedness including the holders of the Existing Notes who did not exchange their Existing Notes for New Notes could be paid in full prior to such event and there would exist a risk that holders of the Existing Notes who exchanged their Existing Notes for later-maturing New Notes would not be paid in full, if at all. Your decision to tender your Existing Notes for later-maturing New Notes should be made with the understanding that the lengthened maturity of such New Notes exposes you to the risk of nonpayment for a longer period of time.

No obligation to exchange the Existing Notes.

We are not under any obligation to exchange, and shall have no liability to any person for any non-exchange of, any tender of Existing Notes for exchange pursuant to the Exchange Offer. Any tenders by Holders for exchange of Existing Notes may be rejected in our sole and absolute discretion for any reason and we are not under any obligation to Holders to furnish any reason or justification for refusing to accept tenders of Existing Notes for exchange. For example, any tenders of Existing Notes for exchange may be rejected if the Exchange Offer is terminated, if the Holder is not an Eligible Holder, if any of the conditions to the Exchange Offer are not satisfied, if the Exchange Offer does not comply with the relevant requirements of a particular jurisdiction, or for any other reason.

Eligible Holders of the Existing Notes may not withdraw their instructions except as required by applicable law.

Instructions in connection with the Exchange Offer are irrevocable. Eligible Holders who tender their Existing Notes may not withdraw their instructions to exchange for the applicable Exchange Consideration except in limited circumstances as required by applicable law as described in this exchange offer memorandum. Withdrawal rights will only be provided as, and if, required by applicable law. As a result, there may be an unusually long time during which Eligible Holders of Existing Notes may be unable to effect transfers of their Existing Notes tendered for exchange.

You are responsible for complying with the procedures of the Exchange Offer. The Existing Notes you tendered will not be accepted for exchange and you may not receive Exchange Consideration in the Exchange Offer if the procedures for the Exchange Offer are not followed.

Eligible Holders are responsible for complying with all of the procedures for offerings to exchange the Existing Notes. We will issue New Notes in exchange for your Existing Notes only if you tender the applicable Existing Notes and deliver a properly submitted Instruction through Euroclear or Clearstream, as applicable. You should allow sufficient time to ensure timely delivery of the Instruction and the necessary documents. None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors and the Information and Exchange Agent assumes any responsibility for informing the holders of the Existing Notes of irregularities in any Instruction to Euroclear or Clearstream, as applicable, or with respect to the acceptance of offers to exchange. Prior to the Settlement Date, no assurance can be given that the Exchange Offer will be completed. This may depend upon the satisfaction or waiver of the conditions of the Exchange Offer. Upon giving a blocking instruction relating to the securities account where Existing Notes are held in a relevant Clearing System, Eligible Holders should be aware that they may not transfer title to such Existing Notes to other persons and may suffer losses if the market price of the Existing Notes changes and the Exchange Offer, in respect of that holder or generally, is not completed for whatever reason.

Eligible Holders holding the Existing Notes in Euroclear or Clearstream should note the particular practices and policies of Euroclear or Clearstream, as applicable, regarding their communications deadlines, which will determine the latest time at which tenders of the Existing Notes for exchange may be delivered to Euroclear or Clearstream, as applicable, (which may be earlier than the deadlines set forth in this exchange offer memorandum) so that they are received by the Information and Exchange Agent in respect of the Exchange Offer within the deadlines set forth in this exchange offer memorandum. None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors and the Information and Exchange Agent will be responsible for the communication of acceptances and corresponding instruction notices by:

- Beneficial owners to the direct participant through which they hold the Existing Notes; or
- The direct participant to the Euroclear or Clearstream, as applicable.

If you are the beneficial owner of the Existing Notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee or custodian, and you wish to tender in the Exchange Offer, you should promptly contact the person in whose name your Existing Notes are registered and instruct that person to tender on your behalf and to properly follow the procedures. Additionally, it is important to note that all references in this exchange offer memorandum to times are to London times, unless we state otherwise.

Your Existing Notes generally will be blocked from the date of instruction until the earlier of (i) consummation and (ii) termination of the Exchange Offer.

Participating Eligible Holders should be mindful that they are authorizing the relevant Clearing System to block their position in the Existing Notes until the Settlement Date, or termination or withdrawal of the Exchange Offer, as applicable. Participating Eligible Holders will not be able to sell or otherwise transfer their interests in such tendered Existing Notes during such time.

Eligible Holders are responsible for compliance with the exchange and transfer restrictions.

Each Eligible Holder of the Existing Notes is referred to the restrictions herein relating to the Exchange Offer and any transfer of the New Notes. Non-compliance with these restrictions could result in, among other things, the rejection to exchange, unwinding of trades and/or heavy penalties.

We did not perform any tax analysis regarding the tax consequences of the Exchange Offer to investors.

This exchange offer memorandum does not discuss the tax consequences to Eligible Holders and beneficial owners of the Exchange Offer. Eligible Holders and beneficial owners are urged to consult their own independent financial or other professional advisors regarding possible tax consequences of the Exchange Offer (including the exchange of Existing Notes for New Notes) to them under the laws of any relevant jurisdiction. Such Eligible Holders and beneficial owners are liable for their own taxes and have no recourse to us, the Subsidiary Guarantors, the Dealer Advisors, the Information and Exchange Agent, the Existing Notes Trustee, the Existing Notes Agents with respect to taxes arising in connection with the Exchange Offer. For certain tax consequences of the ownership and disposition of the New Notes, see the section entitled "Taxation."

RISK RELATING TO OUR BUSINESS

We may not have adequate financing to fund our future land acquisitions and property development, and such capital resources may not be available on commercially reasonable terms or at all.

Property development is capital intensive and we expect to continue to incur a high level of capital expenditures for project development in the foreseeable future. In 2019, 2020 and 2021 and the six months ended June 30, 2022, we financed our property projects primarily through proceeds from pre-sales and sales of our properties, advances from non-controlling interest, bank borrowings and other financing arrangements including trust financing.

Our ability to obtain adequate financing for land acquisitions or property development on terms commercially acceptable to us depends on a number of factors, many of which are beyond our control, including, among other things:

- our future results of operations, financial conditions and cash flows;
- the condition of the international and domestic financial markets and financing availability;
- requirements to obtain PRC government approvals necessary for obtaining financing in the domestic or international markets;
- the condition of the international and domestic financial markets and the availability;
- changes in monetary policies of the PRC Government with respect to bank interest rates and lending practices; and
- changes in the PRC policies regarding regulation and control of the property market.

We cannot assure you that the PRC government will not introduce measures or initiatives that limit our access to capital and methods we finance our development projects, or that we will be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercial reasonable terms, or at all and if that happens, our business, financial condition, results of operation and prospects could be materially adversely affected.

Recent negative news relating to certain Chinese property companies has also had a significant effect on the property sector in China. Such recent defaults have an adverse impact on property sales in China and the ability of Chinese property companies to obtain onshore and offshore financing and/or refinance its existing indebtedness, including us. Meanwhile, the government may further restrict PRC commercial banks from extending loans to real estate developers in the future and may also further tighten alternative financing channels such as trust financing, mortgaging financing and borrowing from asset management companies and wealth management companies. The occurrence of any of such events may adversely affect our business, financial condition and results of operations.

Furthermore, we derive a majority of our revenue and cash flow from sales and pre-sales of properties developed by us. Some purchasers of our properties rely on mortgage to fund their purchases. Without mortgage financing, some of our prospective customers would not be able to purchase our properties. There are a number of factors beyond our control that could affect the market for, and availability of, mortgage loans in China, and make it more difficult for us to pre-sell or sell our properties. For example, an increase in interest rate may significantly increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchasers and affordability of properties. We cannot assure you that the PRC government and commercial banks will not increase down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchases. We cannot assure you that the commercial banks will approve potential property purchasers' application for mortgage loans in a timely manner, or at all. Our sale and pre-sale may be materially and adversely affected if mortgage financing becomes more costly or more difficult to obtain.

Our business and prospects are heavily dependent on the economic conditions in the PRC and may be adversely affected by the performance of the PRC property markets, particularly in Changzhou, various major cities in the Yangtze River Delta Region and other cities we operate and intend to operate.

As of June 30, 2022, we had a project portfolio of 72 projects in various stages of development in the PRC developed by our subsidiaries, joint ventures and associated companies, which cover 35 cities in the PRC. Out of the 72 projects we have, 65 projects were located in the Yangtze River Delta Region. Our business is expected to be heavily dependent on the performance of the property markets, particularly in various major cities in Yangtze River Delta Region. These property markets may be affected by local, regional, national and global factors, including economics and financial developments, speculative activities in local market, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and the availability of capital. For example, the availability and price of land sold at public tender, auction or listing for sale processes depend on factors beyond our control, including government land policies and competing bidders. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Specific regulations are in place to control the methods and procedures by which land parcels are acquired and developed in the PRC. Furthermore, the rapid development in recent decades in major cities we plan to enter has resulted in a limited supply of undeveloped land in desirable locations and at attractive acquisition costs. As a result, our cost of acquiring land use right may rise further in the future, our business, financial condition, results of operations and prospect may be materially and adversely affected if we are unable to acquire suitable land parcels at a commercially acceptable price. Any adverse developments in the PRC property market generally or in the cities in which we have or expect to have operations could materially and adversely affect our business, financial condition, results of operations and prospects.

Since September 2021, there has been negative news relating to certain Chinese property companies including defaults on their indebtedness. This has had a negative impact on, and resulted in increased volatility in, the property sector in China. Such recent defaults make it difficult for Chinese property developers, management companies and potential property purchasers to obtain onshore and offshore financing, and result in very low market confidence in and very low demand for China real estate and increased market volatility. Any over-supply of properties or any decline in the demand or prices for properties in the cities in which we operate or intend to operate could have a material and adverse impact on our cash flows, financial condition and results of operations. There is no guarantee that such situation will improve, and the property market may not continue to grow and may even experience significant contraction. In addition, there may be more developers who are unable to pay their debt when due and default on their indebtedness and we cannot assure you that we will be able to refinance our existing indebtedness and/or pay our debts when due.

We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices, which may affect our business, financial condition, results of operations and prospects.

We believe that the sustainable growth and success of our business significantly depend on our ability to continue acquiring additional land reserves in desirable locations at commercially reasonable prices that are suitable for the residential and commercial development. Our ability to acquire land depends on a variety of factors, some of which are beyond our control, such as overall economic conditions, availability of land parcels provided by the PRC government and competition for land parcels which are suitable for development. Furthermore, our profitability during 2019, 2020 and 2021 and the six months ended June 30, 2022 was partly attributable to the low land cost which was acquired prior to the hike of land prices in 2016. As land cost is one of the largest components of our cost of sales, any increase in our land cost resulting from any reason, such as shortages of supply or our inability to acquire suitable land parcels at commercially acceptable prices could have a material and adverse effect on our business, financial condition, result of operations and prospects.

We recorded negative operating cash flow for the years ended December 31, 2019, 2020 and 2021 and we may not be able to obtain sufficient funding for our land acquisitions and future property developments on commercial reasonable terms, or at all.

We recorded negative cash flow from operating activities of approximately RMB6,756.0 million, RMB271.5 million, RMB3,935.1 million (US\$587.5 million) for the years ended December 31, 2019, 2020 and 2021, respectively, primarily due to cash outflows associated with payment of land costs in relation to land parcels acquired and development costs of a number of property projects during such periods. Such cash outflows may not always be completely offset by various operating cash inflow sources, which primarily comprised of proceeds received from our customers in the pre-sales and sales of our properties. As a result, there could be a period during which we experience net cash outflow. Although we seek to effectively manage our working capital and we recorded net cash generated from operating activities of approximately RMB1,078.1 million (US\$161.0 million) for the six months ended June 30, 2022, we cannot assure you that we will always be able to match the timing and amount of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. Please refer to “Financial Information — Liquidity and capital resources — Net cash generated from/(used in) operating activities” for further details.

In 2019, 2020 and 2021 and the six months ended June 30, 2022, we mainly relied on internal resources generated from our operations, including proceeds generated from pre-sales and sales of our properties, advances from non-controlling interests as well as external financings, which includes, primarily, bank borrowings and other financing arrangements including trust financing. Negative operating cash flow may require us to obtain sufficient additional financing to meet our financial needs and obligations and support our expansion plans. In the event that we are unable to generate sufficient cash flow for our operations or otherwise obtain sufficient external funds to finance our business, our liquidity and financial condition may be materially and adversely affected and we may not be able to expand our business. We cannot assure you

that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all. Moreover, the level of our indebtedness and the amount of our interest payments could further limit our ability to obtain the necessary financing or favourable terms for the financing to fund our future capital expenditures and working capital. Such limitations may reduce our competitiveness but increase our exposure and sensitivity to adverse economic and industry conditions, which could materially adversely affect our financial condition and results of operations.

We generate revenue and cash inflow principally from the sales of properties and our results of operations and cash flow largely depend on a number of factors including the schedule of our property development and the timing of property sales and may therefore vary significantly from period to period.

Our business model is to sell certain properties for return of capital to fund our business, operations and expansion plans. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, our revenue generated from the sales of properties amounted to RMB1,978.0 million, RMB4,171.3 million, RMB10,368.7 million (US\$1,548.0 million) and RMB5,478.7 million (US\$818.0 million), respectively. Our results of operations may fluctuate due to factors such as the schedule of our property development projects and the timing of property sales.

We generally recognize revenue from the sale of our properties upon delivery to purchasers. There is a time difference between pre-sales of projects under development and the completion of property construction. Because the timing of completion of our properties varies according to our construction timetable, our results of operations may vary significantly from period to period depending on the GFA sold or pre-sold, and the timing between our pre-sales and completion and the delivery of the properties to purchasers. Periods in which we pre-sell a large amount of aggregate GFA, may not be periods in which we generate a correspondingly high level of revenue, if the properties pre-sold are not completed and delivered within the same period. The effect of timing of delivery on our operational results is accentuated by the fact that during any particular period of time we can only undertake a limited number of projects due to the substantial capital requirements for land acquisition and construction costs.

Moreover, completion of our development projects requires substantial capital expenditures for, among other things, land acquisition and construction. The construction work for our development projects may take over a year or longer before they could generate positive net cash flow through selling. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules may affect whether our developments are completed within the planned budget. Whether our development properties can be completed within the planned budgets depends on a number of factors, including our ability to finance construction and the associated financing costs.

Fluctuations in our operating results and cash flow may also be caused by other factors, including fluctuations in expenses, such as land grant premium, development costs, administrative expenses, and selling and marketing expenses, changes in market conditions and consumer sentiment, and changes in market demand for our properties including any changes in connection with any negative news relating to the defaults of certain Chinese property companies. As a result, our period-to-period comparisons of results of operations and cash flow positions may not be indicative of our future results of operations and may not be taken as meaningful measures of our financial performance for any specific period. In addition, the cyclical property market of the PRC affects the optimal timing for the acquisition of land, the planning of development and the sales of properties. This cyclical nature, combined with the lead time required for the completion of projects and the sales of properties, means that our results of operations relating to property development activities may be susceptible to significant fluctuations from period to period. Furthermore, our property development projects may be delayed or adversely affected by a combination of factors beyond our control, which may in turn adversely affect our revenue recognition and consequently our cash flow and results of operations.

Our results of operations, financial condition and prospects may be adversely affected by impairment loss for properties under development and completed properties held for sale.

The real estate market volatility may subject us to risks in connection with possible impairment loss for properties under development and completed properties held for sale, if we fail to complete the construction and sell the properties in time at our desired prices. Impairment loss may arise when the carrying value of a property exceeds its recoverable amount. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, we did not record any impairment loss recognized for completed properties held for sale or any impairment losses for properties under development during the same period. However, we cannot assure you that we would not incur impairment losses in the future. If we incur such impairment losses, our results of operations, financial condition and prospects may be adversely affected.

Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, requisite government approvals or licenses in carrying out our property development and management operations.

The property development industry in the PRC is heavily regulated and property developers must abide by various laws and regulations, including rules promulgated by national and local governments to enforce these laws and regulations. Like other property developers in China, we must apply to the relevant government authorities to obtain (and renew those relating to on-going operations) various licenses, permits, certificates and approval to engage in property development enterprise, land use rights certificates, construction work commencement permits, construction work planning permits, construction land planning permits, pre-sales permits and completion certificates. We must submit a series of documents including construction drawing design documents and meet specific conditions in order for the government authorities to issue or renew any certificate, license or permit. Meanwhile, regulations relating to construction quality shall be observed during the construction process, and illegal acts such as dividing a construction project into several parts and contracting them out to several contractors shall be prohibited. Some subsidiaries once failed to obtain the necessary certificates and permits in a timely manner or failed to carry out construction properly according to the relevant laws and regulations. We cannot assure you that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property development industry or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. In the event that we fail to obtain, renew or abide by or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property development projects, we may not be able to continue with our development plans, and our business, financial condition and results of operations may be materially adversely affected.

Some subsidiaries are in the process of obtaining or renewing their qualification certificates, and some qualification certificates' grades held by the relevant subsidiaries have been canceled by the new Administrative Provisions on the Qualification of Real Estate Development Enterprises even though the qualification certificates have not expired. On March 2, 2022, the Ministry of Housing and Urban-rural Development issued the Decision on Revising the Administrative Provisions on the Qualification of Real Estate Development Enterprises (《住房和城鄉建設部關於修改〈房地產開發企業資質管理規定〉的決定》), according to which, real estate development enterprises are divided into one and two qualification grades according to such enterprises' conditions. There are no restrictions on the construction scale of real estate projects undertaken by real estate development enterprises with first-level qualifications. Real estate development enterprises with secondary qualifications can undertake development and construction projects with a construction area of less than 250,000 sq.m. Since the decision is relatively new, there can be no assurance that such subsidiaries could meet the requirements of the new regulation and will be able to obtain or renew the necessary qualification certificates in a timely manner according to the new regulation, or at all. If any of the subsidiaries do not obtain or renew the necessary qualification certificates in a timely manner, or at all, the Company's business, results of operations and financial condition may be materially and adversely affected.

We are subject to legal and contractual risks related to pre-sales, which could have an adverse effect on our business, financial condition and result of operations.

Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sales of the relevant properties and pre-sale proceeds may only be used to finance the related development. In the process of pre-sale, we also have to comply with relevant provisions on commercial housing sales, such as clearly marking the sales information. We depend on cash flows from pre-sales of properties as an important source of funding for our property developments. However, there can be no assurance that the PRC government will not implement further restrictions on property pre-sale, such as imposing additional conditions for obtaining pre-sale permits or imposing further restrictions on the use of pre-sale proceeds. Any ban or additional restrictions on pre-sales may require us to seek alternative sources of funding to finance our developments, and if sufficient alternative funding are not available under commercial acceptable terms, or at all, or if we fail to comply with relevant provisions and result in penalties, our cash flow and prospects, and business, results of operations and financial condition could be materially and adversely affected.

Moreover, we make certain undertakings in our pre-sale contracts, and our pre-sale contracts and the PRC laws and regulations provide for remedies for breach of these undertakings. For example, if we fail to complete delivery of a pre-sold property on time, we may be liable to the relevant customers for such late delivery under the relevant pre-sale contracts or pursuant to relevant PRC laws and regulations. If our delay extends beyond a specified period, the purchasers may terminate their pre-sale contracts and claim for compensation. A customer may also terminate his or her contract with us and/or bring claims for compensation for certain other contractual disputes, including, for example, if the GFA of the relevant unit, as set out in the individual building ownership certificate, deviates by more than 3.0% from the GFA of that unit as set out in the contract; if the interior decoration of the relevant unit is inferior to what is set out in the contract; or if the customer fails to receive the individual property ownership certificate within a statutory period due to our fault. Any of such factors could have a material adverse effect on our business, financial condition and results of operations.

We may be liable to our customers for damages if individual property ownership certificates are not delivered to our customers in a timely manner due to our fault.

Property developers in the PRC typically assist purchasers of property to obtain the relevant individual property ownership certificates within a time frame set out in the relevant property sale and purchase agreement, or in the absence of such time frame, within 90 days of delivery of the property if the construction of the property purchased has not been completed, or within 90 days of execution of the agreement if the construction of the property purchased has been completed. Property developers, including us, generally elect to specify the deadline for the delivery in the property sale and purchase agreements to allow sufficient time for the application and approval processes. Under current regulations, we are required to submit requisite governmental approvals in connection with our property developments, including land use rights documents and planning permits, to the local bureau of land resources and housing administration after receipt of the completion and acceptance certificate for the relevant properties and apply for the property ownership initial registration in respect of these properties. We are then required to submit after delivery of the properties, the relevant property sale and purchase agreements, identification documents of the purchasers, proof of payment of deed tax, for the relevant local authority's review and the issuance of the individual property ownership certificates in respect of the properties purchased by the respective purchasers. Delays by the various administrative authorities in reviewing the application and granting approval as well as other factors may affect timely delivery of the general as well as individual property ownership certificates. There can be no assurance that we will not incur material liability to purchasers in the future for the late delivery of individual property ownership certificates due to our fault or for any reason beyond our control.

The property development business is subject to claims under statutory quality warranties, and if a number of claims are brought against us under our warranties, our reputation, business, results of operation and financial condition may be materially and adversely affected.

Under the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) enacted by the State Council on July 20, 1998 and amended on January 8, 2011, March 19, 2018, March 24, 2019, March 27, 2020 and November 29, 2020 and the Regulation for the Administration of Sales of Commodity Buildings (《商品房銷售管理辦法》), which went into effect on June 1, 2001, all property developers in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. Generally, we receive quality warranties from third-party contractors with respect to our property development projects. If a large number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and adversely affect our business, financial condition and results of operations.

We may be subject to fines or forfeit land to the PRC Government if we fail to pay land grant premium or fail to develop properties within the time and in accordance with the terms set out in the relevant land grant contracts or subject to fines, additional land costs and/or corrective actions if the constructed total GFA of our projects exceed permitted total GFA.

Under PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land costs, resettlement and demolition costs and other fees, the designated use of the land, the allocation of certain portion of development area for social welfare housing or resettlement housing and the time for commencement and completion of the property development, government authorities may issue a warning, impose a penalty and/or order us to forfeit the land. Specifically, under current PRC laws, if we fail to pay any outstanding land grant premium by the stipulated deadlines, we may be subject to late payment penalties or the repossession of the land by the government. If we fail to commence development within one year of the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land equal to 20% of the land costs. If we fail to commence development within two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may confiscate our land use rights without compensation, unless the delay in the development is caused by government action or is due to a force majeure. Moreover, if a property developer commences development of the property in accordance with the timeframe stipulated in the land grant contract but, suspends for more than one year and falls under either of the following two situations (i) the developed land area is less than one-third of the total land area, or (ii) the total invested capital is less than one fourth of the total planned investment in the project, the land may be treated as idle land and will be subject to the risk of forfeiture. And if a property developer fails to complete the property development in accordance with the land grant contract, the property developer should take responsibility for breach of the land grant contract.

Considering that some subsidiaries are unable to commence and complete development within the term of the land grant contracts, there can be no assurance that circumstances leading to reclamation or significant delays in development schedules or any liabilities for breach of contracts will not arise in the future.

Furthermore, government grants of land use rights for a parcel of land specify in the land grant contract the permitted total GFA that the developer may develop on the land. The total GFA is also set out in the relevant urban planning approvals and construction permits. However, the actual GFA constructed may be different from the total GFA authorized in the land grant contract or relevant construction permits due to factors such as subsequent planning and design adjustments. The actual GFA may be subject to approval when the relevant authorities inspect the properties after completion. The developer may be required to pay additional land costs and/or administrative fines or take corrective actions in respect of the adjusted land use and excess GFA before a completion certificate (工程竣工驗收備案表) can be issued to the property

developer. Until the completion certificate is issued, we would not be able to deliver individual units to purchasers or to recognize the related pre-sale proceeds as revenue. The methodology for calculating the additional land costs is generally the same as the original land grant contract. If issues related to excess GFA cause delays in the delivery of our properties, we may also incur liability to purchasers under our sales and purchase agreements. There can be no assurance that the constructed total GFA for each of our existing projects under development or any future property developments will not exceed permitted total GFA. Any of these factors may adversely affect our business.

The LAT calculated by the relevant PRC tax authorities may be different from our calculation of LAT liabilities for provision purposes, which may have an adverse effect on our financial condition.

In accordance with PRC regulations on LAT, all persons including companies and individuals that receive income from the sale or transfer of land use rights, properties and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the properties. Pursuant to the Notice of the State Administration of Taxation on the Relevant Issues Concerning the Settlement Management of Land Value-added Tax on Real Estate Enterprises (國家稅務總局關於房地產開發企業土地增值稅清算管理有關問題的通知) issued by the SAT, LAT obligations must be settled with the relevant tax bureaus within a specified frame after the completion of a property project.

We make provisions for LAT by reference to our sales recognized and in accordance with our estimates of the LAT which will be payable under relevant PRC laws and regulations. As we often develop our projects in several phases, deductible items for calculation of LAT, such as land costs, are apportioned among such different phases of development. Provisions for LAT are made on our own estimates based on, among others, our own apportionment of deductible expenses which are subject to final confirmation by the relevant tax authorities upon settlement of the LAT. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, we recorded LAT expenses of RMB184.4 million, RMB213.9 million, RMB53.8 million (US\$8.0 million), RMB99.0 million and RMB73.4 million (US\$11.0 million), respectively. LAT liabilities are subject to determination by the tax authorities upon the completion of the property development projects and may be different from the amounts that were initially provided for. Any such differences may impact our profit after tax and deferred tax provision in the periods in which such taxes are finalized with the relevant tax authorities. Our financial condition may be adversely and materially impacted if our LAT liabilities as calculated by the relevant tax authorities are higher than our provisions.

Furthermore, certain notices issued by the PRC government relating to the settlement of LAT allow provincial tax authorities to formulate their own implementation rules according to the local situation. If the implementation rules promulgated in the cities or provinces in which our projects are located require us to settle all unpaid LAT at the same time, or impose other additional conditions, our business, results of operations and financial condition may be materially and adversely affected.

We may be adversely affected by material issues that affect our relationships or business ventures with partners of our joint ventures and associated companies.

We have entered into joint ventures and established associated companies with third parties and may continue to do so in the future. The performance of such joint ventures and associated companies has affected, and will continue to affect, our results of operations and financial position. Generally, we do not expect to record gains from such joint ventures and associated companies until they start to generate revenue by delivering properties they develop. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, our share of results on joint ventures and associates was RMB359.4 million, RMB403.4 million, RMB393.0 million (US\$58.7 million) and RMB49.1 million (US\$7.3 million), respectively.

As of December 31, 2019, 2020 and 2021 and June 30, 2022, our investments in joint ventures amounted to RMB520.3 million, RMB834.4 million, RMB868.8 million (US\$129.7 million) and RMB928.5 million (US\$138.6 million), respectively. Our investments in associated companies amounted to RMB583.1 million, RMB634.5 million, RMB751.1 million (US\$112.1 million) and RMB740.4 million (US\$110.5 million), respectively as of the same dates.

The success of a joint venture or an associated company depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures and associated companies. In addition, in accordance with PRC law, in our joint venture agreements and the articles of association of our joint ventures and associated companies, there are certain matters require the consent of all parties to the joint ventures and associated companies. Therefore, the operation of these joint ventures and associated companies involve a number of risks, including:

- we may not be able to pass certain important board resolutions requiring or resolutions of shareholders' meeting unanimous consent of all of the directors or shareholders of our joint ventures and/or associated companies if there is a disagreement between us and our joint venture and/or associated company partners;
- we may disagree with our joint venture and/or associated company partners in connection with the scope or performance of our respective obligations under the joint venture and associated arrangements;
- our joint venture and/or associated company partners may be unable or unwilling to perform their obligations under the arrangements with us, including their obligation to make required capital contributions and shareholder loans, whether as a result of financial difficulties or other reasons;
- our partners may have economic or business interests or goals or philosophies that are inconsistent with ours;
- our partners may take action contrary to our requests or instructions or contrary to our policies or objectives with respect to our property investments; or
- our partners may face financial or other difficulties affecting their ability to perform their obligations under the relevant joint venture and associated company arrangements with us.

In addition, since we do not have full control over the business and operations of our joint ventures and associated companies, we cannot assure that they have been, or will be in strict compliance with all applicable PRC laws and regulations. We cannot assure you that we will not encounter problems with respect to our joint ventures and associated companies or our joint ventures and associated companies will not violate PRC laws and regulations, which may have a material adverse effect on our business, results of operation and financial condition.

Furthermore, the ability of our joint ventures and associated companies to pay dividends or other distributions may be subject to their earnings, financial position, cash requirements and availability, applicable laws and regulations and restrictions on making payments to us contained in financing or other agreements. If any of our joint ventures or associated companies incurs indebtedness in its own name, the instruments governing the indebtedness may restrict dividends or other distributions on its equity interest to us. These restrictions could reduce the amount of dividends or other distributions that we receive from these entities, which could in turn restrict our ability to fund our business operations, to service our indebtedness and to pay dividends to our Shareholders. In addition, their declaration of dividends may be at the absolute discretion of the boards of our joint ventures and associated companies.

Our investment in joint ventures and associated companies are subject to liquidity risk. Our investments in joint ventures and associated companies are not as liquid as other investment products as there is no return

in our investment until dividends are received even if our joint ventures and associated companies reported profits under the equity accounting. Furthermore, our ability to promptly sell one or more of our interests in the joint ventures and associated companies in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interests rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the joint ventures or associated companies for the price or on the terms set by us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquid nature of our investment in joint ventures or associated companies may significantly limit our ability to respond to adverse changes in the performance of our joint ventures or associated companies. In addition, if there is no share of interests or dividends from our joint ventures or associated companies, we will also be subject to liquidity risk and our financial condition or result of operations could be materially affected.

Also, as we expect to continue to invest in joint ventures and associated companies for the development of property projects, our liquidity may be further restricted if we are not able to receive dividends from our existing or future joint ventures or associated companies, which could materially and adversely affect our ability to conduct our business.

We may be unable to successfully manage the growth of our business and our historical results of operations may not be representative of our future performance and certain components are subject to uncertainties and fluctuation when preparing our financial statements.

Our revenue increased from RMB1,978.0 million in 2019 to RMB4,171.3 million in 2020 and further increased to RMB10,368.7 million (US\$1,548.0 million) in 2021. Our revenue increased from RMB4,858.8 million in the six months ended June 30, 2021 to RMB5,478.7 million (US\$818.0 million) in the six months ended June 30, 2021. There can be no assurance that our revenue will grow in the future. We have faced and will continue to face challenges including rising development and administrative costs and increasing competition for employees and business opportunities.

We have a set of policies, controls and procedures to manage our business. However, as our business continues to expand, there can be no assurance that these policies, controls and procedures will prove as effective as we hope. As a result, our past results of operations may not be indicative of our future performance.

As such, our financial information from June 30, 2022 onwards may not be directly comparable to our historical financial information in 2019, 2020 and 2021 and the six months ended June 30, 2022.

Our growth and expansion into new cities, regions and new geographical markets present certain risks and uncertainties.

In order to achieve sustainable growth, we need to continue to seek development opportunities in selected regions in the PRC with the potential for growth and where we have no existing operations. Our historical focus was primarily on the development of residential projects in the Yangtze River Delta Region, namely in Jiangsu and Zhejiang provinces at our inception. As of June 30, 2022, we had 72 property projects, developed by our subsidiaries, joint ventures and associated companies and are under various stages of development with an aggregate GFA attributable to us of 8,620,790 sq.m., of which, 4,065,597 sq.m. was located in the Jiangsu, and 1,755,656 sq.m. was located in Guangdong. As we intend to continue to expand our operations into additional major cities in the Yangtze River Delta Region and expand into other new markets outside of the region, such as the Central Region in the PRC in the future, we cannot assure you that our property projects in such other additional major cities and new markets would be profitable at similar in level to our projects in Jiangsu Province or profitable at all.

Expansion into new geographical locations involves uncertainties and challenges as we may be less familiar with local regulatory practices and customs, customer preferences and behavior, the reliability of

local contractors and suppliers, business practices and business environments and municipal planning policies in relevant sub-markets. In addition, expanding our business into new geographical locations would entail competition with developers who have a better-established local presence or greater access to local labors, expertise and knowledge than we do. Furthermore, the construction, market and tax related regulations in our target cities may be different from each other and we may face additional expenses or difficulties in complying with new procedures and adapting to new environments.

As we may face challenges not previously encountered, we may fail to recognize or properly assess risks or take full advantage of opportunities, or otherwise fail to adequately leverage our past experience to meet challenges encountered in these new markets. For example, we may have difficulty in accurately predicting market demand for our properties in the cities which we expand into or match the behaviors or expectations of the residents in the properties we manage in such cities.

In addition, expanding into new geographical locations requires a significant amount of capital and management resources. We may not be able to manage the growth in our workforce to match the expansion of our business, and accordingly, experience issues such as capital constraints, construction delays, and lack of expertized personal. Any of these factors could have a material and adverse effect on our business, financial condition, results of operations and prospects.

The locations and property type of our property projects have a direct impact on their selling prices or ASP per sq.m., our sales revenue and our gross profit margins.

Commodity residential properties in Shanghai and Hangzhou generally commanded a relatively high average price per sq.m., while those in Liupanshui generally commanded a relatively low average price per sq.m. Among Shanghai, Hangzhou and Liupanshui, properties in Shanghai had the highest ASP per sq.m. in 2018. While the selling prices or ASP per sq.m. of our property projects vary depending on their locations, our sales revenue and therefore our gross profit margin may vary depending on the mix in geographical locations of our property projects being delivered for a particular period. Further, different characteristics of our property projects also command different average selling price which entails different gross profit margin. For instance, we recorded relatively higher gross profit margin of 42.7% for the December 31, 2019 attributable to the sales of properties in Hua Qiao Xin Cheng (華僑新城) and Jing Shan Xiu Shui (景山秀水) that comprised townhouses with fine decoration. For details, see “Financial Information — Description of Certain Major Components of Our Consolidated Statements of Comprehensive Income — Gross profit and gross profit margin” in this exchange offer memorandum. Therefore, our gross profit margins may fluctuate in the foreseeable future if expected sales contributed by our property projects in different locations and of different property type.

In addition, there is no assurance that our selling prices or ASP per sq.m., as a whole, will always be consistent with the industry trends in the cities we operate. Our selling prices or ASP per sq.m. might deviate from the industry trends as a result of the changes in mix of property series and products types we launch sale and pre-sale in a particular period and the timing of the completion of properties and therefore, making it difficult to predict the future trends.

Fluctuations in the labor costs and the price of construction materials could adversely affect our construction costs and the construction fees charged by our construction contractors, which could adversely affect our business and financial performance.

The cost of construction materials, such as steel and cement, and labor costs, are subject to volatility. The supply and cost of building materials are affected by macroeconomics conditions, production quantity and cost of such materials. Labor costs consists primarily of salaries for our staff, especially including migrant workers, which is specially protected by laws. As most of our major construction contracts are fixed unit price contracts, the risk of fluctuations in construction material and labor costs during the terms of the contracts are absorbed by our construction contractors to a large extent as we outsource our construction work to them as they are responsible for purchasing most of the construction materials and bear relevant labor costs during the terms of the relevant contracts.

In addition, if there is any significant increase in the cost of construction materials and labor costs, our construction contractors may require us to renegotiate construction fees or we may be subject to higher construction fees when our existing construction contracts expire. Or if we fail to pay wages to migrant workers on time, we will face administrative penalties such as fines. And some subsidiaries once failed to pay migrant workers on time according to the relevant laws and regulations. Furthermore, we typically pre-sell our properties prior to their completion and we will not be able to pass the increased costs on to our customers if the costs of construction materials and labor increase subsequent to the pre-sales. If any of these occur, our business, financial condition and results of operations may be materially and adversely affected.

Our results of operations, financial condition and prospects may be adversely affected by our amounts due from our joint ventures, associated companies and non-controlling interests.

We recorded amounts due from our joint venture and associated companies amounted to approximately RMB475.0 million, RMB602.2 million, RMB383.6 million (US\$57.3 million) and RMB272.8 million (US\$40.7 million) as of December 31, 2019, 2020 and 2021 and June 30, 2022, respectively. We make periodic assessments on the amounts due from our joint ventures and associated companies and investments in joint venture and associated companies based on their financial position, credit history and other factors. However, the risk of recoverability is inherent in our outstanding balances for such amounts, as the ability of the joint ventures and associated companies and non-controlling interests to repay us depends on a number of factors, some of which are beyond our control. In the event that we could not recover the outstanding balances from our joint ventures, associated companies and non-controlling interests in full or in timely manner, there could be a material adverse effect on our profitability, cash flow and financial position.

Our results of operations, financial condition and prospects may be adversely affected by changes in fair value of our investment properties and the possible impairment losses for such investments.

We are required to reassess the fair value of our properties at the end of each reporting period. Under HKFRSs, gains or losses arising from changes in the fair value of our investment properties are included in our consolidated statements of comprehensive income for the period in which they arise. Our properties were valued by the C&W, an independent property valuer, as of December 31, 2019, 2020 and 2021, on an open market and existing use basis, which reflected market conditions on such valuation date. Based on such valuation, we recognized the aggregate fair value of our properties and relevant deferred tax on our consolidated statements of financial position and increases in fair value of investment properties and movements of the relevant deferred tax on our consolidated statements of comprehensive income. For the three years ended December 31, 2021 and the six months ended June 30, 2021 and 2022, our fair value gains on investment properties was RMB15.6 million, RMB10.1 million, RMB2.1 million (US\$317,000), nil and nil, respectively. We recorded net profit of RMB470.1 million, RMB641.9 million, RMB1,102.2 million (US\$164.6 million), RMB453.1 million and RMB453.3 million (US\$67.7 million) for the three years ended December 31, 2021 and the six months ended June 30, 2021 and 2022, respectively.

Despite their impact on the reported profit, such fair value gains or losses do not change our cash position as long as the relevant properties are held by us. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. As a result, we cannot assure you that changes in the market conditions will continue to create fair value gains on our properties or that the fair value of our investment properties will not decrease in the future. Any significant decreases in the fair value of our properties or any significant decreases in the amount we could receive in actual sales of the properties as compared with the recorded fair value of such properties would materially and adversely impact our results of operation.

The fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, it may also change due to the uncertainty of accounting estimates in the valuation of investment properties with the use of significant unobservable inputs in the valuation techniques, which may materially and adversely affect our profitability.

We are required to reassess the fair value of our investment properties at the end of each reporting period. Under HKFRSs, gains or losses arising from changes in the fair value of our investment properties are

included in our consolidated statements of comprehensive income for the period in which they arise. Our investment properties are appraised by an independent property valuer at each of the relevant reporting date, and are measured at fair value with significant unobservable inputs used in the valuation techniques. We recognized the aggregate fair value of our investment properties and relevant deferred tax on our consolidated statements of financial position and changes in fair value of investment properties and the relevant deferred income tax expenses on our consolidated statements of comprehensive income.

Despite their impact on the reported profit, fair value gains or losses do not change our cash position as long as the relevant investment properties are held by us. The amount of revaluation adjustment has been, and will continue to be, subject to market fluctuations and the changes of significant unobservable inputs in the valuation techniques. As a result, we cannot assure you that changes in the market conditions or valuation techniques will continue to create fair value gains on our investment properties or that the fair value of our investment properties may materially differ from the amounts it would receive in actual sales of the investment properties. Any significant decreases in the fair value of our investment properties or any significant decreases in the amount we receive in actual sales of the investment properties as compared with the recorded fair value of such properties would materially and adversely impact our results of operations.

We have substantial indebtedness and may incur additional indebtedness in the future and are subject to (i) changes in interest rates, (ii) potential risks in certain covenants or restrictions under our bank borrowings, trust and other financing arrangements or (iii) changes or tightening in the regulations relating to trust loans by the PRC Government, may adversely affect our business, financial condition and results of operations.

We currently have, and will continue to require, a substantial amount of indebtedness. Our total borrowings, including bank loans and other borrowings, as of December 31, 2019, 2020 and 2021 and June 30, 2022 were RMB2,853.3 million, RMB8,641.6 million, RMB9,494.6 million (US\$1,417.5 million), and RMB8,366.0 million (US\$1,249.0 million), respectively, and our gearing ratio was 84.5%, 69.2%, 51.2% and 47.3%, respectively, as of the same dates. Our indebtedness and gearing could have significant implications, including, among others:

- increasing our vulnerability to adverse general economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow for our business expansion, working capital and other general corporate purposes;
- limiting our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- placing us at a competitive disadvantage compared to our competitors with lower levels of indebtedness;
- limiting our ability to borrow additional funds; and
- increasing our cost of additional financing.

In the future, we may from time to time require substantial additional indebtedness and contingent liabilities. Our ability to generate sufficient cash to satisfy our existing and future debt obligations will depend upon our future operating performance, which will be affected by, among other things, prevailing economic conditions, PRC governmental regulation, demand for properties in the regions we operate and other factors, many of which are beyond our control. We may not generate sufficient cash flow to pay our anticipated operating expenses and to service our debt, in which case we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying property project development, disposing of assets, restructuring or refinancing indebtedness or seeking equity capital. These strategies may not be

implemented on satisfactory terms, or at all, and, even when implemented, may result in an adverse effect on our business, results of operations and financial condition.

Also, we have incurred and are expected to continue to incur a significant amount of interest expense relating to our borrowings from banks. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, we recorded finance costs of RMB78.6 million, RMB121.7 million, RMB281.6 million (US\$42.0 million), RMB148.7 million and RMB84.1 million (US\$12.6 million), respectively. Changes in interest rates have affected and will continue to affect our financing costs. Because a majority of our borrowings are in Renminbi, the interest rates on our borrowings are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our finance costs and thereby materially and adversely affect our business, financial condition, results of operations and prospects.

We cannot assure that we will always be able to obtain the required bank financing in the future or that we would be able to arrange for re-financing when our bank borrowings become due. If we are unable to obtain or renew our bank facilities, our results of operation and financial condition may be materially and adversely affected.

Furthermore, certain of our financing arrangements are subjected to a number of restrictive and/or negative covenants which include, among other things, limitations on our ability to incur additional indebtedness, create new charges, restrictions on the use of proceeds, distribute dividends and requirements to provide notice or obtain consent for certain significant corporate events. Also, borrowings provided under certain loan agreement between our operating subsidiaries and financial institutions are typically not allowed to be used for purposes other than the specific project development as provided in the agreement.

Our loan agreements with certain banks may contain cross-default clauses. If any cross-default occurs, such banks are entitled under these agreements to accelerate the repayment of all or part of the relevant loans and to recover against the security for such indebtedness. We may be required to seek the consent of and/or to notify the banks in order to carry out any mergers, spin-offs, reductions in registered share capital, material asset transfers, liquidations, changes in shareholding or the establishment of any joint ventures. Furthermore, as long as such loans are outstanding, some of our relevant operating subsidiaries may not be able to provide guarantees to any third parties. In addition, our trust and other financing arrangements may have covenants that, among other things, the project company is required to notify and obtain written consent from the trust financing companies and other financing institutions in advance if during the term of the trust financing, it is involved in any operational decisions which would lead to any material changes to the trust and other financing arrangement's interests, or if we need to provide guarantees for other external loans.

We cannot assure you that we will be able to abide by all these restrictive covenants in the loan agreements we entered into or obtain lender's consent in a timely manner or at all in the future. Should we fail to abide by these provisions, our lenders may be entitled to accelerate repayment of our loans, in which case our business, financial condition and results of operations may be adversely affected.

We also have trust financing arrangements by entering into fund arrangements with trust companies and assets management companies, respectively, pursuant to which these financial institutions raised funds and injected them to our group companies. Our trust financing arrangements are generally secured by, such as, our equity interests in the PRC subsidiaries or lien of land use rights. If we default and cannot repay all of the secured indebtedness, we may lose part or all of our equity interests in these PRC subsidiaries, our proportionate share of the asset value of the relevant land use rights.

There are also uncertainties regarding trust financing. The operation of trust financing companies in the PRC is primarily regulated by the CBRC pursuant to the Rules Governing Trust Financing Companies

(《信託公司管理辦法》), effected on March 1, 2007. Trust financing companies are therefore under the supervision and monitoring of the CBRC and are required to comply with the relevant notices and regulations promulgated by the CBRC. There can be no assurance that the PRC Government will not implement additional or more stringent requirements with regard to trust financing companies. This could result in a reduction in our financing options and/or an increase in the cost of financing our properties, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our deferred income tax assets may not be recovered, which could adversely affect our results of operations.

As of December 31, 2019, 2020 and 2021 and June 30, 2022, our deferred income tax assets amounted to RMB151.2 million, RMB347.8 million, RMB409.5 million (US\$61.1 million) and RMB391.5 million (US\$58.5 million), respectively, which mainly represented the temporary differences and tax losses are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilization may be different. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred income tax assets. Furthermore, we cannot predict any future movements in our deferred income tax assets and to what extent they may affect our financial position in the future. Any of these events may have a material adverse effect on our business, financial condition and results of operation.

We rely on third-party contractors and any failure by these contractors to provide satisfactory services, our reputation, business, financial condition and results of operations may be adversely affected.

We engage third parties to carry out various services relating to our property development projects, including project design, construction, equipment installation, elevator installation and landscaping. We may select third-party contractors through a tender process and we endeavor to engage companies with a reputation and track record, performance reliability and adequate financial resources. Our third-party contractors may fail to provide satisfactory services at the level of quality or within the time required by us. In addition, completion of our property developments may be delayed, and we may incur additional costs, due to the financial or other difficulties of our contractors. If the performance of any third-party contractor is unsatisfactory, we may need to replace such contractor or take other remedial actions, which could increase the costs and adversely affect the development schedules of our projects and materially and adversely affect our reputation, credibility, financial condition and business operations. Moreover, we cannot assure you that our employees will be able to consistently apply our quality standards in carrying out quality control, and to detect all defects in the services rendered by third-party service providers or contractors. In addition, as we enter into new geographical areas in the PRC, there may be a shortage of third-party contractors that meet our quality standards and other requirements in such locations and, as a result, we may not be able to engage a sufficient number of high-quality third-party contractors, which may adversely affect the construction schedules and development costs of our property development projects. Furthermore, if our relationship with any of the third-party service providers or contractors deteriorates, a serious dispute with such third-party service provider or contractor may arise, which may in turn result in costly legal proceedings. The occurrence of any of the above events may have a material adverse effect on our business, financial condition, results of operations and prospects.

We provide guarantees over mortgage loans given by banks to purchasers of our properties, which may negatively impact our financial position if we are required to honor the guarantees.

We have arranged bank financing for certain purchasers of our properties and provided guarantees to secure obligation of such purchasers for repayments. Such guarantees will generally terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by purchasers of properties.

In line with industry practice, we do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagee banks. As of December 31, 2019, 2020 and 2021 and June 30, 2022, our outstanding guarantees over mortgage loans of our customers amounted to RMB3,294.0 million, RMB7,913.3 million, RMB11,470.7 million (US\$1,712.5 million) and RMB11,590.8 million (US\$1,730.5 million), respectively. Please refer to “Business — Payment Arrangements” in this exchange offer memorandum for further information.

In the event of a significant depreciation in the market value of the underlying properties, the purchasers may refuse to continue paying the mortgages and the banks may require us to repurchase the underlying properties in order to discharge our obligations as guarantor. We may resell the properties but may not be able to achieve a sale price sufficient to cover the shortfall between the market value of the properties and the amounts guaranteed by us. This could have a material adverse effect on our business, results of operations and financial position. We cannot assure you that defaults will not occur in the future or that we will not suffer any loss as a result of such defaults. In addition, if a significant number of customers default on their mortgages and our guarantees are called upon, our business, results of operations and financial position could be materially and adversely affected.

The illiquidity of investment properties and the lack of alternative uses of investment properties may significantly limit our ability to respond to adverse changes in the condition of our investment properties.

Because property investments in general are relatively illiquid, our ability to promptly sell one or more of our investment properties in response to changing economic, financial and investment conditions is limited. The property market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our investment properties for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the sale of a property. Moreover we may also need to incur capital expenditure to manage and maintain our properties or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures would be available when needed, or at all. In addition, if we sell an investment property during the term of that property’s management agreement or tenancy agreement, we may have to pay termination fees to our retail tenants.

Furthermore, the aging of investment properties, changes in economic and financial conditions or changes in the competitive landscape in the PRC property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties. However, investment properties may not be readily converted to alternative uses, as such conversion requires extensive governmental approvals in the PRC and involves substantial capital expenditures for the purpose of renovation reconfiguration and refurbishment. We cannot assure you that we will possess the necessary approvals and sufficient fund to carry out the required conversion. These factors and any others that would impede our ability to respond to adverse changes in the performance of our investment properties could affect our ability to compete against our competitors and our results of operations.

Certain portions of our property development projects and investment properties are designated as civil air defense properties.

According to the PRC laws and regulations, new buildings constructed in cities should contain basement areas that can be used for civil air defense purposes in times of war. According to the PRC Civil Air Defense Law (《中華人民共和國人民防空法》) promulgated by the NPC on October 29, 1996, as amended on August 27, 2009, and the Management Measures for Peacetime Development and Usage of Civil Air Defense Properties (人民防空工程平時開發利用管理辦法) promulgated by the Office of Civil Air Defense of the People’s Republic of China on November 1, 2001, after obtaining the approval from the civil air defense supervising authority, a developer can manage and use such areas designated as civil air defense properties in times of peace and make profit therefrom.

We had certain completed civil air defense areas within our completed projects, which are primarily used or to be used for car parks, representing an insignificant portion of our property portfolio. However, in times of war, such areas may be used by the government at no cost. In the event of war and if the civil air defense area of our projects is used by the public, we may not be able to use such area as car parks. In addition, we cannot assure you that such laws and regulations will not be amended in the future, which may make it more burdensome for us to comply with and increase our compliance cost.

Our success depends on the continued services of our senior management team and other qualified employees.

Our continued success and growth depend on our ability to identify, hire, train and retain suitably skilled and qualified employees, including management personnel, with relevant professional skills. The services of our Directors and members of senior management are essential to our success and future growth. The loss of a significant number of our Directors and senior management could have a material adverse effect on our business if we are unable to find suitable replacements in a timely manner. We may not be able to successfully attract, assimilate or retain all of the personnel we need. We may also need to offer superior compensation and other benefits to attract and retain key personnel and therefore cannot assure you that we will have the resources to fully achieve our staffing needs. In addition, if any Director or any member of our senior management or any of our other key personnel were to join a competitor or carry on a competing business, we may lose customers and other key professionals and staff members. Due to the intense competition for management and other personnel in the PRC property sector, any failure to recruit and retain the necessary management personnel and other qualified employees could have a material adverse impact on our business prospects.

Our business is heavily dependent on the market recognition of our “港龍” “Ganglong” brand name and reputation of our Directors, senior management team and other key personnel. Deterioration in our brand image or any infringement of our intellectual property rights may materially and adversely affect our business.

We rely, to a significant extent, on our “港龍” “Ganglong” brand name and reputation of our Directors, senior management team and other key personnel to attract potential customers. Any negative incident or negative publicity concerning us or our properties or our Directors, senior management team and other key personnel may materially and adversely affect our reputation, financial position and business, results of operations.

We believe that we have built an excellent reputation in our markets for the quality of our various product series. We have also placed great importance on the continuous enhancement of our brand name and the increase in our brand recognition. Any negative incident or negative publicity concerning us or our properties may materially and adversely affect our reputation, business, financial condition and results of operations. Brand value, which is based largely on consumer perceptions with a variety of subjective qualities, can be damaged even by isolated business incidents that damage consumers’ trust. Consumer demand for our properties and our brand value could diminish significantly if we fail to preserve the quality of our properties or fail to deliver a consistently positive consumer experience, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity and the resulting decrease in brand value, or any failure to establish our brand in provinces and cities in which we currently operate, may have a material adverse effect on our business, financial condition and results of operations.

Our brand strategy also depends on our ability to use, develop and protect our intellectual properties, such as our trademarks. As a result, we could be subject to trademark disputes. The defense and prosecution of intellectual property lawsuits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert our resources and the time and attention of our management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liabilities to third parties, require us to seek licenses from third parties and to pay ongoing royalties, or subject us to

injunctions prohibiting the use of such name and/or logo. In addition, any unauthorized use or inappropriate use of our brand name may impair our brand value, damage our reputation and materially and adversely affect our business and results of operations. If we are unable to preserve, sustain or strengthen our reputation and brand recognition or our reputation is damaged, we may not be able to maintain our business reputation and pace of development, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to fines or penalties if we fail to comply with any applicable laws, rules or regulations.

Historically, we experienced certain non-compliance incidents. On May 19, 2021, Huai'an Guochuang was fined RMB2,798,528.32 by Huai'an Municipal Bureau of Housing and Urban Rural Development for construction without permission and failing to review the construction drawing design documents. We were subject to penalties or ordered to rectify such non-compliances, as the case may be. As of the date of this exchange offer memorandum, we had paid all the penalties. There is no assurance that our internal control measures will be effective and there will not be any non-compliance incidents in the future. In addition, PRC laws, rules or regulations governing our industry have been evolving rapidly, and we cannot assure you that we will not be subject to fines or penalties arising from non-compliance incidents if we fail to adapt to the new regulatory regime in a timely manner, or at all, which may have a material adverse effect on our business, financial condition and results of operations.

Compliance with PRC laws and regulations regarding health and environmental protection may result in substantial costs and delays in construction schedule.

We are subject to a variety of laws and regulations concerning the protection of health and the environment and preservation of antiquities and monuments which imposes. Compliance with such laws and regulations may result in delays in our construction work, may cause us to incur substantial compliance and other costs and can severely restrict project development activities in environmentally sensitive regions or areas. Please refer to “Business — Environmental matters” in this exchange offer memorandum for further details. As required by PRC laws and regulations, property projects in environmentally sensitive regions or areas are required to undergo environmental assessments and the related assessment document must be submitted to the relevant government authorities for approval before commencement of construction. For other property projects, we are required to file the environmental impact registration form for the record. If we fail to meet such requirements, the local authorities may impose a penalty up to RMB50,000.

Some subsidiaries once failed to comply with the relevant environmental laws and regulations, and were punished by the competent authorities for (i) discharging water pollutants beyond the discharge standard of water pollutants; (ii) failing to go through the administrative permission procedures of soil and water conservation plan; (iii) disposing of construction waste without authorization or mixing construction waste with domestic waste and so on.

We cannot assure you that we will be able to comply with all requirements with respect to environmental protection. In the event of a termination of construction and/or imposition of a fine as a result of our non-compliance, our financial condition may be materially and adversely affected.

We may be subject to fines due to the lack of registration of our leases.

Pursuant to the Administrative Measures for Commodity Housing Leasing (商品房屋租賃管理辦法), parties to a lease agreement are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. The failure to register the lease agreements does not affect the validity of the lease agreements under the relevant PRC laws and regulations. However, there can be no assurance that legal disputes or conflicts concerning such leases and tenancies will not arise in the future. In addition, we may be required by relevant government authorities to file the lease agreements for registration and may be subject to a fine for non-registration within the prescribed time limit, which may range from

RMB1,000 to RMB10,000 per lease agreement. The occurrence of any of the above conflicts or disputes or the imposition of the above fines could require us to make additional efforts and/or incur additional expenses, any of which could materially and adversely impact our business, financial condition and results of operations. The registration of these lease agreements to which we are a party requires additional steps to be taken by the respective other parties to the lease agreement which are beyond our control. There can be no assurance that the other parties to our lease agreements will be cooperative and that we can complete the registration of these lease agreements and any other lease agreements that we may enter into in the future.

Certain of the subsidiaries may not have contributed the required social security insurance and housing provident funds.

Under applicable PRC laws and regulations, PRC subsidiaries of the Company are required to register with the relevant authorities in respect of housing provident fund and social security insurance and to contribute housing provident funds and social security insurance for their employees.

Certain of the Company's PRC subsidiaries might not have registered with the relevant authorities on a timely basis or might not have registered at all and might not have contributed the required housing provident funds and social security insurance for their employees. According to the Regulations on Management of Housing Provident Fund, such PRC subsidiaries may be required to pay for the unpaid housing provident fund contributions within a prescribed period of time, and such PRC subsidiaries may be subject to a fine in the amount of between RMB10,000 and RMB50,000 for not registering with the relevant authorities within a prescribed period of time. For social security insurance, according to the relevant PRC laws and regulations, if the Company's PRC subsidiaries fails to register the social insurance within a prescribed period of time, a fine of one to three times the amount of the social insurance premiums may be imposed. And if the Company's PRC subsidiaries are ordered to pay the social security insurance but fails to do so as required by the local social security authorities, a fine calculated at a rate of 0.05 per cent per day on the delinquent payments from the due date may be imposed on such PRC subsidiaries.

Current insurance coverage may not be adequate to cover all risks related to our operations.

We do not maintain any insurance policies for our property development projects, and we do not maintain property insurance specifically for our properties held for investment. In addition, we require the general contractors of our development projects to maintain insurance policy in accordance with the contracting agreements. Furthermore, we do not maintain insurance covering construction-related property damage or personal injuries of third parties.

In addition, we do not maintain insurance against any liability arising from allegedly tortious acts committed on our work sites. We cannot assure you that we will not be sued or held liable for damage arising from, or in connection with, any such tortious acts. Moreover, there are certain losses for which insurance is not available on commercially practicable terms, such as those suffered due to earthquakes, typhoons, floods, wars, civil disorders and other events of force majeure. If we suffer any loss, damage or liability in the course of our business operations, we may not have sufficient funds to cover such loss, damage or liability or to replace any property development that has been destroyed. In addition, any payment we make to cover any loss, damage or liability could have a material adverse effect on our business, financial condition and results of operations.

We may be involved in legal and other disputes from time to time arising out of our operations, including any disputes with our contractors, suppliers, employees, tenants or other third parties, and may face significant liabilities as a result.

We may from time to time be involved in disputes with various parties involved in the development, sale, leasing and management of our properties, including contractors, suppliers, construction workers, purchasers

and tenants. These disputes may relate to, among other issues, personal injuries, sale agency contracts, payments to construction contractors, payments to building material suppliers, property sales contracts. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs to our operations, and diversion of our management's attention, and in the course of the legal proceedings, our properties may be restricted by the relevant courts or other governmental authorities, which may adversely affect our business operation. In addition, we may disagree with regulatory bodies in certain respects in the course of our operations, which may subject us to administrative proceedings and unfavorable decrees that result in liabilities and cause delays to our property developments.

For instance, a sub-contractor sued our subsidiary Huzhou Haiwang Kangshan Real Estate Development Co., Ltd. (湖州海王康山地產發展有限公司) and the general contractor at that time for our Huzhou Haiwang Kangshan Project (湖州海王康山項目) in May 2021, claiming primarily that both defendants are jointly and severally liable for the construction work payments and accrued interests amounting to approximately RMB13.2 million (“**Kangshan Dispute**”). In addition, since October 2021, our subsidiary Huzhou Haiwang Kangshan Property Development Co., Ltd. (湖州海王康山置業發展有限公司) (“**Kangshan Property**”) and the general contractor at that time for our Huzhou Xifengyang Unit Land Parcel (湖州西鳳漾單元地塊) were in disputes related to this project (“**Xifengyang Disputes**”), where we claimed liquidated damages of approximately RMB52.5 million due to delayed completion of the construction works and we were counterclaimed for construction work payments of approximately RMB96.9 million and accrued interests. As of the date of this exchange offer memorandum, no judgments have been entered into for the Kangshan Dispute or the Xifengyang Disputes. Although we do not consider that the Kangshan Dispute or the Xifengyang Disputes will have material adverse effect on our financial condition or results of operation, we cannot assure you that we will not encounter similar disputes in the future that may materially adversely affect our financial condition or results of operation.

As of the date of this exchange offer memorandum, we are not involved in any lawsuit that may have a material adverse effect on our business, financial condition and results of operations. However, we cannot assure you that we will not be involved in any major legal proceedings in the future. Any involvement on these disputes may materially and adversely affect our business, financial condition and results of operations.

We may not be able to timely prevent or detect actions by our employees or agents which violate applicable anti-corruption laws and regulations.

Bribery and other misconduct by our employees or agents may be difficult to prevent or to detect on a timely basis, or at all. Although we have put in place relevant internal control measures aimed at preventing our employees and agents from engaging in conduct which would violate applicable anti-corruption laws and regulations, there can be no assurance that we will be able to prevent or detect such misconduct. Such misconduct by our employees or agents could subject us to financial losses and harm its business and operations. In addition to potential financial losses, such misconduct could subject us to third party claims and regulatory investigations. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to implement sufficiently and effectively our risk management and internal control policies and procedures, our business and prospects may be materially and adversely affected.

We continually enhance our risk management and internal control policies and systems as part of a continuous effort to improve our risk management capabilities and enhance our internal controls. However, there can be no assurance that our risk management and internal control policies and procedures will adequately control or protect us against all risks. Some of these risks are unforeseeable or unidentifiable and may be more severe than what we may anticipate.

Our risk management capabilities and ability to effectively monitor legal compliance and other risks are restricted by the information, tools, models and technologies available to us. Moreover, it takes time for our employees to adjust to these policies and procedures and we cannot assure you that our employees will be

able to consistently comply with or accurately apply them. If our risk management and internal control policies, procedures and systems fail to be implemented effectively, or at all, or if the intended results of such policies, procedures and systems are not achieved in a timely manner (including our ability to maintain an effective internal control system), our business, financial condition, results of operations and reputation may be materially and adversely affected.

False advertising of our properties may lead to penalties, undermine our sales and marketing efforts, deteriorate our brand name, and have a material adverse effect on our business.

As a property developer in the PRC, we are subject to a variety of laws and regulations concerning the marketing and promotion of our property development projects, our business and our brand image. If any of our advertisements are considered to be untruthful, we will be subject to penalties and will be required to cease publishing the advertisements concerned and eliminate adverse effects by publishing notice in the same media or in media with equivalent significance to correct the previous false advertisements and clarify the truth. In addition, any false advertising may cast doubt on our other disclosure, advertisements, filings and publications; may deteriorate our brand name and reputation and consequently materially and adversely affect our business, financial condition and results of operations.

Our business, financial condition, results of operations and prospects may be adversely affected as a result of negative media coverage or publicity relating to us or the real estate market in which we operate or intend to operate.

Since September 2021, there has been negative news relating to certain Chinese property companies including defaults on their indebtedness. This has had a negative impact on, and resulted in increased volatility in, the property sector in China. Such developments may have an adverse impact on the ability of Chinese property developers, management companies and potential property purchasers to obtain financing, a decrease in consumer confidence and demand in China real estate and increased market volatility.

We may be subject to or associated with negative publicity, including those on the Internet, with respect to our corporate affairs and conduct related to our personnel, the real estate market we operate or intend to operate. We may also be subject to negative reports or criticisms by various media. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Nonetheless, any negative coverage, whether or not related to us or our related parties and regardless of truth or merit, may have an impact on our brand and reputation and, consequently, may undermine the confidence of our customers and investors in us, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR INDUSTRY

Our operations are subject to extensive government policies and regulations and we are particularly susceptible to adverse changes in policies relating to the PRC property industry in regions in which we operate.

Our business is subject to extensive governmental regulations and, in particular, we are sensitive to policy changes in the PRC property sector. The PRC Government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures, such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing restrictions on foreign investment and currency exchange. Since 2004, the PRC and local governments introduced a series of regulations and policies designed to generally control the growth of the property market, including, among others:

- strictly enforcing the idle land-related laws and regulations;
- restricting the grant or extension of revolving credit facilities to property developer that hold a large amount of idle land and vacant commodity properties;

- prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio lower than certain prescribed percentage;
- restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.
- controlling the supply of residential property sales by adopting lots drawing policy in certain cities;
- limiting the maximum amount of monthly mortgage and the maximum amount of total monthly debt service payments of an individual borrower;
- imposing a business tax levy on the sales proceeds for second-hand transfers subject to the length of holding period and type of properties;
- raising the minimum percentage of down payment of the purchase price of the residential property of a family;
- restricting purchasers from acquiring second and more residential properties and imposing property purchase restrictions on non-local residents who cannot provide any proof of local tax or social security payments for more than a specified time period in certain cities; and
- restricting the availability of individual housing loans in the property market to individuals and their family members with more than one residential property and raising interest rates of such loans.

These and other measures, including additional requirements for pre-sales and restricting the use of funds raised by pre-sales, made the properties we developed more costly, unattractive or even unavailable to certain of our customers. In addition, since January 2010, policies implemented by the PRC Government with regard to bank loans and trust financing arrangements for property development projects have had, and may continue to have, a dampening effect on the property markets in which we operate. These measures resulted in downward pressure on the PRC property market starting in the second half of 2011 and reduced transaction volumes in the first quarter of 2012.

Following the market fluctuations in the face of temporary easing of some restrictions by local governments in the second and third quarters of 2012, the property price and transaction volume increased in the last quarter of 2012 and the first quarter of 2013. On February 26, 2013, the General Office of the State Council announced the Notice on Further Regulation of the Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》). According to such notice, local governments shall increase the supply of housing properties and lands, and set price control targets in cities with rapidly increasing property prices. In addition, the notice also requires the local government to strictly implement existing purchase restrictions and differentiated credit policies with regard to the down payment ratios and interest rates for mortgages for second and more residential property. If the property price increases too quickly, the local government may further increase interest rates and down payment ratio for mortgages for second and more properties. For cities with existing purchase restrictions, the city municipals shall impose further restrictions. For cities with no purchase restrictions, the provincial governments must require these cities to promptly adopt purchase restrictions. The tax, building and construction authorities are required to coordinate to ensure that the 20% individual income tax on the difference between the sales proceeds and the original purchase price for the sale of second-hand properties is strictly implemented. These policies aim to serve to restrain the trend of excessive increase in housing prices. At the end of 2013, a new round of policies aiming at promoting affordable housing and discouraging speculative investments in residential properties were announced in a number of large cities in China, including Beijing, Shanghai, Guangzhou, Shenzhen, Zhengzhou, Nanchang, Fuzhou, Xiamen, Nanjing and Hangzhou.

The PRC Government has eased certain restrictive measures starting in the third quarter of 2014 to foster the growth of the residential property market in China, encourage transactions and reduce idle housing inventories. However, such measures have resulted signs of overheating in the property markets in first-tier and certain second-tier cities. As a response, in certain first-tier and second-tier cities including Shanghai, Shenzhen, and Suzhou, local governments have again enhanced restrictive measures such as raising the minimum percentage of down payment of the purchase price of the second and more residential property of a family, requiring longer social insurance records in such cities for citizens whose household registration were not in such cities, and restriction on the percentage of price increases by real estate developers during a year. In 2015, the PRC Government raised percentage of down payment and changed the calculation base of business tax concerning transfer of individual housing, pursuant to which, where an individual sells a property purchased within two years business tax shall be levied on the full amount of the sales income; where an individual sells a non-ordinary property that was purchased more than two year ago, business tax shall be levied on the difference between the sales income and the original purchase price of the house; the sale of an ordinary residential property purchased by an individual more than two years ago is not subject to such business tax. In 2016, such tax policies have been further refined.

On February 13, 2017, the Asset Management Association of China issued Circular 4 of Regulation for Registration Management of Private Asset Management Plan by Securities and Future Institutions (《證券期貨經營機構私募資產管理計劃備案管理規範第4號》) (the “Circular 4”). The Circular 4 provides that any private equity and asset management plan that is adopted to make either direct or indirect investment into any ordinary residential property project located in certain PRC cities where the property price rises too fast shall not be filed for a record temporarily. Such cities currently include 16 major cities in the PRC, such as Shanghai, Hefei, Nanjing, Suzhou, Tianjin, Fuzhou, Wuhan and Zhengzhou, and the list of such cities may be updated from time to time in the future according to the relevant regulations of the Ministry of Housing and Urban-Rural Development of the PRC. According to the Circular 4, a private equity and asset management plan shall neither be used to finance any real estate developer, by means of bank entrusted loans, trust plans, or usufruct of transferee assets, for the purpose of paying the price of land grant or supplementing the working capital, nor be used to directly or indirectly facilitate any violation or illegality of various institutions’ granting of loans for down payments.

Local governments in Changzhou and certain other cities have introduced further policies to restrain property purchases for speculative purposes and prevent property prices from rising too quickly. Such policies include raising the percentage of down payment of the purchase price from 30% to 50%, strengthening the tax levy on the sales proceeds for second-hand transfer of residential properties, and strictly restricting selling properties owned for less than two years. On April 1, 2017, the Ministry of Land and Resources and Ministry of Housing and Urban-Rural Development issued the *Circular of the Ministry of Housing and Urban-Rural Development and the Ministry of Land and Resources on Tightening the Management and Control over Intermediate Residential Properties and Land Supply* (《住房城鄉建設部、國土資源部關於加強近期住房及用地供應管理和調控有關工作的通知》). To maintain a housing supply-demand balance, cities facing serious demand over supply and overheating market shall increase the supply of housing land, especially for ordinary commercial houses; and cities with excessive housing supply shall reduce or suspend the land supply for housing. All the local governments shall build inspection systems to monitor the source of funds for land acquisition to ensure that the real estate developers use their own legal funds to purchase lands. These measures reduced the transaction volumes in certain major cities in the PRC in the second quarter of 2017.

In August 2020, the MOHURD and PBOC held a joint meeting to communicate with key real estate enterprises and other relevant governmental departments. In the meeting, it was announced that the MOHURD and PBOC, jointly with other relevant governmental departments, had formulated rules for fund monitoring and financing administration of key real estate enterprises to establish a more market-oriented, rule-based and transparent administration over the financing by real estate enterprises. The “Three Red Lines” policy was set up in relation to financings for real estate enterprises. The “Three Red Lines” refers to the financial performance of a real estate enterprise: (1) liabilities to assets ratio after excluding the advances received shall not exceed 70%; (2) net debt to equity ratio shall not be greater than 100%; and (3) cash to

short term borrowing ratio shall not be less than 1. Availability of financing for property developers may be restricted if they do not meet such ratios. On January 1, 2021, the PBOC, together with the CBRC, set forth the capped ratios of the amount of outstanding real estate loans to the total outstanding amount of RMB denominated loans of a PRC financial institution. This ratio currently ranges from 12.5% to 40.0%. On March 26, 2021, the General Office of CBIRC, the General Office of MOHURD and the General Office of PBOC jointly issued the Notice on Preventing the Illegal Flow of Loans for Business Purposes into the Real Estate Sector (關於防止經營用途貸款違規流入房地產領域的通知), pursuant to which, in order to prevent business-use loans from illegally flowing into the real estate sector, and to support the development of the real economy, some measures, such as strengthening borrower qualification verification, credit demand review, loan term management, loan collateral management, post-loan management and etc, will be adopted and implemented. All banking and insurance regulatory bureaus, local housing and urban-rural construction departments, and branches of the PBOC shall jointly carry out a special investigation on the illegal flow of business-use loans into real estate, complete the investigation before May 31, 2021, and increase supervision and rectification of illegal problems and penalties. See “PRC Regulations” for further details.

According to public media reports, on August 21, 2021, the Ministry of Natural Resources of the People’s Republic of China and other relevant governmental departments held a joint meeting to impose conditions on granting state-owned land use rights to property developers, including setting price ceiling and requiring property developers to retain a portion of the property developed. No official announcement was published as of the date of this exchange offer memorandum and our ability to raise capital for business operation and expansion may be adversely affected if the PRC government officially imposes further conditions for land bidding, auction or listing for sale.

There is no assurance that the PRC Government will relax existing restrictive measures, impose and enhance restrictive measures, or to impose other restrictive policies, regulations or measures in the future. The existing and other future restrictive measures may limit our access to capital, reduce market demand for our products and increase our finance costs, and any easing measures introduced may also not be sufficient. If we fail to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes negatively impact our business, our financial condition, results of operations and prospects may be materially and adversely affected.

We face intense competition, which may materially and adversely affect our business, financial performance and results of operation.

The property market in Changzhou and other parts of the Yangtze River Delta Region has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the region where we have operations and those which we may enter in the future. Our competitors include overseas listed foreign developers and top-tier domestic developers and they may have better access to resources, in particular financial resources than us. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, temporary local market surpluses in property supply leading to property price declines, and higher costs to attract or retain talented employees, thereby affecting our profitability. If we fail to compete effectively, our financial condition, results of operations and prospects may be materially and adversely affected.

RISKS RELATING TO THE PRC

The PRC economic, political, social conditions as well as government policies could adversely affect our business, prospects, financial performance and results of operations.

The economy of the PRC differs from the economies of most developed countries in many respects, including but not limited to structure, level of government involvement, level of development, growth rate, control of foreign exchange, and allocation of resources. While the PRC economy has grown significantly in the past 30 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC Government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our financial position and results of operations may be adversely affected by the PRC Government's control over capital investment or any changes in tax regulations or foreign exchange controls that are applicable to us.

The PRC economy has been transitioning from a planned economy to a market-oriented economy. For the past three decades, the PRC Government has implemented economic reform measures emphasizing the utilization of market forces in the development of the PRC economy. Many of the economic reforms carried out by the PRC Government are unprecedented or experimental and are expected to be refined and improved over time. The PRC economy has grown significantly in recent decades, but there can be no assurance that this growth will continue or continue at the same pace. In addition, demand for our services and our business, financial position and results of operations may be adversely affected by (i) political instability or changes in social conditions in the PRC; (ii) changes in laws, regulations or policies or the interpretation of laws, regulations or policies; (iii) measures which may be introduced to control inflation or deflation; (iv) changes in the rate or method of taxation; and (v) imposition of additional restrictions on currency conversion and remittances abroad.

The PRC legal system has inherent uncertainties that could limit the legal protection available to you.

Our business is conducted in mainland China and is governed by PRC laws and regulations. All of our operating subsidiaries are located in China and are subject to PRC laws and regulations. The PRC legal system is based on written statutes. Prior court decisions are not legally binding and can only be cited as reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies in applying and enforcing such laws. Since 1979 the PRC Government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis, if at all, and some of which may have a retroactive effect. The PRC may not accord equivalent rights, or protection for such rights, to those that you might expect in countries with more sophisticated real estate laws and regulations.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities. As such, when PRC laws, rules, regulations and policies apply in different parts in the PRC, there may be varying applications and interpretations. Legislation or regulations, particularly for local applications, may be enacted without sufficient prior notice or announcement to the public. Accordingly, we may not be aware of the existence of new legislation or regulations. There is at present no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search were performed, certain courts may refuse to make their documentation available for inspection. As a result, the legal protections available to you under the PRC legal system may be limited.

The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics.

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics, pandemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics and pandemics such as the Severe Acute Respiratory Syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or, most recently, the novel coronavirus named COVID-19 by the World Health Organization.

The COVID-19 outbreak, which may have first appeared at the end of 2019, has subsequently spread across China and around the world. On March 11, 2020, World Health Organization declared COVID-19 outbreak a pandemic. Governments across the world have imposed travel restrictions and/or lockdown in an effort to curb the spread of highly infectious COVID-19. As the pandemic continues to spread worldwide, more countries may impose similar or more severe containment measures. There is no assurance that the current containment measures will be effective in halting the pandemic. The current containment measures and any future containment measures may materially and adversely affect the manufacturing, exports and imports and consumption of goods globally, which may in turn lead to global economy slowdown. As a result, supply of our raw materials and productivity of our employees may be adversely affected. As a result, the completion of our projects may be delayed and sales might be lower than expected, which might in turn result in substantial increase in our development costs, late delivery of properties and/or otherwise adversely affect our profitability and cash flows. Further, customers who have previously entered into contracts to purchase properties may default on their purchase contracts if the economic situation further deteriorates as a result of the pandemic. In addition, the COVID-19 outbreak poses risks to the wellbeing of our employees and the safety of our workplace, which may materially and adversely affect our business operation.

Past occurrences of epidemics and pandemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. Another public health crisis in China triggered by a recurrence of SARS or an outbreak of any other epidemics or pandemics, including, for example, the ongoing COVID-19, especially in the cities where we have operations, may result in material disruptions to our property development and sales and the operation of commercial properties. In addition, the outbreak of communicable diseases, such as the COVID-19 outbreak on a global scale, may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect China and other economies. Such outbreak has resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect our business, financial condition and results of operations.

The global financial markets, and therefore PRC markets, have experienced significant slowdown and volatility during the past few years and any continued deterioration may adversely affect our business and results of operations.

The global economic slowdown and turmoil in the global financial markets that started in the second half of 2008 have had a negative impact on the world economy, which in turn affected the PRC real estate industry and many other industries. Subsequently, global markets and economic conditions were adversely affected by the credit crisis in Europe, the credit rating downgrade of the United States and heightened market volatility in major stock markets. In June 2016, the United Kingdom held a remain-or-leave referendum on its membership within the European Union, the result of which favored the exit of the United Kingdom from the European Union (“Brexit”). On January 31, 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The United Kingdom and the European Union will have a transition period until December 31, 2020 to negotiate, among others, trade agreements in details. Given the lack of precedent and uncertainty of the negotiation, it is unclear how Brexit would affect the fiscal, monetary and regulatory landscape within the United Kingdom,

the European Union and globally. This event has resulted in a downgrade of the credit ratings of the United Kingdom and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting to increase inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. In February 2022, Russia launched a special military operation in Ukraine. The special military operation started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic. Such situation in Eastern Europe have led to significant volatility in the global capital markets and on the global economy. The conflict between Russia and Ukraine is still evolving and the impact of such geo-political conflicts on global economy is still unclear. Our business, results of operations, financial condition and prospects may be materially and adversely affected by such geo-political conflicts and changes in global macro-economic environment.

China's economic growth may slowdown due to weakened exports and nationwide structural reforms. Moreover, as the PRC is transitioning to a consumption-based economy, the forecast growth rate of the PRC is expected to be significantly lower than its average growth rate over the past thirty years. The recent developments surrounding the trade war with the United States may also weaken exports and impact China's economic growth negatively. In 2018 and 2019, the U.S. government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on cumulatively US\$550 billion worth of Chinese products. In retaliation, the Chinese government responded with tariffs on cumulatively US\$185 billion worth of U.S. products. In addition, in 2019, the U.S. government restricted certain Chinese technology firms from exporting certain sensitive U.S. goods. The Chinese government lodged a complaint in the World Trade Organization against the U.S. over the import tariffs in the same year. The trade war created substantial uncertainties and volatilities to global markets. On January 15, 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the "Phase I Agreement"). Under the Phase I Agreement, the U.S. agreed to cancel a portion of tariffs imposed on Chinese products, China promised additional purchases of U.S. goods and services, and both parties expressed a commitment to further improving various trade issues. Despite this reprieve, however, it remains to be seen whether the Phase I Agreement will be abided by both governments and successfully reduce trade tensions. If either government violates the Phase I Agreement, it is likely that enforcement actions will be taken and trade tensions will escalate. Furthermore, additional concessions are needed to reach a comprehensive resolution of the trade war. The roadmap to the comprehensive resolution remains unclear, and the lasting impact the trade war may have on China's economy and the PRC industry remains uncertain. Should the trade war between the United States and the PRC begin to materially impact the PRC economy, the purchasing power of our customers in the PRC would be negatively affected. In addition, the COVID-19 pandemic may materially and adversely affect the global economy. See "— The national and regional economies in China and our prospectus may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics."

The above and other issues resulting from the global economic slowdown or uncertainty and financial market turmoil have adversely affected, and may continue to adversely affect homeowners and potential property purchasers, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our access to capital and liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, our business, financial condition and results of operations may likely be adversely affected.

Fluctuations in the value of the Renminbi and governmental control of currency conversion may limit our ability to use capital effectively.

Substantially all of our revenue and expenditures are denominated in Renminbi, while the net proceeds from the initial public offering and any dividends we pay on our Shares will be in Hong Kong Dollars. Fluctuations in the exchange rates between the Renminbi and the Hong Kong Dollar or U.S. Dollar will affect the relative purchasing power in Renminbi terms. Fluctuations in the exchange rates may also cause us to incur foreign exchange losses and affect the relative value of any dividend distributed by us. Currently, we have not entered into any hedging transactions to mitigate our exposure to foreign exchange risk.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve certain exchange rate targets and policy goals. In August 2015, PBOC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for reference rates to consider the previous day's closing spot rate, foreign exchange demand and supply as well as changes in major currency rates. The value of the Renminbi depreciated against the U.S. Dollar by 4.8%, 6.2%, 5.3% and 1.4% in 2015, 2016, 2018 and 2019 respectively, but appreciated against the U.S. Dollar by 6.7% in 2017. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against Hong Kong Dollar or U.S. Dollar in the future.

In addition, conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that we will have sufficient foreign exchange to meet our foreign exchange needs. Under China's current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE. But we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange businesses. Foreign exchange transactions under the capital account, however, must be directly reviewed and handled by banks in accordance with the *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies* (關於進一步簡化和改進直接投資外匯管理政策的通知) (the "Circular 13"), and the SAFE and its branches must perform indirect regulation over the foreign exchange registration via banks. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Any insufficiency of foreign exchange may restrict our ability to obtain adequate foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to convert Renminbi into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

The PRC Government has implemented restrictions on the ability of PRC property developers to obtain offshore financing which could affect our ability to deploy the funds raised outside of China in our business in the PRC.

On May 11, 2013, SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors (外國投資者境內直接投資外匯管理規定), which became effective on May 13, 2013 and partially amended in October 2018 and December 2019. Such provisions stipulate, among other things, (i) that institutions and individuals involved in domestic direct investment shall register with the SAFE and its branch offices and banks shall provide the relevant domestic direct investment service in accordance with the registration information filed with the foreign exchange authorities; and (ii) that any capital modification of foreign-invested enterprises, such as capital increase or decrease or equity transfer, shall be filed modification registration with the foreign exchange authorities. These regulations effectively restrict our ability to fund our PRC subsidiaries by way of shareholder loans.

In addition, equity contributions by us and our non-PRC subsidiaries to our PRC subsidiaries will require registration and reporting investment information to relevant competent authorities, which may take

considerable time and delay the actual contribution to the PRC subsidiaries. This may adversely affect the financial condition of the PRC subsidiaries and may cause delays to the development undertaken by such PRC subsidiaries. There can be no assurance that we have obtained or will obtain in a timely manner all relevant necessary approval certificates or registration for all our operating subsidiaries in the PRC to comply with such regulations.

Our investments in the PRC are subject to the PRC Government’s control over foreign investment in the property sector.

The PRC government has imposed restrictions on foreign investment in the property sector to curtail the perceived over-heating of the property sector by, among other things, increasing the capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange control on cross-border investment and financing activities and imposing restrictions on purchases of properties in China by foreign persons. Restrictions imposed by the PRC government on foreign investment in the property sector may affect our ability to make further investments in our PRC subsidiaries and as a result may limit our business growth and have a material and adverse effect on our business, results of operations and financial condition.

The implementation of the EIT Law may significantly increase our income tax expenses.

On March 16, 2007, the PRC National People’s Congress, Chinese national legislature, adopted a new tax law, the EIT Law, which became effective on January 1, 2008 and amended on February 24, 2017 and December 29, 2018. On December 6, 2007, the State Council issued the Implementation Regulations of the *PRC Enterprise Income Tax Law* (the “Implementation Regulations”), which became effective on January 1, 2008 and amended on April 23, 2019.

Under the EIT Law and Implementation Regulations, if we are deemed to be a non-PRC tax resident enterprise without an office or premises in the PRC, a withholding tax at the rate of 10% will be applicable to any dividends paid to us by our PRC subsidiaries, unless we are entitled to reduction or elimination of such tax, including by tax treaty. According to a tax treaty between the PRC and Hong Kong, dividends paid by a foreign-invested enterprise in China to a shareholder incorporated in Hong Kong will be subject to withholding tax at a rate of 5% if the Hong Kong shareholder directly holds a 25% or more interest in the PRC enterprise. We cannot assure you, however, that the current tax treaties in place between the PRC and Hong Kong will remain in place or that we will continue to be able to enjoy a reduced withholding tax on dividends we receive from our PRC subsidiaries.

We may be deemed as a PRC resident enterprise under the EIT Law and be subject to PRC taxation on our worldwide income.

Under the EIT Law, commencing January 1, 2008, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and will generally be subject to the uniform 25% EIT rate as to their global income. Under the Implementation Regulations for the EIT Law, “de facto management bodies” is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise.

Substantially all of our management is currently based in China and may remain in China. In April 2009, the PRC State Administration of Taxation promulgated a circular, amended in December 2017, to clarify the definition of “de facto management bodies” for enterprises incorporated overseas with controlling shareholders being onshore enterprises or enterprise groups in China. However, it remains unclear how the tax authorities will explain the regulation. Therefore, we may be treated as a PRC resident enterprise for EIT purposes. The tax consequences of such treatment are currently unclear, as they will depend on how PRC finance and tax authorities apply or enforce the EIT Law and the Implementation regulations.

We face uncertainty relating to the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (“SAT Circular No. 7”) issued by the PRC State Administration of Taxation.

On February 3, 2015, the PRC State Administration of Taxation issued the SAT Circular No. 7, amended on December 1, 2017 and December 29, 2017 SAT Circular No. 7 provides comprehensive guidelines relating to indirect transfers by a non-PRC resident enterprise of assets (including equity interests) of a PRC resident enterprise (“PRC Taxable Assets”). For example, SAT Circular No. 7 specifies that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets, when a non-PRC resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC Taxable Assets. The PRC tax authorities may disregard the existence of such overseas holding company and consider the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC EIT and lack any other reasonable commercial purpose. Although SAT Circular No. 7 contains certain exemptions (including (i) where a non-resident enterprise derives income from the indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such PRC Taxable Assets on a public market; and (ii) where there is an indirect transfer of PRC Taxable Assets, if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from PRC EIT under an applicable tax treaty or arrangement), it remains unclear whether any exemptions under SAT Circular No. 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, if such transaction were determined by the tax authorities to lack reasonable commercial purpose. As a result, we may be subject to tax under SAT Circular No. 7 and may be required to expend valuable resources to comply with SAT Circular No. 7 or to establish that we should not be taxed under SAT Circular No. 7, which may have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Failure by our Shareholders or beneficial owners who are PRC resident to make any required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents could expose us and our PRC resident Shareholders to liability under the PRC laws.

The *Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas Special Purpose Vehicles* (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular No. 37”), which was promulgated by SAFE and became effective on July 4, 2014, requires a PRC individual resident (“PRC Resident”) to register with a local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the “Offshore SPV”) that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing. Pursuant to the Circular 13, the aforesaid registration shall be reviewed and handled by the banks, and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks. Following the initial registration, the PRC Resident is also required to make registration for any major change in respect of the Offshore SPV, including, among other things, any major change of a PRC Resident shareholder, name or term of operation of the Offshore SPV, or any increase or reduction of the Offshore SPV’s registered capital, share transfer or swap, merger or division. We cannot assure that all of our shareholders who are PRC Residents will file all applicable registrations or update previously filed registrations as required by these SAFE regulations. Failure to comply with the registration procedures of the SAFE Circular No. 37 may result in penalties and sanctions.

Our investment properties are located on land that is under long-term land use rights granted by the PRC government. There is uncertainty about the amount of the land grant premium that we will have to pay and additional conditions that may be imposed if we decide to seek an extension of the land use rights for our investment properties.

Our investment properties are held by us under land use rights granted by the PRC government. Under PRC laws, the maximum term of the land use rights ranges from 40 years to 70 years depending on the land

use purpose. Upon expiration, the land use rights will revert to the PRC government unless the holder of the land use rights applies for and is granted an extension of the term of the land use rights. These land use rights do not have automatic rights of renewal and holders of land use rights are required to apply for extensions of the land use rights one year prior to the expiration of their terms. If an application for extension is granted (and such grant would usually be given by the PRC government unless the land in issue is to be taken back for the purpose of public interests), the holder of the land use rights will be required to, among other things, pay a land grant premium. If no application is made, or if such application is not granted, the properties under the land use rights will be reverted to the PRC government without any compensation. As none of the land use rights granted by the PRC government which are similar to those granted for our investment properties has, as of the date of this exchange offer memorandum, run its full term, there is no precedent to provide an indication of the amount of the land grant premium which we will have to pay and any additional conditions which may be imposed if we decide to seek an extension of the land use rights for our investment properties upon the expiry thereof.

In certain circumstances, the PRC government may, where it considers it to be in the public interest, terminate land use rights before the expiration of the term. In addition, the PRC government has the right to terminate long-term land use rights and expropriate the land in the event the grantee fails to observe or perform certain terms and conditions pursuant to the land use rights grant contracts. If the PRC government charges a high land grant premium, imposes additional conditions, or does not grant an extension of the term of the land use rights of any of our investment properties, our operations could be disrupted, and our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE NEW NOTES, SUBSIDIARY GUARANTEES AND JV SUBSIDIARY GUARANTEES

We are a holding company and payments with respect to the New Notes are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.

We are a holding company with no material operations. We conduct our operations through our PRC subsidiaries. The New Notes will not be guaranteed by any current or future PRC subsidiaries. Our primary assets are ownership interests in our PRC subsidiaries, which are held through the Subsidiaries Guarantors. The Subsidiary Guarantors do not, and the JV Subsidiary Guarantors (if any) may not, have significant operations. Accordingly, our ability to pay principal and interest on the New Notes and the ability of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to satisfy their obligations under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be) will depend upon our receipt of principal and interest payments on the intercompany loans and distributions of dividends from our PRC subsidiaries.

Creditors, including trade creditors of Non-Guarantor Subsidiaries and any holders of preferred shares in such entities, would have a claim on the Non-Guarantor Subsidiaries' assets that would be prior to the claims of holders of the New Notes. As a result, our payment obligations under the New Notes will be effectively subordinated to all existing and future obligations of our Non-Guarantor Subsidiaries, including their obligations under guarantees they have issued or will issue in connection with our business operations, and all claims of creditors of our Non-Guarantor Subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the New Notes. The New Notes and the Indenture permit us, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) and our Non-Guarantor Subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. In addition, our secured creditors or those of any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) would have priority as to our assets or the assets of such Subsidiary Guarantor or JV Subsidiary Guarantor (if any) securing the related obligations over claims of holders of the New Notes.

Under the terms of the New Notes, a Subsidiary Guarantee may be replaced by a limited-recourse guarantee, or JV Subsidiary Guarantee, following the sale or issuance to a third party of equity interest of no less than 20% in such subsidiary by its direct or indirect majority shareholders (subject to the satisfaction of

certain conditions). Recovery under a JV Subsidiary Guarantee is limited to an amount equal to our proportional interest in the issued shares or issued share capital of such JV Subsidiary Guarantor, multiplied by the fair market value of the total assets in such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis, as of the date of the last fiscal year end of the Company. As a result, the amount that may be recovered by the Trustee pursuant to a JV Subsidiary Guarantee (compared to a Subsidiary Guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the New Notes.

In addition, creditors of all our subsidiaries and any holders of preferred shares in our subsidiaries, except for those of a Subsidiary Guarantor, would have a claim over our subsidiaries' assets that would be prior to the claims of holders of the New Notes.

We have substantial indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations

We will continue to have after the offering of the New Notes, a substantial amount of indebtedness. As of June 30, 2022, our total borrowings included in non-current borrowings and current borrowings were RMB6,812.0 million (US\$1,017.0 million) and RMB1,553.9 million (US\$232.0 million), respectively. We incurred further indebtedness after June 30, 2022. See "Description of Other Material Indebtedness."

Our substantial indebtedness could have important consequences to you. For example, it could:

- limit our ability to satisfy our obligations under the New Notes and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increase the cost of additional financing.

In the future, we may from time to time incur substantial additional indebtedness and contingent liabilities. Under the indentures governing the New Notes, our ability to incur additional debt is subject to limitations on indebtedness and preferred stock covenants. Under such covenants, we may incur (i) certain Permitted Indebtedness or (ii) additional indebtedness if we can, among other things, satisfy the Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio is derived by dividing Consolidated EBITDA by Consolidated Fixed Charges. Because our definition of Consolidated Net Income (which is a significant component of Consolidated EBITDA) for the New Notes, includes our unrealized gains on valuation adjustments on our investment properties, our Consolidated EBITDA and therefore our ability to incur additional debt under such covenants could be substantially larger when compared to other similarly situated PRC senior notes issuers whose covenants do not typically include such unrealized gains in the definition of consolidated net income. In addition, because our definition of Consolidated Interest Expense for the New Notes, excludes the interest expense on indebtedness of third parties that we guarantee (except to the extent that such interest expense is actually paid by us), our Consolidated Interest Expense and our ability to incur additional debt could be even larger when compared to other similarly situated PRC senior notes issuers

whose covenants would typically include such interest expense in the definition of consolidated interest expense. If we or our subsidiaries incur additional debt, the risks that we face as a result of our already substantial indebtedness and leverage could intensify.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due. However, we may not generate sufficient cash flow for these purposes. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

In addition, the terms of the Indenture prohibit us from incurring additional indebtedness unless (i) we are able to satisfy certain financial ratios or (ii) we are able to incur such additional indebtedness pursuant to any of the exceptions to the financial ratio requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We cannot assure you that we will be able to meet these ratios. For example, we may not be able to satisfy the Fixed Charge Coverage Ratio requirement for ratio debt immediately after the issuance of the New Notes, in which case, we will have to rely on Permitted Indebtedness provisions to incur any additional debt. Certain of our financing arrangements also impose operating and financial restrictions on our business. Such restrictions in the Indenture and our other financing arrangements may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in our business or the general economy. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the New Notes and other debt.

Our Company is a holding company that relies on payment from our subsidiaries and joint ventures for funding and limitations on the ability of our PRC subsidiaries and joint ventures to pay dividends or repay intercompany loans or advances to us may have a material adverse effect on our ability to conduct our business.

As a holding company, we depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, as well as certain joint ventures, to satisfy our obligations, including our obligations under the New Notes. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, applicable laws and restrictions contained in the debt instruments or agreements of such subsidiaries. In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to us to make payments on the New Notes. We also derive a significant portion of our profit before income tax from our shares of the results of certain joint ventures and associates, which we do not control. These restrictions could reduce the amounts that we receive from our subsidiaries and joint ventures, which would restrict our ability to meet our payment obligations under the New Notes.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with HKFRS in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends by the board of shareholders. In practice, our PRC subsidiaries may pay dividends once or twice a year. In addition, starting from January 1, 2008, dividends paid by our PRC subsidiaries to their non-PRC parent companies will be subject to a 10% withholding tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated, which specifically exempts

or reduces such withholding tax. Pursuant to a double tax treaty between Hong Kong and the PRC, if the non-PRC parent company is a Hong Kong resident and directly holds a 25% or more interest in the PRC enterprise, such withholding tax rate may be lowered to 5%, subject to prior approvals from competent local tax authorities. In addition, some of our PRC subsidiaries are subject to certain restrictions on dividend distribution under their loan agreements with the relevant banks. See “Description of Other Material Indebtedness.” As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet payments required by the New Notes or satisfy our obligations under the New Notes and there could be restrictions on payments required to redeem the New Notes at maturity or as required for any early redemption.

Furthermore, although we currently do not have any offshore shareholder loan to our PRC subsidiaries, we may resort to such offshore lending in the future, rather than equity contribution, to our PRC subsidiaries to finance their operations. In such events, the market interest rates that our PRC subsidiaries can pay with respect to offshore loans generally may not exceed comparable interest rates in the international finance markets. The interest rates on shareholder loans paid by our subsidiaries, therefore, are likely to be lower than the interest rate for the New Notes. Our PRC subsidiaries are also required to pay a 10% (or 7% if the interest is paid to a Hong Kong resident) withholding tax on our behalf on the interest paid under any shareholder loan. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries (as foreign-invested enterprises in China) must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with SAFE, as well as any other documents that SAFE or its local branch may require.

As a result of the foregoing, we cannot assure you that we will have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries and joint ventures to satisfy our obligations under the New Notes or the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be). Any limitation on the ability of our PRC subsidiaries and joint ventures to pay dividends to us may also materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses or otherwise fund and conduct our business.

The Renminbi is not a freely convertible currency.

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the U.S. dollar and Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover twenty provinces and cities in China and to make Renminbi trade and other current account item settlement available in all countries worldwide. On December 3, 2013, the MOFCOM promulgated the Announcement on Issues Concerning Cross-border RMB Direct Investment (Announcement of the Ministry of Commerce [2013] No. 87) (《關於跨境人民幣直接投資有關問題的公告》商務部公告2013年第87號) (the “MOFCOM Announcement”) to further facilitate Renminbi inbound direct investments by foreign investors. On October 13, 2011, the PBOC promulgated the Administrative Measures on Settlement of Cross-Border Renminbi Direct Investment (PBOC Announcement 2011 No. 23) (《外商直接投資人民幣結算業務管理辦法》中國人民銀行公告[2011]23號) (the “PBOC Measures”) and amended in 2015 and 2020 to set forth rules for settlements of Renminbi inbound direct investments. The MOFCOM Announcement and the PBOC Measures provide more detailed rules for cross-border Renminbi direct investments and settlements. We cannot assure you whether the relevant PRC authorities will adopt any other new regulations or rules to loosen or further strengthen the administration on the remittance of Renminbi for foreign direct investments.

We may be subject to risks presented by fluctuations in exchange rates between the Renminbi and other currencies, particularly the U.S. dollar.

The New Notes are denominated in U.S. dollars, while substantially all of our revenues are generated by our PRC operating subsidiaries and are denominated in Renminbi. Pursuant to reforms of the exchange rate system announced by the PBOC on July 21, 2005, Renminbi-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from May 18, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was widened to 1.0% on April 16, 2012 and revised to 2.0% on March 17, 2014. On August 5, 2019, the PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. Since 2020, the Renminbi has steadily appreciated against the U.S. dollar. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of the Renminbi against the U.S. dollar, our financial condition and results of operations could be adversely affected because of our substantial U.S. dollar denominated indebtedness and other obligations. Such a devaluation could also adversely affect the value, translated or converted into U.S. dollars or otherwise, of our earnings and our ability to satisfy our obligations under the New Notes.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. Currently, we do not adopt any hedging instruments to reduce our foreign exchange risk exposure. Following the offering of the New Notes, in the future we may purchase derivative financial instruments or enter into foreign exchange or interest rate hedging agreements in respect of our U.S. dollar-denominated liabilities under the New Notes. These hedging agreements may require us to pledge or transfer cash and other collateral to secure our obligations under the agreements, and the amount of collateral required may increase as a result of mark-to-market adjustments. The Dealer Advisors and their affiliates may enter into such hedging agreements permitted under the Indenture governing the New Notes.

We may not be able to repurchase the New Notes upon a Change of Control.

We must offer to purchase the New Notes upon the occurrence of a Change of Control, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See “Description of the New Notes.”

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any Change of Control to make purchases of outstanding New Notes. Our failure to make the offer to purchase or purchase the outstanding New Notes would constitute an Event of Default under the New Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, we may not have sufficient funds to purchase the New Notes and repay the debt.

In addition, the definition of Change of Control for purposes of the Indenture governing the New Notes does not necessarily afford protection for the holders of the New Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of Change of Control for purposes of the indenture governing the New Notes also includes a phrase relating to the sale of “all or substantially all” of our assets. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition under applicable law. Accordingly, our obligation to make an offer to purchase the New Notes and the ability of a holder of the New Notes to require us to purchase its notes pursuant to the offer as a result of a highly-leveraged transaction or a sale of less than all of our assets may be uncertain.

We may be unable to obtain and remit foreign exchange.

Our ability to satisfy our obligations under the New Notes depends solely upon the ability of our subsidiaries in the PRC to obtain and remit sufficient foreign currency to pay dividends to us and to repay shareholder loans. Our PRC subsidiaries must present certain documents to the SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of the PRC (including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with the SAFE). Prior to payment of interest and principal on any shareholder loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of the 10% (or 7% if the interest is paid to a Hong Kong resident under certain circumstances) withholding tax on the interest payable in respect of such shareholder loan. If any PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, the PRC subsidiary will be unable to pay us dividends or interest and principal on our existing shareholder loans, which may affect our ability to satisfy our obligations under the New Notes.

If we are unable to comply with the restrictions and covenants in our debt agreements, including the indenture governing the New Notes, there could be a default under the terms of these agreements, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Indenture governing the New Notes, or our current or future debt obligations and other agreements (including the indenture governing the 2022 Notes), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the New Notes, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our operations are restricted by the terms of the New Notes and other debt agreements, which could limit our ability to plan for or to react to market conditions or meet our capital needs, which could increase your credit risk.

The indenture governing the New Notes and other debt agreements include a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our Restricted Subsidiaries, to:

- incur additional indebtedness and issue disqualified or preferred stock;
- make investments, dividend payments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;

- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

The terms of the New Notes permit us to make investments in Unrestricted Subsidiaries and minority owned joint ventures.

In light of land prices, sizes of projects and other factors, we may from time to time consider developing property developments jointly with other PRC property developers or enter into other cooperative arrangements. As part of our business strategy, we may also invest in other businesses that we believe are suitable. As a result, we may need to make investments in joint ventures (including joint ventures in which we may own less than a 50% equity interest) or other third parties and such entities may or may not be Restricted Subsidiaries. Although the indenture governing the New Notes restricts us and our Restricted Subsidiaries from making investments in Unrestricted Subsidiaries or minority joint ventures, these restrictions are subject to important exceptions and qualifications. For example, we may, subject to certain conditions, make investments in any minority-owned joint ventures up to an aggregate amount equal to 5% of our total assets without satisfying the Fixed Charge Coverage Ratio requirement. Subject to certain conditions, we are also permitted to make investments in any minority owned joint venture which are Franchise Companies (as defined in the "Description of the New Notes") that are engaged in property development, of which we, through contractual agreements, directly or indirectly, controls and managers operations. See the definition of "Permitted Investment" in "Description of the New Notes."

The terms of the New Notes permit us to pay substantial amount of dividends.

We pay dividends to our shareholders from time to time. Under the Indenture, any such dividend payment will be a "Restricted Payment", which could not be made unless we can, among other things, satisfy the Fixed Charge Coverage Ratio. However, such restriction is subject to important exceptions and qualifications. Under the terms of the New Notes, we may pay dividends on our common stock in an aggregate amount up to 25.0% of our profit for the immediate prior fiscal year without satisfying the Fixed Charge Coverage Ratio. With such an exception, we may be able to pay substantial amount of dividends even when we are highly leveraged, which may materially and adversely affect our ability to service our indebtedness, including the New Notes.

We may elect to redeem the New Notes prior to their maturity.

As set forth in "Description of the New Notes — Optional Redemption," the New Notes may be redeemed at our option in the circumstances set out therein. An optional redemption feature is likely to limit the market value of the New Notes. During any period when we may elect to redeem New Notes, the market value of those New Notes generally will not rise substantially above the price at which they can be redeemed. This may also be the case prior to any redemption period. The date on which the Company elects to redeem the New Notes may not accord with the preference of particular Noteholders. We may be expected to redeem New Notes when the current financing cost is lower than the interest rate on the New Notes. In such case, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the New Notes being redeemed and may only be able to reinvest so at a significantly lower rate. It may therefore cause a negative financial impact on the holders of the New Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

The short term nature of the New Notes may place increased pressure on our cash flow and funding needs.

The New Notes have a maturity date of less than one year. Our ability to repay the New Notes and to meet our other debt service obligations depends on our future operating and financial performance and ability to generate cash in the short term, which are affected by general economic, financial, competitive and other factors beyond our control. Dedicating a substantial portion of our cash flow to making payments on our debt, including the New Notes, within a short period would limit the availability of funds for working capital, business opportunities and other general corporate purposes, increase our vulnerability to adverse general economic or industry conditions, limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, and potentially increase our cost of borrowing. In addition, the availability of external financing with which to repay our debt financing, including the New Notes, is subject to numerous factors, including general political, economic and capital market conditions (both internationally and within the PRC), interest rates, credit availability from banks and other major lenders and investor confidence in us and our business, some of which may be outside our control. In addition, the issuance of the New Notes has not been registered with National Development and Reform Commission (the “NDRC”) of the PRC pursuant to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises (《國家發展改革委關於推進企業發行外債備案登記制管理改革的通知發改外資[2015]2044號》) (the “NDRC Notice”) as the NDRC Notice only applies to offshore offerings of debt by PRC enterprises with a tenor of one year or above. In addition, according to the Circular of the National Development and Reform Commission on Seeking Public Comments on the Administrative Measures for Review and Registration of Enterprise’s Medium- and Long-term Foreign Debts (Draft for Comment) (《國家發展改革委關於〈企業中長期外債審核登記管理辦法(徵求意見稿)〉公開徵求意見的通知》), or the Foreign Debt Draft, foreign debt with a term of more than one year (exclusive) are subject to review and registration managements. The Foreign Debt Draft has not been formally enacted into a law and there exists uncertainties how it would be enforced and interpreted. Uncertainties still remain regarding the interpretation, implementation and enforcement of the NDRC Notice and the Foreign Debt Draft, and, in particular, there is a risk that the NDRC could in the future amend the existing rules or issued new rules or the interpretation thereof (including those with retroactive effect) relating to foreign debt management, such that debt instruments similar to the New Notes will be subject to the registration and other requirements under the NDRC Notice.

A trading market for the New Notes may not develop, and there are restrictions on resale of the New Notes.

The New Notes are a new issue of securities for which there is currently no trading market. Although application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST, we cannot assure you that we will obtain or be able to maintain a listing on the SGX-ST, or that, if listed, a liquid trading market will develop. If such a market were to develop, the New Notes could trade at prices that may be higher or lower the initial issue price depending on many factors, including prevailing interest rates, our operations and the market for similar securities. Further, the New Notes may be allocated to a limited number of investors, in which case liquidity may be limited. In addition, the New Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your New Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See “Transfer Restrictions.” We cannot predict whether an active trading market for the New Notes will develop or be sustained.

Certain transactions that constitute “connected transactions” under the Listing Rules will not be subject to the “Limitation on Transactions with Shareholders and Affiliates” covenant.

Our shares are listed on the Hong Kong Stock Exchange and we are required to comply with the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), which provide, among other things, that any transaction between a listed company or any of its subsidiaries, on the one hand, and a “connected person” of such listed company, on the other hand, is a “connected

transaction” that, if the value of such transaction exceeds the applicable *de minimis* thresholds, will require the prior approval of the independent shareholders of such listed company. The definition of “connected person” to a listed company includes, among others, any 10% or more shareholder of (i) such listed company or (ii) any subsidiary of such listed company. The concept of “connected person” also captures “associates,” which include, among others, (a) any subsidiary of such “connected person,” (b) any holding company of such “connected person” and any subsidiary of such holding company, and (c) any company in which such entity or entities mentioned in (a) and (b) above taken together has/have the power to exercise control, directly or indirectly, of 30% or more of the voting power of such company.

The “Limitation on Transactions with Shareholders and Affiliates” covenant in the New Notes only applies to transactions between the Company or any Restricted Subsidiary, on the one hand, and (x) any holder (or any Affiliate of such holder) of 10% or more of any class of capital stock of the Company or (y) any Affiliate of the Company, on the other hand. As such, transactions between the Company or any Restricted Subsidiary, on the one hand, and an Affiliate of any Restricted Subsidiary, on the other hand, may not be captured by such covenant, even though they may be connected transactions under the Listing Rules and subject to any requirements under the Listing Rules are subject to the independent shareholders’ requirement under the Listing Rules. As a result, we are not required by the terms of the New Notes to ensure that any such transactions are on terms that are fair and reasonable, and we will not need to deliver officers’ certificates or procure the delivery of fairness opinions of accounting, appraisal or investment banking firms to the trustee of the New Notes for any such transactions.

The insolvency laws of the Cayman Islands, British Virgin Islands and other local insolvency laws may differ from the United States bankruptcy laws or those of another jurisdiction with which holders of the New Notes are familiar.

Because we are incorporated under the laws of the Cayman Islands and some of the Subsidiary Guarantors are incorporated, and the JV Subsidiary Guarantors (if any) may be incorporated, under the laws of the British Virgin Islands, an insolvency proceeding relating to us or any such Subsidiary Guarantor or JV Subsidiary Guarantor, even if brought in the United States or other jurisdictions, would likely involve Cayman Islands insolvency laws and/or British Virgin Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the United States federal bankruptcy law or bankruptcy law in other jurisdictions. In addition, our other Subsidiary Guarantors and JV Subsidiary Guarantors (if any) are incorporated or may be incorporated in the Cayman Islands or Hong Kong and the insolvency laws of the Cayman Islands and Hong Kong may also differ from the laws of the jurisdictions with which the holders of the New Notes are familiar.

We conduct substantially all of our business operations through PRC-incorporated subsidiaries in China. The Subsidiary Guarantors, as equity holders in our PRC subsidiaries, are necessarily subject to the bankruptcy and insolvency laws of China in a bankruptcy or insolvency proceeding involving any of such PRC subsidiaries. Any JV Subsidiary Guarantors which become equity holders of our PRC subsidiaries would also be subject to such laws. The PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of the United States and other jurisdictions with which the holders of the New Notes are familiar. You should analyze the risks and uncertainties carefully before you invest in our New Notes.

The liquidity and price of the New Notes following the offering may be volatile.

The price and trading volume of the New Notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to our industry and general economic conditions nationally or internationally could cause the price of the New Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the New Notes. We cannot assure you that these developments will not occur in the future.

The Trustee may request the holders of the New Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may request holders of the New Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it will take actions on their behalf. The Trustee will not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. Further, the Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Indenture or in circumstances where there is uncertainty or dispute as to such actions' compliance with applicable laws and regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the New Notes to take such actions directly.

There may be less publicly available information about us than is available in certain other jurisdictions.

There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In addition, the financial information in this exchange offer memorandum has been prepared in accordance with HKFRS, which differ in certain respects from U.S. GAAP and generally accepted accounting principles in other jurisdictions, or other GAAPs, which might be material to the financial information contained in this exchange offer memorandum. We have not prepared a reconciliation of our consolidated financial statements and related footnotes between HKFRS and U.S. GAAP or between HKFRS and other GAAPs. In making an investment decision, you must rely upon your own examination of us, the terms of the offering and our financial information. You should consult your own professional advisers for an understanding of the differences between HKFRS and U.S. GAAP or between HKFRS and other GAAPs and how those differences might affect the financial information contained in this exchange offer memorandum.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to debt securities listed in certain other countries.

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will be subject to continuing listing obligations in respect of the New Notes. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what investors in the New Notes are accustomed to.

Under the EIT Law we may be classified as a “resident enterprise” of the PRC, which could result in unfavorable tax consequences to us and our non-PRC holders of the New Notes.

Under the EIT Law, an enterprise established outside of China with “de facto management organization” located within China will be considered a “resident enterprise” in the PRC and consequently will be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define “de facto management” as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. In April 2009, the State Administration of Taxation specified certain criteria for the determination of the “de facto management bodies” for foreign enterprises that are controlled by PRC enterprises. However, no definition of “management body” has been provided for enterprises established offshore by individuals or foreign enterprises such as us. Therefore, it is uncertain whether we will be deemed as a PRC “resident enterprise” for the purposes of the EIT Law. If the PRC tax authorities determine that we are a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. We may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income from sources outside

the PRC, such as income from any investment outside the PRC of any portion of the offering proceeds, would be subject to PRC enterprise income tax at a rate of 25%, whereas no direct tax is imposed on enterprises under the laws of the Cayman Islands.

Interest paid by us to our foreign investors and gain on the sale of our New Notes may be subject to taxation under PRC tax laws.

Under the EIT Law, if we are deemed as a “resident enterprise” in the PRC, PRC withholding tax at the rate of 10% (or lower treaty rate, if any) might be applicable to interest paid by us to investors that are “non-resident enterprises” if such “non-resident enterprise” investors do not have an establishment or place of business in China or if, despite the existence of such establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China. Any gain realized on the transfer of the New Notes by “non-resident enterprise” investors would be subject to a 10% PRC tax if we were treated as a PRC “resident enterprise” and such gain is regarded as income derived from sources within China. In the case of “non-resident individual” investors, the PRC income tax on interest and gains may be imposed at a rate of 20% (or lower treaty rate, if any). If we were a PRC “resident enterprise” and were required under the EIT Law to withhold PRC income tax on interest payable to our Note holders, we would be required to, subject to certain exceptions, pay such additional amounts as would result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the New Notes, and could have a material adverse effect on our ability to pay interest on, and repay the principal amount of, the New Notes, as well as our profitability and cash flow. In addition, if you are required to pay PRC income tax on the transfer of our New Notes, the value of your investment in our New Notes may be materially and adversely affected. It is unclear whether, if we are considered a PRC “resident enterprise,” holders of our New Notes might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

We may be able to redeem the New Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in the event we are required to pay additional amounts because we are treated as a PRC “resident enterprise”.

In the event we are treated as a PRC “resident enterprise” under the EIT Law, we may be required to withhold PRC tax on interest payable to certain of our non-resident investors. In such case, we will, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. As described under “Description of the New Notes — Redemption for Taxation Reasons,” in the event we are required to pay additional amounts as a result of certain changes in or interpretations of tax law, including any change or interpretation or the stating of an official position that results in our being required to withhold tax on interest payments as a result of our being treated as a PRC “resident enterprise,” we may be able to redeem the New Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The New Notes will initially be held in book entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The New Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global notes will trade in book-entry form only, and the New Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the New Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the New Notes will be made to the paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the global notes representing the New Notes and credited by such participants to indirect participants. After payment to the common depository for Euroclear and Clearstream, we will have no

responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of New Notes under the Indenture.

Unlike the holders of the New Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the New Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Our initial Subsidiary Guarantors do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees.

We conduct substantially all of our business operations through our PRC subsidiaries, but none of our current PRC subsidiaries will provide a Subsidiary Guarantee or JV Subsidiary Guarantee either upon issuance of the New Notes or at any time thereafter. No future subsidiaries that are organized under the laws of the PRC will provide a Subsidiary Guarantee or JV Subsidiary Guarantee at any time in the future. In addition, certain of our future offshore subsidiaries will not be required to guarantee the New Notes if the consolidated assets of all our offshore subsidiaries that do not guarantee the New Notes (other than Exempted Subsidiaries and Listed Subsidiaries) do not exceed 20% of our total assets. As a result, the New Notes will be effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of such Non-Guarantor Subsidiaries. See “Description of the New Notes — The Subsidiary Guarantees and the JV Subsidiary Guarantees” for a list of the Non-Guarantor Subsidiaries.

The initial Subsidiary Guarantors which will guarantee the New Notes do not have significant operations. We cannot assure you that the initial Subsidiary Guarantors or any subsidiaries that may become Subsidiary Guarantors or JV Subsidiary Guarantors in the future will have the funds necessary to satisfy our obligations under New Notes if we are unable to do so.

Under the terms of the New Notes, the Company may elect not to cause any future Restricted Subsidiary organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) provide any guarantee for the New Notes and a Subsidiary Guarantor may be able to release its Subsidiary Guarantee if it sells or issues no less than 20% of the Capital Stock of such Subsidiary Guarantor to a third party, as long as the consolidated assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of our total assets.

In addition, a Subsidiary Guarantee may be replaced by a limited-recourse JV Subsidiary Guarantee following the sale or issuance to a third party of certain minority interest in such subsidiary (subject to the satisfaction of certain conditions). Recovery under a JV Subsidiary Guarantee provided by a JV Subsidiary Guarantor and its shareholder and subsidiaries is limited to an amount equal to our proportional interest in the issued share capital of such JV Subsidiary Guarantor multiplied by the fair market value of the total assets in such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis, as of the date of our last fiscal year-end. As a result, the amount that may be recovered by the Trustee pursuant to a JV Subsidiary Guarantee (compared with a Subsidiary Guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the New Notes. See “— Risks Relating to the New Notes, Subsidiary Guarantees and JV Subsidiary Guarantees — We are a holding company and payments with respect to the New Notes are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.”

The Subsidiary Guarantees or JV Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or JV Subsidiary Guarantees.

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in the Cayman Islands, the BVI, Hong Kong and other jurisdictions where future Subsidiary Guarantors or JV

Subsidiary Guarantors (if any) may be established or where insolvency proceedings may be commenced with respect to any such Subsidiary Guarantor or JV subsidiary Guarantor, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of the incurrence of such guarantee;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its properties at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debts as they became absolute and matured.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration and, as a result, such guarantee would be rendered void.

In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be) will be limited to the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor or JV Subsidiary Guarantor without rendering the guarantee, as it relates to such Subsidiary Guarantor or JV Subsidiary Guarantor, voidable under such applicable insolvency or fraudulent transfer laws.

If a court voids a Subsidiary Guarantee or JV Subsidiary Guarantee (as the case may be), subordinates such guarantee to other indebtedness of the Subsidiary Guarantor or JV Subsidiary Guarantor, or holds the Subsidiary Guarantee or JV Subsidiary Guarantee (as the case may be) unenforceable for any other reason, holders of the New Notes would cease to have a claim against that Subsidiary Guarantor or JV Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of such Subsidiary Guarantor or JV Subsidiary Guarantor (as the case may be), and would solely be creditors of us and any Subsidiary Guarantors or JV Subsidiary Guarantors whose guarantees have not been voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the New Notes.

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Q: Why is the Company making the Exchange Offer?

A: We are conducting the Exchange Offer to refinance the Existing Notes and improve our debt structure, enabling us to extend our debt maturity profile, develop more steadily, strengthen our balance sheet and improve cash flow management. See “Summary of the Exchange Offer — Background of the Exchange Offer” and “Summary of the Exchange Offer — Purpose of the Exchange Offer.”

Q: What will I receive if I tender my Existing Notes in the Exchange Offer?

A: For each US\$1,000 principal amount of outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder will receive the Exchange Consideration consisting of: (a) US\$1,000 in aggregate principal amount of the New Notes, (b) Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards), and (c) subject to the requirement that any New Notes issued to any Eligible Holder be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof. Any fractional amounts of New Notes will be forfeited. See “Summary of the Exchange Offer” and “Description of the Exchange Offer — Exchange Consideration” for further details.

Q: What are the consequences of not tendering in the Exchange Offer?

A: Following the consummation of the Exchange Offer, the trading market for Existing Notes that are not exchanged could become more limited than the existing trading market for the Existing Notes and could cease to exist altogether due to the reduction in the amount of the Existing Notes outstanding upon consummation of the Exchange Offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Existing Notes. See the section entitled “Risk Factors — Risks Relating to the Exchange Offer Generally — Upon consummation of the Exchange Offer, liquidity of the market for outstanding Existing Notes may be substantially reduced, and market prices for outstanding Existing Notes may decline as a result” for additional risk disclosure.

Q: How do the Existing Notes differ from the New Notes to be issued in the Exchange Offer?

A: The Existing Notes will mature on November 11, 2022. The New Notes will mature in 2023. See “Description of the New Notes” for further details.

Q: Are there any conditions to the consummation of the Exchange Offer?

A: Our obligation to complete the Exchange Offer is conditioned upon, among other things, the following: (i) not less than the Minimum Acceptance Amount of the Existing Notes shall have been validly tendered prior to the Exchange Expiration Deadline; (ii) there being no material adverse change in the market from the date of this exchange offer memorandum to the Settlement Date; (iii) an affirmative determination by us that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in our best interests; and (iv) the satisfaction of the other conditions described in “Description of the Exchange Offer — Conditions to the Exchange Offer.”

Subject to applicable law, we may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Settlement Date. We may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Although we have no present plans or arrangements to do so, we reserve the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. We will give you notice of any amendments, modifications or waivers as and if required by applicable law.

Q: When will the Exchange Offer expire?

A: The Exchange Offer will expire at 4:00 p.m., London time on November 2, 2022, subject to our right to extend or earlier terminate that time and date at our absolute discretion.

Q: Under what circumstances can the Exchange Offer be extended, amended or terminated?

A: We reserve the right to extend the Exchange Offer at our absolute discretion for any reason. We expressly reserve the right, at any time, to amend the terms of the Exchange Offer in any respect prior to the Exchange Expiration Deadline, subject to applicable law. Further, we may extend the Exchange Offer if we make a material change in the terms of the Exchange Offer or in the information contained in this exchange offer memorandum or waive a material condition to the Exchange Offer. During any extension of the Exchange Offer, Existing Notes that were previously tendered for exchange will remain subject to the Exchange Offer. Any waiver, amendment or modification of the Exchange Offer, including any change in the Exchange Consideration, will apply to all Existing Notes previously validly tendered. We reserve the right to terminate the Exchange Offer at any time prior to the Settlement Date if any conditions are not met. For more information regarding our right to extend, amend or terminate the Exchange Offer, see “Description of Exchange Offer — Exchange Expiration Deadline; Extensions; Amendments; Termination.”

Q: When will the Company issue the New Notes?

A: Assuming the conditions to the Exchange Offer are satisfied or waived, we anticipate that we will issue the New Notes and settle the Exchange Offer, including the delivery and payment of the Exchange Consideration, on or about November 7, 2022, unless the Exchange Offer is extended or earlier terminated.

Q: What are my rights if I change my mind after I tender my Existing Notes?

A: Tenders of Existing Notes may not be withdrawn or revoked once submitted unless we are required by law to permit such withdrawal or revocation.

Q: Will the Company receive any cash proceeds from the Exchange Offer?

A: No. See “Use of Proceeds.”

Q: When will the Company purchase or redeem the Existing Notes?

A: Existing Notes tendered in the Exchange Offer pursuant to valid and accepted instructions will be exchanged on the Settlement Date and subsequently canceled.

Whether or not the Exchange Offer is consummated, we expressly reserve the absolute right, at our sole discretion, from time to time to redeem or purchase any Existing Notes that remain outstanding after the consummation or termination of the Exchange Offer through open market or privately negotiated transactions, one or more additional tenders or exchange offers or otherwise, on terms that may differ from the Exchange Offer and could be for cash or other consideration, or to exercise any of our redemption rights, including redemption rights, under the Existing Notes Indenture.

Q: Can I transfer my Existing Notes after submitting an instruction to exchange?

A: Upon giving instructions with respect to any Existing Notes, an Eligible Holder will agree that its Existing Notes will be blocked from transferring in the relevant account in the relevant Clearing System from the date the relevant instruction is submitted until the Settlement Date or the date of termination of the Exchange Offer (including where such Existing Notes are not accepted by the Company for exchange), whichever is earlier.

Q: What happens if some or all of my Existing Notes are not accepted?

A: If we decide not to accept some or all of your Existing Notes because of an invalid tender, the occurrence of the other events set forth in this exchange offer memorandum or otherwise, the Existing Notes not accepted by us for the Exchange Offer will be credited back to the tendering holder's account at Euroclear or Clearstream, as applicable.

Q: Will I have to pay any fees or commissions if I tender my Existing Notes in the Exchange Offer?

A: If your Existing Notes are held through a broker or other nominee who tenders the Existing Notes on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges apply. Otherwise, you will not be required to pay any fees or commissions to us, the Dealer Advisors or the Information and Exchange Agent in connection with the Exchange Offer.

Q: How do I tender my Existing Notes for exchange in the Exchange Offer?

A: Please see "Description of Exchange Offer — Procedures for Tendering Existing Notes." For further information, please contact Morrow Sodali Limited, who has been retained by us as the Information and Exchange Agent for the Exchange Offer, or consult your broker, dealer, commercial bank, trust company or other nominee or custodian for assistance.

PLEASE NOTE: The Exchange Offer is available only to holders who are not U.S. persons (within the meaning of Regulation S) and are outside the United States. To participate in the Exchange Offer, a holder of Existing Notes must either hold such Existing Notes through a direct participant in Euroclear or Clearstream or arrange for the transfer of its Existing Notes so that they are held through such a direct participant. U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND PERSONS LOCATED OR RESIDENT IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.

Q: Will the New Notes be freely tradable?

A: The transfer of the New Notes is restricted. The New Notes will not be registered under, and we are not obligated to register the New Notes under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Transfer Restrictions." We have not agreed to or otherwise undertaken to register the New Notes, and have no intention to do so. There can be no assurance as to the development or liquidity of any market for the New Notes.

Q: To whom should I direct any questions?

A: Questions about the terms of the Exchange Offer should be directed to the Dealer Advisors or the Information and Exchange Agent, as appropriate. If you have questions regarding exchange procedures or require additional copies of this exchange offer memorandum, please contact the Information and Exchange Agent. Contact information for the Dealer Advisors and the Information and Exchange Agent are set forth on the back cover of this exchange offer memorandum. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominees or custodians for assistance concerning the Exchange Offer. All documents related to the Offer will be made available, subject to eligibility, on the Exchange Website.

USE OF PROCEEDS

We will not receive any cash proceeds from the Exchange Offer. Any Existing Notes exchanged in connection with the Exchange Offer will be cancelled.

DESCRIPTION OF THE EXCHANGE OFFER

GENERAL

We intend to conduct the Exchange Offer in accordance with the applicable rules and regulations of any jurisdiction where the offer of the New Notes and the exchange of the Existing Notes is permitted. The Exchange Offer will only be made to, and the New Notes are being offered and will be issued only to, Eligible Holders of Existing Notes who have complied with the procedures set out herein, or on whose behalf their brokers, dealers, custodians, trust companies or other nominees or custodians have complied with the procedures herein and confirmed and represented that such holders are non-U.S. persons located outside the United States, or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States, as those terms are defined in Regulation S under the Securities Act.

BACKGROUND OF THE EXCHANGE OFFER

During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has adversely affected access by property developers to onshore capital. Buyers' concerns about the ability of property developers to deliver projects has adversely affected property sales. In addition, use of pre-sale proceeds becomes subject to more stringent restrictions under applicable PRC rules and regulations. Negative offshore capital markets reactions to all these negative onshore events and austerity measures limited our funding sources to address upcoming maturities.

The property sector in China has continued to experience volatility in 2022. Further tightened bank lending, coupled with various negative credit events, has intensified market concerns over the operations of Chinese property developers. As a result, pre-sale of Chinese property developers has generally decreased.

We anticipate that the market condition in the PRC real estate sector will remain under pressure in 2022, and in the absence of a sharp recovery in the market and a resurgence of various financing options, we remain cautious about our access to external capital to refinance our existing indebtedness in the near term. We, therefore, are striving to meet our financial commitments by, among others, generating cash flow, negotiating with creditors to extend or refinance existing indebtedness and reducing expenses. As part of these efforts, we are conducting the Exchange Offer.

If the Exchange Offer is not successfully consummated, we may not be able to fully repay the Existing Notes, and our other efforts to meet our financial commitments may not achieve the desired effect. As such, we may have to consider alternative debt restructuring exercise.

PURPOSE OF THE EXCHANGE OFFER

We are conducting the Exchange Offer to refinance the Existing Notes and improve our debt structure to enable us to extend our debt maturity profile, develop more steadily, strengthen our balance sheet and improve cash flow management.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this exchange offer memorandum, we are offering to exchange at least the Minimum Acceptance Amount of our outstanding Existing Notes (due November 11, 2022 with ISIN: XS2400313883, Common Code: 240031388) held by Eligible Holders for the Exchange Consideration as set forth below. As of the date of this exchange offer memorandum, US\$158,000,000 in aggregate principal amount of our Existing Notes is outstanding.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration) and will release and discharge us from any and all claims such holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Existing Notes accepted pursuant to the Exchange Offer will be exchanged on the Settlement Date and will subsequently be cancelled.

EXCHANGE CONSIDERATION

Eligible Holders of the outstanding Existing Notes that are validly tendered prior to the Exchange Expiration Deadline and accepted for exchange will receive for each US\$1,000 principal amount of the Existing Notes the Exchange Consideration consisting of: (a) US\$1,000 in aggregate principal amount of the New Notes, (b) Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards), and (c) subject to the requirement that any New Notes issued to any Eligible Holder be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof. Any fractional amounts of New Notes will be forfeited.

The Existing Notes bear interest at the rate of 13.5% per annum. Accrued and unpaid interest on any Existing Notes validly tendered and accepted for exchange will be payable in cash.

Notwithstanding anything to the contrary contained in this exchange offer memorandum or in any other document related to the Exchange Offer, we expressly reserve the right, at our sole discretion and regardless of whether any of the conditions described under “Description of the Exchange Offer — Conditions to the Exchange Offer” have been satisfied, subject to applicable law, at any time to (i) terminate the Exchange Offer, in whole or in part, (ii) waive any of the conditions described herein, in whole or in part, (iii) extend the Exchange Expiration Deadline or the Settlement Date, (iv) amend the terms of the Exchange Offer, including the Minimum Acceptance Amount, or (v) modify the form or amount of the consideration to be paid pursuant to this Exchange Offer. Unless waived by us, if we receive valid tender of the Existing Notes for less than the Minimum Acceptance Amount, we will not proceed with the Exchange Offer and the Exchange Offer shall lapse automatically.

If all or any of the Existing Notes tendered for exchange by any holder has not been accepted, you will receive (i) the Exchange Consideration in relation to the amount of the Existing Notes validly tendered and accepted in the Exchange Offer; and (ii) in relation to those Existing Notes not accepted in the Exchange Offer, such Existing Notes will be returned to such holder.

No other holders of the Existing Notes will be entitled to receive the Exchange Consideration.

INTEREST OR COUPON ON THE NEW NOTES

The New Notes will bear an interest rate of 13.5% per annum, payable in arrears on the date that is the last day of the six-month period starting from the Original Issue Date and on the maturity date. See “Summary of the New Notes.”

ELIGIBILITY FOR ACCEPTANCE OF THE EXCHANGE OFFER

Your submission of an Instruction to Euroclear or Clearstream, as applicable, with respect to any Existing Notes will only be valid if you are an Eligible Holder. By submitting an Instruction with respect to any Existing Notes to Euroclear or Clearstream, as applicable, you shall be deemed to certify that you are an Eligible Holder.

EXCHANGE EXPIRATION DEADLINE; EXTENSIONS; AMENDMENTS; TERMINATION

For purposes of the Exchange Offer, the Exchange Expiration Deadline will be 4:00 p.m., London time, on November 2, 2022, subject to our right to extend or earlier terminate that time and date at our absolute discretion, in which case the Exchange Expiration Deadline means the latest time and date to which such time and date is extended or earlier terminated.

We reserve the right, at our absolute discretion, by giving oral or written notice to the Dealer Advisors and the Information and Exchange Agent to:

- extend the Exchange Offer;
- terminate the Exchange Offer if any condition to our obligation to consummate the Exchange Offer is not satisfied or waived prior to the Settlement Date, or if we determine that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated are not in our best interests; and
- amend or modify the Exchange Offer, or waive any condition to the Exchange Offer.

If we make a material change in the terms of the Exchange Offer or the information concerning the Exchange Offer, or waive a material condition of the Exchange Offer, we will promptly disseminate disclosure regarding the changes to the Exchange Offer and we may extend the Exchange Offer as we consider appropriate or, if required by law.

During any extension of the Exchange Offer, Existing Notes that were previously tendered for exchange will remain subject to the Exchange Offer. Any waiver, amendment or modification of the Exchange Offer, including any change in the Exchange Consideration will apply to all Existing Notes previously validly tendered for such waiver, amendment or modification.

We will promptly announce any extension, amendment or termination of the Exchange Offer by issuing an announcement via the websites of the SGX-ST and the SEHK, the Exchange Website, and through Euroclear and Clearstream. We will announce any extension or earlier termination of the Exchange Expiration Deadline no later than 9:00 a.m., Hong Kong time, on the next business day after the previously scheduled Exchange Expiration Deadline.

ACCEPTANCE OF THE EXISTING NOTES

Subject to the terms and conditions of the Exchange Offer, and assuming we do not otherwise terminate the Exchange Offer, we will be deemed to accept validly tendered Existing Notes when, and if, we give oral or written notice of acceptance to the Dealer Advisors and the Information and Exchange Agent. If any tendered Existing Notes are not accepted for any reason described in the terms and conditions of the Exchange Offer, such unaccepted Existing Notes will be returned to the tendering holder at our expense promptly after the expiration or termination of the Exchange Offer. Any unaccepted Existing Notes will be credited back to the tendering holder's account at the relevant Clearing System. Under no circumstances will we be required to accept Existing Notes for exchange that have not been validly tendered prior to the Exchange Expiration Deadline in accordance with the procedures set forth in this exchange offer memorandum. We reserve the absolute right to reject any and all tenders of the Existing Notes not in proper form or any Existing Notes the acceptance for exchange of which may, in the opinion of counsel, be unlawful. See “— Procedures for Tendering Existing Notes.”

SETTLEMENT DATE; DELIVERY OF CONSIDERATION

The Settlement Date will occur promptly after the Exchange Expiration Deadline. We anticipate that the Settlement Date will occur on or about November 7, 2022, unless the Exchange Offer is extended.

Subject to the terms and conditions of the Exchange Offer, and assuming that the Exchange Offer is not otherwise terminated by us, on the Settlement Date, Eligible Holders of Existing Notes who validly tendered in accordance with the procedures set forth in this exchange offer memorandum prior to the Exchange Expiration Deadline that are accepted by us will receive the Exchange Consideration.

Any cash payments for the Exchange Offer will be made by deposit of funds with Euroclear or Clearstream. Euroclear or Clearstream will transmit the New Notes to the holders and Euroclear or Clearstream will also transmit the cash payments to holders.

CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding anything to the contrary contained in this exchange offer memorandum or in any other document related to the Exchange Offer, we expressly reserve the right, at our sole discretion and regardless of whether any of the conditions described under this section have been satisfied, subject to applicable law, at any time to (i) terminate the Exchange Offer, in whole or in part, (ii) waive any of the conditions described herein, in whole or in part, (iii) extend the Exchange Expiration Deadline or the Settlement Date, (iv) amend the terms of the Exchange Offer, including the Minimum Acceptance Amount, or (v) modify the form or amount of the consideration to be paid pursuant to the Exchange Offer.

Combined General Conditions

Notwithstanding any other provisions of the Exchange Offer, or any extension of the Exchange Offer, we will not be required to deliver any consideration (and we may terminate the Exchange Offer or, at our option, modify, extend or otherwise amend the Exchange Offer), unless each of the following conditions, which we refer to as the combined general conditions, are satisfied or waived:

- (1) not less than the Minimum Acceptance Amount of the Existing Notes, not including any Existing Notes subject to repurchase, shall have been validly tendered and not validly withdrawn prior to the Exchange Expiration Deadline;
- (2) we have made an affirmative determination that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in our best interests;
- (3) no action or event shall have occurred or to our knowledge, been threatened (including a default under an agreement, indenture or other instrument or obligation to which we or one of our subsidiaries is a party or by which we or one of our subsidiaries is bound), nor shall any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) be pending or have been taken, nor shall any statute, rule, regulation, judgment, order, stay, decree or injunction have been proposed, promulgated, enacted, entered, enforced or deemed to be applicable to the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer by or before any court or governmental, regulatory or administrative agency or instrumentality, domestic or foreign, authority or tribunal, or by any other person, domestic or foreign, that either:
 - (i) challenges the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer; or
 - (ii) in our reasonable judgment, could materially affect our business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects, or materially impair the contemplated benefits to us of the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer or might be material to holders of the Existing Notes in deciding whether to accept the Exchange Offer;

- (4) there shall not have occurred or be likely to occur any event affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of us or our or subsidiaries that, in our sole judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects, or (ii) would or might prohibit, prevent, restrict or delay consummation of the Exchange Offer;
- (5) none of the following has occurred:
- (i) any general suspension of or limitation on trading in securities on the PRC, the United States, London, Singapore or Hong Kong securities or financial markets, or in the over-the-counter market (whether or not mandatory);
 - (ii) any material decrease in the trading price of the Existing Notes in the PRC, the United States, London, Singapore or Hong Kong or other major securities or financial markets;
 - (iii) a material impairment in the general trading market for debt securities;
 - (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the PRC, the United States, London, Singapore or Hong Kong or other major financial markets (whether or not mandatory);
 - (v) a commencement or escalation of a war, armed hostilities, terrorist act or other national or international crisis directly or indirectly relating to the PRC, the United States, London, Singapore or Hong Kong;
 - (vi) any limitation (whether or not mandatory) by any governmental, administrative or regulatory authority or agency, domestic or foreign, or other event having a reasonable likelihood, in our reasonable judgment, of affecting, the extension of credit by banks or other lending institutions in the PRC, the United States, London, Singapore or Hong Kong;
 - (vii) any material disruption has occurred in securities settlement or clearance services in the PRC, the United States, London, Singapore or Hong Kong;
 - (viii) any amalgamation, merger, acquisition or other business combination proposal involving us or our subsidiaries shall have been proposed, announced or made by any person or entity;
 - (ix) any material adverse change in the PRC, the United States, London, Singapore or Hong Kong securities or financial markets generally;
 - (x) in the case of any of the foregoing existing at the time of the commencement of the Exchange Offer, a material acceleration or worsening thereof; and
- (6) the Existing Notes Trustee shall not have objected in any respect to, nor have taken any action that could in our reasonable judgment adversely affect the consummation of, the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer nor shall the Existing Notes Trustee have taken any action that challenges the validity or effectiveness of the procedures used by us in making the Exchange Offer or the exchange of the Existing Notes under the Exchange Offer.

Waiver, Termination and Modification

The foregoing conditions are for our sole benefit and may be waived by us, in whole or in part, at our absolute discretion. Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding. Our failure at any time to exercise any of our

rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

If any of the combined general conditions is not satisfied, we may, at any time prior to the Settlement Date, subject to applicable law:

- terminate the Exchange Offer and return all tendered Existing Notes;
- modify, extend or otherwise amend the Exchange Offer and retain all tendered Existing Notes until the Exchange Expiration Deadline may be extended; or
- waive any unsatisfied conditions with respect to the Exchange Offer, and accept all Existing Notes tendered and delivered.

Unless waived by us, if we receive valid tender of the Existing Notes for less than the Minimum Acceptance Amount, we will not proceed with the Exchange Offer and the Exchange Offer shall lapse automatically.

Representations, Warranties and Covenants of Eligible Holders of the Existing Notes

Upon instruction to tender the Existing Notes, which will be irrevocable, and subject to the terms and conditions of the Exchange Offer generally, each Eligible Holder will be deemed, among other things, to:

- (1) irrevocably sell, assign and transfer to or upon our order or the order of our nominee, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of such holder's status as a holder of, all Existing Notes tendered thereby, such that thereafter it shall have no contractual or other rights or claims in law or in equity against the Company, the Existing Notes Trustee, the Existing Notes Agents or any fiduciary, trustee, fiscal agent, security agent or other person connected with the Existing Notes arising under, from or in connection with such Existing Notes;
- (2) waive any and all rights with respect to the Existing Notes tendered thereby (including, without limitation, any existing or past defaults and their consequences in respect of such Existing Notes); and
- (3) release and discharge us, each Subsidiary Guarantor, each JV Subsidiary Guarantors (if any), the Existing Notes Trustee, the Existing Notes Agents or any fiduciary, trustee, fiscal agent, security agent or other person connected with the Existing Notes from any and all claims such holder may have (now or in the future), arising out of or relating to the Existing Notes tendered thereby, including, without limitation, any claims that such holder is entitled to receive additional principal or interest payments with respect to the Existing Notes tendered thereby (other than as expressly provided in this exchange offer memorandum) or to participate in any redemption or defeasance of the Existing Notes tendered thereby.

In addition, such Eligible Holder of the Existing Notes will be deemed to represent, warrant and undertake that:

- (1) it has received and reviewed this exchange offer memorandum including the terms of the New Notes set out herein;
- (2) it is the beneficial owner (as defined below) of, or a duly authorized representative of one or more such beneficial owners of, the Existing Notes tendered thereby;
- (3) it (i) has not received or been sent copies of this exchange offer memorandum or any related documents in, into or from the United States, (ii) is not a "U.S. person" and is not located or

resident in the United States, (iii) is not an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal who has given instructions with respect of the Exchange Offer from within the United States or from a U.S. person, (iv) has not otherwise utilized in connection with the Exchange Offer, directly or indirectly, the mails, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce, or of any facilities of a national securities exchange, of the United States and (v) is offering to exchange the Existing Notes from outside the United States;

- (4) it (and/or such Eligible Holder's Euroclear or Clearstream Participant) is not (i) a person that is, or is owned or controlled by a person that is, identified as a "specially designated national" or "blocked person" in the most current U.S. Treasury Department list of "Specially Designated National and Blocked Persons" or included in the U.S. Treasury Department's Sectoral Sanctions Identifications List (which can be found at: <https://sanctionssearch.ofac.treas.gov/>), or in the European Union and UK Consolidated Lists of financial sanctions, or in the EU/UK list of persons subject to restrictive measures in view of Russia's actions destabilizing the situation in Ukraine; or (ii) a person that is organized, resident or located in a country or territory subject to comprehensive/country-wide economic sanctions; (iii) a person that is otherwise the subject of, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, Her Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organizations and individuals under the European Union's Common Foreign & Security Policy; or (iv) acting for or on behalf of any of the foregoing parties (a "**Sanctions Restricted Person**");
- (5) it acknowledges that the Exchange Offer is subject to the restrictions set out in the section entitled "Offer and Distribution Restrictions";
- (6) it acknowledges that the New Notes to be exchanged for the Existing Notes tendered for exchange hereby have not been registered under the Securities Act and may only be sold or otherwise transferred subject to the restrictions set out in the section entitled "Transfer Restrictions";
- (7) it acknowledges that this Exchange Offer is subject to the restrictions set out in "Offer and Distribution Restrictions";
- (8) the Existing Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to such Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same;
- (9) it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered thereby and agrees that any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- (10) in evaluating the Exchange Offer and in making its decision whether to participate therein by tendering its Existing Notes, such holder has made its own independent evaluation of the matters referred to herein and in any related communications and is not relying on any statement, representation or warranty, express or implied, made to such holder by the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors, the Information and Exchange Agent or the Existing Notes Trustee, the Existing Notes Agents other than those contained in this exchange offer memorandum (as amended or supplemented to the Exchange Expiration Deadline);

- (11) the delivery of an Instruction to the relevant Clearing System shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with the Exchange Offer, in each case on and subject to the terms and conditions set out or referred to in this exchange offer memorandum;
- (12) the delivery of an Instruction to the relevant Clearing System shall constitute (subject to the terms and conditions of the Exchange Offer generally) the appointment of the Information and Exchange Agent as its attorney and agent, and an instruction to such attorney and agent (such appointment and instruction to be irrevocable) to complete and execute all or any form(s) of transfer and other document(s) at the discretion of such attorney and agent in relation to the Existing Notes tendered thereby in favor of the Company or such other person or persons as the Company may direct and to deliver such form(s) of transfer and other document(s) in the attorney's and agent's discretion and/or the certificate(s) and other documents of title relating to such Existing Notes' registration and to execute all such other documents and to do all such other acts and things as may be in the opinion of such attorney or agent necessary or expedient for the purpose of, or in connection with, the acceptance of the Exchange Offer, and to vest in the Company or their nominees such Existing Notes;
- (13) the terms and conditions of the Exchange Offer shall be deemed to be incorporated in, and form a part of, the Instruction, which shall be read and construed accordingly;
- (14) by delivering an Instruction with respect to its Existing Notes through Euroclear or Clearstream, it consents to the disclosure by Euroclear or Clearstream of certain details concerning its identity, the aggregate principal amount of such Existing Notes and the account details to the Information and Exchange Agent and the Existing Notes Trustee; and
- (15) it has not distributed or forwarded this exchange offer memorandum, or any part thereof, or any other documents or materials relating to the Exchange Offer to any person, and it has complied with all laws and regulations applicable to it for the purpose of its participation in the Exchange Offer.

Each holder of the Existing Notes that submits an Instruction will also be deemed to represent, warrant and agree with respect to the transfer restrictions as set forth under the section entitled "Transfer Restrictions."

The representations and warranties and agreements of a holder tendering Existing Notes shall be deemed to be repeated and reconfirmed on and as of the Exchange Expiration Deadline and the Settlement Date. For the purposes of this exchange offer memorandum, the "beneficial owner" of any Existing Notes shall mean any holder that exercises sole investment discretion with respect to such Existing Notes. Notwithstanding anything else contained in this Exchange Offer Memorandum or any other document in connection hereto, the Information and Exchange Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law (including any economic or financial sanctions law (and including sanctions enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "Sanctions"))) of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, the European Union and England and Wales) or any directive or regulation (including any economic or sanctions directive or regulation (and including Sanctions)) of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

PROCEDURES FOR TENDERING EXISTING NOTES

General

To participate in the Exchange Offer, an Eligible Holder must validly tender its Existing Notes for exchange pursuant to the Exchange Offer prior to the Exchange Expiration Deadline pursuant to the procedures described below.

To meet the deadlines referred to in this exchange offer memorandum, custodians, nominees and the relevant Clearing System may require you to act on a date prior to the Exchange Expiration Deadline. Additionally, they may require further information in order to process all requests to tender. Eligible Holders are urged to contact their custodians or the relevant Clearing System as soon as possible to ensure compliance with their procedures and deadlines.

The method of delivery of the Existing Notes and all other required documents to the Information and Exchange Agent is at the election and risk of the holder. The Eligible Holder of the Existing Notes should allow sufficient time to assure delivery to and receipt by the Information and Exchange Agent prior to the Exchange Expiration Deadline.

Questions about the terms of the Exchange Offer should be directed to the Dealer Advisors or the Information and Exchange Agent, as applicable. If you have questions regarding tender procedures or require additional copies of this exchange offer memorandum, please contact the Dealer Advisors or the Information and Exchange Agent. Contact information for the Dealer Advisors and the Information and Exchange Agent are set forth on the back cover of this exchange offer memorandum. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee or custodian for assistance concerning the Exchange Offer.

Valid Tender of the Existing Notes

If you are an Eligible Holder of Existing Notes and you wish to tender your Existing Notes for exchange pursuant to the Exchange Offer, you may accept the Exchange Offer prior to the Exchange Expiration Deadline by submitting a valid Instruction to the relevant Clearing System in accordance with the requirements of the relevant Clearing System. Upon giving Instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer is modified or terminated so as to result in a cancellation of such Instructions. By submitting an Instruction in accordance with the requirements of the relevant Clearing System, you shall be deemed to represent, warrant and undertake the following to the Company, the Dealer Advisors, the Information and Exchange Agent, the Existing Notes Trustee and the Existing Notes Agents on each of the Exchange Expiration Deadline and the Settlement Date:

- that you wish to receive the New Notes under the terms of the Exchange Offer;
- that you are a person located outside the United States and not a U.S. person (within the meaning of Regulation S under the Securities Act);
- the accuracy of your name and securities account number at the relevant Clearing System in which you hold the Existing Notes and to which the New Notes are to be credited;
- you have authorized the relevant Clearing System to block your position in the Existing Notes until the Settlement Date or termination or withdrawal of the Exchange Offer;
- the accuracy of the cash account number at the relevant Clearing System to which the cash portion of the Exchange Consideration should be credited; and
- that you consent to the disclosure by Euroclear or Clearstream of certain details concerning your identity, the aggregate principal amount of such Existing Notes and the account details to the Information and Exchange Agent, the Existing Notes Trustee and the Existing Notes Agents.

Your acceptance of the Exchange Offer will constitute a binding agreement between you and us in accordance with the terms, and subject to the conditions, set forth herein and in the Instruction. Such acceptance will be binding upon receipt by the relevant Clearing System of a valid Instruction in respect of all matters except your tender of the Existing Notes for exchange, which will be binding immediately.

By submitting a valid Instruction to the relevant Clearing System, you are deemed to represent, warrant and undertake to the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Dealer Advisors, the Information and Exchange Agent, the Existing Notes Trustee and the Existing Notes Agents that:

- you have received, reviewed and accepted the terms of this exchange offer memorandum, the terms of the New Notes and the “Transfer Restrictions”;
- you currently hold the Existing Notes at the time of submission of an Instruction, and will continue to hold the Existing Notes, until the time of settlement on the Settlement Date or the termination of the Exchange Offer;
- you have blocked the Existing Notes (and they will remain blocked) in the securities account to which such Existing Notes are credited in the relevant Clearing System with effect from, and including, the date on which the relevant Clearing System receives the Instruction until the time of settlement on the Settlement Date or termination of the Exchange Offer, all in accordance with the normal procedures of the relevant Clearing System and after taking into account the deadlines imposed by the relevant Clearing System;
- you will transfer the Existing Notes which are the subject of the Instruction, on the Settlement Date, with full title, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to such Existing Notes, free and clear of all liens charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same; and
- (i) you are the beneficial owner of, or are a duly authorized representative of one or more such beneficial owners of, the Existing Notes and you are not a U.S. person and are not located or resident in the United States of America at the time you submitted the Instruction and (ii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (x) you have full investment discretion with respect to the Existing Notes covered by the Instruction or (y) the person on whose behalf you are acting is a non-U.S. person located outside the United States of America at the time he or she instructed you to accept the Exchange Offer.

If you are unable to give any of the representations and warranties described above, please contact the Dealer Advisors. Do not send Existing Notes or Instructions to the Dealer Advisors, the Company or the Information and Exchange Agent.

PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER

To tender Existing Notes pursuant to the Exchange Offer, a beneficial owner should deliver, or arrange to have delivered on its behalf, via Euroclear or Clearstream, as applicable, and in accordance with the requirements of Euroclear or Clearstream, as applicable, a valid tender instruction that is received by the Information and Exchange Agent by the Exchange Expiration Deadline. Tender instructions must be submitted in respect of no less than a minimum nominal amount of Existing Notes (being US\$200,000), and may thereafter be submitted in integral multiples of US\$1,000; provided that, if a holder shall elect to partially exchange its Existing Notes into New Notes, the principal amount of each retained Existing Note must be in a minimum amount of US\$200,000.

Eligible Holders are responsible for ensuring that their instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of US\$150,000. Instructions that would result in a principal amount of New Notes below US\$150,000 will be rejected.

Beneficial owners are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in the Exchange Offer by the Exchange Expiration Deadline specified in this exchange offer memorandum. *The deadlines set by any such intermediary and Euroclear or Clearstream, as applicable, for the submission of tender instructions will be earlier than the Exchange Expiration Deadline specified in this exchange offer memorandum.*

INSTRUCTIONS

Only direct participants of Euroclear and Clearstream may submit Instructions. Each beneficial owner of Existing Notes that is not a direct participant must arrange for the direct participant through which such beneficial owner holds its Existing Notes to submit a valid Instruction on its behalf to Euroclear or Clearstream, as applicable, before the deadlines specified by Euroclear or Clearstream, as applicable.

Euroclear and Clearstream Participants

A beneficial owner wishing to participate in the Exchange Offer must submit, or arrange to have submitted on its behalf, at or before the Exchange Expiration Deadline and before the deadlines set by Euroclear or Clearstream, as applicable (unless the Exchange Offer is terminated earlier), a duly completed Instruction to the Euroclear or Clearstream, as applicable.

The submission of Existing Notes for exchange will be deemed to have occurred upon receipt by Euroclear or Clearstream, as applicable, of a valid Instruction in accordance with the requirements of Euroclear or Clearstream, as applicable. The receipt of such Instruction by Euroclear or Clearstream, as applicable, will be acknowledged in accordance with the standard practices of Euroclear or Clearstream, as applicable, and will result in the blocking of such Existing Notes in Euroclear or Clearstream, as applicable, so that no transfers may be effected in relation to such Existing Notes.

By submitting an Instruction in respect of the Exchange Offer, the relevant holder will be deemed to have confirmed (i) that such holder wishes to participate in the Exchange Offer for the aggregate principal amount of the Existing Notes specified in the Instruction, (ii) the name of the holder or the relevant direct participant and the securities account number at Euroclear or Clearstream, as applicable, in which the Existing Notes are held, and (iii) that the New Notes and any cash payments are to be credited to the securities account and cash account numbers, respectively, at Euroclear or Clearstream, as applicable, in which the Existing Notes are held.

DETERMINATION OF VALIDITY

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Existing Notes pursuant to any of the procedures described above, and the form and validity of all documents will be determined by us at our sole discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. We reserve the absolute right to reject any or all tenders of any Existing Notes determined by us not to be in proper form, or if the acceptance or exchange of such Existing Notes may, in the opinion of our counsel, be unlawful or result in a breach of contract. A waiver of any defect or irregularity with respect to the tender of one Existing Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Existing Notes.

Your tender of the Existing Notes will not be deemed to have been validly made until all defects or irregularities in your tender and delivery have been cured or waived. None of us, the Dealer Advisors, the Information and Exchange Agent, the Existing Notes Trustee, the Existing Notes Agents or any of their respective affiliates, directors or advisors or agents or any other person or entity is under any duty to give notification of any defects or irregularities in any tender of any Existing Notes, or will incur any liability for failure to give any such notification.

NO PARTICIPATION BY THE COMPANY

The Company may not submit any Instructions.

NO GUARANTEED DELIVERY

There are no guaranteed delivery procedures provided by the Company or any other entity making payments on behalf of the Company in connection with the Exchange Offer. Eligible Holders must tender their Existing Notes in accordance with the procedures set forth herein.

THE EXISTING NOTES TRUSTEE AND THE EXISTING NOTES AGENTS

In accordance with normal practice, each of the Existing Notes Trustee and the Existing Notes Agents expresses no opinion on the terms of the Exchange Offer. Neither the Existing Notes Trustee nor the Existing Notes Agents has been involved in formulating the terms of the Exchange Offer, and makes no representation that all relevant information has been disclosed to holders of the Existing Notes herein or that the information contained herein is accurate or complete. Each holder of the Existing Notes is responsible for assessing the merits of the Exchange Offer. Accordingly, each of the Existing Notes Trustee and the Existing Notes Agents recommends that the holders of the Existing Notes seek their own independent financial, tax or legal advice with regard to the impact of the implementation of the Exchange Offer.

INFORMATION AND EXCHANGE AGENT

Morrow Sodali Limited has been appointed as the Information and Exchange Agent for the Exchange Offer. Questions concerning tender procedures and requests for additional copies of this exchange offer memorandum should be directed to the Information and Exchange Agent at the address and telephone numbers listed on the back cover of this exchange offer memorandum. Holders of the Existing Notes may also contact their broker, dealer, commercial bank, trust company or other nominee or custodian for assistance concerning the Exchange Offer. We will pay the Information and Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses. We have agreed to indemnify the Information and Exchange Agent against certain liabilities, including liabilities arising under the U.S. federal securities laws.

DEALER ADVISORS

We have retained Guotai Junan Securities (Hong Kong) Limited and CMB International Capital Limited to act as the Dealer Advisors for the Exchange Offer. We have agreed to pay the Dealer Advisors reasonable and customary fees for their services and we will reimburse the Dealer Advisors for their reasonable out-of-pocket expenses, including the reasonable expenses and disbursements of their legal counsel. The obligations of the Dealer Advisors to perform their functions are subject to various conditions. We have agreed to indemnify each Dealer Advisor against various liabilities, including various liabilities under the U.S. federal securities laws. Questions regarding the terms of the Exchange Offer may be directed to each Dealer Advisor at its applicable address and telephone number listed on the back cover of this exchange offer memorandum.

Each Dealer Advisor or certain of its affiliates have provided, from time to time, and in the future may provide, certain investment banking and financial advisory services to us and our affiliates, for which they have received, or in the future will receive, customary fees. In addition, each Dealer Advisor or certain of its affiliates may have owned, currently own or may own, equity or equity-like securities of ours.

In the ordinary course of their businesses, each Dealer Advisor or certain of its affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in our securities, including in the Existing Notes. To the extent that each Dealer Advisor or certain of its affiliates own Existing Notes during the Exchange Offer, they may tender such Existing Notes pursuant to the terms of

the Exchange Offer. Such participation, if any, will be on the same terms and subject to the same conditions set forth in this exchange offer memorandum applicable to other holders of the Existing Notes.

The Dealer Advisors and their respective affiliates may contact Eligible Holders regarding the Exchange Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this exchange offer memorandum and related materials to Eligible Holders.

ANNOUNCEMENTS

The announcement of the commencement of the Exchange Offer, the final aggregate principal amount of the Existing Notes tendered and accepted for exchange, the final total aggregate principal amount of the New Notes and the settlement of the Exchange Offer will be released via the websites of the SGX-ST, the SEHK and the Exchange Website, and made through Euroclear or Clearstream, and will occur as specified in the section entitled “Summary Timetable” unless otherwise extended or amended. All other announcements will be made through Euroclear or Clearstream. Significant delays may be experienced in publishing notices through Euroclear or Clearstream and the holders of the Existing Notes are urged therefore to contact the Dealer Advisors or the Information and Exchange Agent for the relevant announcements. All announcements will be made available upon release at the offices of the Information and Exchange Agent and available via the Exchange Website.

The Company and the Information and Exchange Agent will announce the outcome of the Exchange Offer on the dates set out in the section entitled “Summary Timetable” and the section entitled “Description of the Exchange Offer.”

OTHER FEES AND EXPENSES

We will bear the fees and expenses of soliciting tenders for the Exchange Offer. Tendering holders of the Existing Notes will not be required to pay any fee or commission to the Dealer Advisors, the Existing Notes Trustee or the Information and Exchange Agent. If, however, a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other nominee or custodian, that holder may be required to pay brokerage fees or commissions to such broker, dealer, commercial bank, trust company or other nominee or custodian.

TRANSFER TAXES

We will pay all transfer taxes, if any, applicable to the exchange of the Existing Notes pursuant to the Exchange Offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

- certificates representing the Existing Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Existing Notes tendered;
- tendered Existing Notes are registered in the name of any person other than the person signing; or
- a transfer tax is imposed for any reason other than the exchange of the Existing Notes under the Exchange Offer.

If satisfactory evidence of payment of transfer taxes is not submitted with the tendered Existing Notes, the amount of any transfer taxes will be billed to the tendering holder.

SOURCE OF FUNDS FOR THE EXCHANGE OFFER

We plan to use our own internal funds to pay all such cash components of the various fees and considerations described above.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our selected financial and other data. The selected consolidated income statement data for the years ended December 31, 2019, 2020 and 2021 and the selected consolidated financial position data as of December 31, 2019, 2020 and 2021 set forth below (except for EBITDA data) have been derived from our audited consolidated financial statements for the years ended and as of December 31, 2020 and 2021, as audited by PricewaterhouseCoopers, our independent certified public accountants, and included elsewhere in this exchange offer memorandum. The selected consolidated income statement data for the six months ended June 30, 2021 and 2022 and the selected consolidated financial position data as of June 30, 2021 and 2022 set forth below (except for EBITDA data) have been derived from our unaudited interim condensed consolidated financial information for the six months ended and as of June 30, 2022, as reviewed by PricewaterhouseCoopers, our independent certified public accountants, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, and included elsewhere in this exchange offer memorandum. Our financial statements have been prepared and presented in accordance with HKFRS, which differ in certain respects from U.S. GAAP and generally accepted accounting principles in other jurisdictions. The selected financial data below should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this exchange offer memorandum. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of our management, include all adjustments considered necessary for a fair presentation of the financial position and results of operations for such periods. Results for interim periods are not indicative of results for the full year. Historical results are not necessarily indicative of results that may be achieved in any future period.

Selected Consolidated Income Statement and Other Financial Data

	For the year ended December 31,				For the six months ended June 30,		
	2019	2020	2021		2021	2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
Revenue from contracts with customers	1,978,034	4,171,331	10,368,685	1,548,004	4,858,839	5,478,713	817,950
Cost of sales	(1,133,507)	(2,654,238)	(7,968,312)	(1,189,638)	(3,719,851)	(4,338,019)	(647,649)
Gross profit	844,527	1,517,093	2,400,373	358,366	1,138,988	1,140,694	170,301
Other income and other gains, net	77,245	26,172	87,289	13,032	75,467	25,178	3,759
Selling and marketing expenses	(212,441)	(388,552)	(514,368)	(76,793)	(296,441)	(209,510)	(31,279)
General and administrative expenses	(250,454)	(461,659)	(626,590)	(93,547)	(284,878)	(242,305)	(36,175)
Fair value changes in investment properties	15,600	10,100	2,120	317	–	–	–
Operating profit	474,477	703,154	1,348,824	201,374	633,136	714,057	106,606
Finance income	8,607	38,735	43,575	6,506	21,614	19,929	2,975
Finance costs	(78,623)	(121,702)	(281,605)	(42,043)	(148,738)	(84,148)	(12,563)
Finance costs, net	(70,016)	(82,967)	(238,030)	(35,537)	(127,124)	(64,219)	(9,588)
Share of results of joint ventures and associates	359,427	403,436	393,009	58,675	192,121	49,074	7,327
Profit before income tax	763,888	1,023,623	1,503,803	224,512	698,133	698,912	104,345
Income tax expense	(293,824)	(381,684)	(401,622)	(59,961)	(245,045)	(245,656)	(36,675)
Profit and total comprehensive income for the years	470,064	641,939	1,102,181	164,551	453,088	453,256	67,669
Attributable to:							
Owners of the Company	668,041	960,748	480,936	71,802	156,937	180,421	26,936
Non-controlling interests	(197,977)	(318,809)	621,245	92,749	296,151	272,835	40,733
Other Financial Data (Unaudited)							
EBITDA ⁽¹⁾	856,253	1,129,613	2,047,021	305,612	1,083,671	852,718	127,307
EBITDA Margin (%) ⁽²⁾	43.3%	27.1%	19.7%	19.7%	22.3%	15.6%	15.6%

Notes:

- (1) EBITDA for any period consists of net profit before finance costs, income tax expenses, depreciation of property, plant and equipment and right-of-use assets, amortization expenses and capitalized interest under cost of sales. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the New Notes. Interest expense excludes amounts capitalized. See "Description of the New Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the New Notes.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Selected Consolidated Financial Position Data

	As of December 31,				As of June 30,	
	2019	2020	2021		2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	36,004	67,975	138,939	20,743	130,026	19,412
Investment properties	170,800	180,900	183,020	27,324	183,020	27,324
Investments accounted for using the equity method.	1,103,432	1,468,834	1,619,884	241,842	1,668,958	249,169
Deferred income tax assets	151,192	347,836	409,496	61,136	391,512	58,451
	<u>1,461,428</u>	<u>2,065,545</u>	<u>2,351,339</u>	<u>351,046</u>	<u>2,373,516</u>	<u>354,357</u>
Current assets						
Properties under development.	16,052,548	32,108,351	36,670,782	5,474,804	35,381,299	5,282,289
Completed properties held for sale	732,904	295,960	2,375,337	354,628	1,891,933	282,458
Trade and other receivables and prepayments	1,252,942	1,128,141	1,804,477	269,401	2,343,176	349,827
Amounts due from associates	124,709	175,789	129,850	19,386	133,108	19,873
Amounts due from joint ventures	350,268	426,390	253,761	37,886	139,735	20,862
Amounts due from non-controlling interests.	198,443	2,578,961	3,960,807	591,333	4,176,644	623,557
Financial assets at fair value through profit or loss	–	–	–	–	20,828	3,110
Tax recoverable	206,629	670,214	1,497,073	223,507	692,631	103,407
Restricted cash	1,414,744	2,211,490	4,608,272	687,997	4,128,246	616,331
Pledged time deposits	45,920	37,727	71,657	10,698	3,199	478
Cash and cash equivalents.	1,052,217	4,547,628	2,304,919	344,115	1,605,909	239,756
	<u>21,431,324</u>	<u>44,180,651</u>	<u>53,676,935</u>	<u>8,013,755</u>	<u>50,516,708</u>	<u>7,541,946</u>
Total assets.	<u><u>22,892,752</u></u>	<u><u>46,246,196</u></u>	<u><u>56,028,274</u></u>	<u><u>8,364,801</u></u>	<u><u>52,890,224</u></u>	<u><u>7,896,303</u></u>
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	–	14,919	14,900	2,225	14,881	2,222
Reserves	1,243,531	3,679,095	3,826,972	571,352	4,006,536	598,160
	1,243,531	3,694,014	3,841,872	573,576	4,021,417	600,382
Non-controlling interests	409,823	792,679	6,435,880	960,852	6,990,540	1,043,660
Total equity	<u><u>1,653,354</u></u>	<u><u>4,486,693</u></u>	<u><u>10,277,752</u></u>	<u><u>1,534,428</u></u>	<u><u>11,011,957</u></u>	<u><u>1,644,042</u></u>

	As of December 31,				As of June 30,	
	2019	2020	2021		2022	
	RMB'000	RMB'000	RMB'000	US\$'000 (unaudited)	RMB'000 (unaudited)	US\$'000 (unaudited)
LIABILITIES						
Non-current liabilities						
Borrowings	1,709,099	2,590,967	6,736,574	1,005,744	6,812,011	1,017,006
Lease liabilities	3,782	18,049	80,188.00	11,972	74,980	11,194
Deferred income tax liabilities	94,699	110,402	157,124	23,458	203,248	30,344
	<u>1,807,580</u>	<u>2,719,418</u>	<u>6,973,886</u>	<u>1,041,174</u>	<u>7,090,239</u>	<u>1,058,545</u>
Current liabilities						
Trade payables, bills payables and other payables	2,463,085	5,836,270	5,076,982	757,973	3,606,119	538,379
Lease liabilities	8,188	12,151	16,629	2,483	16,681	2,490
Contract liabilities	8,416,172	20,979,809	27,240,235	4,066,860	26,239,400	3,917,439
Amounts due from associates	1,497,735	1,159,616	705,827	105,377	971,733	145,076
Amounts due from joint ventures	869,944	914,191	804,488	120,107	686,269	102,457
Amount due from a Controlling Shareholder	23,539	—	—	—	—	—
Amounts due from non-controlling interests	4,682,599	3,761,926	1,858,586	277,480	1,365,678	203,890
Tax payable	326,356	325,482	315,876	47,159	348,205	51,986
Borrowings	1,144,200	6,050,640	2,758,013	411,760	1,553,943	231,998
	<u>19,431,818</u>	<u>39,040,085</u>	<u>38,776,636</u>	<u>5,789,199</u>	<u>34,788,028</u>	<u>5,193,716</u>
Total liabilities	<u>21,239,398</u>	<u>41,759,503</u>	<u>45,750,522</u>	<u>6,830,373</u>	<u>41,878,267</u>	<u>6,252,261</u>
Total equity and liabilities	<u>22,892,752</u>	<u>46,246,196</u>	<u>56,028,274</u>	<u>8,364,801</u>	<u>52,890,224</u>	<u>7,896,303</u>

RESULTS OF OPERATIONS

Our financial information for the six months ended June 30, 2021 and 2022 in this section was derived from our interim report for the six months ended June 30, 2022. Our financial information for the years ended December 31, 2019, 2020 and 2021 in this section was derived from our annual report for the years ended December 31, 2020 and 2021. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this exchange offer memorandum. Unless the context otherwise requires, financial information in this section is described on a consolidated basis.

SIX MONTHS ENDED JUNE 30, 2022 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2021

Revenue

Our revenue increased by 12.8% from RMB4,858.8 million in the six months ended June 30, 2021 to RMB5,478,713 million (US\$818.0 million) for the same period of 2022, primarily attributable to the growth in recognized sales of properties, driven by an increase in the Group’s property projects delivered during the six months ended June 30, 2022.

Cost of Sales

Our cost of sales increased by 16.6% from RMB3,719.9 million in the six months ended June 30, 2021 to RMB4,338.0 million (US\$647.6 million) in the six months ended June 30, 2021, primarily driven by an increase in the Group’s property projects delivered during the period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from RMB1,139.0 million in the six months ended June 30, 2021 to RMB1,141.0 million (US\$170.3 million) for the same period of 2022. Our overall gross profit margin decreased from 23.4% in the six months ended June 30, 2021 to 20.8% for the same period of 2022. The slight decrease in the gross profit margin was mainly due to the higher land acquisition costs of the properties delivered during current period.

Other Income and Other Gains, Net

Our other income decreased by 66.6% from RMB75.5 million in the six months ended June 30, 2021 to RMB25.2 million (US\$3.8 million) for the same period of 2022, primarily due to a decrease in fair value gain on listed securities investment.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 29.3% from RMB296.4 million in the six months ended June 30, 2021 to RMB209.5 million (US\$31.3 million) for the same period of 2022, primarily because we implemented measures to control marketing and advertising costs and also reduced staff costs.

General and Administrative Expenses

Our administrative expenses decreased by 14.9% from RMB284.9 million in the six months ended June 30, 2021 to RMB242.3 million (US\$36.2 million) for the same period of 2022, primarily due to organization streamlining to lift efficiency at a lower cost.

Finance Costs, Net

Our net finance costs decreased by 49.5% from RMB127.1 million for the six months ended June 30, 2021 to RMB64.2 million (US\$9.6 million) for the six months ended June 30, 2022. The decrease was due to lower weighted average effective interest rates of interest-bearing debts and higher efficiency in using interest bearing debts to finance various property development projects.

Share of Results of Joint Ventures and Associates

Our share of profits of our joint ventures and associates decreased by 74.5% from RMB192.1 million in the six months ended June 30, 2021 to RMB49.1 million (US\$7.3 million) for the same period of 2022. The change was in line with the increase in the number of our consolidating projects throughout the prior periods and our strategy to participate more in projects under our control and being consolidated by it.

Profit before Income Tax

As a result of the foregoing, our profit before tax increased from RMB698.1 million in the six months ended June 30, 2021 to RMB698.9 million (US\$104.3 million) for the same period of 2022.

Income Tax Expense

Our income tax expense increased by 0.2% from RMB245.0 million in the six months ended June 30, 2021 to RMB245.7 million (US\$36.7 million) for the same period of 2022.

Profit and Total Comprehensive Income for the Period

Our profit and total comprehensive income remain relatively stable at RMB453.1 million in the six months ended June 30, 2021 and RMB453.3 million (US\$67.7 million) for the same period of 2022.

YEAR ENDED DECEMBER 31, 2021 COMPARED TO YEAR ENDED DECEMBER 31, 2020

Revenue

Our revenue increased by 148.6% from RMB4,171.3 million for the year ended December 31, 2020 to RMB10,368.7 million (US\$1,548.0 million) for the year ended December 31, 2021, mainly due to the significant growth in recognized sales of properties, driven by an increase in the Group's property projects delivered during 2021.

Cost of Sales

Our cost of sales increased by 200.2% from RMB2,654.2 million for the year ended December 31, 2020 to RMB7,968.3 million (US\$1,189.6 million) for the year ended December 31, 2021, primarily driven by an increase in the Group's property projects delivered during the period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 58.2% from RMB1,517.1 million for the year ended December 31, 2020 to RMB2,400.4 million (US\$358.4 million) for the year ended December 31, 2021. Our gross profit margin decreased from 36.4% for the year ended December 31, 2020 to 23.2% for the year ended December 31, 2021. The decrease in the gross profit margin was mainly due to the higher land costs of the properties delivered during 2021.

Other Income and Other Gains, Net

Our other income increased by 233.5% from RMB26.2 million for the year ended December 31, 2020 to RMB87.3 million (US\$13.0 million) for the year ended December 31, 2021, primarily due to the increase in management and consulting service income and fair value gains on disposal of listed securities investment in 2021.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 32.4% from RMB388.6 million for the year ended December 31, 2020 to RMB514.4 million (US\$76.8 million) for the year ended December 31, 2021, primarily due to the increases in marketing and advertising costs and staff costs, driven by the increase in number of property projects developed by us during 2021.

General and Administrative Expenses

Our general and administrative expenses increased by 35.7% from RMB461.7 million for the year ended December 31, 2020 to RMB626.6 million (US\$93.5 million) for the year ended December 31, 2021, primarily due to an increase in number of property projects developed by us and the expansion of our operation during 2021.

Finance Costs, Net

Our net finance costs increased by 186.9% from RMB83.0 million for the year ended December 31, 2020 to RMB238.0 million (US\$35.5 million) for the year ended December 31, 2021. The increase was primarily attributable to the increase in interest-bearing debts for the purposes of properties development business and the full year interest impact of the issuance of interest-bearing senior notes for refinancing and general working capital purpose.

Share of Results of Joint Ventures and Associates

Our share of profits of our joint ventures and associates decreased by 2.6% from RMB403.4 million for the year ended December 31, 2020 to RMB393.0 million (US\$58.7 million) for the year ended December 31, 2021. This was in line with the Group's increase in the number of the Group's consolidating projects throughout the years.

Profit before Income Tax

As a result of the foregoing, our profit before tax increased by 46.9% from RMB1,023.6 million for the year ended December 31, 2020 to RMB1,503.8 million (US\$224.5 million) for the year ended December 31, 2021.

Income Tax Expense

Our income tax expenses increased by 5.2% from RMB381.7 million for the year ended December 31, 2020 to RMB401.6 million (US\$60.0 million) for the year ended December 31, 2021, primarily due to the combined effect of (a) increase in the number of projects delivered during the year and (b) decrease in land appreciation tax expenses due to the decrease in gross profit margin for the projects delivered during the year.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our profit and total comprehensive income increased by 71.7% from RMB641.9 million for the year ended December 31, 2020 to RMB1,102.2 million (US\$164.6 million) for the year ended December 31, 2021.

YEAR ENDED DECEMBER 31, 2020 COMPARED TO YEAR ENDED DECEMBER 31, 2019

Revenue

Our revenue increased by 110.9% from RMB1,978.0 million for the year ended December 31, 2019 to RMB4,171.3 million for the year ended December 31, 2020, mainly due to the significant growth in recognized sales of properties, driven by an increase in the Group's property projects delivered during 2020.

Cost of Sales

Our cost of sales increased by 134.2% from RMB1,133.5 million for the year ended December 31, 2019 to RMB2,654.2 million for the year ended December 31, 2020, which was mainly driven by an increase in the Group's property projects delivered during 2020.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 79.6% from RMB844.5 million for the year ended December 31, 2019 to RMB1,517.1 million for the year ended December 31, 2020. Our gross profit margin also decreased from 42.7% for the year ended December 31, 2019 to 36.4% for the year ended December 31, 2020.

Other Income

Our other income decreased by 66.1% from RMB77.2 million for the year ended December 31, 2019 to RMB26.2 million for the year ended December 31, 2020, primarily due to the decrease in management and consulting service income, driven by the decrease in the Group's contracted sales attributable to associates and joint ventures.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly by 82.9% from RMB212.4 million for the year ended December 31, 2019 to RMB388.6 million for the year ended December 31, 2020, primarily due to the increase marketing and advertising costs and staff costs driven by the rapid growth in the Group's contracted sales and the number of sales staff during 2020.

General and Administrative Expenses

Our general and administrative expenses significantly increased by 84.3% from RMB250.5 million for the year ended December 31, 2019 to RMB461.7 million for the year ended December 31, 2020, primarily due to an increase in employee benefit expenses for our administrative staff as a result of the increase in the monthly average headcount of administrative staff to cope with the expansion of our operations.

Finance Costs, Net

Our net finance costs increased by 18.5% from RMB70.0 million for the year ended December 31, 2019 to RMB83.0 million for the year ended December 31, 2020. The increase was primarily attributable to the increase in interest-bearing debts for the purposes of properties development business and the issuance of interest-bearing senior notes in December 2020 for the purpose of refinancing and general working capital purpose.

Share of results of joint ventures and associates

Our share of profits of our joint ventures and associates increased by 12.2% from RMB359.4 million for the year ended December 31, 2019 to RMB403.4 million for the year ended December 31, 2020, mainly attributable to the increase in revenue from sales of properties of the joint ventures and associates as more projects were completed and delivered during the year by them.

Profit before Income Tax

As a result of the foregoing, our profit before tax increased by 34.0% from RMB763.9 million for the year ended December 31, 2019 to RMB1,023.6 million for the year ended December 31, 2020.

Income Tax Expense

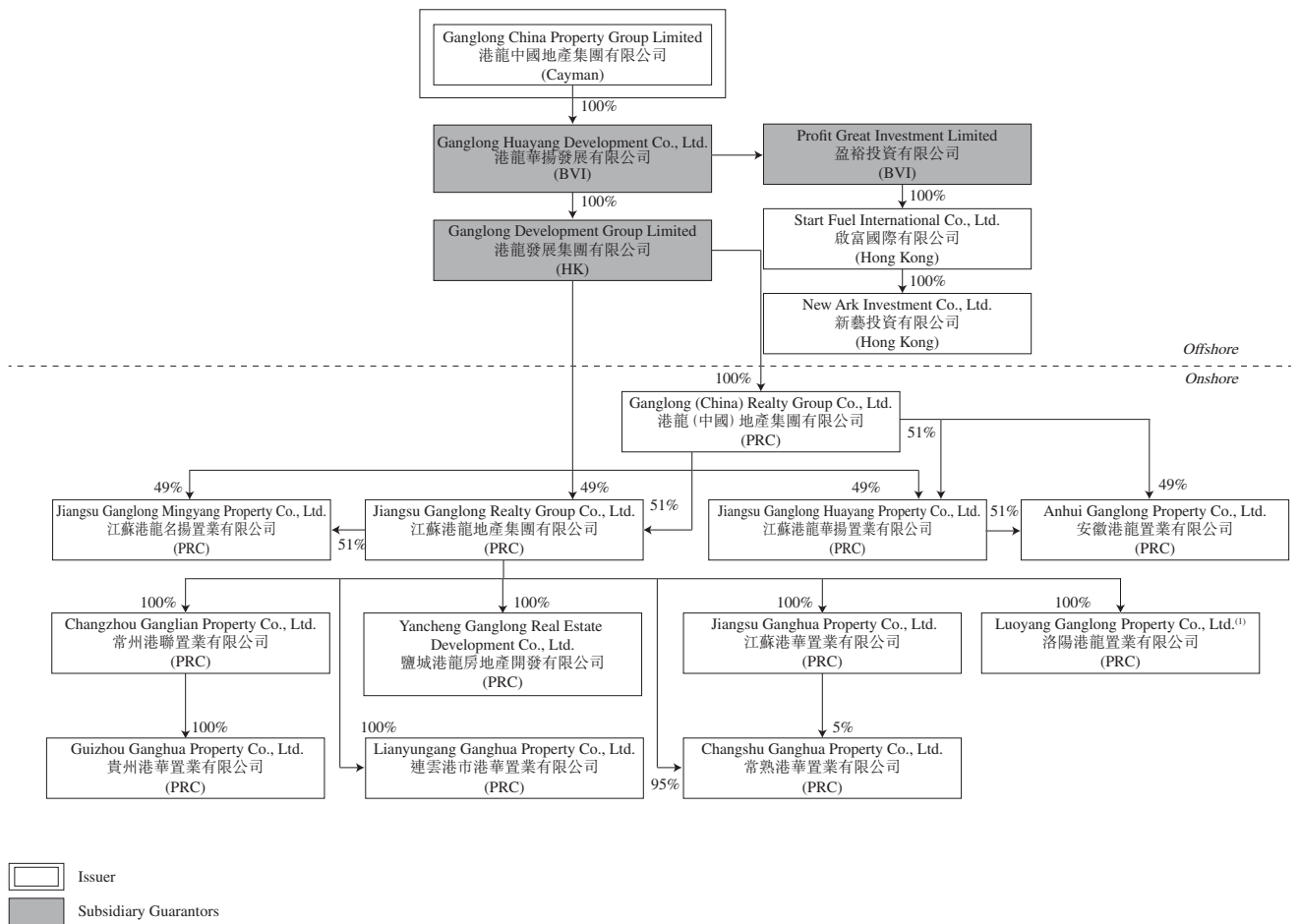
Our income tax expenses increased by 29.9% from RMB293.8 million for the year ended December 31, 2019 to RMB381.7 million for the year ended December 31, 2020, primarily due to the increase in the Group's revenue recognised for the year ended December 31, 2020.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our profit and total comprehensive income increased by 36.6% from RMB470.1 million for the year ended December 31, 2019 to RMB641.9 million for the year ended December 31, 2020.

CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure as of the date of this exchange offer memorandum:



Notes:

1. The remaining 10% equity interest in Luoyang Ganglong Property Co., Ltd. is held by an independent third party.
2. As of the date of this exchange offer memorandum, we had 203 subsidiaries, among which 69 subsidiaries were not wholly owned by us.

BUSINESS

OVERVIEW

We are an established property developer in the Yangtze River Delta Region focusing on the development and sales of residential properties and accompanying ancillary facilities, such as retail units, car parks and ancillary areas. Headquartered in Shanghai, we have established an active presence and a strategic regional coverage in the Yangtze River Delta Region, one of the most economically prosperous and vibrant regions in the PRC, which is expected to enjoy healthy economic growth.

We were founded in Changzhou in 2007 and since then have expanded our footprint in surrounding cities near the Yangtze River Delta Region including Changshu, Yancheng and Nantong in Jiangsu Province and Hangzhou, Jiaxing, Huzhou and Shaoxing in Zhejiang Province. Leveraging our brand, experience and execution capability in property development, we further expanded into Shanghai, a first-tier city, and major cities in Henan and Guizhou provinces in 2018. According to C&W, we ranked 83rd among the property developers in the residential property market in the PRC in terms of contracted GFA sold in 2019.

Adhering to our core values of “striving for innovation, building with integrity” (用心創新，以誠築城), we believe that we have built an excellent reputation in our markets for constant innovation, quality of our various product series and credibility. Our targeted customer groups mainly include (i) first-time homebuyers, (ii) mid-range home-upgraders and (iii) high-end home-upgraders. Depending on the local market demand and government development plans, we intend to meet the demand of each of our targeted customer groups by enriching our product series and improving our product quality and design.

For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, our revenue from the development and sales of properties amounted to RMB1,978.0 million, RMB4,171.3 million, RMB10,368.7 million (US\$1,548.0 million), RMB4,858.8 million and RMB5,478.7 million (US\$818.0 million), respectively, and our net profit amounted to RMB470.1 million, RMB641.9 million, RMB1,102.2 million (US\$164.6 million), RMB453.1 million and RMB453.3 million (US\$67.7 million), respectively.

We intend to continue to adopt our diversified land acquisition strategy to enrich and optimize our land reserves and support our business growth. As of June 30, 2022, we had 72 development projects in 35 cities, developed by our subsidiaries, joint ventures and associated companies with an aggregate land reserves of 8,620,790 sq.m., including (i) completed properties with a saleable and leasable GFA of 845,329 sq.m., (ii) properties under development with an aggregate planned GFA of 5,774,496 sq.m., and (iii) properties held for future development with an aggregate estimated GFA of 2,000,965 sq.m. We believe that such diversified land acquisition strategy will allow us to reinforce our business strategy of focusing on the Yangtze River Delta Region and strategically expanding into new markets and to accumulate strategically located land reserves.

RECENT DEVELOPMENTS

Banking Facility in August 2022

Fo Shan Gang Long Real Estate Co., Ltd. (佛山港龍置業有限公司), an indirect wholly-owned subsidiary of the Company (“**FSGL**”) obtained a banking facility amounted to RMB800 million from Industrial Bank Co., Ltd. Foshan Branch (興業銀行佛山分行) (“**IBFS**”), a branch of Industrial Bank Co., Ltd., a commercial bank established in the PRC. Pursuant to the banking facility agreement (the “**August 2022 Facility Agreement**”) between FSGL and IBFS, IBFS agreed to provide credit facility up to RMB\$800 million (US\$119.4 million) for a property development project undertaken by FSGL in Shunde District, Foshan City, Guangdong Province, the PRC, the facility is available for three years and at an interest rate calculated with reference to one-year loan prime rate published by the National Interbank Funding Centre of the PRC plus 1.3% per annum. Our board of directors is of the view that the entering into the August 2022 Facility Agreement is beneficial to the Group as it provides additional financing resources for property development project which can strengthen its cashflow.

COVID-19 Pandemic

A respiratory illness caused by a novel coronavirus (COVID-19) has spread across the world since early 2020. In response to the COVID-19 pandemic, the PRC government has imposed measures across the PRC including, but not limited to, travel restrictions and quarantine for travelers or returnees, whether infected or not, and an extended shutdown of certain business operations. The COVID-19 outbreak poses potential risks to our business operation and financial condition. As of the date of this exchange offer memorandum, the COVID-19 pandemic did not have any material adverse impact on our financial position or results of operation, including the construction and pre-sale of property projects. See “Risk Factors — Risks Relating to the PRC — The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics.”

OUR BUSINESS

We are an established property developer in the Yangtze River Delta Region focusing on the development and sales of residential properties and accompanying ancillary facilities, such as retail units, car parks and ancillary areas. Headquartered in Shanghai, we have an active presence in the Yangtze River Delta Region. In 2019, 2020 and 2021 and the six months ended June 30, 2022, we derived our revenue from development and sale of residential properties. We also derived a very small portion of our income from leasing out a small number of the accompanying and unsold retail units and car parks developed by us. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, our revenue from the development and sales of properties amounted to RMB1,978.0 million, RMB4,171.3 million and RMB10,368.7 million (US\$1,548.0 million), RMB4,858.8 million and RMB5,478.7 million (US\$818.0 million), respectively.

OUR PROJECT PORTFOLIO

As of June 30, 2022, we had a diverse project portfolio of 72 development projects in 35 cities, developed by our subsidiaries, joint ventures and associated companies with an aggregate land reserves of 8,620,790 sq.m., including (i) completed properties with a saleable and leasable GFA of 845,329 sq.m., (ii) properties under development with an aggregate planned GFA of 5,774,496 sq.m., and (iii) properties held for future development with an aggregate estimated GFA of 2,000,965 sq.m. In 2019, 2020 and 2021 and the six months ended June 30, 2022, we had obtained all the requisite land use rights or entered into valid land grant contracts and, where relevant, building ownership certificates or real estate right certificates for our completed projects, projects under development and projects held for future development.

We focus our business activities across the Yangtze River Delta Region, one of the most economically prosperous and vibrant regions in the PRC. Of all the aforementioned projects, 65 projects are located in the Yangtze River Delta Region. Moreover, the Group had arranged its layout in the Guangdong-Hong Kong-Macau Greater Bay Area and Southwest China and had successfully retained quality projects in Guangzhou and Chengdu as of 30 June 2022.

Classification of Our Residential Properties

We categorize our residential properties as follows:

- High-rise residential units (高層住宅) — residential buildings that typically have ten storeys or more with the GFA per unit ranging from 85 sq.m. to 160 sq.m.;
- Mid-rise residential units (中高層住宅) — residential buildings that typically have seven to nine storeys with the GFA per unit ranging from 85 sq.m. to 160 sq.m.;
- Multi-storey apartments (多層住宅) — residential buildings that typically have four to six storeys with the GFA per unit ranging from 85 sq.m. to 160 sq.m.; and
- Townhouses (聯排別墅) — residential houses that are connected to one and other and each such house typically has three to four storeys with the GFA per unit ranging from 150 sq.m. to 300 sq.m.

Land reserves

Our land bank represents the sum of (i) total GFA available for sale or lease by us for completed properties which also includes completed GFA that have been pre-sold but not yet delivered, (ii) total planned GFA for properties under development, and (iii) total estimated GFA for properties held for future development. The total land bank attributable to us represents the total land bank of projects developed by our subsidiaries and the land bank of projects developed by our joint ventures and associates attributable to us.

The following table sets out the GFA breakdown of the total land reserve attributable to us by geographical location as of June 30, 2022:

Property projects developed by the Group's subsidiaries ⁽²⁾	Number of projects	Completed GFA available for sale/leasable GFA	GFA under development	Planned GFA of future development	Total land reserve attributable to the Group ⁽¹⁾	% of total land reserve attributable to the Group	
		(in sq.m.)	(in sq.m.)	(in sq.m.)	(in sq.m.)		
Anhui	Fuyang	1	–	559,502	–	559,502	6%
	Hefei	1	–	172,462	–	172,462	2%
	Huangshan	1	–	92,349	–	92,349	1%
	Wuhu	3	–	568,370	–	568,370	7%
	Guangde	1	–	32,894	85,017	117,911	1%
Guangdong . . .	Guangzhou	1	–	183,371	631,314	814,685	9%
	Huizhou	1	–	121,273	–	121,273	1%
	Foshan	1	–	46,731	124,627	171,358	2%
Guizhou	Panzhou	1	28,331	57,865	274,851	361,047	4%
Henan	Luoyang	1	–	192,223	–	192,223	2%
Jiangsu	Changshu	2	88	190,399	–	190,487	2%
	Changzhou	8	134,940	250,202	–	385,142	4%
	Funing	1	–	207,192	–	207,192	2%
	Hai'an	4	13,058	414,469	–	427,527	5%
	Haimen	1	–	95,579	–	95,579	1%
	Huai'an	2	127,546	406,882	–	534,428	6%
	Jingjiang	1	–	74,906	106,613	181,519	2%
	Lianyungang	1	5,586	–	–	5,586	0%
	Nanjing	2	5,896	99,670	–	105,566	1%
	Nantong	1	–	81,919	–	81,919	1%
	Taizhou	2	–	268,260	–	268,260	3%
	Yancheng	4	25,848	267,376	–	293,224	3%
	Yixing	1	–	186,248	–	186,248	2%
	Yizheng	1	–	150,093	–	150,093	2%
Shanghai	Shanghai	1	17,349	–	–	17,349	1%
Sichuan	Chengdu	1	–	144,524	–	144,524	2%
Zhejiang	Hangzhou	1	16,446	–	–	16,446	1%
	Huzhou	2	62,067	–	130,203	192,270	2%
	Shaoxing	2	16,183	280,995	–	297,178	3%
	Yiwu	1	–	63,293	–	63,293	1%
	Sub-total	51	453,338	5,209,047	1,352,625	7,015,010	79%

Property projects developed by the Group's joint ventures ⁽²⁾		Number of projects	Completed GFA available for sale/ leasable GFA	GFA under development	Planned GFA of future development	Total land reserve attributable to the Group ⁽¹⁾	% of total land reserve attributable to the Group
			(in sq.m.)			(in sq.m.)	
Jiangsu	Changshu	2	227,311	–	–	227,311	3%
	Haimen	1	802	–	–	802	0%
	Nanjing	1	–	181,571	–	181,571	2%
	Nantong	4	38,327	178,902	–	217,229	3%
	Taixing	1	41,040	–	–	41,040	1%
Zhejiang	Huzhou	3	4,613	–	–	4,613	0%
	Sub-total	12	312,093	360,473	–	672,566	9%
Property projects held by the Group's associated companies ⁽²⁾		Number of projects	Completed GFA available for sale/leasable GFA	GFA under development	Planned GFA of future development	Total land reserve attributable to our Group ⁽¹⁾	% of total land reserve attributable to our Group
			(in sq.m.)			(in sq.m.)	
Jiangsu	Changshu	1	15,867	–	–	15,867	0%
	Changzhou	1	26,827	–	–	26,827	1%
	Haimen	1	2,791	–	–	2,791	0%
	Jiangyin	1	–	81,812	–	81,812	1%
	Lianyungang	1	25,448	–	–	25,448	1%
	Rugao	1	1,046	–	–	1,046	0%
	Yancheng	1	7,919	–	–	7,919	0%
	Yangzhou	1	–	123,164	–	123,164	1%
Guangdong . . .	Guangzhou	1	–	–	648,340	648,340	8%
	Sub-total	9	79,898	204,976	648,340	933,214	12%
	Grand Total	72	845,329	5,774,496	2,000,965	8,620,790	100%

(1) Total land reserve equals to the sum of (i) GFA available for sale, GFA pre-sold but not yet delivered and leasable GFA for completed properties, (ii) total GFA for properties under development and (iii) total GFA for properties held for future development.

(2) For projects developed by our wholly-owned and non-wholly-owned subsidiaries, 100% of total GFA will be accounted for the respective project as such projects are managed by us, and such wholly-owned and non-wholly-owned subsidiaries are consolidated in the financial statements of us. For projects held by our joint ventures or our associated companies, total GFA will be adjusted by our equity interest in the respective project.

Portfolio of Our Property Development Projects

The following table sets forth a summary of our property projects and project phases developed, including projects and project phases held for future developments as of June 30, 2022.

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Anhui							
Fuyang	Gang Long Mei Di Yun Zhu 港龍美的雲築	South Side of Runhe Road and East Side of Funan Road, Yingzhou District, Fuyang City, Anhui Province	Under Development	57%	218,655	August-24	559,502
Hefei	Chen Guang Ya Yuan 辰光雅苑	Southwest of the Junction of Guohe West Road and Zhanghuatai Road, Shuangdun Town, Changfeng County, Hefei City, Anhui Province	Under Development	60%	66,068	March-23	172,462
Huangshan	Gang Long Jun Wang 港龍君望	North Side of Beihai Road, Tuguang Town, Tunxi District, Huangshan City, Anhui Province	Under Development	70%	46,780	December-22	92,349
Wuhu	Hu Shan Ying 湖山映	North to Fushan Road, South to Longtang Road, West to Planning Branch Road and East to Longhu Road, Sanshan District, Wuhu City, Anhui Province	Under Development	60%	132,596	December-22	300,491
	Shi Dai Tian Jiao 港龍•時代天驕	South of Binhu Avenue, West of Huolonggang Road, Wuhu County, Anhui Province	Under Development	100%	33,928	September-22	92,583
	Shi Dai Tian Jiao Er Qi 港龍•時代天驕(二期)	North of Binhu Avenue, South of Shuiyangjiang Road, East of Baosha Road, Wuhu County, Anhui Province	Under Development	65%	65,176	October-23	175,296
Xuancheng	Gang Long Xing He Ying Hua Yuan 港龍星河映花園	Yaoshang Plot, Taiji Avenue, Guangde City, Xuancheng City, Anhui Province	Under Development	100%	57,434	April-24	117,911

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Guangdong							
Guangzhou . . .	Zeng Cheng Shi Tan 增城石灘	West Side of Nanbei Avenue, Shitan Town, Zengcheng District, Guangzhou City	Under Development	60%	196,435	November-25	814,685
Huizhou	Gang Long Zi Yu Hua Ting 港龍紫譽華庭	No. 9 Shangluo Road, Chenjiang Street, Huicheng District, Huizhou City	Under Development	51%	30,507	November-22	121,273
Foshan	Foshan Shunde Project 佛山順德項目	Plot on the west side of national highway 105 south of Shunde Waterway, Lunjiao Street, Shunde District Foshan City	Under Development	100%	40,848	March-25	171,358
Guizhou							
Panzhou	Park Mansion 東湖桃源	Wetland Park District, Panzhou City, Guizhou Province	Under Development	100%	116,101	May-26	361,047
Henan							
Luoyang	Mansion Grand 雍河尚院	Intersection of Luoji Expressway and Chanhe Bridge, Chaoyang Town, Mengjin County, Luoyang City	Under Development	100%	95,168	June-23	192,223
Jiangsu							
Changshu	Tang Yue Ming Zhu 棠悅名築	South Side of Tongjiang Road and West Side of Taishan Road (currently known as Yanghong Road), Longteng District, Changshu City	Under Development	35%	62,585	August-22	190,399
	Xiang Yu Hua Ting 香語華庭	No. 159 Haitang Road, Haiyu Town, Changshu City	Completed	100%	60,221	April-20	88
Changzhou . . .	Yan Shan Ying 燕山映	180 meters Northwest of the Intersection of the Side Road of Chengdong Avenue and Jinhui Road, Liyang City, Changzhou, Jiangsu Province	Under Development	35%	61,021	December-22	163,484
	Ganglong Bauhinia Residence 港龍紫荊城	North Side of Dongfang Road and East Side of Huafeng Road, Changzhou City, Jiangsu Province	Completed	100%	43,510	November-14	6,615
	Ganglong Hua Ting 港龍華庭	North Side of Xinggang Avenue and West Side of Chahua Road, Zhonglou District, Changzhou City, Jiangsu Province	Completed	100%	23,900	January-11	2,870

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area	Actual/ Estimated completion date	Total Land Reserve
					(sq.m.)		(sq.m.)
	Ganglong Shang Ceng 港龍尚層	North Side of Tongjiang South Road, Zhonglou District, Changzhou City, Jiangsu Province	Completed	100%	8,090	June-11	5,049
	Long Chen Ming Zhu 龍宸銘著	West Side of Shuntong Road and South Side of Feng'an River, Economic Development Zone, Changzhou City	Under Development	40%	67,402	April-23	116,224
	The Hong Kong Masterpiece 新港城	West of Dongcheng Road and North of Dongfang No. 2 Road, Changzhou City, Jiangsu Province	Completed	100%	132,460	July-20	3,496
	Ziyu Mansion 紫御府	East Side of Shuntong Road and South Side of Gongyuan Road, Economic Development Zone, Changzhou City, Jiangsu Province	Completed	100%	24,312	November-20	686
	Qin Hu Chun Qiu Hua Yuan 沁湖春秋花園	East Side of Renmin Road, North Side of Jiacheng Road, Jiaze Town, Wujin District, Changzhou	Under Development	50%	42,605	May-23	86,718
Funing	Wen Lan Fu 文瀾府	East Side of Shanghai Road and South Side of Suzhou Road, Chengnan, Funing Province	Under Development	40%	67,454	June-25	207,192
Hai'an	Hanlin Capital 翰林首府	No. 8 Hebin East Road, Hai'an City	Completed	70%	57,633	December-21	13,058
	Taoyuan Li 桃源里	South Side of Hebin East Road and West Side of Xin'an Road, Hi-tech Zone, Hai'an, Nantong City	Under Development	28%	49,314	December-22	159,692
	Jun Wang Lan Ting 君望瀾庭	South Side of Donghai Avenue and East Side of Ninghai South Road, Hai'an City, Jiangsu Province	Under Development	35%	61,831	October-23	192,030
	Tian Cui Ge 天翠閣	North Side of Huanghai Avenue, West Side of Tongyu Road, Hai'an City, Jiangsu Province	Under Development	24%	23,960	July-23	62,747

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Haimen	Nature Image 泊翠瀾境	Intersection of Beijing Middle Road and Jianghai Road, Haimen District, Nantong City, Jiangsu Province	Under Development	26%	47,078	December-22	95,579
Huai'an	Sunac Plaza 融創廣場	West Side of Tianjin Road and South Side of Yan'an East Road	Under Development	26%	188,564	June-24	365,793
	DongWangFu 東望府	West Side of Tiejun Road and North Side of Shanyang Avenue, Huai'an City, Jiangsu Province	Under Development	100%	50,476	November-23	168,635
Jingjiang	Jun Yuan Ya Ju 駿園雅居	Land parcel 02 and 03, North Side of Yongyi Road, Jingjiang City	Under Development	34%	70,210	October-23	181,519
Lianyungang	Jing Shan Xiu Shui 景山秀水	South of Haining Road and West of Yuzhou Road, Haizhou District, Lianyungang City	Completed	100%	53,063	October-19	5,586
Nanjing	River of Mansion 時光泊月園	Land Parcel 01, South of Puwu Road and West of Nanwan Street, Qiaolin Town, Pukou District, Nanjing City	Completed	50%	28,188	January-22	22,050
	Tang Yue Fu 棠玥府	North of Wenchang East Road and West of Hospital of TCM Hospital, Yongyang Street, Lishui District, Nanjing City, Jiangsu Province	Under Development	60%	28,483	November-23	83,516
Nantong	Long Xi Hua Yuan 瓏禧花園	Intersection of Xiting Haiping Highway and Jinshi Highway, Tongzhou District, Nantong City	Under Development	40%	35,723	May-23	81,919
Taizhou	Hanlin Fu Hua Yuan 翰林府花園	West Side of Hailing South Road and South Side of Haijun Avenue, Medical High-Tech Zone, Taizhou City	Completed	60%	53,700	June-22	118,953
	Shang He Feng Hua Yuan 上河風華園	West Side of Qingnian Road, North Side of Renmin East Road, Hailing District	Under Development	34%	67,035	January-24	149,307
Yancheng	Chun Xi Ji 春溪集	East Side of Fangong Road and North Side of Wei'er Road, Economic Development Zone, Dongtai City, Jiangsu Province	Under Development	51%	44,485	August-24	111,174

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
	Ganglong Capital 港龍首府	East of Jinhai Road and South of Huanghai Road (No. 77 Jinhai Road), Xiangshui County, Yancheng City	Completed	100%	64,193	December-20	506
	Guan Tang Fu 觀棠府	No. 8 Yanzhen Road, Yandu District, Yancheng City	Completed	34%	69,049	March-22	25,595
	Jun Qi Hua Yuan 君啟花園	East Side of Kaifang Avenue and South Side of Dongjin Road, Yannan Gaoxin District, Yancheng City, Jiangsu Province	Under Development	51%	43,865	October-23	155,949
Yixing	Gang Long Lakeside Mansion 港龍•湖光龍樾	Opposite to the South Gate of Dongjiao Garden C Zone, Qiting Street, Yixing City, Jiangsu Province Lakeside Mansion	Under Development	100%	66,626	January-23	186,248
Yizheng	Han Yuan 翰園	North Side of Zhenzhou East Road, East Side of Jiangcheng Road, South Side of Wuyi Huayuan, Yizheng City, Jiangsu Province	Under Development	60%	54,966	February-24	150,093
Shanghai							
Shanghai	Shan Shui Shi Jian 山水拾間	Lanhai Road, Chongming District, Shanghai City	Completed	50%	85,590	June-21	17,349
Sichuan							
Chengdu	Ganglong-Midea-Wei Lai Ying 港龍美的未來映	Groups 2 and 4, Gemo Community, Dongsheng Street, Shuangliu District, Chengdu, Sichuan Province	Under Development	55%	50,514	January-23	144,524
Zhejiang							
Hangzhou	Qiu Shi Chen Yue 秋實宸悅	East to adjacent land, South to Chonghang Street, West to Chongjin Road and North to Qiancun Port, Chongxian Street, Yuhang District, Hangzhou City (Lujiaqiao C-11 land parcel, Chongxian New City)	Completed	25%	28,344	December-20	16,446
Huzhou	Jiangnan Taoyuan 江南桃園	No. 328 Qianwan Road, Wuxing District, Huzhou City	Completed	25%	73,237	June-22	31,063
	Zha Xi Taoyuan 霽溪桃源	No. 1789, 1919, Shiquanqiao Road, Wuxing District, Huzhou City	Under Development	25%	176,013	September-24	161,207

Property Projects Developed by the Subsidiaries	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Shaoxing . . .	Ganglong – Bo Yue Fu 港龍•鉞樾府	Land parcel 39-1, North of Shangyu City, Shaoxing	Completed	70%	80,568	June-21	16,183
	Jun Wang Mei Ting 君望美庭	Land parcel J6, Shangyu Economic and Technological Development Zone, Shaoxing	Under Development	50%	92,923	May-23	280,995
Yiwu	Jiu Xi Ying 玖溪映	Southwest Side of the Intersection of Zhuyang Road and Wukang Road, Niansanli Street, Yiwu City, Zhejiang Province	Under Development	60%	19,633	December-22	63,293
Sub-total					3,458,520		7,015,010
Property held by the joint ventures of the Group	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Jiangsu							
Changshu . . .	Shine Time 璀璨瀾庭	South Side of Shenzhen Road, West Side of Nansha Road, Changshu City	Completed	50%	56,936	September-21	163,715
	The Asia Mansion 紫譽華庭	East of Green Belt, West of Planning Taishan Road, South of Planning Jinghai Road and North of North Third Ring Road, Changshu City	Completed	33%	65,378	June-21	63,596
Haimen	Run Yuan 潤園	South of Nanjing Road, East of Jialingjiang Road, Haimen District, Nantong City, Jiangsu Province	Completed	30%	63,285	November-19	802
Nanjing	Lan Wan Jiu Zhu 攬灣玖築	Longrui Road, Liuhe District, Nanjing City, Jiangsu Province (approximately 150 meters north of Chengwang Qilinan Garden)	Under Development	25%	60,138	March-23	181,571

Property held by the joint ventures of the Group	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Nantong	Metropolis 新都會	North of Zhangyuan Road, South of Yanshou (West of Hongxi Kindergarten), Core Area of Yinhe New District, Jinsha Town, Tongzhou	Completed	13%	109,890	September-20	16,886
	Starry Bay 麗景灣	Land parcel R2017-028, South Side of Jiangjing Garden, West Side of Hantong Road, Tongzhou District, Nantong City	Completed	33%	55,868	September-19	13,108
	Yunyue Heshan 雲樾河山	East of Fengyang Road, North of Hehuan Road, XiTong Science & Technology Industrial Park, Tongzhou District	Completed	20%	66,710	June-20	8,333
	The Garden of Time 時光映花園	Groups 3, 4, 5 and 6 Section of Chengbei Community, Chengbei Street, Rugao City	Under development	25%	61,164	October-23	178,902
Taixing	Majestic Mansion 御園	East Side of Zhenhai Road, North Side of Chengjiang Road, Taixing City	Completed	33%	125,306	December-20	41,040
Zhejiang							
Huzhou	Eastern Mansion 太湖天萃	Land parcel 2017-49, South unit, Taihu Lake Resort, Huzhou City	Completed	60%	57,734	November-20	899
	Fontainbleau 楓丹壹號	No. 188 Bianshan Avenue, Taihu Lake Resort, Huzhou City	Completed	49%	62,812	December-20	1,040
	Taihu Mansion 太湖天地	No. 76 Anju Road, Taihu Lake Resort, Huzhou City	Completed	49%	83,612	January-20	2,674
Sub-total					868,833		672,566

Property held by the associates of the Group	Projects	Project Location	Project Status	Interest attributable to the Group	Site Area (sq.m.)	Actual/ Estimated completion date	Total Land Reserve (sq.m.)
Jiangsu							
Changshu . . .	Brown Stone Life 褐石源著	South of Fuchunjiang Road and North of Xiangchun Road, Changshu	Completed	25%	53,530	November-20	15,867
	Tianning Rong Yue Fu 天寧融悅府	North Side of Zhenglujizi Road, West Side of Yingbin Road, Tianning District, Changzhou City	Completed	30%	53,936	October-21	26,827
Haimen	Romantic Bay 漫悅灣	Henan, Haimen District, Hexi, Dongzhou, Nantong City, Jiangsu Province	Completed	30%	52,569	November-19	2,791
Jiangyin . . .	Leiden Town 萊頓小鎮	East Side of Xinyang Road and South Side of Jinxiu South Road, Xinqiao Town, Jiangyin City	Under Development	15%	203,609	November-22	81,812
Lianyungang .	Feng Huang Yuan Zhu 鳳凰源著	Haininggen South, Fenghuang Avenue East, Haizhou District, Lianyungang City	Completed	20%	56,593	September-21	25,448
Rugao	Imperial Garden 頤和樾園	South of Fushou East Road, East of Xianhe Road, North of Jiefang Road and West of Lvyang Road, Rucheng Street	Completed	30%	43,601	March-20	1,046
Yancheng . . .	Jun Yue Fu 珺悅府	Group 7, Beilin Community Residents Committee, Tinghu Economic Development Zone, Yancheng City	Completed	20%	99,553	July-19	7,919
Yangzhou . . .	Kai Chen Yuan 開宸園	West of Laoyangwei Road, East of Yunhe South Road, North of Huangcheng East Road and South of Guiyu Square, Yangzhou City, Jiangsu Province	Under Development	24%	57,548	January-23	123,164
Guangdong							
Guangzhou . .	Huangpu Project 黃埔項目	Wangcun Village, Longhu Street, Huangpu District, Guangzhou City	Held for future development	20%	170,455	To be assessed	648,340
Sub-total					791,394		933,214
Grand total					5,407,004		8,620,790

- Total land reserve equals to the sum of (i) the total GFA available for sale and total leasable GFA for completed properties; (ii) total GFA for properties under development and (iii) total GFA for properties held for future development.
- For projects developed by the Group's wholly-owned and non-wholly-owned subsidiaries and our joint ventures or our associated companies, 100% of total GFA are accounted for the respective project.

OUR PROJECT MANAGEMENT AND OPERATION

Our Project Management and Organizational Structure

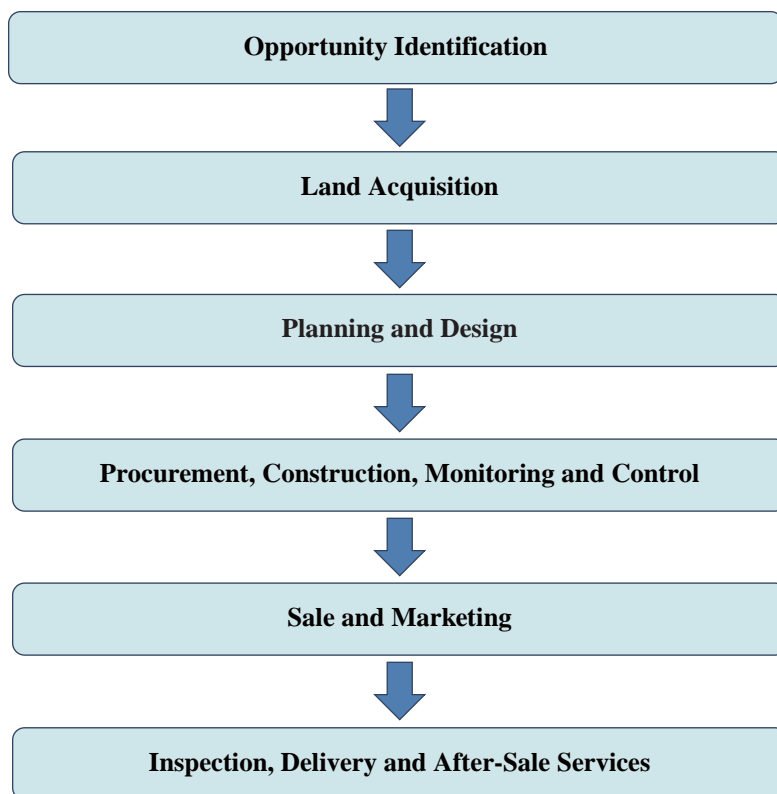
With respect to our project management, we have adopted a two-tier organizational structure, with our headquarters as the first tier and local project companies as the second tier. Each tier is vested with separate duties and responsibilities. We believe that such demarcation of roles and functions between our headquarters and local project companies maximizes our operational efficiency in managing multiple projects and allows for scalability as we expand our business.

The first tier consists of our board of directors, chief executive officer, president, vice-president, three decision committees and eight functional centers and is generally responsible for, among other things, making strategic decisions, formulating business development plans and policies for us, overseeing project development progress, establishing sales targets and other monetary and supervisory functions. Each of our local project company is generally responsible for implementing the strategies and policies formulated by our headquarters, providing local market intelligence and information to our headquarters and carrying out our daily operations such as executing project development plans, monitoring construction schedule, carrying out quality control inspection and executing sales and marketing plans.

To assist our board of directors, chief executive officer, president and vice president in making key strategic decisions and formulating major business development plans and policies, we have been striving to improve our management and operation policies over the years. We have set up three decision committees at our headquarters, which include our investment decision committee, tender decision committee and product decision committee, and eight functional centers, which include our investment management center, design management center, cost management center, sales management center, operation management center, financial management center, integrated management center and risk management center.

Our Project Development and Sales Process

We have a well-established and streamlined process for our project development, which typically involves the major stages as set out in the diagram below:



It generally takes around 21 to 48 months for us to complete a project after acquiring the relevant land use rights, depending on the project type, scale, complexity and other project specific factors.

Opportunity Identification

We consider opportunity identification and site selection to be important to the success of our project development process. Our investment management center is responsible for conducting initial market research with a view to identifying and assessing potential development opportunities for us to acquire land parcels or to cooperate with third-party business partners with expertise in project development through joint ventures and associated companies. Such initial market research efforts may involve information collections from local and governmental channels, such as the websites of the Ministry of Natural Resources of the PRC, and general studies on, among others, the following:

- the city where the potential development opportunity is located, including local economic conditions, local GDP and its growth rate, residents' income levels and purchasing power, population size and its growth and density, potential demand for residential properties, local governmental plans on infrastructure, transportation, public facilities and urban planning;
- the relevant land information, including its size and usage restrictions, as well as local land supply and historical transactions;
- potential competition;
- suitability of the potential development opportunity for our product positioning;
- potential risks;

- macro-economic environment; and
- national and local governmental policies and regulations.

If necessary, our investment management center would conduct site visits of the relevant land and surrounding areas by its own staff or through third party agencies.

Based on the initial market research, if our investment management center considers the potential development opportunity feasible, it would prepare a feasibility report and recommend the opportunity to our investment decision committee for approval. Based on the feasibility report and information from our functional centers at the headquarters, including:

- initial building and planning scheme from our design management center;
- cost estimation from our cost management center;
- market, product and customer positioning information and initial sales plan from our sales management center;
- engineering technology analysis from our operation management center;
- financial and tax estimation from our financial management center;
- financial analysis using our detailed indicator-based evaluation system, taking into account key indicators such as estimated revenue and land costs ratio, estimated gross profit and net profit margins, financing costs, expected launch time, destocking cycle and positive cash flow-back cycle; and
- initial due diligence on the relevant land parcels and/or third-party business partners from our risk management center,

if our investment decision committee considers the potential development opportunity feasible, it would resolve to approve it to proceed to the land acquisition stage.

Based on the above site selection process and adhering to our mission of “casting new city landscapes”, our residential projects are typically situated in new markets in second-tier cities and core districts in third-tier cities in the Yangtze River Delta Region with access to high-speed rail stations and we also aim to strategically expand into core districts of cities with lower urbanization rate.

Land Acquisition

We always strive to adopt a diversified land acquisition strategy to enrich and optimize our land reserves. We usually acquire land for our projects through two methods: (i) in the primary market through bidding in public tender, auction or listing-for-sale process in compliance with the Regulations regarding the Grant of State-Owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定) (the “**2007 Regulation**”), which became effective on November 1, 2007; or (ii) through acquisition of equity interests or investments in companies that hold land use rights.

Public Tender, Auction or Listing-for-sale

We acquire a portion of our land in the primary market through public tender, auction or listing-for-sale process organized by the PRC government authorities in the primary market. We usually utilize this method of land acquisition in locations where we have established operation, such as cities in the Yangtze River Delta Region, and hence possess better local market intelligence. Typically, in a public tender, an evaluation committee (including a representative of the grantor and other experts) evaluates tenders submitted by bidders and chooses the tender based on a number of factors including each bidder's bidding price, project experience, credit history, qualifications and development proposal. In an auction, local land bureaus hold the auction process and grant the land use rights to the bidder with the highest bidding price. In a listing-for-sale process, local land bureaus specify conditions for granting the land use rights before bids are submitted and the land use rights are granted to the bidder with the highest bid at the end of the listing-for-sale period.

Acquisition of Equity Interests or Investments in Companies that hold Land Use Rights

We also acquire land parcels of our property development projects through acquisition of equity interests or investments in companies that hold land use rights and cooperation with third-party business partners with resources and local expertise in project development through our jointly developed projects, depending on the relevant circumstance of the projects. We usually utilize this method of land acquisition as we strategically expand into in a new geographical market where we may face increased risks due to its possible difference in regulatory requirements, competitive conditions or consumer preferences from our existing markets. In terms of our business performance, this method allows us to leverage our third-party business partners' local network, market intelligence and knowledge on local government policies and regulations. In terms of our financial position, our third-party business partners would contribute capital for our property development projects, which would (i) lessen our cash flow pressure on land bidding; (ii) lower our share of the capital investment and development costs of the property development projects; and (iii) allow us to take part in more property development projects and achieve risk diversification.

We first started utilizing this method of land acquisition in 2015 and since then, our cooperation with third party business partners in our non-wholly-owned subsidiaries, joint ventures and associated companies have increased significantly.

Social Welfare Housing

For certain projects, we agreed to allocate a number of units of our commodity houses and retail units to relevant local government entities for the purposes of social welfare housing, such as resettlement houses, etc., at a specific price or for free, as specified in the relevant agreements or contracts that we entered into with the particular governmental entities. For certain other projects, we also agreed to allocate at a small portion of the residential GFA of the respective project to be transferred or returned to the relevant local government entities for free for the purposes of social welfare housing, such as public rental housing. We are not responsible for any relocation or resettlement operations relating to the projects or the affected residents. In general, such social welfare housing requirements are imposed by the relevant local government when we entered into valid land grant contracts.

Planning and Design

Product Positioning

We aim to position our product to meet the evolving market demand and create value for our customers. Our targeted customer groups mainly include (i) first time homebuyers, (ii) mid-end home-upgraders and (iii) high-end home-upgraders.

Our product positioning process for a project starts early at the opportunity identification stage. After a potential development opportunity is approved, our investment decision committee would typically provide a preliminary product positioning opinion based on information provided by our functional centers at the headquarters, including the initial building and planning scheme from our design management center. Based on such positioning opinion and after the land acquisition stage, our sales management center is generally responsible for conducting further market research by working with our sale management department at the local project company and third-party market research agencies to produce a preliminary product positioning report, including the customer group and market studies, to further facilitate our project planning and design.

Project Planning and Design

We strive to carefully plan our projects and to design quality properties to meet the needs and preferences of our customers. We manage our overall project planning and design through our design management center, which has formalized standardized four-step procedures for our project planning and design, which typically involve (i) land parcel planning, (ii) conceptual planning, (iii) construction planning and (iv) final design and construction drawings preparation.

At the land parcel planning step, an initial building and planning scheme is generated to assist our investment decision committee to review a potential development opportunity at the opportunity identification stage and our sales management center to generate a preliminary product positioning report. At the conceptual planning step, based on additional land information, a conceptual design plan is generated to facilitate our sales management center to conduct further analysis the and generate a formal product positioning report. At the construction planning step, based on the formal product positioning report and collaboration among our other functional centers, a construction proposal is submitted to our product decision committee for review and approval. After the construction proposal is approved, we would proceed to final design planning and collaborate with external design companies and institutions to prepare the final design and construction drawings according to our requirements.

We usually outsource different types of design works of a project, such as construction drawings preparation, architectural design, and scenery design, to qualified third-party design companies and institutions. We believe that outsourcing design works would allow us to leverage the expertise and research capabilities of the design companies and institutions and to better manage and reduce the overall timeframe required for our project planning and design process. Our design management center is responsible for setting out design parameters, cost and time requirements and statutory and government requirements in our contracts with these design companies and institutions, communicating with them frequently, managing their progress and reviewing all draft design works. The final design plan and construction drawings are submitted to the relevant government authorities for approval, after which they become the construction blueprint.

We prefer design companies and institution with which we have long-term working relationships to ensure the quality of our design works, and maintain an internal list of design companies and institutions that meet our stringent selection criteria. When assessing these design companies and institutions, we take into consideration factors such as qualifications, design capabilities, experience and technical expertise in similar projects, track-record and service fees. Our agreements with design companies and institutions usually stipulate the scope of design work to be performed, design schedule, quality standards, service fees and payment schedule. The service fees are usually determined based on the complexity of the design work and GFA of the project.

Procurement, Construction, Monitoring and Control

Our cost management center is generally responsible for our overall procurement process. It is responsible for generating a master budget plan using our cost management system based on the construction blueprint of a project, submitting the budget plan to our financial management center for review and obtaining approvals from our decision committees at the headquarters. The master budget plan sets out the relevant budgets for the appointment of construction companies and procurement of raw materials for the project.

Appointment of Construction Companies

We typically outsource the construction work of our projects to qualified third-party construction companies. We believe that outsourcing construction work allows us to better focus on our business as a property developer and to minimize certain risks, such as risks from fluctuations in the cost of certain raw materials.

We select construction companies for our projects through a tender process in accordance with the Law on Tender and Bidding of the PRC (中華人民共和國招標投標法) and the Provisions on Engineering Projects Which Must Be Subject to Bidding (必須招標的工程項目規定). The tender process may be conducted via tender by invitation or open tender. The tender process is managed by our cost management center at the group level. It is responsible for preparing invitation for tender documents, and reviewing the qualification of the bidding construction contractors and the tender documents submitted by the contractors. The tender invitations set out the specifications and requirements for the constructions, such as the quality assurance terms and construction safety requirements. The tender invitation usually lasts for 10 to 13 days. Interested contractors would submit their tender documents, with the proposed pricing, proposed construction schedule and qualification for review. We conduct a number of due diligence procedures and only invite the contractors which have passed our due diligence checks to participate our tender. For certain projects, we hold interviews with core members of contractors and conduct in-depth review of their previous work experiences. When considering the tenders submitted, we will consider a number of factors including the technical and financial aspects of the contractors. In particular, we will review the qualifications of the contractors, the recent projects completed by the contractors and the repair and maintenance undertakings. The whole tendering process is fully confidential.

We prefer construction companies with which we have long-term working relationships to ensure the quality of our products, and maintain an internal list of construction companies that meet our criteria and which we may invite to tender for new projects. To ensure the quality and workmanship of our properties, we apply stringent criteria in the selection of construction companies. When assessing these construction companies, we take into consideration factors such as experience, track record, reputation, credentials, professional qualifications, financial condition, quality of construction work, price quote, proposed construction schedule and plan and technical capabilities. Our tender decision committee will review the tendering documents, rank the submitted tenders and approve the final tender decision.

Such construction contracts are based on a standard template provided by the relevant government authority, which usually contain warranties provided by the construction companies with respect to construction schedules, quality and safety standards. Pursuant to such agreements, the contractors are obligated to undertake the entire construction work in strict compliance with the laws and regulations, and the construction companies are required to pay fines in the event of delays and are responsible for the costs incurred in rectifying construction defects discovered pre- and post-completion and delivery. In addition, we are entitled to terminate a construction contract and claim damage for losses if the construction company causes any material delay to the development schedule or irreparable damage to the project development.

We usually make payments to construction companies in installments in accordance with the terms and conditions stipulated in the construction contracts and the installment payment schedule varies from case to case. In general, we pay the construction companies 70% to 85% of the full contract price when the construction work is completed and pay 95% of the total contract price upon project settlement. We retain 3% to 5% as quality warranty deposit typically for two to five years. The quality warranty deposit is used to cover any contingent expenses incurred as a result of construction defects. We believe that the amount of quality warranty deposit we retain under our construction contracts is in line with the industry practice in the PRC and is sufficient to cover the construction warranties we provide to our customers under the sale and purchase agreements.

Procurement

A significant portion of our raw materials, fixtures and equipment are procured in China. The construction companies are generally responsible for the procurement of raw materials, such as concrete and steel, used in the construction process. The raw material costs are typically included in the pre-agreed contract prices with the construction companies. Typically, our construction companies bear the risk or enjoy the benefit of price fluctuation for majority of raw materials for which they are responsible for. However, our contracts with construction companies contain price adjustment mechanism, in cases where the fluctuation in the relevant market prices of the relevant raw material exceed certain threshold, the fee with the construction companies may be adjusted. We can, to a certain extent, pass any cost increases in raw materials to our customers by increasing the prices of our products. However, we still bear the risk of price fluctuations in raw materials to the extent that we are unable to increase our prices to fully cover any increases in costs.

We normally specify a list of brands and the construction companies procure such materials with reference to pricing guidelines issued by local authorities. For materials which materially affect the design of our projects, such as ground and wall tiles, external finishing materials, internal decorative materials and valves, we may require the construction companies to procure these materials at prices pre-negotiated by us.

We are responsible for purchasing specific construction materials and fixtures such as elevators, and air conditioner. We prefer third-party suppliers with which we have long-term working relationships to ensure the quality of our products. Our cost management center maintains a central supplier database, which contains evaluation information about all our suppliers. To qualify for our supplier database, the supplier must meet our strict standards on quality, productivity and compliance record. We conduct visit on our suppliers on an annual basis as well as on ad hoc basis. To maximize our economies of scale and bargaining power, we centrally procure certain raw materials. We normally seek tenders from no less than three suppliers within our qualified supplier database for our procurement. We enter into procurement contracts with the winning bidders. The procurement contracts are usually fixed-priced and do not contain any minimum purchase commitments. The terms of the procurement contracts usually track the construction periods of the relevant projects, which range from one to two years. Suppliers may enter into new tender bids when the contractual periods expire. Typically, we may terminate a contract if the supplier fails to supply the relevant materials in accordance with the terms of the contract, industry standards or relevant regulatory requirements.

In general, we make payments to our suppliers in installments by bank transfer or acceptance bills in accordance with the terms and conditions stipulated in the procurement contracts, and payment terms granted by our suppliers vary depending on factors such as the relationship between the supplier and us and the transaction size.

We do not maintain any inventory of construction materials. As we maintain a central supplier database for the equipment which we are responsible for purchasing, we have adequate alternatives when a supplier fails to meet our demand, which largely prevents the risk of supply shortages.

Project Monitoring

We place significant emphasis on project monitoring, as well as quality, progress and cost control, to ensure that our products meet market standards and comply with applicable PRC laws and regulations relating to quality and safety. Our operation management center is responsible for monitoring and controlling the quality and progress of our projects during construction. Our cost management center is responsible for the overall cost control during construction.

Quality Control

Our quality control process starts with the selection of qualified construction companies and suppliers with which we have long-term working relationships to ensure the quality of our products. Please refer to “— Our Project Development and Sales Process — Procurement, Construction, Monitoring and Control” above for our selection and assessment of construction companies and suppliers.

To ensure quality of our product and compliance with applicable PRC laws and regulations, we have established a system of quality control policies and procedure to govern each aspect of the project development process. Also, in compliance with applicable PRC laws and regulations, we engage Independent Third Party certified construction supervision companies to monitor the entire construction process of our projects. The construction supervision companies, along with personnel of our local project companies, conduct quality inspections on construction materials and on-site workmanship checks to ensure all construction materials and products meet our prescribed specifications and applicable regulatory requirements. During the inspections, we check whether the construction companies comply with the construction blueprint and for any deviation from the blueprint, whether such deviation is an appropriate adjustment. We also check whether the construction companies comply with our procedures regarding inspection of raw materials and equipment. Our inspection process typically includes the following: (i) the samples of all major raw materials must be sent to us for pre-approval and stored for records; (ii) all major equipment and raw materials must be inspected when entering the construction sites; and (iii) all sub-divided work steps are inspected and only upon the satisfaction of the inspection results of one work step, the next work step may be carried out.

If there are any instances of quality issues, our local project companies, which are responsible for monitoring day-to-day business operations throughout the development process, will report them to our operation management center and president office at the headquarters and we require the non-compliant entity to rectify the issue within a specific timeframe. We may request the suspension of the construction work by the appointed construction companies if there are any material quality issues and require remedial measure before the construction work can commence again. Also, after the construction company complete a project, we retain a quality warranty deposit from them typically for two to five years to cover any contingent expenses incurred as a result of construction defects. Please refer to the section headed “— Our Project Development and Sales Process — Procurement, construction, monitoring and control — Appointment of construction companies” above for more details.

We confirm that, in 2019, 2020 and 2021 and the six months ended June 30, 2022, we had not encountered any material quality problems nor receive any material complaints about the quality of our projects. In 2019, 2020 and 2021 and the six months ended June 30, 2022, no fines or penalties for non-compliance of PRC labor and safety laws and regulations were imposed on us.

Progress Control

We have established a project schedule management system that specifies the timeframe in which each project milestone needs to be achieved during the project development process. We also utilize an online approval system, named “Office Automation”, for efficient coordination among our functional centers at the headquarters. We have integrated these systems into our IT system, which would automatically alert the relevant staff of our functional centers at the headquarters and our local project companies on the timeliness of their performance of each task, provide them with access to the relevant electronic documents and obtain online approvals from our management. These systems allow us to monitor the pace of each project development in a timely manner and to quickly identify any potential delays to the final schedule.

The construction companies appointed by us are usually required to appoint a project manager to manage the construction progress on daily basis. During the construction stage, our operation management center is responsible to review all projects under construction and conduct on-site inspections of all projects and monthly on-site inspection of selected projects. During our on-site inspection, we would inspect and review the site area and conduct meetings with the project manager and the project engineering staff at the local project companies to discuss project progress. We also inspect every major construction procedure such as foundation building, roof sealing and waterproofing of the main structure, thermal insulation construction and completion inspection. Our operation management center would also monitor the construction progress and evaluate the performance of the contractors by reviewing the monthly quality assurance and construction progress report prepared by the certified construction supervision companies. If the construction progress has any material deviation from our construction progress plan, our project management department will bring the situation to the attention of our headquarters, explain the reasons for such deviation and discuss the rectification measures with the relevant contractor. Upon completion of each stage of the construction, the contractor will submit an approval form to the Independent Third Party certified construction supervision companies and the manager of the project engineering department of the project company, will then check against the actual construction status, acknowledge the completion of the relevant stage of the project and approve the amount payable to the contractors. After that, our cost management department or cost management center at headquarters, as the case may be, will review the approval forms and make the payment to the contractors accordingly.

If there is any schedule delay which exceeds the period of time as stipulated in the construction contract with the construction company, we will also be entitled to a pre-determined amount as a penalty payment and, in some cases, we will have the right to terminate the construction contract.

The construction companies engaged by us are not typically allowed to subcontract or transfer their contractual agreements with us to third parties without our prior consent. When subcontracting construction works to third parties under our consent, the construction companies are obliged to supervise and ensure the subcontractors’ construction works are in strict compliance with our specifications and requirements, and we may also require the construction companies to conduct progress meetings regularly.

Cost Control

We have established a cost management system which assists us in creating master budget plans, including how to assess the different cost components, and approving, maintaining and monitoring all construction and supplier agreements for our projects. Our cost management center is responsible for reviewing and ensuring that the relevant contracted amount, payment schedule and key commercial terms recorded in the cost management system are in accordance with those set forth in the master budget plan for a project. For all payment amount below RMB2 million, the amount due to contractors will be paid upon receiving approval from our cost department, whereas payment amount above RMB2 million also require the approval of our risk management center. We believe that the cost management system provides us with the capability to keep track of payment schedules and management our payments and cash flow. Our financial management center and cost management center would typically conduct monthly meetings or hold internal discussions to review and verify the actual costs incurred in details and compare such costs with the master

budget and with similar expenses incurred at our other projects. We believe such cost control procedures enable our management to identify and anticipate situations where actual cost may exceed the initially approved budget and to take the appropriate remedial measure in a timely manner as a result. In the event that the master budget for a project needs to be revised, approval from our decision committees at the headquarters must be obtained. In addition to our cost control procedures, our centralized procurement of certain specified construction materials and equipment also contribute to our ability to control development cost.

Sales and Marketing

Sales and Marketing Activities

We typically rely on the efforts of our sales and marketing teams at the local project companies for the marketing and promotion of most of our properties. We believe by establishing and strengthening our own sales and marketing teams, and leveraging the supports of our functional centers at the headquarters and other departments at the local project companies, we are better positioned to gain deeper understanding of the market in order to improve our marketing and pricing efforts, and better able to identify industry trends and customer demands that can benefit in optimizing our products.

Furthermore, we believe the interest of our own sales and marketing team are better aligned with us as compared to external real estate sales agencies. Our sales and marketing personnel are incentivized by performance-based compensation packages. We believe that we provide relative competitive incentives to our sales and marketing staff, which are based on the performance evaluation of the individual sales and marketing personnel and their marketing teams.

We occasionally engage third-party real estate sales agents depending on market conditions and our overall sales condition of the particular project to facilitate our sales and marketing efforts. These real estate sales agents promote our property projects through their own marketing networks and bring in potential customers in their database to our project sites. In consideration of their services, we typically pay a commission depending on the total sales amount they make. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, we incurred sales commission to third-party real estate sales agents of RMB3.4 million, RMB34.4 million, RMB50.3 million (US\$7.5 million) and RMB31.5 million (US\$4.7 million), respectively.

Our sales management center is generally involved from the early stage of project development to ensure that our property developments are well positioned and priced by providing valuable information relating to our target market, local pricing information, pricing of competitive projects, customers and estimated sales velocity. Our sales management department at the local project company is generally involved in the execution of the sales and marketing plan of a project and provide local customer feedback to our sales management center. We conduct our sales and marketing activities for a property development project in three key phases:

- The first phase begins after the land acquisition stage with our sales management center conducting detailed market research and producing a product positioning report to help us to formulate the branding and sales strategy and marketing plans of the project. Then, at the project planning and design stage, we would commence the design of the show flats at our sale office. The marketing and promotional goal is to complete a majority of our sales and marketing preparation for the second and third phases below.
- The second phase begins with the opening of our show flats at the on-site sale office and the construction commencement ceremony. Our marketing and promotional programs at this stage include (i) building and training the local sales and marketing team, (ii) establishing the on-site sales office and (iii) advertising through a variety of media, including television, newspapers and magazines, point-of-sale materials, the Internet, mobile media and outdoor billboards. Our marketing goal is to promote market awareness of the project and to enhance our corporate image.

- The third phase begins with initiation of pre-sale. Our marketing and promotional programs at this stage focus on more detailed property product introduction and open house events. We set up on-site reception centers to display model units of our projects and other detailed information about the development. The marketing and promotional goal is to attract potential purchasers and to stimulate interest in various types of properties in the project.

For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, our advertising and promotion expenses were RMB90.2 million, RMB140.7 million, RMB188.2 million (US\$28.1 million) and RMB58.9 million (US\$8.8 million), respectively.

Pre-Sale

Pre-Sale Procedures

We generally commence the pre-sale of our properties prior to completion of construction. Prior to starting pre-sale, we will complete and stage select demonstration units and display areas in order to provide visual presentations to our customers as to the quality of our products. We launch pre-sale upon the receipt of pre-sale permits in accordance with the PRC laws and regulations.

In addition, property developers are also required to use a standard pre-sale contract prescribed by the relevant local authorities. In accordance with the requirements of applicable PRC laws and regulations, we register such pre-sales with the relevant local authorities and provide warranties on the quality of properties we sell to our customers for periods shorter than that for the quality warranties we receive from our construction contractors under the relevant construction contracts.

Pre-Sale Proceeds

Under the Pre-sale Measures and Urban Real Estate Law, the pre-sale proceeds of commodity buildings should only be used to fund the construction costs of the relevant development projects. Further, in some cities we operate, the use of pre-sale proceeds is specifically restricted, where the pre-sale proceeds of our properties must be deposited in escrow accounts and can only be used to purchase the necessary construction materials and equipment, make construction stage payment, pay statutory taxes for the relevant development projects subject to prior consent from the relevant local government authorities.

Pricing Policies

Our ability to price our products at desired levels has been, and will continue to be, important to our results of operations. We have a clear pricing protocol for each project. We conduct initial market research on the potential development opportunity and analysis on comparable properties and inventory within the area where potential projects locate, and submit a product positioning report to our design management center after the land acquisition. We also calculate costs, expected profits and cash flow of the project. Depending on the local market demand and government development plans, we may furnish our products with standard interior decoration and premium interior decoration and sell our premium products at a higher price level than our standard products.

Prior to the launch of our sales efforts for a project, our financial management center and cost management center would typically conduct a pre-launch meeting to review the overall marketing budget, overall sales targets for each project and target ASPs based on our total costs incurred, our target profitability levels and in accordance with applicable PRC laws and regulations. Development cost of property include all costs incurred in relation to the construction of the property development project, including land costs, construction costs, borrowing costs and professional fees. A premium will be added based on our target rate of return, overall sales target for each project and the competitive landscape.

Due to the highly competitive and evolving nature of the real estate industry in China, we are required to constantly monitor the changing market condition and adjust the sales prices of our projects as appropriate. As part of our overall goal and strategic plan, we set annual targets as to the total sales price and revenue for all of our property projects, which are based on our development plan, market prospects, estimated costs and profit target. In accordance with such targets, we manage our property inventory position on the basis of their realizable market value. Accordingly, we establish additional or adjust our product positioning, sales price and marketing approach in view of such estimated realizable market value. In particular, although sales targets are set by our sales management center at the headquarters, our sales team at the local project company may suggest a sales price adjustment to our sales management center at headquarters based on changing market conditions due to their familiarity with the local property markets. For example, rather than becoming fixated on a pre-determined price levels, in times of market downturn and subject to approvals of our sales management centre at the headquarters, our local sales teams can quickly adopt discounts and other incentive measures to promote our properties as to ensure a healthy cash flow while maintain revenue generating. On the other hand, in more robust markets, and subject to approvals of our sales management center at the headquarters, our local sales teams may quickly increase the sales price for our properties to keep abreast of the developing market situations. Such ability to adjust our inventory status, sales price and cash flow to proactively respond to trends in local property markets has enabled us to maintain profitability.

Payment Arrangements

In general, our customers may make the payment by installments or in one lump-sum by cash. For customers who opt to pay by installments, they may fund their purchases by personal funds or mortgage loans provided by commercial banks.

We typically require our customers to pay a non-refundable deposit before entering into the sales or pre-sale contract. The deposit will be forfeited if the customer decides not to sign the formal sales or pre-sale contract. The deposit will be deducted from the purchase price if the customer later opts to settle the payment in full. Customers who purchase properties by making one lump-sum payment are normally required to fully settle the total purchase price within the prescribed period after entering into the relevant sale and purchase agreements. Customers who pay by installments are required to make payments in accordance with the agreed payment schedules. Outstanding balances must be fully settled prior to property delivery. Depending on the locality of the properties, customers who purchase properties with mortgage loans are typically required to pay a down payment of no less than 20% for first-home purchasers upon entering into a sale and purchase agreements. Outstanding balances are settled by the mortgagee banks within the prescribed period pursuant to the respective bank financing agreements. The minimum percentage of down payment is subject to changing government policies.

In line with market practice in the PRC, we have arrangements with various banks for the provision of mortgage loans and the Administration of Housing Provident Fund for the provision of applying housing provident fund to our customers. If necessary, these mortgagee banks or the Administration of Housing Provident Fund will require us to provide guarantees or deposit as security for the mortgage loans. We rely on the credit checks conducted by the mortgagee banks and do not conduct independent credit checks on our customers. The guarantee period generally lasts until the earlier of the following two dates: (i) the issuance of the relevant property ownership certificate and the registration of the mortgage in favor of the mortgagee bank, or (ii) the date when mortgage loans are settled between the mortgagee bank and the purchaser, under the circumstance that the purchaser pays off the mortgage loan in advance. If a purchaser defaults on a mortgage loan during the guarantee period, we are required to repay the outstanding balances owed to the mortgagee bank. After settling such outstanding balances, we are entitled to forfeit the down payment received and sell the repossessed properties. As of June 30, 2022, the outstanding guarantees and deposits provided by us in respect of mortgage loans of our customers amounted to RMB11,590.8 million (US\$1,730.5 million). In 2019, 2020 and 2021 and the six months ended June 30, 2022, we did not encounter any material incidents of default by our customers which would lead to material impact to us.

Inspection, Delivery and After-Sales Services

Project Completion and Delivery

We strive to deliver completed properties to our customers within the time frame prescribed in the respective pre-sale or sale and purchase contracts. Before delivery of properties to our customers, we may obtain the relevant completion certificate (房屋建築工程竣工驗收備案表) or other certificates as required under the respective sales contracts as well as the local laws and regulations. Please refer to the section headed “Regulatory Overview — Laws and regulations governing real estate transfer and sale and lease — Regulations on sale of commodity buildings” for details. It typically takes approximately two to three years from the commencement of pre-sale to the date of completion, depending on the scale of the properties. During 2019, 2020 and 2021 and the six months ended June 30, 2022 and up to the date of this exchange offer memorandum, we did not experience any significant delays in the completion of our projects or delivery of relevant title documents after sales.

To help ensure timely delivery of our properties, we closely monitor the progress of construction of our projects and conduct pre-delivery property inspections. Our operation management department and engineering department at the local project company are responsible to jointly inspect the properties prior to delivery to ensure that our quality standard has been met. Our staff will notify our customers in writing before the delivery date stipulated in the sale and purchase agreements to arrange the delivery procedures.

We will assist our customers in obtaining their individual property ownership certificates by providing all requisite information to the local authorities for registration. The local authorities will then grant an individual property ownership certificate or a real estate rights certificate for each property unit afterwards.

According to our accounting policies, our revenue is recognized when the properties are delivered to our customers. The recognition of our revenue from sale of properties is not subject to the grant of the property ownership certificates or real estate certificates to our customers.

Our customer relationship department and the property management company we engage are responsible for after-sales services. We aim to resolve our customers’ queries in relation to property construction in a timely manner.

Warranties

We provide our customers with a warranty for the quality of the structure of the building pursuant to the Measures on the Sales of Commodity Housing (商品房銷售管理辦法) and Regulations for the Operations of Urban Property Development (城市房地產開發經營管理條例). In addition, we also provide quality warranties for certain fittings and fixtures, if applicable, usually for a period of two years, according to the published national standards.

In particular, we provide the following warranties, amongst others, for our residential properties:

- five-year warranty for defects relating to the waterproofing of property surfaces;
- five-year warranty for defects relating to the waterproofing of bathrooms, rooms and walls;
- two-year warranty with respect to the heater and air conditioner systems;
- two-year warranty with respect to the electricity, sewage pipes and equipment installment;

- two-year warranty with respect to the refined decoration work; and
- warranty durations for ground foundations and main structures are the relevant reasonable lifespans stated in the design documents.

The construction companies we have engaged are responsible for rectifying quality defects in the properties, whether such defects are discovered pre- or post-completion and delivery. We may repair quality defects only if the construction companies cannot repair the defect in a timely manner. We generally retain a quality warranty deposit of 3% to 5% of the total contract price typically for two to five years to cover any contingent expenses that may be incurred as a result of any quality defects.

We may receive customer claims in relation to the quality of real properties that we developed from time to time. Generally, we coordinate with the relevant third-party construction companies to respond to such customer claims. Relevant third-party construction companies shall be responsible for the repair or maintenance at their own costs subject to the warranties provided in the agreements that they entered with us. In 2019, 2020 and 2021 and the six months ended June 30, 2022, we have not been involved in any material claims or received any material complaints with respect to the quality of our building structures or other fittings which cannot be rectified by the relevant contractors in accordance with their warranty provisions of the relevant contracts.

After-Sales Services

We rely on our customer relationship department at the headquarters and relevant property management companies we engage to provide after-sale services, including, among others, providing assistance in obtaining property ownership certificates, following up on warranty issues and performing maintenance services. Our customer service team is also responsible for collecting and analyzing customer data through customer satisfaction surveys in order to improve service quality, identify customer preferences and provide such feedback to the construction management team to improve our operation, including project design and marketing strategies.

We value feedback from our customers and believe it is important in helping us maintain customer relationships, improve product and service quality and identify customer preferences. We have a customer service telephone hotline for customers to provide feedback and complaints about our products and services. It is our policy to attend to any customer feedback or complaints in a timely manner. In addition, to better understand the needs of our customers so as to improve our offerings, we conduct customer satisfaction surveys after the delivery.

PROPERTY MANAGEMENT

We believe that quality property management services are integral to our customer experience and are thus essential to maintaining long-term customer relationships. Our property management department under our operation management center at our headquarters is mainly responsible for selecting and appointing property management companies for our projects.

We engage property management companies to provide pre-delivery property management service prior to the establishment of an owners' committee of the relevant properties developed by us in accordance with the relevant PRC property management laws and regulations. In this regard, we typically enter into a pre-delivery property management service contract with the relevant property management companies for the provision of services, such as property maintenance, site security, gardening, cleaning and other ancillary services. The management fee is determined with reference to the prevailing market rates, guidance rate set by the relevant PRC government authorities, and the GFA of each property of the relevant property development project, which is usually settled on a monthly, quarterly or yearly basis. Following delivery of the relevant property, property owners are responsible for the payment of their own management fee, while we are responsible for payment of management fees for properties that are completed but not yet sold or delivered.

COMPETITION

We have mainly operate in various cities in the Yangtze River Delta Region and expect to expand into other new markets outside of the region, such as the Central Region in the PRC. We believe that the residential property markets in the cities we have operated in, expect to expand into and elsewhere in the PRC are highly competitive and fragmented. Our existing and potential competitors include major domestic property developers, especially those operate in the aforesaid cities. The rapid development of these cities in recent years has led to a diminishing supply of undeveloped land in desirable locations in these regions. Moreover, the PRC government has implemented policies to tightly control the amount of new land available for development. These factors have increased competition and land grant premiums in relation to land made available for development.

We compete with other property developers in a number of aspects, including but not limited to land acquisition, brand recognition, financial resources, prices, product quality, service quality and other aspects. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and stronger brand recognition. There is no assurance that we will be able to continue to compete effectively in our industry. Please refer to “Risk Factors — Risks Relating to Our Industry — We face intense competition, which may materially and adversely affect our business, financial performance and results of operation” and “Risk Factors — Risks Relating to Our Business — Our growth and expansion into new cities, regions and new geographical markets present certain risks and uncertainties” in this exchange offer memorandum for details.

Despite the high level of competition, we consider that we have demonstrated resilience to market changes and competition with our substantial experience and reputation in operational management, prudent project planning, cost management and high-quality property products and services. Further, given our brand recognition and strong execution capabilities, we believe we can react promptly to the challenges in the PRC real estate market.

INTELLECTUAL PROPERTY

As of the date of this exchange offer memorandum, we had registered various trademarks and domain names in the PRC and Hong Kong.

INSURANCE

There are no national mandatory provisions under the applicable PRC laws and regulations requiring property developers to maintain insurance coverage with respect to their property development operations. We do not maintain any insurance policies for our development projects. Instead, we require the general contractors of our development projects to maintain insurance policy in accordance with the contracting agreement. We maintain insurance, including social insurance, for our employees as required by applicable PRC laws and regulation and as we consider appropriate for our business operations.

As required by banks with respect to properties that have been pledged as collateral to secure bank loans, we have obtained property damage and third-party liability insurance for such properties in accordance with the relevant loan agreements.

We are of the view that we have maintained adequate insurance coverage for our operations and that the scope of our coverage is in line with the industry norms. However, there are certain risks that we are not insured or which we may not have sufficient insurance coverages for losses, damages and liabilities that may arise in the course of our business operation. Please refer to “Risk Factors — Risks Relating to Our Business — Current insurance coverage may not be adequate to cover all risks related to our operations” in this exchange offer memorandum for details.

EMPLOYEES

As of June 30, 2022, we had 960 full-time employees, all of whom were based in the PRC. The following table sets forth a breakdown of our full-time employees by function as of June 30, 2022:

Function	Number of Employees	% of All Employees
Sales & marketing	428	44.5%
Engineering and cost management	182	19.0%
Administration and integrated management	119	12.4%
Accounting & finance	115	12.0%
Research & development	37	3.9%
Operational	28	2.9%
Design	23	2.4%
Risk management	12	1.3%
Human resources	11	1.1%
Investment	5	0.5%
Total	960	100.0%

ENVIRONMENTAL MATTERS

We are subject to PRC national environmental laws and regulations as well as environmental regulations promulgated by the relevant local government authorities.

Pursuant to applicable laws and regulations, each of our development projects must undergo an environmental assessment before the commencement of construction. We must also adhere to the legal standards in connection to our projects' design, construction and operation. We require our construction companies to comply with these standards during the construction process. We also encourage our construction companies to use environmental friendly equipment and technologies.

We take specific measures to ensure our compliance with the applicable environmental laws and regulations, including: (i) strictly selecting construction contractors and supervising the process of construction; (ii) review our projects in a timely manner after the project is completed; and (iii) actively adopting environmentally friendly equipment and designs. We also take voluntary actions with respect to environmental protection and make energy conservation and emission reduction top considerations when designing our property projects.

In 2019, 2020 and 2021 and the six months ended June 30, 2022, we did not have any material breaches of environmental protection standards causing material adverse impact on our business operations and financial conditions.

LEGAL PROCEEDINGS AND MATERIAL CLAIMS

We have been involved in legal proceedings or disputes from time to time in the ordinary course of business, including claims primarily relating to disputes arising from agreements with suppliers and real estate agents, property purchase agreements with our customers and our guarantee of mortgage agreements entered into between our customers and mortgage banks, or other third parties.

As of June 30, 2022, we are not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to us to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial condition. However, we cannot assure you that we will not be involved in any major legal proceedings in the future. Any involvement on these disputes may materially and adversely affect our business, financial condition and results of operations. See "Risk Factors — Risks Relating to Our Business — We may be involved in legal and other disputes from time to time arising out of our operations, including any disputes with our contractors, suppliers, employees, tenants or other third parties, and may face significant liabilities as a result."

REGULATION

A summary of the most significant laws, regulations and rules that affect our business activities and operation in People's Republic of China is set out below.

LAWS AND REGULATIONS GOVERNING ESTABLISHMENT OF REAL ESTATE DEVELOPMENT ENTERPRISES

Regulations on Establishment of a Real Estate Development Enterprise

In accordance with the Law of the People's Republic of China on Urban Real Estate Administration (《中華人民共和國城市房地產管理法》) (the "Urban Real Estate Law") promulgated on July 5, 1994 and amended on August 30, 2007, August 27, 2009 and August 26, 2019 that became effective on January 1, 2020, real estate development enterprises are defined as the enterprises that engage in real estate development and operation for the purpose of seeking profits. According to the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) (the "Development Regulations"), promulgated and implemented on July 20, 1998 by the State Council, and amended on January 8, 2011, March 19, 2018, March 24, 2019, March 27, 2020 and November 29, 2020 that became effective on the same day, the establishment of a real estate development enterprise shall, in addition to the conditions for the enterprise establishment prescribed by relevant laws and administrative regulations, fulfill the following conditions: (i) the registered capital shall be RMB1 million or above; (ii) the enterprise shall have more than 4 full-time technical personnel with certificates of qualifications of real estate specialty and construction engineering specialty and more than 2 full-time accountants with certificates of qualifications.

On May 25, 2009, the Notice on Adjusting the Portion of Capital Fund for Fixed Assets Investment (《國務院關於調整固定資產投資項目資本金比例的通知》) issued by the State Council, which regulates that the minimum capital ratio of affordable housing and general commodity housing projects is 20%, and that of other real estate development projects is 30%. However, under the Notice of the State Council on Adjusting and Improving the Capital System for Fixed Asset Investment (《國務院關於調整和完善固定資產投資項目資本金制度的通知》) issued on September 9, 2015, the minimum capital requirement remains unchanged at 20% for affordable housing and ordinary commodity housing projects, the minimum capital requirement is adjusted from 30% to 25% for other real estate projects.

Regulations on Foreign Investment in Real Estate Enterprises

On December 27, 2021, the National Development and Reform Commission ("NDRC") and the Ministry of Commerce ("MOFCOM") jointly promulgated the Special Administrative Measures for Access of Foreign Investments (Negative List) (2021 version) (《外商投資准入特別管理措施(負面清單)(2021版)》) (the "Negative List"), which came into effect on January 1, 2022. According to the Negative List, real estate development does not falls within the Negative List for access of foreign investments.

On July 11, 2006, the Ministry of Construction, the MOFCOM, the NDRC, the People's Bank of China ("PBOC"), the State Administration for Industry and Commerce and the State Administration of Foreign Exchange ("SAFE") jointly issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (《建設部、商務部、國家發展和改革委員會等關於規範房地產市場外資准入和管理的意見》) which provides that: (i) foreign organizations and individuals who have established foreign-invested enterprises are allowed to invest in and purchase non-owner-occupied real estate in China; (ii) the registered capital of foreign-invested real estate enterprises with the total investment amount exceeding or equal to US\$10 million shall be no less than 50% of their total investment; (iii) foreign-invested real estate enterprises can apply for renewing the official foreign-invested enterprise approval certificate and business license with an operation term of one year only after they have paid back all the land premium and obtained the state-owned land use rights certificate; (iv) with respect to equity transfer and project transfer of a foreign-invested real estate enterprise and the merger and acquisition of a domestic real estate enterprise by an overseas investor, the department in charge of commerce and other departments

shall conduct examination and approval in strict compliance with the provisions of the relevant laws, regulations, and policies. The investor concerned shall submit a letter of guarantee on its promise to perform the state land grant contract (《國有土地使用權出讓合同》), the construction land planning permit (《建設用地規劃許可證》), the construction work planning permit (《建設工程規劃許可證》) etc., and shall submit the land use right certificate (《國有土地使用證》), the documents certifying that the change of registration has been filed with the relevant department in charge of construction (real estate) for record, and the certification materials issued by the relevant taxation authority on the tax payment in relevance; (v) foreign investors shall pay off all considerations for the transfer in a lump sum with their own funds if they acquire Chinese real estate enterprises or any equity interest held by Chinese parties in Sino-foreign joint venture engaged in real estate industry.

On August 19, 2015, the Ministry of Housing and Urban-Rural Development (“MHURD”), the MOFCOM, the NDRC, the PBOC, the State Administration for Industry and Commerce and the SAFE jointly promulgated the Circular on Amending the Policies Concerning Access by and Administration of Foreign Investment in the Real Estate Market (《住房城鄉建設部、商務部、國家發展改革委等部門關於調整房地產市場外資准入和管理有關政策的通知》), which amended certain policies on foreign-invested real estate enterprises and property purchase by overseas organizations and individuals as stated in the Opinions on Regulating the Entry and Administration of Foreign Capital in the Real Estate Market (《建設部、商務部、國家發展和改革委員會等關於規範房地產市場外資准入和管理的意見》) as follows, the requirements for the registered capital of foreign-invested real estate enterprises shall follow the provisions in the Provisional Regulations of the State Administration for Industry and Commerce on the Proportion of Registered Capital to Total Amount of Investment of a Sino-Foreign Equity Joint Ventures (《國家工商管理行政管理局關於中外合資經營企業註冊資本與投資總額比例的暫行規定》) promulgated and effective on March 1, 1987; the requirement on full payment of registered capital of the foreign-invested real estate enterprises before applying for domestic or foreign loans or foreign exchange loan settlement has been canceled.

On June 18, 2008, the MOFCOM issued the Notice Regarding the Registration of Foreign-Invested Real Estate Industry (《商務部關於做好外商投資房地產業備案工作的通知》) (the “Circular 23”) and became effective on July 1, 2008, which requires that registration shall be preliminarily examined by the provincial branch of the MOFCOM before submitting to the MOFCOM for registration.

On November 6, 2015, the MOFCOM and the SAFE jointly issued the Circular on Further Improving the Registration of Foreign Investments in Real Estate (《商務部、外匯局關於進一步改進外商投資房地產備案工作的通知》), which simplifies the administrative procedures for, and improves the management of foreign-invested real estate companies. In accordance with the Circular, the local departments in charge shall approve the establishment and any corporate changes of foreign-invested real estate enterprises in accordance with the laws and statutes regarding foreign investment, and fill out the relevant information on real estate projects in the integrated foreign investment management information system of the MOFCOM as required. In addition, the public registration on the website of MOFCOM is canceled. Furthermore, the MOFCOM will randomly select foreign-invested real estate enterprises for examinations on a quarterly basis. The Circular 23 and the Circular on Further Improving the Registration of Foreign Investment in Real Estate were abolished by the Announcement of the Ministry of Commerce on the Abolition of Certain Regulatory Documents (《商務部關於廢止部分規範性文件的公告》) that issued by the MOFCOM on December 25, 2019 and became effective on January 1, 2020.

The incorporation and operation of companies in China is governed by the Company Law of the People’s Republic of China (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress on December 29, 1993, and became effective on July 1, 1994. It was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, and October 26, 2018. The PRC Company Law provides for two general types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of a company to its debtors is limited to the value of its assets. A shareholder’s liability is limited to the amount of registered capital contributed by such shareholder. The PRC Company Law shall also apply to foreign-invested companies.

And the Wholly Foreign Owned Enterprise Law of the People’s Republic of China (《中華人民共和國外資企業法》) as amended on September 3, 2016 and the Detailed Implementing Rules for the Wholly Foreign Owned Enterprise Law of the People’s Republic of China (《中華人民共和國外資企業法實施細則》) as amended on February 19, 2014, and the Equity Joint Venture Law of the People’s Republic of China (《中華人民共和國中外合資經營企業法》) promulgated in 1979 and last amended in 2016 and its implementation regulations (《中華人民共和國中外合資經營企業法實施條例》) promulgated in 1983 and last amended and became effective on March 2, 2019 regulate to establish a wholly foreign owned enterprise (the “WFOE”) or a sino-foreign joint venture. On March 15, 2019, the National People’s Congress approved the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the “FIL”), which came into effect on January 1, 2020 and replaced the above laws on foreign investments in the PRC. On December 26, 2019, the State Council issued the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020 and replaced the relevant detailed implementing rules. The FIL embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic invested enterprises in the PRC. The FIL establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition.

According to the FIL, “foreign investments” refer to investment activities conducted by foreign investors directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; or (iv) investments in other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The FIL grants national treatment to foreign invested entities, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the “negative list”. The FIL provides that foreign invested entities operating in restricted or prohibited industries for foreign investments will require market entry clearance and other approvals from relevant PRC governmental authorities.

Furthermore, the FIL provides that foreign-invested enterprises established according to the existing laws regulating foreign investments may maintain their structure and corporate governance within five years after the implementing of the FIL. In addition, the FIL also provides several protective rules and principles for foreign investors and their investments in the PRC, including, among others, that local governments shall abide by their commitments with respect to policies to the foreign investors; foreign invested enterprises are allowed to public issue of stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriation or requisition of the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within the PRC, may be freely remitted inward and outward in RMB or a foreign currency. Also, foreign investors or the foreign-invested enterprises should be imposed legal liabilities for failing to report investment information in accordance with the requirements.

Regulations on Qualification of a Real Estate Developer

Pursuant to the Development Regulations, a real estate development enterprise shall, within 30 days starting from the date of obtainment of the business license, file the relevant documents with the competent department of real estate development of the place where the registration authority is located. The competent department of real estate development shall, on the basis of the assets, specialized technical personnel and development and management achievements, verify the level of qualification of the real estate development enterprise in question. The real estate development enterprise shall, in accordance with the verified level of qualification, undertake corresponding real estate development projects. Relevant specific rules may be formulated by the competent administrative department of construction of the State Council.

Under the Regulations on Administration of Qualification of Real Estate Development Enterprises (《房地產開發企業資質管理規定》) (the “Circular 77”) which was promulgated on March 29, 2000 and amended on May 4, 2015 and December 22, 2018, an enterprises engaged in real estate development shall be approved in accordance with the provisions of application for the enterprise qualification level. Enterprises that fail to obtain certificates of real estate development qualification shall not engage in the real estate development business. Enterprises engaged in real estate development are classified into four qualification levels: Level I, Level II, Level III and Level IV in accordance with their experience of real estate development business, construction quality, the professional personnel they employ, and quality control system etc. A newly established real estate development enterprise shall, within 30 days from the date of issuance of the business license, file the relevant documents with the competent department of real estate development for the record. The competent departments of real estate development shall, within 30 days after accepting the applications, shall approve and issue a Temporary Qualification Certificate (《暫定資質證書》) to the eligible enterprise according to such conditions. On June 30, 2021, the Real Estate Market Supervision Department of the MHURD issued the Letter on the Reform of the Real Estate Development Enterprise Qualification Approval System (《住房和城鄉建設部房地產市場監管司關於做好房地產開發企業資質審批製度改革有關工作的函》), which stipulates that from July 1, 2021 to the date when the new regulation on administration of qualification of real estate development enterprise are implemented, if the validity period of Grade III, Grade IV and Temporary Qualification Certificate of real estate development enterprise expires, the validity period will be uniformly extended to the date when the new regulation on administration of qualification of real estate development enterprise are implemented. The Qualification Certificate does not need to be reissued. On March 2, 2022, the Ministry of Housing and Urban-rural Development issued the Decision on Revising the Administrative Provisions on the Qualification of Real Estate Development Enterprises (《住房和城鄉建設部關於修改〈房地產開發企業資質管理規定〉的決定》), according to which, real estate development enterprises are divided into one and two qualification grades according to such enterprises’ conditions. There are no restrictions on the construction scale of real estate projects undertaken by real estate development enterprises with first-level qualifications. Real estate development enterprises with secondary qualifications can undertake development and construction projects with a construction area of less than 250,000 sq.m. In addition, the new regulation removed the requirements to file record with the competent department in charge of real estate developments and apply for a temporary qualification certificate.

LAWS AND REGULATIONS GOVERNING LAND USE RIGHTS FOR REAL ESTATE DEVELOPMENT

Regulations on Land Grants

In April 1988, the National People’s Congress passed an amendment to the Constitution of the People’s Republic of China (《中華人民共和國憲法》) which was last amended on March 11, 2018. The amendment allowed the transfer of land use rights for value to prepare for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, the Standing Committee of the NPC also amended the Land Administration Law of the People’s Republic of China (《中華人民共和國土地管理法》) which was last amended on August 26, 2019 and became effective on January 1, 2020 to permit the transfer of land use rights for value. In May 1990, the State Council enacted the Provisional Regulations of the People’s Republic of China Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Areas (《中華人

民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) which was amended and became effective on November 29, 2020. These regulations formalized the process of the grant and transfer of land use rights for value. Upon paying in full the land premium pursuant to the terms of the contract, a land-grantee may apply to the relevant land bureau for the land use rights certificate.

Under the Provisions on Granting State-Owned Construction Land Use Right through Tenders, Auction and Listing-for-Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》) issued by the MNR (previously known as the Ministry of Land and Resources (國土資源部) on September 28, 2007 and took effect on November 1, 2007, land to be used for industrial, commercial, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for the certain piece of land, shall be granted by way of competitive processes. The processes shall be conducted openly and fairly. The MNR promulgated the Opinions on Maintaining and Improving the System of Land Bidding, Auction and Listing (《國土資源部關於堅持和完善土地招標拍賣掛牌出讓制度的意見》) in May 2011, which provides stipulations to improve policies on the supply of land through public tender, auction and listing-for-sale, and strengthen the active role of land transfer policy in the control of the real estate market.

On June 11, 2003, the MNR promulgated the Regulations on Grant of State-Owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》), which became effective on August 1, 2003. Pursuant to the Regulations, the competent authorities of land and resources of the people's governments at municipal and county level shall transfer the usufruct of stated-owned land through agreements if there is only one land use applicant for a planned land zone. The land used for business purpose including commerce, tourism, entertainment, and commercial housing, etc., shall not be included.

On September 4, 2003, the MNR promulgated the Notice on Relevant Issues Concerning the Strengthening of Examination and Approval of Land Use in Urban Construction (《國土資源部關於加強城市建設用地審查報批工作有關問題的通知》). The Notice stressed the need to strengthen the review of real estate land use and optimize land use structure. Local land and resources departments at all levels shall reasonably determine the amount and proportion of all kinds of real estate land in the reported urban construction land according to the supply and demand situation of the local real estate market. According to the Notice, the land for urban construction submitted to the State Council for approval shall be described in written form in respect of the utilization of the land for real estate development approved, as well as the supply and demand of the real estate market, the price of real estate and the vacancy rate of houses in the city. The notice was abolished by the announcement regarding the publication of first batch of catalogues of regulatory documents that have been abolished or expired made by the Ministry of Natural Resources of the People's Republic of China (《自然資源部關於公佈第一批已廢止或者失效的規範性文件目錄的公告》) that was promulgated and became effective on June 26, 2019.

The Circular of MNR and NDRC on the Issue and Implementation of the Catalog of Restricted Land Use Projects (2012 edition) and the Catalog of Prohibited Land Use Projects (2012 edition) (《國土資源部、國家發展和改革委員會關於發佈實施〈限制用地項目目錄(2012年本)〉和〈禁止用地項目目錄(2012年本)〉的通知》) promulgated and became effective on May 23, 2012. Pursuant to the Circular, all construction projects listed in the Restricted Catalog must meet the requirements stipulated in the Catalog before the land and resources management department and the investment management department going through the relevant formalities. The land and resources management department and the investment management department shall not go through relevant formalities for construction projects listed in the Prohibited Catalog or those with the listed technology, equipment and scale.

Regulations on Development of a Real Estate Project

According to the Urban Real Estate Law, those who have obtained the right of land use by way of grant for real estate development must develop the land in accordance with the land use and the construction period as prescribed in the grant contract. When the development has not started one year later than the date for starting the development as prescribed by the grant contract, an idle land fee no more than 20% of the land grant premium may be collected and when the development has not started two years later, the right to use the

land may be confiscated without any compensation, except that the delays are caused by force majeure, the activities of government, or the necessary preparatory work for starting the development.

Pursuant to the Measures on Disposal of Idle Land (《閒置土地處置辦法》) promulgated on April 26, 1999 by the MNR, which was further amended on June 1, 2012 and took effect on July 1, 2012, land can be defined as idle land under any of the following circumstances: (i) development and construction of the state-owned idle land is not commenced after one year of the prescribed time limit in the land use right grant contract or allocation decision; or (ii) the development and construction of the state-owned idle land has been commenced but the area of the development and construction that has been commenced is less than one-third of the total area to be developed and constructed or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without an approval. Where the delay of commencement of development is caused by the government's behavior or due to the force majeure of natural disasters, the land administrative authorities shall discuss with the holder of state-owned construction land use rights and choose the methods for disposal in accordance with the Measures on Disposal of Idle Land.

On December 4, 1992, the Ministry of Construction promulgated the Regulations on Planning Administration regarding Granting and Transfer of State-Owned Land Use Right in Urban Area (《城市國有土地使用權出讓轉讓規劃管理辦法》), which was amended on January 26, 2011, a real estate developer shall apply for a construction land planning permit (《建設用地規劃許可證》) from the municipal planning authority. After obtaining the construction land planning permit, the real estate developer shall conduct all necessary planning and design works in accordance with relevant planning and design requirements. A planning and design proposal in respect of the real estate project shall be submitted to the municipal planning authority in compliance with the requirements and procedures under the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), which was issued on October 28, 2007 and amended on April 24, 2015 and on April 23, 2019, and a construction work planning permit (《建設工程規劃許可證》) from the municipal planning authority should be obtained. The real estate developer shall apply for a construction work commencement permit (《建築工程施工許可證》) from the relevant construction authority in accordance with the Regulations on Administration Regarding Permission for Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction on October 15, 1999 and subsequently amended on July 4, 2001, June 25, 2014, September 28, 2018 and March 30, 2021.

Pursuant to Administrative Regulations on the Quality Management of Construction Engineering (《建設工程質量管理條例》) promulgated on January 30, 2000 by State Council and late amended on October 7, 2017 and on April 23, 2019, the owners of construction engineering shall, within fifteen days of the date on which the construction project in question passes a completion-based check and acceptance, submit an acceptance report, recognition documents or use approval documents issued by planning, public security and firefighting, environmental protection and other departments to the competent construction administrative departments or other relevant departments for the record. Pursuant to "the Development Regulations", the Administrative Measures for the Filing of As-built Inspection of Housing, Building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Construction on April 4, 2000 and amended on October 19, 2009 and the Circular of the Ministry of Housing and Urban-Rural Construction on the Issuance of Regulations on Acceptance Examination upon Completion of Housing Construction and Municipal Infrastructure Projects (《住房和城鄉建設部關於印發〈房屋建築和市政基礎設施工程竣工驗收規定〉的通知》) promulgated and implemented on December 2, 2013, upon the completion of real estate development project, the real estate development must undergo inspection and receive approvals from local authorities including planning bureaus, fire safety authorities and environmental protection authorities. A real estate project shall not be delivered before passing the acceptance examination.

LAWS AND REGULATIONS GOVERNING REAL ESTATE TRANSFER AND SALE AND LEASE

Regulations on Sale of Commodity Buildings

Under the Measures for Administration of Sale of Commodity Buildings (《商品房銷售管理辦法》) (the “Sale Measures”) promulgated by the Ministry of Construction on April 4, 2001 and became effective on June 1, 2001, the sale of commodity buildings can include both sales prior to and after the completion of the buildings.

In accordance with the Measures for Administration of Pre-sales of Commodity Properties (《城市商品房預售管理辦法》) promulgated by the Ministry of Construction on November 15, 1994, as subsequently amended on August 15, 2001 and July 20, 2004 (the “Pre-sales Measures”), any pre-sales of commodity buildings is subject to specified procedures. If a real estate developer intends to sell commodity buildings in advance, it shall apply to the real estate administrative authority to obtain a pre-sales permit. Under the Pre-sales Measures and the Urban Real Estate Law, the pre-sale proceeds of commodity buildings may only be used to fund the property development costs of the relevant projects. Further, in some cities we operate, the use of pre-sale proceeds is specifically restricted, where the pre-sale proceeds of our properties must be deposited in escrow accounts and can only be used to purchase the necessary construction materials and equipment, make construction stage payment, pay statutory taxes for the relevant development projects subject to prior consent from the relevant local government authorities.

Under the Sale Measures, commodity buildings may be put to post-completion sale only when the following preconditions have been satisfied: (i) the real estate development enterprise offering to sell the post-completion buildings shall have an enterprise legal person business license and a qualification certificate of a real estate developer; (ii) the enterprise has obtained a land use rights certificate or other approval documents of land use; (iii) the enterprise has obtained the construction work planning permit and the construction work commencement permits; (iv) the commodity buildings have been completed and been inspected and accepted as qualified; (v) the relocation of the original residents has been well settled; (vi) the supplementary essential facilities for supplying water, electricity, heating, gas and communication have been made ready for use, and other supplementary essential facilities and public facilities have been made ready for use, or the schedule of construction and delivery date of have been specified; and (vii) the property management plan has been completed.

Notice on Promulgation of the Provisions on Listed Pricing in Sale of Commodity Buildings (《關於發佈〈商品房銷售明碼標價規定〉的通知》) was promulgated by the NDRC on March 16, 2011 and became effective on May 1, 2011. According to the provisions, any real estate developer or real estate agency is required to mark the selling price explicitly and clearly for both newly-built and second-hand commodity properties.

On April 13, 2010, the MHURD promulgated the Circular on Issues Concerning Further Strengthening the Supervision and Administration of the Real Estate Market and Improving the Pre-Sale System of Commodity Housing (《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》). The Circular requires to improve monitoring systems of pre-sale payment. Improvement of commodity housing pre-sale capital supervision system shall be accelerated. Regions that have not established the supervision system shall accelerate the formulation of local supervision measures of commodity housing pre-sale capitals. All commodity housing pre-sale capitals shall be put into the supervision accounts to be subject to the supervision by supervisory authorities so as to ensure that pre-sale capitals to be used on construction of commodity premise projects; pre-sale capital will be allocated in line with construction progresses, provided that enough capitals shall be reserved to ensure completion and delivery of the projects. According to the actual situation, each region has formulated its own measures on supervision and administration of commodity housing pre-sale funds.

Regulations on Industry Policies

On April 17, 2010, the State Council issued the Notice on Resolutely Restraining Over-rise of Housing Prices in Some Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), which requires that each

district and each department practically implement their duty to stabilize housing prices and residential housing guarantees and unreasonable housing demands should be strictly restricted. On February 26, 2013, the General Office of the State Council issued the Notice on Continuous Regulation of Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》) which is intended to cool down the property market and emphasize the government's determination to strictly enforce regulatory and macro-economic measures, which include, among other things, (i) home purchase restrictions, (ii) increased down payment requirement for second residential buildings purchase, (iii) suspending mortgage financing for third or more residential-buildings purchase and (iv) 20% individual income tax rate applied to the gain from the sale of buildings. The Notice requires, among other restrictive measures, to improve the responsibility system for stabilizing housing prices and restrain purchases of residential housing for investment and speculation purposes.

Regulations on Anti-Unfair Competition

Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) promulgated on September 2, 1993, subsequently amended on November 4, 2017, April 23, 2019 and effective as of April 23, 2019, which was formulated by Standing Committee of the National People's Congress for the purpose of promoting the healthy development of the socialist market economy, encouraging and protecting fair competition, preventing acts of unfair competition, and protecting the legitimate rights and interests of business operators and consumers. According to the Anti-Unfair Competition Law of the People's Republic of China, the premium sale shall not involve the following situations: (1) premium sale without specifying the prize types, terms for prizes redemption, the amounts of cash prizes, or other related information that will affect the prizes redemption; (2) conducting prize-giving sales in a fraudulent way that falsely claims to have prizes or deliberately gives prizes to designated persons; and (3) premium sale in the form of a lucky draw where the amount of the highest prize exceeds RMB50,000.

Regulations on Housing Loan Policy

The Notice on Further Improving Differentiated Housing Credit Lending Policies (《中國人民銀行、中國銀行業監督管理委員會關於進一步完善差別化住房信貸政策有關問題的通知》) issued by PBOC and the China Banking Regulatory Commission ("CBRC") on September 24, 2015, provides that in cities that control measures on property purchase are not imposed, where a household applies for the commercial personal housing loan to purchase its first ordinary housing property, the minimum down payment shall be adjusted to 25% of the house price. The minimum down payment ratio for the commercial personal housing loan of each city will be independently determined by each provincial pricing self-disciplinary mechanism of market interest based on the actual situation of each city under the guidance of PBOC and the CBRC local office.

According to the Notice on Issues Concerning the Housing Loan Policy for Individuals promulgated by PBOC, MOHURD and CBRC (《中國人民銀行、住房城鄉建設部、中國銀行業監督管理委員會關於個人住房貸款政策有關問題的通知》) on March 30, 2015 and the Circular of the PBOC and the CBRC on Issues Relevant to the Adjustment of Personal Housing Loan Policy (《中國人民銀行、中國銀行業監督管理委員會關於調整個人住房貸款政策有關問題的通知》) promulgated on February 1, 2016, provides that in the cities that control measures on property purchase are not imposed, where a household applies for the commercial personal housing loan to purchase its first ordinary housing property, the minimum down payment, in principle, shall be 25% of the property price and each city could adjust such ratio downwards by 5%; and where a household which has already owned a house and has not paid off the relevant housing loan, applies for another commercial personal housing loan to purchase another ordinary housing property for the purpose of improving living conditions, the minimum down payment is adjusted to 30% of the property price. In the cities that control measures on property purchase are imposed, the individual housing loan policies shall be adopted in accordance with the original regulations, and the actual down payment ratio and loan interest rate shall be determined reasonably by the banking financial institutions based on the requirements of minimum down payment ratio determined by provincial pricing self-disciplinary mechanism of market interest, the loan-issuance policies and the risk control for commercial personal housing loan adopted by such banking financial institutions and other factors such as the borrower's credit record and capacity of repayment. The

Circular of the People's Bank of China and the China Banking and Insurance Regulatory Commission on Adjusting Relevant Issues Concerning the Differentiated Housing Loan Policies (《中國人民銀行、中國銀行保險監督管理委員會關於調整差別化住房信貸政策有關問題的通知》) issued by PBOC and China Banking and Insurance Regulatory Commission (“CBIRC”) on May 15, 2022, further provides that for the resident households who purchase ordinary housing for personal use through loan, the lower limit of the interest rate of commercial personal housing loan for the first house purchase shall be adjusted to be not lower than the market-based loan prime rates (“LPRs”) for the corresponding term minus 20 base points, and the lower limit of the interest rate for commercial personal housing loan for the second house purchase shall be subject to existing provisions. On the basis of the nationally unified lower limit of loan interest rate, the local offices of PBOC and CBIRC shall guide the self-discipline mechanism for the provincial market interest rate pricing under the principle of “adopting policies tailored to the conditions of each city”, and shall, according to the changes in the real estate market situation in each city within their jurisdiction and the regulatory requirements of the city government, independently determine the lower limit of the interest rate of commercial personal housing loan for both the first and second house purchases in each city within jurisdiction.

Regulations on Real Estate Loans

On January 1, 2021, the PBOC, together with the CBIRC, issued the Notice on Establishing a Concentration Management System for Real Estate Loans of Banking Financial Institutions (《中國人民銀行、中國銀行保險監督管理委員會關於建立銀行業金融機構房地產貸款集中度管理制度的通知》), which sets forth the capped ratios of the amount of outstanding real estate loans to the total outstanding amount of RMB denominated loans of a PRC financial institution. This ratio currently ranges from 12.5% to 40.0%. On March 26, 2021, the General Office of CBIRC, the General Office of MOHURD and the General Office of PBOC jointly issued the Notice on Preventing the Illegal Flow of Loans for Business Purposes into the Real Estate Sector (《關於防止經營用途貸款違規流入房地產領域的通知》), pursuant to which, in order to prevent business-use loans from illegally flowing into the real estate sector, and to support the development of the real economy, some measures, such as strengthening borrower qualification verification, credit demand review, loan term management, loan collateral management, post-loan management and others, will be adopted and implemented. All banking and insurance regulatory bureaus, local housing and urban-rural construction departments, and branches of the PBOC shall jointly carry out a special investigation on the illegal flow of business-use loans into real estate, complete the investigation before May 31, 2021, and improve the supervision and rectification of illegal issues and penalties.

Regulations on Trust Financing

On March 1, 2007, The Measures for Administration of Trust Companies (《信託公司管理辦法》), which was promulgated by the CBIRC on January 23, 2007, came into effect. For the purpose of these measures, “Trust Company” shall mean any financial institution established pursuant to the PRC Company Law and the Measures for Administration of Trust companies, and that primarily engages in trust activities.

From October 2008 to November 2010, the CBIRC issued several regulatory notices in relation to real estate activities conducted by Trust Companies, including a Circular on Relevant Matters Regarding Strengthening the Supervision of the Real Estate and Securities Business of Trust Companies (《關於加強信託公司房地產、證券業務監管有關問題的通知》), promulgated by the CBIRC on October 28, 2008 and became effective on the same date, pursuant to which Trust Companies are restricted from providing trust loans, in form or in nature, to property projects that have not obtained the requisite land use right certificates, construction land planning licenses, construction work planning licenses and construction work commencement licenses.

Regulations on Lease and Mortgage of Buildings

Both the Development Regulations and the Urban Real Estate Law permit the leasing of granted land use rights and of the buildings or houses erected on the land. On December 1, 2010, the MHURD promulgated the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) (the “New Lease Measures”), which become effective on February 1, 2011. Pursuant to the New Lease Measures, parties thereto shall register and file with the local property administration authority within thirty days after the execution of lease contract. Non-compliance with such registration and filing requirements shall be subject to fines up to RMB10,000. Under the Civil Code of the People’s Republic of China (《中華人民共和國民法典》) (the “Civil Code”) promulgated on May 28, 2020 and became effective on January 1, 2021, the term of a leasing contract shall not exceed 20 years.

The mortgage of real estate in the PRC is mainly governed by the Civil Code, the Interpretation of the Supreme People’s Court on the Application of the Security System of the Civil Code of the People’s Republic of China (《最高人民法院關於適用〈中華人民共和國民法典〉有關擔保製度的解釋》) promulgated on December 31, 2020 and became effective on January 1, 2021, and the Measures for Administration of Mortgages of Urban Real Estate (《城市房地產抵押管理辦法》) issued on May 9, 1997 and amended on August 15, 2001 and March 30, 2021. According to these laws and regulations, land use rights, the buildings and other attachments on the ground may be mortgaged. When a mortgage is created on the ownership of a building legally obtained, a mortgage shall be simultaneously created on the land use right of the land on which the building is situated. The mortgagor and the mortgagee shall sign a mortgage contract in writing. A system has been adopted to register the mortgages of real estate. After a real estate mortgage contract has been signed, the parties to the mortgage shall register the mortgage with the real estate administration authority at the location where the real estate is situated. If a mortgage is created on the real estate in respect of which a property ownership certificate has been obtained legally, the registration authority shall make an entry under the “third party rights” item on the original property ownership certificate and issue a Certificate of Third Party Rights to a Building to the mortgagee.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on November 24, 2014 which was late amended and became effective on March 24, 2019, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the MNR on January 1, 2016 which was late amended and became effective on July 24, 2019, provide that, among other things, the State implements a uniform real estate registration system and the registration of real estate shall be strictly managed and shall be carried out in a stable and continuous manner that provides convenience for the people.

LAWS AND REGULATIONS GOVERNING CONSTRUCTION PROJECTS

Regulations on Fire Prevention Management

According to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) promulgated by the Standing Committee of the National People’s Congress on April 29, 1998 which was amended on October 28, 2008, on April 23, 2019 and April 29, 2021, fire prevention facilities design and works for construction projects shall conform to state’s fire prevention technical standards for engineering construction. Pursuant to Supervision and Administration of Fire Prevention of Construction Projects (《建設工程消防監督管理規定》) promulgated by the Ministry of Public Security on April 30, 2009, which was later amended on July 17, 2012 and took effect on November 1, 2012, the Provisions shall apply to the fire prevention supervision and administration of new construction, expansion, reconstruction (including indoor and outdoor improvement, thermal insulation in buildings and modification of uses) and other construction projects. This provisions also specifies the procedure and standard for review of fire facilities design and acceptance of fire prevention facilities.

However, the above-mentioned Supervision and Administration of Fire Prevention of Construction Projects was decided to be abolished by Ministry of Public Security. Such decision was promulgated on May 29, 2020 and became effective on June 1, 2020. According to the Circular of the MHURD and Ministry of Emergency Management on Handing over the Responsibility for the Fire Prevention Design Review and Final Inspection of Construction Projects (《住房和城鄉建設部、應急管理部關於做好移交承接建設工程消防設計審查驗收職責的通知》), which was promulgated and took effective on March 27, 2019, all regions shall complete the handover work before June 30, 2019 from fire and rescue agencies at all levels to housing and urban-rural development authorities. On April 1, 2020, the MHURD issued Interim Provisions on the Administration of the Fire Prevention Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which became effective on June 1, 2020, the Provisions shall apply to the fire prevention design review and final inspection of special construction projects as well as the fire prevention acceptance record and random inspection of other construction projects. The Implementing rules of the Fire Prevention Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收工作細則》), which was promulgated by the MHURD and became effective on June 16, 2020, specifies the procedure and standard for fire prevention design review and final inspection of special construction projects as well as the fire prevention acceptance record and random inspection of other construction projects.

Regulations on Civil Air Defense Property

Pursuant to Law of the People's Republic of China on National Defense (《中華人民共和國國防法》) promulgated by the Standing Committee of the National People's Congress on March 14, 1997, amended on August 27, 2009 and December 26, 2020 that became effective on January 1, 2021, national defense assets are owned by the state. Pursuant to Civil Air Defense Law of the People's Republic of China (《中華人民共和國人民防空法》), promulgated on October 29, 1996, as amended on August 27, 2009, civil air defense is an integral part of national defense. The State protects civil air defense facilities from damage. All organizations and individuals are prohibited to destroy or seize civil air defense facilities. The State encourages and supports enterprises, institutions, public organizations and individuals to invest in various ways in construction of civil air defense works. In time of peace, such works shall be used and managed by the investors and the income therefrom shall be owned by them. However, such use must not impair their functions as air defense property. The design, construction and quality of the civil air defense properties must conform to the protection and quality standards established by the State. On November 1, 2001, the National Civil Air Defense Office issued the Administrative Measures for Developing and Using the Civil Air Defense Property at Ordinary Times (《國家人民防空辦公室關於頒佈〈人民防空工程平時開發利用管理辦法〉的通知》) and the Administrative Measures for Maintaining the Civil Air Defense Property (《人民防空工程維護管理辦法》), which specify how to use, manage and maintain the civil air defense property.

Regulations on Environmental Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) amended on April 24, 2014, the Prevention and Control of Noise Pollution Law of the People's Republic of China (《中華人民共和國噪聲污染防治法》) issued on December 24, 2021 and became effective from June 5, 2022, the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and became effective on September 1, 2003, amended on July 2, 2016 and December 29, 2018, the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》) issued on November 29, 1998 and amended on July 16, 2017 and the Administrative Regulations on Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建設項目竣工環境保護驗收管理辦法》) issued on December 27, 2001, amended on February 1, 2002 and December 22, 2010, and has been repealed on January 4, 2021. Pursuant to these laws and regulations, for a construction project for which an environmental impact report or environmental impact statement shall be prepared, the construction unit shall submit, before starting construction, the environmental impact report or environmental impact statement to the competent administrative department of environmental protection with the authority of examination and approval for approval. For a construction

project for which an environmental impact registration form shall be filled in accordance with the law, the construction unit shall submit the environmental impact registration form to the competent administrative department of environmental protection at the county level of the locality of the construction project for record-filing, according to the provisions of the competent administrative department of environmental protection under the State Council. After the construction of a construction project for which an environmental impact report or environmental impact statement prepared is completed, the construction unit shall make an acceptance check of the matching environmental protection facilities and prepare an acceptance report according to the standards and procedures stipulated by the competent administrative department of environmental protection under the State Council.

LAWS AND REGULATIONS GOVERNING FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Regulations on Foreign Exchange

The Foreign Exchange Administration Rules of the People's Republic of China (《中華人民共和國外匯管理條例》), promulgated on January 29, 1996 and last amended on August 5, 2008 by State Council, Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated on June 20, 1996 by PBOC, apply and provide regulatory provisions to the foreign exchange transactions for foreign-invested enterprises. Foreign-invested enterprises are permitted to convert after-tax dividends into foreign exchange and to remit such foreign exchange from their bank accounts in PRC.

Pursuant to the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (the "SAFE Circular No. 59") promulgated by SAFE on November 19, 2012, that became effective on December 17, 2012 and was further amended on May 4, 2015, October 10, 2018 and December 30, 2019, the approval for opening of the up-front fee foreign exchange account, foreign exchange capital account, asset realization account, and margin account has been canceled. The banks shall handle the account opening formalities for relevant account-opening subjects based on the information registered in the relevant operation system of the administration of foreign exchange. SAFE Circular No. 59 also simplified the capital verification and confirmation formalities for foreign invested entities, the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire equities from Chinese party, and further improved the administration on exchange settlement of foreign exchange capital of foreign invested entities.

The Circular of the SAFE on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular No. 19") was promulgated on March 30, 2015 and became effective on June 1, 2015, and was amended on June 9, 2016, December 30, 2019 respectively. According to the SAFE Circular No. 19, a foreign-invested enterprise may, in response to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). For the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capitals on a discretionary basis; a foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business; where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the invested enterprise shall first go through domestic re-investment registration and open a corresponding Account for Foreign Exchange Settlement Pending Payment with the foreign exchange bureau (bank) at the place of registration.

The Notice of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the “SAFE Notice No.16”) was promulgated and became effective on June 9, 2016. According to the SAFE Notice No.16, enterprises registered in mainland China may also convert their foreign debts from foreign currency into RMB on self-discretionary basis. The SAFE Notice No.16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis, which applies to all enterprises registered in mainland China. The SAFE Notice No.16 reiterates the principle that RMB converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope and may not be used for investments in securities or other investment with the exception of bank financial products that can guarantee the principal within mainland China unless otherwise specifically provided. Besides, the converted RMB shall not be used to make loans for unrelated enterprises unless it is within the business scope or to build or to purchase any real estate that is not for the enterprise own use with the exception for the real estate enterprise.

Regulations on Dividend Distribution

The PRC Company Law, the FIL and its implementation law, regulate the distribution of dividends by foreign invested enterprises. Under the laws and regulations above, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. Wholly foreign owned enterprises are required to set aside as general reserves at least 10% of its after-tax profit, until the cumulative amount of such reserves have reached 50% of its registered capital. These reserves are not distributable as cash dividends.

LAWS AND REGULATIONS GOVERNING TAXATION

Regulations on Enterprise Income Tax

On March 16, 2007, the National People’s Congress promulgated the Law of the People’s Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) which became effective on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, and the State Council enacted The Regulations for the Implementation of the Law on Enterprise Income Tax of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》) on January 1, 2008 which amended and became effective on April 23, 2019 (collectively, the “EIT Law”). According to the EIT Law, taxpayers consist of resident enterprises and non-resident enterprises. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in mainland China, or if they have formed permanent establishment institutions or premises in mainland China but there is no actual relationship between the relevant income derived in mainland China and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside mainland China.

Regulations on Value-added Tax

The Provisional Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》) were promulgated by the State Council on December 13, 1993 and came into effect on January 1, 1994 which were subsequently amended on November 10, 2008 and came into effect on January 1, 2009 and subsequently amended on February 6, 2016 and November 19, 2017. The Detailed Rules for the Implementation of the Provisional Regulations of the People’s Republic of China on Value-added Tax (Revised in 2011) (《中華人民共和國增值稅暫行條例實施細則(2011修訂)》) were promulgated by the Ministry of Finance and the State Administration of Taxation (“SAT”) on December 15, 2008 which were subsequently amended on October 28, 2011 and came into effect on November 1, 2011 (collectively, the “VAT Law”). According to the VAT Law, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, and the importation of goods within the territory of mainland China must pay value-added tax. For general VAT taxpayers selling or importing goods other than

those specifically listed in the VAT Law, the value-added tax rate is 17%. On April 4, 2018, the Ministry of Finance and the SAT promulgated the Notice on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》), which reduced the tax rates for sale, import, and export of goods.

On March 23, 2016, the Ministry of Finance and the SAT jointly issued the Circular on Full Implementation of Business Tax to Value-added Tax Reform (《關於全面推開營業稅改征增值稅試點的通知》) (the “Circular 36”) which has been partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, confirms that business tax would be completely replaced by VAT from May 1, 2016.

Announcement of the SAT on Promulgating the Administrative Measures for the Exemption of Value-added Tax on Cross-border Taxable Activities under the Collection of Value-added Tax in Lieu of Business Tax (for Trial Implementation) (《國家稅務總局關於發佈〈營業稅改征增值稅跨境應稅行為增值稅免稅管理辦法(試行)〉的公告》), which was promulgated on May 6, 2016 and amended on June 15, 2018, provides that if a domestic enterprise provides cross-border taxable services such as technology transfer, technical consulting, software service etc., the above mentioned cross-border taxable services shall be exempt from the value-added tax.

On January 8, 2011, the State Council promulgated the Interim Regulations of the People’s Republic of China on Land Value Increment Tax (Revised in 2011) (《中華人民共和國土地增值稅暫行條例(2011年修訂)》). On January 27, 1995, the Circular of SAT and the Ministry of Finance on Printing and Issuing the Detailed Rules for Implementing the Interim Regulations of the People’s Republic of China on Land Value-Added Tax (《財政部、國家稅務總局關於印發〈中華人民共和國土地增值稅暫行條例實施細則〉的通知》). According to the regulations above, all entities and individuals receiving income from the transfer of state-owned land use rights, ground buildings and their attachments (the “transfer of real estate”) are taxpayers of the land value increment tax (the “taxpayers”), land value increment tax shall be assessed and collected based on the amount of increased value received by the taxpayers from the transfer of real estate and the tax rates prescribed in the Regulations. Four levels of progressive rates will be adopted for the land value increment tax: a) for part of the amount of increased value not exceeding 50% of the sum of deductible items, the tax rate is 30%; b) for the part of the amount of increased value exceeding 50% but not exceeding 100% of the sum of deductible items, the tax rate is 40%; c) for the part of the amount of increased value exceeding 100% but not exceeding 200% of the sum of deductible items, the tax rate is 50%; d) for the part of the amount of increased value exceeding 200% of the sum of deductible items, the tax rate is 60%. Taxpayers shall declare tax to the competent tax authorities where the real estate is located within seven days of signing the real estate transfer agreements, and pay the land value increment tax within the period specified by the tax authorities.

On March 20, 2019, Ministry of Finance, State Administration of Taxation, General Administration of Customs promulgated the Announcement of Polices for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) which became effective on April 1, 2019. For general VAT payers’ sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

Regulations on Business Tax of Real Estate Transfer

Pursuant to the Deed Tax Law of the People’s Republic of China on Deed Tax (《中華人民共和國契稅法》), which was promulgated by the SCNPC on August 11, 2020 and implemented on September 1, 2021, the transferee, whether an individual or otherwise, of the title to a land site or building in the PRC shall be subject to the payment of deed tax. The rate of deed tax is 3% to 5%. The governments of provinces, autonomous regions, and municipalities directly under the central government may, within the aforesaid range, propose the specific applicable tax rates to the Standing Committee of the People’s Congress at the same level for decision, and report to the SCNPC and the State Council for the record.

The Notice of the Ministry of Finance and the SAT on Adjustments to Policies on Business Tax on Transfer of Housing by Individuals (《財政部、國家稅務總局關於調整個人住房轉讓營業稅政策的通知》) promulgated on March 30, 2015 and effective on March 31, 2015 provides that where an individual sells a property purchased within two years, business tax shall be levied on the full amount of the sales income; where an individual sells a non-ordinary property that was purchased more than two years ago, business tax shall be levied on the difference between the sales income and the original purchase price of the house; the sale of an ordinary residential property purchased by an individual more than two years ago is not subject to such business tax.

The Notice of the Ministry of Finance, the SAT and the MHURD on Adjusting the Preferential Policies on Deed Tax and Business Tax during Real Estate Transactions (《關於調整房地產交易環節契稅、營業稅優惠政策的通知》) promulgated on February 17, 2016 and effective on February 22, 2016 provides that: (1) the purchase of a property by an individual as the only house for his/her family (covering the purchaser and the spouse and minor children thereof) is subject to deed tax at a reduced rate of 1% if the area of the house is 90 square meters or less, or 1.5% if the area is over 90 square meters; and (2) the purchase of a second house by an individual for making house improvements for his/her family is subject to deed tax at a reduced rate of 1% if the area of the house is 90 square meters or less, or 2% if the area is over 90 square meters. Meanwhile, the Notice specifies that the sale of a house that has been purchased by an individual for less than two years is subject to business tax at a full rate; and the sale of a house that has been purchased by an individual for two years or more is exempted from business tax. In addition, the Notice stresses that certain preferential business tax policies shall not apply to Beijing Municipality, Shanghai Municipality, Guangzhou City and Shenzhen City for the time being.

Regulations on Dividend Withholding Tax

The EIT Law provides that an income tax rate of 10% will normally be applicable to dividends payable to investors that are “non-resident enterprises”, and gains derived by such investors, which (a) do not have an establishment or place of business in mainland China or (b) have an establishment or place of business in mainland China, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within mainland China. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and the jurisdictions in which our foreign shareholders reside.

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Tax on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “Double Tax Avoidance Arrangement”) issued on August 21, 2006, and other applicable mainland Chinese laws, if a Hong Kong resident enterprise is determined by the competent tax authority in mainland China to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a mainland China resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》) (the “Notice No. 81”) issued on February 20, 2009 by the SAT, if the relevant Chinese tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such Chinese tax authorities may adjust the preferential tax treatment.

Based on Notice on How to Understand and Determine the “Beneficial Owners” in Tax Agreements (《國家稅務總局關於如何理解和認定稅收協定中“受益所有人”的通知》) (the “Notice No. 601”), issued on October 27, 2009 by the SAT, conduit companies, which are established for the purpose of evading or reducing tax, or transferring or accumulating profits, shall not be recognized as beneficial owners and thus are not entitled to the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement. On February 3, 2018, SAT issued the Announcement on Issues Relating to “Beneficial Owner” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》), which became effective

on April 1, 2018 and “the Notice 601” was repealed simultaneously. The Announcement of the SAT on Issues Relating to “Beneficial Owner” in Tax Treaties stipulates issues relating to determination of “beneficial owner” status in clauses of tax treaties on dividends, interest and royalties.

According to the Announcement of the State Taxation Administration on Issuing the Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers (“The Measures”) (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》), which was promulgated on October 14, 2019 and became effective on January 1, 2020. The Measures prescribe that, regarding entitlement to treaty benefits for non-resident taxpayers, a non-resident taxpayer shall make a self-judgment as to whether it is eligible for treaty benefits, and if yes, file an application voluntarily for such benefits and retain relevant materials for future reference. In case a non-resident taxpayer voluntarily claims the treaty benefits, as it believes it meets the conditions for enjoying treaty benefits and needs to enjoy them, it shall submit the Information Reporting Form for Entitlement to Treaty Benefits for Non-resident Taxpayers together with the application, and gather together and retain the materials specified in the Measures for future reference. Moreover, the Measures expressly state that where a non-resident taxpayer finds that it is not eligible to enjoy but has already enjoyed the treaty benefits, which results in fewer or no tax payments, it shall voluntarily file tax returns with the competent tax authority and pay the tax arrears. Competent tax authorities shall establish credit records for those non-resident taxpayers that enjoy treaty benefits in an inappropriate manner, and take follow-up administrative measures accordingly.

According to the Notice on Widening the Scope of Application of Temporary Waiver for Withholding Income Tax for Overseas Investors Using Distributed Profits for Direct Investments (《關於擴大境外投資者以分配利潤直接投資暫不徵收預提所得稅政策適用範圍的通知》) jointly issued by Ministry of Finance, SAT, the NDRC and the MOFCOM on September 29, 2018 which became effective on January 1, 2018, for the profits distributed by overseas investors from domestic resident enterprises in China, the scope of application of withholding income tax policy for domestic direct investment shall be extended from the foreign investment encouraged projects to cover all non-prohibited foreign investment projects and fields.

LAWS AND REGULATIONS GOVERNING INTELLECTUAL PROPERTY RIGHTS

Regulations on Trademark

Trademarks are protected by the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) (the “Trademark Law”) which was promulgated on August 23, 1982 which was subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019 respectively and became effective on November 11, 2019 as well as the Implementation Regulation of the Trademark Law of the People’s Republic of China (Revised in 2014) (《中華人民共和國商標法實施條例(2014年修訂)》) adopted by the State Council on April 29, 2014. According to the Trademark Law, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks.

The Trademark Office under the State Administration of Industry and Commerce, handles trademark registrations and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. As for trademarks, the Trademark Law has adopted a “first come, first file” principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use.

Regulations on Domain Name

Internet domain name registration and related matters are primarily regulated by Implementing Rules of National Top Level Domain Name Registration (《國家頂級域名註冊實施細則》) issued by China Internet Network Information Center (“CNNIC”), which became effective on June 18, 2019, the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), issued by the MIIT on August 24, 2017 and effective as of November 1, 2017, and the Measures of National Top Level Domain Name Dispute Resolution (《國家頂級域名爭議解決辦法》) became effective on June 18, 2019. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS GOVERNING LABOR PROTECTION

The Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) (the “Labor Contract Law”), which was implemented on January 1, 2008 and amended on December 28, 2012, is primarily aimed at regulating employee and employer rights and obligations, including matters with respect to the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between enterprises or institutions and the laborers. Enterprises and institutions are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with national regulations. In addition, labor wages shall not be lower than local standards on minimum wages and shall be paid to laborers in a timely manner.

According to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) promulgated on July 5, 1994 and became effective on January 1, 1995 and amended on August 27, 2009 and December 29, 2018, enterprises and institutions shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, educate laborers in labor safety and sanitation in mainland China. Labor safety and sanitation facilities shall comply with state-fixed standards. Enterprises and institutions shall provide laborers with a safe workplace and sanitation conditions which are in compliance with state stipulations and the relevant articles of labor protection.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended in 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated on January 22, 1999 which amended and became effective on March 24, 2019 and the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, enterprises are obliged to provide their employees in mainland China with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the Regulations on the Management of Housing Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019 respectively, enterprises must register at the competent managing center for housing funds and upon the examination by such managing center of housing funds, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees’ housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

LAWS AND REGULATIONS ON THE ISSUANCE OF FOREIGN DEBTS BY ENTERPRISES

Pursuant to the Circular of the National Development and Reform Commission on Promoting the Administrative Reform of the Record-filing and Registration System for the Issuance of Foreign Debts by Enterprises (《國家發展改革委關於推進企業發行外債備案登記制管理改革的通知》) issued by NDRC on September 14, 2015, the term “foreign debts” shall mean RMB denominated or foreign currency-denominated debt instruments with a maturity of one year or above which are issued overseas by domestic enterprises and their controlled overseas enterprises or branches and for which the principal and interest are repaid as agreed, including bonds issued overseas and long- and medium-term international commercial loans, etc. Before the issuance of foreign debts, enterprises shall first apply to NDRC for the handling of the record-filing and registration procedures and shall report the information on the issuance to NDRC within 10 working days of completion of each issuance. On August 26, 2022, NDRC issued the Circular of the National Development and Reform Commission on Seeking Public Comments on the Administrative Measures for Review and Registration of Enterprise’s Medium-and Long-term Foreign Debts (Draft for Comment) (《國家發展改革委關於〈企業中長期外債審核登記管理辦法〉(徵求意見稿)公開徵求意見的通知) (“**Foreign Debts Draft**”), Foreign Debts Draft is generally consistent with current management practice, and further refined from the perspectives of the scale and use of foreign debt, the examination and registration of foreign debt, the management of foreign debt risks, and the supervision during and after the event and legal liability. Foreign Debts Draft has not been formally enacted into a law.

MANAGEMENT

DIRECTORS

Our board of directors consists of eight Directors, among which there are three executive Directors, two non-executive Directors, and three independent non-executive Directors.

The following table sets out certain information in respect of our Directors:

<u>Name</u>	<u>Age</u>	<u>Present position</u>
Mr. Lui Ming (呂明)	59	Executive Director and Chairman of the Board and CEO
Mr. Lui Jin Ling (呂進亮)	39	Executive Director
Mr. Lui Chi Chung Jimmy (呂志聰)	41	Executive Director
Mr. Lui Wing Mau (呂永茂)	69	Non-executive Director
Mr. Lui Wing Nam (呂永南)	66	Non-executive Director
Mr. Chan Pak Hung (陳栢鴻)	41	Independent non-executive director
Mr. Guo Shaomu (郭少牧)	56	Independent non-executive director
Ms. Tang Lo Nar (鄧露娜)	49	Independent non-executive director

The following table sets forth certain information in respect of our senior management:

<u>Name</u>	<u>Age</u>
Mr. Xie Jian Qing (謝劍青)	60
Mr. Dai Xiao Feng (戴小峰)	42
Mr. Wang Guo Zhen (王國震)	43
Mr. Zhu Hui (朱檜)	38
Mr. Lam Yu Tin Eugene (林雨田)	44
Mr. Law Siu Wo (羅兆和)	59
Mr. Cheung Hung Kwong (張鴻光)	54

Executive Directors

Mr. Lui Ming (呂明), aged 59, is one of our executive Directors, one of the founders of us, our chairman of the Board and CEO. He is responsible for formulating and overseeing our strategic planning. He was appointed as a Director on October 8, 2018 and is re-designated as an executive Director on September 17, 2019. Since our establishment, Mr. Lui has gained 12 years of experience in the property development industry. Mr. Lui has also served as a director of our various subsidiaries, including Ganglong Realty, Ganglong Mingyang, Ganglong Huayang, Yancheng Ganglong and Jiangsu Ganghua, since August 2007, February 2010, November 2012, August 2010 and August 2013, respectively. Prior to founding us, Mr. Lui manages and operates the business in Kin Hing Hong Textiles Limited, a company principally engaged in trading of textile product from March 1993 to June 2005 as a director. Mr. Lui completed EMBA courses in Nanjing University of Science and Technology in Nanjing in 2013. Mr. Lui is the younger brother of Mr. Lui Wing Mau and Mr. Lui Wing Nam; the uncle of Mr. Lui Chi Chung Jimmy and Mr. Lui Jin Ling; and the younger cousin of Mr. Xie Jian Qing.

Mr. Lui Jin Ling (呂進亮), aged 39, is one of our executive Directors and one of the founders of us. He is responsible for overseeing our cost planning and management functions. He was appointed as a Director on October 8, 2018 and is re-designated as an executive Director on September 17, 2019. Prior to founding us, Mr. Lui joined Kin Hing Hong Textiles Limited in April 2006 as a marketing manager and was responsible for its daily operation and marketing; and he remained involved in customer relationship management on part-time basis since shifting his business focus to us in July 2007. Since our establishment, Mr. Lui has gained 12 years of experience in the property development industry. Mr. Lui has also served as a director of our various subsidiaries, including Ganglong Realty, Ganglong Mingyang, Ganglong Huayang, Yancheng Ganglong, Ganglong Zhongyang and Luoyang Ganglong, since August 2007, February 2010, November 2012, August 2010, April 2018 and April 2018, respectively. Mr. Lui studied Computer Engineering at the University of California, Irvine from January 2004 to March 2005. Mr. Lui is the son of Mr. Lui Wing Mau; the nephew of Mr. Lui Wing Nam and Mr. Lui Ming; the younger cousin of Mr. Lui Chi Chung Jimmy; and the nephew of Mr. Xie Jian Qing.

Mr. Lui Chi Chung Jimmy (呂志聰), aged 41, is one of our executive Directors and one of the founders of us. He is responsible for overseeing our risk management functions. He was appointed as a Director on October 8, 2018 and was appointed as an executive Director on September 17, 2019. Prior to founding us, Mr. Lui joined Kin Hing Hong Textiles Limited from January 2005 as a marketing manager and was responsible for its daily operation and marketing; and he remained involved in customer relationship management on part-time basis since shifting his business focus to us in July 2007. Since our establishment, Mr. Lui has gained 12 years of experience in the property development industry. Mr. Lui Chi Chung Jimmy has served as the director of our various subsidiaries, including Ganglong Realty, Ganglong Mingyang and Ganglong Huayang since August 2007, February 2010 and October 2016. Mr. Lui obtained a Bachelor of Science in Business Administration in January 2005 from Chapman University in the United States. Mr. Lui is the son of Mr. Lui Wing Nam; the nephew of Mr. Lui Wing Mau and Mr. Lui Ming; the elder cousin of Mr. Lui Jin Ling; and the nephew of Mr. Xie Jian Qing.

Non-executive Directors

Mr. Lui Wing Mau (呂永茂), aged 69, is one of our non-executive Directors and one of the founders of us. He was responsible for advising on strategy and overall development of us. He was appointed as a Director on October 8, 2018 and is appointed as a non-executive Director on September 17, 2019. Mr. Lui has also served as a director of Ganglong Huayang, one of our subsidiaries, since November 2012. Prior to founding us, Mr. Lui manages and operates the business in Kin Hing Hong Textiles Limited, a company principally engaged in trading of textile products from March 1993 to June 2005 as a director and remains responsible for the overall business strategy and business direction thereafter. Mr. Lui completed his secondary education in the PRC in the 1960s. Mr. Lui is the father of Mr. Lui Jin Ling; the elder brother of Mr. Lui Wing Nam and Mr. Lui Wing Wai; the uncle of Mr. Lui Chi Chung Jimmy; and the elder cousin of Mr. Xie Jian Qing.

Mr. Lui Wing Nam (呂永南), aged 66, is one of our non-executive Directors and one of the founders of our Group. He is responsible for advising on strategy and overall development of our Group. He was appointed as a Director on October 8, 2018 and is appointed as a non-executive Director on September 17, 2019. Mr. Lui has also served as a director of our various subsidiaries, including Ganglong Realty, Ganglong Mingyang, Ganglong Huayang and Yancheng Ganglong, since August 2007, February 2010, November 2012 and August 2010, respectively. Prior to founding us, Mr. Lui manages and operates the business in Kin Hing Hong Textiles Limited, a company principally engaged in trading of textile products from March 1993 to June 2005 as a director and remains responsible for the overall business strategy and business direction thereafter. Mr. Lui completed his secondary education in the PRC in the 1970s. Mr. Lui is the father of Mr. Lui Chi Chung Jimmy; the younger brother of Mr. Lui Wing Mau and the elder brother of Mr. Lui Wing Wai; the uncle of Mr. Lui Jin Ling; and the elder cousin of Mr. Xie Jian Qing.

Independent Non-executive Directors

Mr. Chan Pak Hung (陳栢鴻), aged 41, was appointed as an independent non-executive Director on February 11, 2022. He is responsible for providing independent advice to the Board. He is also the chairman of the audit committee, and a member of the nomination committee and remuneration committee of the Board. Mr. Chan has over 15 years of experience in corporate finance, compliance, auditing, and company secretarial fields. He is currently an independent non-executive director of JLogo Holdings Limited, the issued shares of which are listed on the Stock Exchange (stock code: 8527), and the company secretary of Shanghai Dongzheng Automotive Finance Co., Ltd., a joint stock company incorporated in the People's Republic of China with limited liability with its shares listed on the Stock Exchange (stock code: 2718). Mr. Chan had been a manager of the listing division of Hong Kong Exchanges and Clearing Limited and has worked in international accounting firms. Mr. Chan obtained a bachelor of Business Administration (Professional Accountancy) from the Chinese University of Hong Kong in 2002. He is also a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of Association of Chartered Certified Accountants and a CFA charterholder of the CFA Institute.

Mr. Guo Shaomu (郭少牧), aged 56, is appointed as an independent non-executive Director on June 20, 2020. He is responsible for providing independent advice to our Board. He is also a member of the Audit Committee and Nomination Committee, and the chairman of the Remuneration Committee of our Board. Mr. Guo has over 13 years of experience in investment banking in Hong Kong. From February 2000 to February 2001, Mr. Guo worked in Salomon Smith Barney, an investment bank principally engaged in providing financial services (then an investment banking arm of Citigroup Inc.), where he served as an associate and he was primarily responsible for supporting the marketing and execution efforts of the China team. From March 2001 to September 2005, Mr. Guo worked in HSBC Markets (Asia) Limited, an investment bank principally engaged in providing financial services, where his last position is associate director and he was primarily responsible for the execution of China-related transactions. From October 2005 to April 2007, Mr. Guo worked in J.P. Morgan Investment Banking Asia, an investment bank principally engaged in providing financial services, where his last position was executive director in Investment Coverage/Merger & Acquisition Department and he was primarily responsible for marketing efforts covering the real estate sector in China. From April 2007 to April 2013, Mr. Guo worked in the real estate team of Morgan Stanley Asia Limited, an investment bank principally engaged in providing financial services, where his last position is a managing director in the Investment Banking Division and he was one of the key members responsible for the business in the real estate sector in the Greater China region. Since June 2014, Mr. Guo has been an independent non-executive director of Yida China Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3639), a real estate developer in the PRC. Since February 2015, Mr. Guo has been an independent non-executive director of Fantasia Holdings Group Co., Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1777), a real estate developer in the PRC. Mr. Guo obtained his Bachelor's degree in electrical engineering from Zhejiang University in July 1989, a Master's degree in computer engineering from the University of Southern California in May 1993 and a Master's degree in business administration from the School of Management of Yale University in May 1998.

Ms. Tang Lo Nar (鄧露娜), aged 49, is appointed as an independent non-executive Director on June 20, 2020. She is responsible for providing independent advice to our Board. She is also a member of the Audit

Committee, Nomination Committee and Remuneration Committee of our Board. Ms. Tang has over 24 years of experience in accounting, tax, audit, company secretarial and finance. She began her career by joining Ernst & Young, an international accounting firm in September 1995 where she last served as a Senior Staff Accountant II. Ms. Tang then joined KPMG Tax Limited, an international tax service provider in March 2001, where she was involved in a wide range of tax compliance and advisory tasks and left in August 2004 as a Tax Manager. Ms. Tang began her own business by establishing TLN Co., Ltd. in Hong Kong in August 2004 to provide accounting, management consultancy, tax planning and company secretarial services. Ms. Tang was the company secretary of two Hong Kong Main Board listed companies, namely Asia Resources Holdings Limited (stock code: 899) and Karce International Holdings Company Limited (currently known as Starlight Culture Entertainment Group Limited) (stock code: 1159), for the periods from December 2008 to April 2010 and from January 2009 to April 2010 respectively. She was then the company secretary of Yueshou Environmental Holdings Limited (currently known as China Gem Holdings Limited) (stock code:1191), which is principally engaged in the provision of financial service from March 2012 to October 2014. Ms. Tang also took up the role as the company secretary for ISP Global Limited (stock code: 8487), a company principally engaged in the sale of sound and communication systems and related services since September 2018. Ms. Tang joined Shuanghua Holdings Limited (stock code: 1241), a China-based company principally engaged in the manufacture and sales of auto air-conditioner parts and components since May 2011 as the chief financial officer and the company secretary, and she was re-elected as an executive director in June 2015. Ms. Tang obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University in October 1995. She further obtained a master degree in English for the professions from The Hong Kong Polytechnic University and another master degree in applied finance from University of Western Sydney in November 2002 and September 2004 respectively. She is a Fellow of the Association of chartered Certified Accountants and a member of Hong Kong Society of Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators.

SENIOR MANAGEMENT

Mr. Xie Jianqing (謝劍青), aged 60, is our executive president. He joined us in August 2007. He is responsible for overseeing our administration and human resources management function. Prior to joining us, he worked as a researcher at the Fujian Institute of Tropical Crops* (福建省熱帶作物科學研究所), an institute under the agricultural department of Fujian Province, which specializes in the research of tropical and subtropical crops from August 1983 to March 1993. He was the executive director, legal representative and majority shareholder of Zhangzhou Qingya Garden Development Co., Ltd. (漳州市青亞園林開發有限公司) until 2016, a company which was principally engaged in landscape engineering. Mr. Xie obtained Bachelor of Agriculture, with a specialization in Horticulture from Fujian College of Agriculture* (福建農學院) in July 1983. Mr. Xie is the younger cousin of Mr. Lui Wing Mau, Mr. Lui Wing Nam and the elder cousin of Mr. Lui Ming.

Mr. Dai Xiaofeng (戴小峰), aged 42, is one of our vice-presidents, and has been with us since May 2018. Mr. Dai is responsible for overseeing the project operation of us. From August 2002 to October 2004, Mr. Dai was an assistant engineer at China Construction Eighth Division Installation Co., Ltd.* (中建八局安裝公司), a construction contractor. From October 2004 to May 2016, Mr. Dai worked in Jiangsu Changfa Property Group Co., Ltd.* (江蘇常發地產集團有限公司), his last position was president of Jiangsu Changfa Property Group Co., Ltd.. Mr. Dai then worked at Zhongnan Real Estate Jinan Co.* (中南置地濟南區域公司), a company which is principally engaged in property development, from May 2016 to April 2018, as a regional president. Mr. Dai completed a three-year vocational course from Nanjing Tech University (南京工業大學) in June 2002 majoring in Building Equipment Installation and Management. Mr. Dai further obtained a Bachelor's degree in Civil Engineering in January 2012 from Southeast University (東南大學). He is enrolled EMBA outreach program at Nanjing University since October 2018. He held the Engineer qualification issued by the Human Resource and Social Security Bureau of Changzhou (常州市人力資源和社會保障局) since September 2011.

Mr. Wang Guozhen (王國震), aged 43, is one of our vice-presidents and he is primarily responsible for overseeing our project design and management functions. He joined us in March 2013. Mr. Wang over 15 years' experience in structural engineering. From August 2001 to March 2011, Mr. Wang was a structural designer at the Wuxi Architectural Design and Research Institute* (無錫市建築設計研究院有限責任公司), an architectural design institute. From April 2011 to February 2013, Mr. Wang worked as the Structural manager at Jiangsu Changfa Property Group Co., Ltd.* (江蘇常發地產集團有限公司). Mr. Wang obtained a Bachelor's degree in Engineering (Building Engineering) from Southeast University (東南大學) in June 2001.

Mr. Zhu Hui (朱檜), aged 38, is one of our vice-presidents and he is primarily responsible for overseeing our sales and marketing function. He joined us in July 2019. Mr. Zhu has more than 10 years of experience in sales and marketing. He joined Jiangsu Zhongnan Construction Group Co., Ltd.* (江蘇中南建設集團股份有限公司) in May 2008 and left in April 2019 as vice-general manager at marketing department, which is a company principally engaged in real estate sector and the shares of which are listed at Shenzhen Stock Exchange (stock code: 000961). Before joining us, Mr. Zhu worked at Hongyang Group Nantong Real Estate Co., Ltd.* (弘陽集團南通房地產有限公司) as assistant general manager from March 2019 to July 2019. Mr. Zhu obtained a bachelor's degree in marketing from JiMei University (集美大學) in July 2005.

Mr. Lam Yu Tin Eugene (林雨田), aged 44, is our chief financial officer and company secretary and is mainly responsible for overseeing the corporate finance, financial reporting, compliance and company secretarial matters of us. He joined us in October 2018. Mr. Lam has over 18 years of experience in accounting and finance. From September 1999 to March 2003, he worked in the Assurance & Business Advisory Services Department of PricewaterhouseCoopers, an international accounting firm. From May 2003 to March 2008, he worked as senior financial positions, namely finance manager and financial controller in various Hong Kong listed companies including Techwayson Holdings Limited (now known as China Uptown Group Company Limited) (stock code: 2330), Pacific Century Premium Developments Limited (stock code: 432) and Hutchison Harbour Ring Limited (now known as China Oceanwide Holdings Limited) (stock code: 715). From April 2008 to August 2017, he worked in Hong Kong Exchanges and Clearing Limited where his last position is assistant vice-president in Compliance & Monitoring, Listing & Regulatory Affairs Division. Before joining us, he worked in Huarong Investment Stock Corporation Limited (stock code: 2277), a financial asset management company in the PRC, where his last position was the deputy director of Business Monitoring Department. Mr. Lam obtained a Bachelor's degree in business administration and a Master's degree in business administration, both from the Hong Kong University of Science and Technology in November 1999 and November 2005 respectively. He is a member of the Hong Kong Institute of Certified Public Accountants since January 2003 and a fellow of the Association of Chartered Certified Accountants since November 2007.

Mr. Law Siu Wo (羅兆和), aged 59, is the senior vice-president of the Group and is mainly responsible for overseeing the treasury functions and investor relations of the Group. He joined the Group in March 2021. Prior to joining the Group, Mr. Law worked in various listed companies, including Fosun International Limited (stock code: 656.HK), Yida China Holdings Limited (stock code: 3639.HK) and KWG Group Holdings Limited (stock code: 1813.HK) in their financial management roles. Before that, he also worked for an international accounting firm and a private equity fund for a number of years. Mr. Law has a total of 30 years of experience in accounting, finance and investment. Mr. Law has been admitted as member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants since 1991. Mr. Law received his bachelor's degree in business administration at the University of Wisconsin-Whitewater in 1985 and a master's degree in business administration from the University of California – Los Angeles in 1994.

Mr. Cheung Hung Kwong (張鴻光), aged 54, is one of the vice-presidents of the Group and he is primarily responsible for formulation of corporate finance and financial strategy and investor relations. He joined the Group in May 2020. Mr. Cheung has over 25 years of experience in auditing, financial accounting, initial public offerings, merger and acquisitions, corporate finance activities and investor relations. Mr. Cheung joined the assurance and business advisory services department of PricewaterhouseCoopers in July

1994 and left as a manager in the corporate finance and recovery department of PricewaterhouseCoopers in March 2003. From March 2003 to March 2008, Mr. Cheung served in Boto Company Limited, a festival product manufacturing company, and held various positions including chief financial officer and consultant. Mr. Cheung joined Kaisa Group Holdings Ltd. (stock code: 1638.HK) in July 2008 as the finance director, and for the period from November 2009 to December 2014, Mr Cheung served as its chief financial officer, company secretary and joint authorised representative. From January to March 2017, Mr. Cheung served in Culture Landmark Investment Limited (stock code: 674.HK) as the company secretary and chief financial officer. From March 2017 to March 2020, Mr. Cheung served in Harvest Property Holdings Limited, a China-based property developer, and held various positions including chief financial officer, vice president, joint authorised representative and company secretary.

COMPANY SECRETARY

Mr. Lam Yu Tin Eugene, aged 43, was appointed as our company secretary on September 17, 2019. For his biographical details, please refer to above “— senior management”.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee pursuant to a resolution of our Directors passed on June 20, 2020 in compliance with Rule 3.21 of the Listing Rules. Written terms of reference in compliance with paragraph C.3.3 of the Corporate Governance Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to our Board on appointment or reappointment and removal of external auditor; review our financial statements and make judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the risk management and internal control procedures and to monitor any continuing connected transactions. The Audit Committee consists of four members, namely Mr. Chan Pak Hung, Mr. Lui Wing Nam, Ms. Tang Lo Nar and Mr. Guo Shaomu. Mr. Chan Pak Hung is the chairman of the Audit Committee.

Remuneration Committee

We have established a Remuneration Committee on June 20, 2020 pursuant to a resolution in compliance with Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph B.1.2 of the Corporate Governance Code. The primary duties of the Remuneration Committee are to make recommendation to our Board on the overall remuneration policy and structure relating to all Directors, senior management and general staff of us and ensure that none of our Directors or any of their associates determine their own remuneration. The Remuneration Committee consists of three members, namely Ms. Tang Lo Nar, Mr. Guo Shaomu and Mr. Chan Pak Hung. Mr. Guo Shaomu is the chairman of the Remuneration Committee.

Nomination Committee

We have established a Nomination Committee on June 20, 2020 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code. The primary duties of the Nomination Committee are to review the structure, size and composition and the board diversity policy adopted by us on a regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to our Board on relevant matters relating to appointment or reappointment of Directors. The Nomination Committee consists of four members, namely Mr. Lui Ming, Mr. Guo Shaomu, Ms. Tang Lo Nar and Mr. Chan Pak Hung. Mr. Lui Ming is the chairman of the Nomination Committee.

PRINCIPAL SHAREHOLDERS

As of June 30, 2022, the following persons or institutions have beneficial interests or short positions in any of our shares or underlying shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, Cap 571 of the Laws of Hong Kong, or who are directly and/or indirectly interested in 5% or more of the nominal value of any class of shares or share capital carrying rights to vote in all circumstances at general meetings of any of our other members:

Name of Shareholder	Nature of Interest	Number of Shares or underlying Shares	Approximate percentage of shareholding
Mr. Lui Ming	Interest in controlled corporation	504,000,000 ⁽¹⁾	30.99%
	Interest of spouse	10,437,000 ⁽⁴⁾	0.64%
Mr. Lui Chi Chung Jimmy	Interest in controlled corporation	396,000,000 ⁽²⁾	24.35%
Mr. Lui Wing Nam	Interest in controlled corporation	396,000,000 ⁽²⁾	24.35%
	Interest of spouse	10,437,000 ⁽⁴⁾	0.64%
	Beneficial owner	2,613,000	0.16%
Mr. Lui Jin Ling	Interest in controlled corporation	300,000,000 ⁽³⁾	18.45%
Mr. Lui Wing Mau	Interest in controlled corporation	300,000,000 ⁽³⁾	18.45%
	Interest of spouse	10,437,000 ⁽⁴⁾	0.64%
Ms. Chan Mei Kam	Interest in a controlled corporation ⁽⁵⁾	10,437,000	0.64%
	Interest of spouse ⁽⁶⁾	504,000,000	30.99%
Ms. Wong Sau Suet	Interest in a controlled corporation ⁽⁵⁾	10,437,000	0.64%
	Interest of spouse ⁽⁷⁾	398,613,000	24.51%
Ms. Wong Kwai Fa	Interest in a controlled corporation ⁽⁵⁾	10,437,000	0.64%
	Interest of spouse ⁽⁸⁾	300,000,000	18.45%
Huaxing	Beneficial owner	504,000,000	30.99%
Hualian	Beneficial owner	396,000,000	24.35%
Hualong	Beneficial owner	300,000,000	18.45%

Notes:

- (1) These 504,000,000 Shares are held by Huaxing Development Co., Ltd. (“**Huaxing**”), a BVI business company incorporated in the BVI and wholly-owned by Mr. Lui Ming. Mr. Lui Ming is deemed to be interested in all the Shares held by Huaxing for the purpose of SFO.
- (2) These 396,000,000 Shares are held by Hualian Development Co., Ltd. (“**Hualian**”), a BVI business company incorporated in the BVI and owned as to 60% and 40% by Mr. Lui Wing Nam and Mr. Lui Chi Chung Jimmy respectively. Therefore, Mr. Lui Wing Nam and Mr. Lui Chi Chung Jimmy are each deemed to be interested in all the Shares held by Hualian for the purpose of SFO.
- (3) These 300,000,000 Shares are held by Hualong Development Co., Ltd. (“**Hualong**”), a BVI business company incorporated in the BVI and owned as to 60% and 40% by Mr. Lui Jin Ling and Mr. Lui Wing Mau respectively. Therefore, Mr. Lui Jin Ling and Mr. Lui Wing Mau are each deemed to be interested in all the Shares held by Hualong for the purpose of SFO.
- (4) These 10,437,000 Shares are held by Kin Hing Kong Textiles Limited (“**Kin Hing Hong**”), a company incorporated in Hong Kong and owned as to 33.36% by Ms. Chan Mei Kam (spouse of Mr. Lui Ming), 33.32% by Ms. Wong Sau Suet (spouse of Mr. Lui Wing Nam) and 33.32% by Ms. Wong Kwai Fa (spouse of Mr. Lui Wing Mau).
- (5) These 10,437,000 shares are held by Kin Hing Hong, owned as to 33.36%, 33.32% and 33.32% by Ms. Chan Mei Kam, Ms. Wong Sau Suet and Ms Wong Kwai Fa respectively. Therefore, Ms. Chan Mei Kam, Ms. Wong Sau Suet and Ms Wong Kwai Fa are each deemed to be interested in all the shares held by Kin Hing Hong for the purpose of SFO.
- (6) These 504,000,000 Shares are held by Huaxing, a company wholly owned by Mr. Lui Ming and he is deemed to be interested in all the Shares held by Huaxing for the purpose of SFO. Ms. Chan Mei Kam is the spouse of Mr. Lui Ming, therefore she is deemed to be interested in all the Shares which Mr. Lui Ming is interested and deemed to be interested for the purpose of SFO.
- (7) These 396,000,000 Shares are held by Hualian, a company owned as to 60% by Mr. Lui Wing Nam and he is deemed to be interested in all the Shares held by Hualian for the purpose of SFO. Ms. Wong Sau Suet is the spouse of Mr. Lui Wing Nam, therefore she is deemed to be interested in all the Shares which Mr. Lui Wing Nam is interested and deemed to be interested for the purpose of SFO.
- (8) These 300,000,000 Shares are held by Hualong, a company owned as to 40% by Mr. Lui Wing Mau and he is deemed to be interested in all the Shares held by Hualong for the purpose of SFO. Ms. Wong Kwai Fa is the spouse of Mr. Lui Wing Mau, therefore she is deemed to be interested in all the Shares which Mr. Lui Wing Mau is interested and deemed to be interested for the purpose of SFO.

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

To fund our existing property projects and to finance our working capital requirements, we have entered into loan agreements with various financial institutions. As of June 30, 2022, our total outstanding borrowings amounted to RMB8,366.0 million (US\$1,249.0 million). Set forth below is a summary of the material terms and conditions of these loans and other indebtedness.

PROJECT LOAN AGREEMENTS

Certain of our PRC subsidiaries have entered into loan agreements with various PRC banks and financial limited companies, including, but not limited to Bank of China, Industrial and Commercial Bank of China, China Zheshang Bank and Bank of Jiangsu. These loans are typically project loans to finance the construction of our projects (the “project loans”) and have terms ranging from one year to five years, which generally correspond to the construction periods of the particular projects. As of June 30, 2022, the aggregate outstanding amount under these project loans totaled approximately RMB7,247.5 million (US\$1,082.0 million), of which RMB435.5 million (US\$65.0 million) was due within one year, RMB4,182.1 million (US\$624.4 million) was due between one and two years, RMB2,149.6 million (US\$320.9 million) was due between two and three years and RMB480.3 million (US\$71.7 million) was due over three years. Our project loans are typically secured by land use rights and properties as well as guaranteed by us and certain of our PRC subsidiaries.

Interest

The principal amounts outstanding under the project loans generally bear interest at floating rates calculated by reference to the relevant bank’s benchmark interest rate per annum. Floating interest rates are generally subject to review by the banks annually. Interest payments are payable either monthly or quarterly and must be made on each payment date as provided in the particular loan agreement. As of June 30, 2022, the weighted average interest rate on the aggregate outstanding amount of our project loans was 7.5% per annum.

Covenants

Under these project loans, many of our subsidiary borrowers have agreed, among other things, not to take the following actions without first obtaining the lenders’ prior consent:

- create encumbrances on any part of their property or assets or deal with their assets in a way that may adversely affect their ability to repay the loans;
- grant guarantees to any third parties that may adversely affect their ability to repay the loans;
- make any major changes to their corporate structures, such as entering into joint ventures, mergers and acquisitions and reorganizations;
- alter the nature or scope of their business operations in any material respect;
- incur additional debts that may adversely affect their ability to repay the loans;
- prepay the loans; and
- transfer part or all of their liabilities under the loans to a third party

Events of Default

The project loans contain certain customary events of default, including insolvency, material adverse change in the collateral and breaches of the terms of the loan agreements. The financial institutions are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest upon the occurrence of an event of default.

Guarantee and Security

We are certain of our PRC subsidiaries have entered into guarantee agreements with the PRC financial institutions in connection with some of the project loans pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these project loans. Further, as of June 30, 2022, RMB7,151.9 million (US\$1,067.8 million) of the project loans were secured by land use rights and/or other assets and properties of the subsidiary borrowers and/or our other PRC subsidiaries, including equity interests in certain of our PRC subsidiaries.

Dividend Restrictions

Pursuant to the project loans with certain PRC financial institutions, some of our PRC subsidiaries also agreed not to distribute any dividend, including, but not limited to:

- if the borrower's after-tax profit is nil or negative; or
- before the principal amount of and accrued interest on the relevant project loan have been fully paid.

2022 NOTES

On November 12, 2021, we entered into an indenture (as amended and supplemented from time to time, the "2022 Notes Indenture") pursuant to which we issued US\$158 million principal amount of the 13.5% senior notes due 2022 (the "2022 Notes").

Guarantee

Our obligations under the 2021 Notes are guaranteed by certain of our existing subsidiaries (the "2022 Notes Subsidiary Guarantors"). Each of the 2022 Notes Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the 2022 Notes.

Interest

The 2022 Notes bear interests at 13.5% per annum, payable in arrears on May 12, 2022 and November 11, 2022.

Events of Default

The 2022 Notes contain certain customary events of default, including default in the payment of principal of, or of any premium on, the 2022 Notes, when such payments become due, default in payment of interest which continues for a period of 30 consecutive days, breaches of covenants, insolvency and other events of default specified in the 2022 Notes Indenture. If an event of default occurs and is continuing, the trustee under the 2022 Notes Indenture, as the case may be, or the holders of at least 25% in aggregate principal amount of the 2022 Notes then outstanding may declare the principal of the 2022 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Covenants

The 2022 Notes and the 2022 Indenture limit our ability and the ability of certain of our subsidiaries to, among other things:

- incur additional indebtedness and issue disqualified or preferred stock;
- make investments, dividend payments or other specified restricted payments;
- issue or sell capital stock of certain of our subsidiaries;
- guarantee indebtedness of certain of subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict certain of our subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

DESCRIPTION OF THE NEW NOTES

For purposes of this “**Description of the New Notes,**” the term “Company” refers only to Ganglong China Property Group Limited (港龍中國地產集團有限公司), a company incorporated in the Cayman Islands with limited liability, and any successor obligor on the New Notes, and not to any of its Subsidiaries. Each Subsidiary of the Company which Guarantees the New Notes (other than a JV Subsidiary Guarantor) is referred to as a “Subsidiary Guarantor,” and each such Guarantee is referred to as a “Subsidiary Guarantee.” Each Subsidiary of the Company that in the future provides a JV Subsidiary Guarantee (as defined below) is referred to as a “JV Subsidiary Guarantor.”

The New Notes are to be issued under an indenture (the “**Indenture**”), to be dated as of the Original Issue Date, among the Company, the Subsidiary Guarantors and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), as trustee (the “**Trustee**”).

The following is a summary of certain material provisions of the Indenture, the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. This summary does not purport to be complete and is qualified in its entirety by reference to, all of the provisions of the Indenture, the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any). It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection upon prior written request and proof of holding and identity to the satisfaction of the Trustee, during usual business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) on or after the Original Issue Date at the corporate trust office of the Trustee at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong.

Brief Description of the New Notes

The New Notes:

- are general obligations of the Company;
- are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes;
- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness (including the 2022 Notes) of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- are guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described below under the caption “— *The Subsidiary Guarantees and the JV Subsidiary Guarantees*” and in “*Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees*” of this exchange offer memorandum;
- are effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- are effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below).

The New Notes will have a tenor of 364 days, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The New Notes will bear interest at 13.5% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable in arrears on the date that is the last day of the six-month period starting from the Original Issue Date and on the maturity date (each an “**Interest Payment Date**”). Interest on the New Notes will be paid to the Holders of record at the close of business on the date that is 15 days prior to an immediately following Interest Payment Date (each, a “**Record Date**”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the New Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). So long as the New Notes are held in global form, each payment in respect of the Global Note will be made to the person shown as the holder of the New Notes in the Register (as defined below) at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except December 25 and January 1.

Except as described under the captions “— *Optional Redemption*” and “— *Redemption for Taxation Reasons*” below and otherwise provided in the Indenture, the New Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

In any case in which the date of the payment of principal of, premium (if any) on or interest on the New Notes is not a Business Day in the relevant place of payment or in the place of business of the Paying and Transfer Agent, then payment of such principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due and no interest on the New Notes shall accrue for the period after such date.

The Indenture allows additional New Notes to be issued from time to time (the “**Additional New Notes**”), subject to certain limitations described under the caption “— *Further Issues.*” Unless the context requires otherwise, references to the “**New Notes**” for all purposes of the Indenture and this “**Description of the New Notes**” include any Additional New Notes that are actually issued.

The New Notes will be issued only in fully registered form, without coupons, in denominations of US\$150,000 and integral multiples of US\$1 in excess thereof. No service charge will be made for any registration of transfer or exchange of the New Notes, but the Company, the Paying and Transfer Agent or the Registrar may require indemnity and/or security and/or pre-funding or payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the New Notes will be made by wire transfer in U.S. dollars in immediately available and cleared funds by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying and Transfer Agent currently located at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong), and the New Notes may be presented for registration of transfer or exchange at such office or agency; **provided that**, if the New Notes are in certificated form and the Company acts as its own paying agent, at the option of the Company, payment of interest may be made by check mailed (at the expense of the Company) to the address of the Holders as such address appears in a register of noteholders (the “**Register**”) maintained by the Registrar (as defined below) or by wire transfer. Interest payable on the New Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants (as defined herein) on the Business Day following payment thereof.

The Subsidiary Guarantees and the JV Subsidiary Guarantees

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will consist of Ganglong Huayang Development Co., Ltd. (港龍華揚發展有限公司), Ganglong Development Group Limited (港龍發展集團有限公司) and Profit Great Investment Limited (盈裕投資有限公司) (collectively, the “**Initial Subsidiary Guarantors**”). These Initial Subsidiary Guarantors consist of all of the Company’s Restricted Subsidiaries other than those Restricted Subsidiaries organized under the laws of the PRC on the

Original Issue Date and the Existing Offshore Non-Guarantor Subsidiaries. The Initial Subsidiary Guarantors are holding companies that do not have significant operations.

Other than the initial Subsidiary Guarantors, none of the Company's other Restricted Subsidiaries organized outside the PRC as of the Original Issue Date (collectively, the "**Existing Offshore Non-Guarantor Subsidiaries**") will provide a Subsidiary Guarantee or JV Subsidiary Guarantee on the Original Issue Date as of the Original Issue Date. In addition, none of the existing or future Restricted Subsidiaries organized under the laws of the PRC (the "**PRC Non-Guarantor Subsidiaries**"), any Exempted Subsidiary or any Listed Subsidiary will provide a Subsidiary Guarantee or JV Subsidiary Guarantee on the Original Issue Date or at any time in the future.

In the case of a Restricted Subsidiary that is, or is proposed by the Company or any Restricted Subsidiary to be, established after the Original Issue Date, or any entity in respect of which the Company or any Restricted Subsidiary (x) (in the case of a Restricted Subsidiary) is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Restricted Subsidiary, or (y) (in the case of any other entity) is proposing to purchase the Capital Stock of an Independent Third Party such that it becomes a non-Wholly Owned Subsidiary of the Company and designate such Subsidiary as a Restricted Subsidiary, the Company may (in each case, to the extent such Restricted Subsidiary is not an Exempted Subsidiary, a Listed Subsidiary or incorporated in the PRC), concurrently with or as soon as practicable after the consummation of such establishment, sale, issuance, or purchase, cause (a) such Restricted Subsidiary and (b) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC (other than Exempted Subsidiaries or Listed Subsidiaries) to provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee, if the following conditions, in the case of both (a) and (b), are satisfied:

- as of the date of execution of the JV Subsidiary Guarantee (as defined below), no document exists that is binding on the Company or the relevant Restricted Subsidiary that would have the effect of prohibiting the Company or such Restricted Subsidiary from causing such JV Subsidiary Guarantee to be provided or (b) requiring the Company or such Restricted Subsidiary to deliver or keep in place a guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock is made to, or such purchase of Capital Stock is made from, an Independent Third Party at a consideration that is not less than (in the case of a sale or issuance) or no more than (in the case of a purchase) the Fair Market Value of such Capital Stock;
- concurrently with providing the JV Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed Guarantee of such JV Subsidiary Guarantor (the "**JV Subsidiary Guarantee**") and each Restricted Subsidiary (if any) of such JV Subsidiary Guarantor that is not a Non-Guarantor Subsidiary, and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will guarantee the payment of the New Notes, each of which provides, among other things, that the aggregate claims of the Holders and the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;
 - (ii) an Officers' Certificate certifying a copy of the Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iii) an Opinion of Counsel by a law firm of recognized international standing confirming that, under New York law, each such JV Subsidiary Guarantee is valid, binding and enforceable

against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- ranks at least *pari passu* in right of payment with all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee;
- will be limited to the JV Entitlement Amount, and will rank at least *pari passu* with all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

The Company will cause each of its future Restricted Subsidiaries (other than Persons organized under the laws of the PRC, Exempted Subsidiaries or Listed Subsidiaries), as soon as practicable (and in any event within 30 days) after such Person becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will Guarantee the payment of the New Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing sentence, the Company may elect to have any future Restricted Subsidiary organized outside the PRC (that is not an Exempted Subsidiary or a Listed Subsidiary) not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (such Restricted Subsidiaries that do not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee in accordance with the Indenture, the “**Other Non-Guarantor Subsidiaries**”) at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary; **provided that** after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 20% of Total Assets.

Each Restricted Subsidiary that guarantees the New Notes after the Original Issue Date other than a JV Subsidiary Guarantor is referred to as a “**Future Subsidiary Guarantor**” and upon execution of the applicable supplemental indenture to the Indenture will be a “**Subsidiary Guarantor**.” The Other Non-Guarantor Subsidiaries, together with the Existing Offshore Non-Guarantor Subsidiaries, the PRC Non-Guarantor Subsidiaries, the Exempted Subsidiaries and the Listed Subsidiaries, are referred to herein as the “**Non-Guarantor Subsidiaries**.”

Although the Indenture contains limitations on the amount of additional Indebtedness that Non-Guarantor Subsidiaries (including Restricted Subsidiaries organized under the laws of the PRC) may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

As of June 30, 2022, the Existing Offshore Non-Guarantor Subsidiaries had a total asset of RMB108,091 (US\$15,059), and a total debt of approximately RMB1,841 (US\$256).

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will jointly and severally Guarantee the due and punctual payment of the principal of, premium (if any) on and interest on, and all other amounts payable under, the New Notes and the Indenture; **provided that** any JV Subsidiary Guarantee will be limited to the JV Entitlement Amount. The Subsidiary Guarantors and the JV Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be enforceable irrespective of any invalidity, irregularity or unenforceability of the New Notes or the Indenture and (2) waive their respective rights to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid or restored, the rights of the Holders under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be reinstated with respect to such payment as though such payment had not been made. All payments under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable,

- each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally; and
- each JV Subsidiary Guarantee will be limited to an amount which is the lower of (i) the JV Entitlement Amount and (ii) an amount not to exceed the maximum amount that can be Guaranteed by the applicable JV Subsidiary Guarantor without rendering the JV Subsidiary Guarantee, as it relates to such JV Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If a Subsidiary Guarantee or JV Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor’s liability on its Subsidiary Guarantee or a JV Subsidiary Guarantor’s liability on its JV Subsidiary Guarantee, as the case may be, could in each case be reduced to zero.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. Similarly, the obligations of each JV Subsidiary Guarantor under its

JV Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See “*Risk Factors — Risks Relating to the Subsidiary Guarantees* and the *JV Subsidiary Guarantees — The Subsidiary Guarantees or JV Subsidiary Guarantees* may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or JV Subsidiary Guarantees” of this exchange offer memorandum.

Release of the Subsidiary Guarantees or JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the New Notes;
- upon a defeasance as described under the caption “— *Defeasance — Defeasance and Discharge*”;
- upon the designation by the Company of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale, merger or disposition of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, in compliance with the terms of the Indenture (including the covenants described under the captions “— *Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “— *Certain Covenants — Limitation on Asset Sales*” and “— *Consolidation, Merger and Sale of Assets*”) resulting in such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is simultaneously released from its obligations in respect of any of the Company’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale, merger or disposition are used for the purposes permitted or required by the Indenture;
- in the case of a Subsidiary Guarantee, upon the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee; or
- in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor that becomes a New Non-Guarantor Subsidiary.

In the case of a Subsidiary Guarantor with respect to which the Company or any Restricted Subsidiary is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with or as soon as practicable after the consummation of such sale or issuance of Capital Stock, instruct the Trustee to release the Subsidiary Guarantees provided by such Subsidiary Guarantor and each of its Restricted Subsidiaries that is also a Subsidiary Guarantor, and upon such release such Subsidiary Guarantor and such Restricted Subsidiaries will become Other Non-Guarantor Subsidiaries (such that each Other Non-Guarantor Subsidiary will no longer Guarantee the New Notes); **provided that**, after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors (including such Other Non-Guarantor Subsidiaries and excluding Exempted Subsidiaries and Listed Subsidiaries) do not account for more than 20% of Total Assets. A Subsidiary Guarantee of a Subsidiary Guarantor may only be released pursuant to this paragraph if, as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiary that would have the effect of (a) prohibiting the Company or such relevant Restricted Subsidiary from permitting the release of such Subsidiary Guarantee or (b) requiring the Company or such Subsidiary Guarantor to deliver or keep in place a guarantee of other Indebtedness of the Company by such Subsidiary Guarantor.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee or a JV Subsidiary Guarantor from its JV Subsidiary Guarantee shall be effective against the Trustee or the Holders until the Company has

delivered to the Trustee an Officers' Certificate stating that all requirements relating to such release have been complied with and such release is authorized and permitted by the terms of the Indenture.

Replacement of Subsidiary Guarantees with JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released and replaced by a JV Subsidiary Guarantee following the sale or issuance by the Company or any Restricted Subsidiary of Capital Stock in (a) such Subsidiary Guarantor or (b) any other Subsidiary Guarantor that, directly or indirectly, owns a majority of the Capital Stock of such Subsidiary Guarantor, in each case where such sale or issuance, whether through the sale of existing shares or the issuance of new shares, is for no less than 20% of the issued Capital Stock of the relevant Subsidiary Guarantor, **provided that** the following conditions are satisfied or complied with:

- as of the date of such proposed release, no document exists that is binding on the Company or such Restricted Subsidiary that would have the effect of (a) prohibiting the Company or such Restricted Subsidiary from releasing such Subsidiary Guarantee, (b) prohibiting the Company or such Restricted Subsidiary from providing a JV Subsidiary Guarantee as described below, or (c) requiring the Company or such relevant Restricted Subsidiary to cause to deliver or keep in force a replacement guarantee on terms that are more favorable to the recipients of such guarantee than the recipient of the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock is made to an Independent Third Party at a consideration that is not less than the Fair Market Value of such Capital Stock;
- concurrently with the release of such Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor and each Restricted Subsidiary (if any) of such JV Subsidiary Guarantor that is not a Non-Guarantor Subsidiary and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will Guarantee the payment of the New Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;
 - (ii) an Officers' Certificate certifying a copy of a Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iii) an Opinion of Counsel by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantee is valid, binding and enforceable against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

Notwithstanding the foregoing paragraph, any such sale or issuance of the Capital Stock of the relevant Subsidiary Guarantor (including where such sale results in the relevant Subsidiary Guarantor ceasing to be a Restricted Subsidiary) will need to comply with the other covenants set forth in the Indenture, including, without limitation, the covenants described under the captions “— *Certain Covenants — Limitation on Asset Sales*” and “— *Certain Covenants — Limitation on Restricted Payments.*”

Any Net Cash Proceeds from the sale or issuance of such Capital Stock shall be applied by the Company (or any Restricted Subsidiary) in accordance with the covenant described under the caption “— *Certain Covenants — Limitation on Asset Sales*” to the extent required.

As of the date of the Indenture, all of the Company's Subsidiaries other than the Unrestricted Subsidiaries will be "Restricted Subsidiaries." Under the circumstances described below under the caption "*Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries*," the Company will be permitted to designate certain Subsidiaries as "**Unrestricted Subsidiaries**." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not Guarantee the New Notes.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional New Notes having the same terms and conditions as the New Notes (including the benefit of the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "**Further Issue**") so that such Additional New Notes may be consolidated and form a single class with the previously outstanding New Notes and vote together as one class on all matters with respect to the New Notes; **provided that** the issuance of any such Additional New Notes shall then be permitted under the covenant described under the caption "*Certain Covenants — Limitation on Indebtedness and Preferred Stock*" below.

Optional Redemption

At any time and from time to time prior to the maturity date, the Company may, at its option, redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes to be redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor the Paying and Transfer Agent is responsible for calculating or verifying the redemption price.

Selection and Notice

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption to the Holders (which notice shall be irrevocable) and the Trustee. If less than all of the New Notes are to be redeemed at any time, the New Notes for redemption will be selected as follows:

- (1) if the New Notes are listed on any national securities exchange and/or being held through any clearing system, in compliance with the requirements of the principal national securities exchange on which the New Notes are listed and/or in compliance with the requirements of the clearing systems through which the New Notes are held, as applicable; or
- (2) if the New Notes are not listed on any national securities exchange or held through any clearing system, on a *pro rata* basis, by lot or by such other method as the Trustee in its sole and absolute discretion deems fair and appropriate, unless otherwise required by applicable law.

A Note of US\$150,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. With respect to any certificated Note, a new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on the New Notes or portions of them called for redemption.

Repurchase of New Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Company will make an Offer to Purchase all outstanding New Notes (a "**Change of Control Offer**") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date (see the definition of "**Offer to Purchase**").

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the New Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the New Notes. In that case, the Company's failure to purchase tendered New Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control under the New Notes may also constitute an event of default under certain other debt instruments of the Company and its Subsidiaries. Future debt of the Company may also (1) prohibit the Company from purchasing New Notes in the event of a Change of Control; (2) provide that a Change of Control is a default; or (3) require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to purchase the New Notes could cause a default under other Indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Company's and the Subsidiary Guarantors' then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the New Notes. See "*Risk Factors — Risks Relating to the New Notes — We may not be able to repurchase the New Notes upon a Change of Control*" of this exchange offer memorandum.

The phrase "all or substantially all," as used with respect to the assets of the Company in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner, at the same time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all New Notes validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the New Notes in the event of a takeover, recapitalization or similar transaction.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred and shall not be liable to any person for any failure to do so. The Trustee or any Agent shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee and the Agents shall not be responsible for determining or verifying whether a Note is to be accepted for redemption and will not be responsible to the Holders for any loss arising from such failure by it to do so.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the New Notes.

Additional Amounts

All payments of principal of, and premium (if any) on and interest on the New Notes or under the Subsidiary Guarantees and the JV Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature

imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “— *Consolidation, Merger and Sale of Assets*”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), including, without limitation, if applicable, the PRC (each, as applicable, a “**Relevant Jurisdiction**”), or any jurisdiction through which payments are made or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a “**Taxing Jurisdiction**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

- (a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
 - (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Taxing Jurisdiction, other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee or JV Subsidiary Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
 - (ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, on and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;
 - (iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person, any Subsidiary Guarantor or any JV Subsidiary Guarantor, addressed to the Holder, to provide information concerning such Holder’s or its beneficial owner’s nationality, residence, identity or connection with any Taxing Jurisdiction, if and to the extent that due and timely compliance with such request is required under the tax laws of such jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or
 - (iv) the presentation of such Note (in cases in which presentation is required) for payment in the Taxing Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (c) any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments of principal, premium (if any) and interest on the New Notes or from payments under the Subsidiary Guarantees or JV Subsidiary Guarantees (if any);
- (d) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any current or future Treasury

Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing such an intergovernmental agreement or FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or

- (e) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) (c) and (d); or
- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium on or interest on, any Note or under any Subsidiary Guarantee or JV Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Paying and Transfer Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying and Transfer Agent and the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying and Transfer Agent or the Trustee.

Redemption for Taxation Reasons

The New Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, in whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable) and the Trustee, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to (but not including) the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or
- (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective (or in the case of an official position, is announced) (i) with respect to the Company or any Initial Subsidiary Guarantor, on or after the Original Issue Date, or (ii) with respect to any Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the New Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person, a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the New Notes were then due.

Prior to the giving of any notice of redemption of the New Notes pursuant to the foregoing, the Company, a Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, will deliver or procure to deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

- (1) an Officers' Certificate stating that such change, amendment or statement of an official position referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, such Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and
- (2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change, amendment or statement of an official position referred to in the prior paragraph.

The Trustee shall and is entitled to conclusively rely on and accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above without further verification, in which event it shall be conclusive and binding on the Holders. The Trustee will not be responsible for any loss occasioned by acting in reliance on such certificate and opinion, and is not obligated to investigate or verify any information in such Officers' Certificate and Opinion of Counsel.

Any New Notes that are redeemed will be canceled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

- (1) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not permit any Restricted Subsidiary to issue Preferred Stock, **provided that** the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) and any Non-Guarantor Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness or Permitted Subsidiary Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less than 2.25 to 1.0. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock held by the Company, a Subsidiary Guarantor or a JV Subsidiary Guarantor, so long as it is so held).
- (2) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following ("**Permitted Indebtedness**"):
 - (a) Indebtedness under the New Notes (excluding any Additional New Notes) and each Subsidiary Guarantee and JV Subsidiary Guarantee;
 - (b) any *Pari Passu* Guarantee;
 - (c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d) (together with refinancings thereof); **provided that** such Indebtedness of Non-Guarantor Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness described in clauses (a) and (b) above and clauses (d), (f), (g), (m) and (o) below);

- (d) Indebtedness of the Company or Indebtedness or Preferred Stock of any Restricted Subsidiary owed to or held by the Company or any Restricted Subsidiary; **provided that** (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (d) and (ii) if the Company is the obligor on such Indebtedness and none of the Subsidiary Guarantors and the JV Subsidiary Guarantors is the obligee on such Indebtedness, such Indebtedness must be expressly be subordinated in right of payment to the New Notes, and if a Subsidiary Guarantor or a JV Subsidiary Guarantor is the obligor on such Indebtedness and none of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors is the obligee on such Indebtedness, such Indebtedness must be expressly be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be; **provided further that** any Preferred Stock issued by a Subsidiary Guarantor or JV Subsidiary Guarantor and held by the Company or another Restricted Subsidiary must by the terms thereof or by operation of law be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor;
- (e) Indebtedness (“**Permitted Refinancing Indebtedness**”) of the Company or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, “**refinance**,” and “**refinances**” and “**refinanced**” shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Indebtedness) Incurred under the immediately preceding paragraph (1) or clause (a), (b), (c), (h), (n), (p), (q), (r), (s), (t), (u) or (v) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); **provided that** (i) Indebtedness, the proceeds of which are used to refinance the New Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the New Notes or a Subsidiary Guarantee or a JV Subsidiary Guarantee shall only be permitted under this clause (e) if (A) in case the New Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the New Notes or a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining New Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the New Notes or a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the New Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the New Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced, (iii) in no event may Indebtedness of the Company, or any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Non-Guarantor Subsidiary, and (iv) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor;

- (f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into to reduce or manage the exposure of the Company or such Restricted Subsidiary, as applicable, to fluctuations in interest rates, currencies or the price of commodities;
- (g) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;
- (h) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (x) all or any part of the purchase price of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in a Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, real or personal property or equipment which will, upon acquisition, become a Restricted Subsidiary, or (y) all or any part of the purchase price or the cost of development, construction or improvement of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or such Restricted Subsidiary in the Permitted Business; **provided that**, in the case of sub-clauses (x) and (y), (A) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (B) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such assets, property or equipment or completion of such development, construction or improvement and (C) on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (h) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (p), (q), (s), (t), (u) and (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (h) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (i) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (j) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;
- (k) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; **provided that** the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the disposition of such business, assets or Restricted Subsidiary;

- (l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; **provided that** such Indebtedness is extinguished within five Business Days of Incurrence;
- (m) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, subject to the covenant described under the caption “— *Limitation on Issuances of Guarantees by Restricted Subsidiaries*”;
- (n) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; **provided that** the aggregate principal amount of Indebtedness permitted by this clause (n) at any time outstanding does not exceed US\$30.0 million (or the Dollar Equivalent thereof);
- (o) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Staged Acquisition Agreement or Minority Interest Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into and becomes obligated to pay such deferred purchase price pursuant to such Staged Acquisition Agreement or Minority Interest Staged Acquisition Agreement;
- (p) Indebtedness Incurred or Preferred Stock or Disqualified Stock issued by any Restricted Subsidiary arising from any Investment made by a Trust Company Investor in a Restricted Subsidiary, and Indebtedness of the Company or a Restricted Subsidiary constituting a Guarantee by, or grant of a Lien on the assets of, the Company or a Restricted Subsidiary in favor of a Trust Company Investor with respect to the obligation to pay a guaranteed or preferred return to such Trust Company Investor on Capital Stock of such Restricted Subsidiary held by such Trust Company Investor, **provided that**, on the date of such Incurrence of all such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness and Preferred Stock Incurred under this clause (p) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clause (h) above and clauses (q), (s), (t), (u) and (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (p) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (q) Bank Deposit Secured Indebtedness Incurred by the Company or any Restricted Subsidiary; **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (q) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h) and (p) above and clauses (s), (t), (u) and (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (q) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (r) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US\$20.0 million (or the Dollar Equivalent thereof);

- (s) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of Indebtedness of any Person (other than the Company or a Restricted Subsidiary) by the Company or such Restricted Subsidiary, **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (s) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p) and (q) above and clauses (t), (u) and (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (s) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (t) Acquired Indebtedness of any Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary became a Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of transactions pursuant to which a Person becomes a Restricted Subsidiary or (ii) otherwise in contemplation of a Person becoming a Restricted Subsidiary or any such acquisition); **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (t) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p), (q) and (s) above and clauses (u) and (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (t) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (u) Indebtedness Incurred by the Company or any Restricted Subsidiary which is secured by Investment Properties and Guarantees thereof by the Company or any Restricted Subsidiary, **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (u) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p), (q), (s) and (t) above and clause (v) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (u) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (v) Indebtedness Incurred by the Company or any Restricted Subsidiary under Credit Facilities; **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (v) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p), (q), (s), (t) and (u) above and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (v) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets; and
 - (w) Indebtedness constituting a Subordinated Shareholder Loan.
- (3) For purposes of determining compliance with this covenant, in the event that an item of Indebtedness or Preferred Stock meets the criteria of more than one of the types of Indebtedness or Preferred Stock described above, including under the proviso in the first paragraph of this covenant, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness or Preferred Stock in one or more types of such Indebtedness or Preferred Stock described above.

- (4) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred or Preferred Stock that may be issued pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness or Preferred Stock due solely to the result of fluctuations in the exchange rates of currencies.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as “**Restricted Payments**”):

- (1) declare or pay any dividend or make any distribution on or with respect to the Company’s or any Restricted Subsidiary’s Capital Stock (other than dividends or distributions payable or paid in shares of the Company’s Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;
- (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Restricted Subsidiary;
- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of any Subordinated Indebtedness (excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary); or
- (4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;
- (b) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*”; or
- (c) such Restricted Payment, together with the aggregate amount of (1) all Restricted Payments made by the Company and its Restricted Subsidiaries after the Original Issue Date and (2) all payments made by the Company and its Restricted Subsidiaries after the Measurement Date but on or before the Original Issue Date that would have been Restricted Payments had they been made after the Original Issue Date (excluding Restricted Payments permitted by clauses (ii) through (xii), (xiv) and (xv)) of the immediately following paragraph), shall exceed the sum (without duplication) of:
 - (i) 50% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on July 1, 2020 and ending on the last day of the Company’s most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); *plus*

- (ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary of the Company, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Restricted Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case excluding the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; *plus*
- (iii) the amount by which Indebtedness of the Company or any Restricted Subsidiary is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Restricted Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any Restricted Subsidiary convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *plus*
- (iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Measurement Date, (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) to the extent that an Investment made after the Measurement Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, (D) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person, or (E) any Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Measurement Date shall be deemed to have been made pursuant to clause (1) of the definition of "**Permitted Investment**") but only to the extent such Investments by the Company or any Restricted Subsidiary in such Person was a Restricted Payment made to the extent permitted under this paragraph (c); *plus*
- (v) US\$25.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

- (3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Restricted Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); **provided that** the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, **provided, however, that** any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); **provided that** the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, **provided, however, that** any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);
- (5) the declaration and payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary;
- (6) dividends or other distributions paid to, or the purchase of Capital Stock of any Restricted Subsidiary held by, any Trust Company Investor in respect of any Indebtedness or Preferred Stock outstanding on the Original Issue Date or permitted to be Incurred or issued under paragraph (2)(p) of the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*”;
- (7) cash payments in lieu of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company; **provided, however, that** any such cash payments shall not be for the purpose of evading the limitation of this covenant (as determined in good faith by the Board of Directors of the Company);
- (8) the purchase by the Company or a Restricted Subsidiary of Capital Stock of any Restricted Subsidiary that is not Wholly Owned, directly or indirectly, by the Company from an Independent Third Party pursuant to an agreement entered into between/among the Company or any Restricted Subsidiary and such independent third party solely for the purpose of acquiring real property or land use rights, **provided that** (x) such purchase occurs within 12 months after Restricted Subsidiary acquires the real property or land use rights it was formed to acquire and (y) the Company delivers to the Trustee a Board Resolution set forth in an Officers’ Certificate confirming that, in the opinion of the Board of Directors, the purchase price of such Capital Stock is less than or equal to the Fair Market Value of such Capital Stock;
- (9) (A) the repurchase, redemption or other acquisition or retirement for value of the Capital Stock of the Company or any Restricted Subsidiary (directly or indirectly, including through any trustee, agent or nominee) in connection with an employee benefit plan, and any corresponding Investment by the Company or any Restricted Subsidiary in any trust or similar arrangements to the extent of such repurchased, redeemed, acquired or retired Capital Stock, or (B) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary held by an employee benefit plan of the Company or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing) or (C) declaration or payment of dividends or other distributions in cash on Capital Stock of any Restricted Subsidiary

held by any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing) in connection with an employee benefit plan or employee incentive scheme; **provided that** the aggregate consideration paid for all such repurchased, redeemed, acquired or retired Capital Stock under (A), (B) and (C) above shall not exceed US\$3.0 million (or the Dollar Equivalent thereof) in any fiscal year, with any unused amount (representing the difference between such limit and the actual consideration paid) in any such fiscal year being carried over to the subsequent fiscal year;

- (10) declaration or payment of dividends in kind or other distributions in kind on Capital Stock of any Restricted Subsidiary held by any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing) in connection with an employee benefit plan or employee incentive scheme in the ordinary course of business, which are solely used to acquire Capital Stock of any Restricted Subsidiary engaged in any property development projects;
- (11) repurchases of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;
- (12) the payment of any dividend or distribution payable or paid in Capital Stock (other than Disqualified Stock or Preferred Stock) of any Unrestricted Subsidiary or in options, warrants or other rights to acquire shares of such Capital Stock;
- (13) the redemption, repurchase or other acquisition of, or the declaration and payment of dividends with respect to any fiscal year ending after December 31, 2020 on, the Common Stock of the Company by the Company, in an aggregate amount not to exceed 25% of profit and total comprehensive income for the year attributable to owners of the Company based on the consolidated financial statements of the Company in the immediate prior fiscal year;
- (14) the distributions or payments of Securitization Fees in connection with Receivable Financings; or
- (15) the declaration and payment of dividends by the Company in respect of its Capital Stock with respect to the fiscal year ending December 31, 2020 in an aggregate amount not to exceed 25% of profit and total comprehensive income for the year attributable to owners of the Company based on the consolidated financial statements of the Company of such fiscal year.

provided that, in the case of clauses (2), (3), (4), (8) and (13) of this paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment made pursuant to clauses (1) and (13) of the preceding paragraph shall be included in calculating whether the conditions of clause (c) of the first paragraph of this covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities (other than any Restricted Payments set forth in clauses (5) through (15) above) must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of international standing if the Fair Market Value exceeds US\$10.0 million (or the Dollar Equivalent thereof). Notwithstanding any other provision of this covenant, in the case of a declaration of dividend with respect to the Company's or any Restricted Subsidiary's Capital Stock which involves a scrip dividend option, such Restricted Payment shall be deemed to be made only when the cash component of such dividend is finally determinable by the Company or such Restricted Subsidiary.

Not later than the date of making any Restricted Payment in excess of US\$10.0 million (or the Dollar Equivalent thereof) (other than any Restricted Payments set forth in clauses (5) through (15) above), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

For purposes of determining compliance with this covenant, in the event that an item of Investment meets the criteria of both the first paragraph of this covenant and paragraph (17) of the definition of "**Permitted Investment**" at any time, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Investment in either or both of such paragraphs.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (1) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;
 - (c) make loans or advances to the Company or any other Restricted Subsidiary; or
 - (d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary.

provided that for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis.

- (2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:
 - (a) existing in agreements as in effect on the Original Issue Date, or in the New Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees, the Indenture, or under any *Pari Passu* Guarantee, or any Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor guaranteed by any *Pari Passu* Guarantee and, and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; **provided that** the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (b) existing under or by reason of applicable law, rule, regulation or order;
 - (c) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; **provided that** the encumbrances and restrictions in any such extension, refinancing, renewal

or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

- (d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, or (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of the property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;
- (e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the covenants described under the captions “— *Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “— *Limitation on Indebtedness and Preferred Stock*” and “— *Limitation on Asset Sales*”;
- (f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock permitted under the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*” if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make required payment on the New Notes and, any extensions, refinancings, renewals or replacements of any of the foregoing agreements; **provided that** the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
- (g) existing in customary provisions in shareholders’ agreement, joint venture agreements and other similar agreements, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture and if (as determined in good faith by the Board of Directors) (i) the encumbrances or restrictions are customary for a shareholder, joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (x) the ability of the Company to make the required payments on the New Notes, or (y) any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payments under its Subsidiary Guarantee or JV Subsidiary Guarantee; or
- (h) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Unrestricted Subsidiary or its subsidiaries or the property or assets of such Unrestricted Subsidiary or its subsidiaries, and any extensions, refinancing, renewals or replacements thereof; **provided that** the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly Owned Restricted Subsidiary or, in the case of a Restricted Subsidiary that is not Wholly Owned, *pro rata* to its shareholders or incorporators or on a basis more favorable to the Company and/or the Restricted Subsidiary;
- (2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;
- (3) the sale or issuance of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such sale or issuance, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the covenant described under the caption "*— Limitation on Restricted Payments*" if made on the date of such sale or issuance and **provided that** the Company complies with the covenant described under the caption "*— Limitation on Asset Sales*"; or
- (4) the sale or issuance of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such sale or issuance); **provided that** the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such sale or issuance in accordance with the covenant described under the caption "*— Limitation on Asset Sales*."

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor or a JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("**Guaranteed Indebtedness**") of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee (in the case of a Subsidiary Guarantor) or JV Subsidiary Guarantee (in the case of a JV Subsidiary Guarantor) of payment of the New Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, until the New Notes have been paid in full or (2) such Guarantee is permitted by clause (2)(c), (d) or (q) (in the case of clause (2)(q), with respect to the Guarantee provided any Restricted Subsidiary through the pledge of bank accounts, deposits or other assets to secure (or the use of any Guarantee, letter of credit or similar instrument to Guarantee), directly or indirectly, any Bank Deposit Secured Indebtedness), under the caption "*— Limitation on Indebtedness and Preferred Stock*."

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, or (2) is subordinated in right of payment to the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, at least to the extent that the Guaranteed Indebtedness is subordinated to the New Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee.

The Company will not permit any JV Subsidiary Guarantor, directly or indirectly, to guarantee any Indebtedness of the Company or any other Restricted Subsidiary unless the aggregate claims of the creditor

under such guarantee will be limited to the JV Entitlement Amount. If any JV Subsidiary Guarantor guarantees any Indebtedness of the Company or any other Restricted Subsidiary where the aggregate claims of the creditor under such guarantee exceed the JV Entitlement Amount, such JV Subsidiary Guarantee shall be replaced with a Subsidiary Guarantee given by a Subsidiary Guarantor.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an “**Affiliate Transaction**”), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view or confirming that the terms of such Affiliate Transaction are no less favorable to the Company or the relevant Restricted Subsidiary than terms available to (or from, as applicable) a Person that is not an Affiliate of the Company issued by an accounting, appraisal or investment banking firm of international standing.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees and other compensation for the service to directors of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;
- (2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;
- (3) any Restricted Payment of the type described in clause (1), (2) or (3) of the first paragraph of the covenant described under the caption “— *Limitation on Restricted Payments*” if permitted by that covenant;
- (4) any sale of Capital Stock (other than Disqualified Stock) of the Company;
- (5) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option or other incentive scheme, so long as such scheme is in compliance with the listing rules of The Stock Exchange of Hong Kong Limited, which as of the Original Issue Date require a majority shareholder approval of any such scheme; or

- (6) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Company or any of the Restricted Subsidiaries with directors, officers, employees and consultants in the ordinary course of business and the payment of compensation pursuant thereto.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) Investments (including Permitted Investments that are permitted under paragraph (17) of the definition of “**Permitted Investments**” but otherwise excluding any other Permitted Investments) not prohibited by the covenant described under the caption “— *Limitation on Restricted Payments*,” (ii) transactions pursuant to agreements in effect on the Original Issue Date and described in the exchange offer memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and the Restricted Subsidiaries than the original agreement in effect on the Original Issue Date, (iii) any transaction (A) between or among the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, (B) between or among Restricted Subsidiaries that are not Wholly Owned Restricted Subsidiaries, or (C) between or among the Company or a Restricted Subsidiary on the one hand and any Minority Joint Venture or Unrestricted Subsidiary on the other; **provided that** in the case of clause (iii) (a) such transaction is entered into in the ordinary course of business, (b) in the case of a non-Wholly Owned Restricted Subsidiary, none of the shareholders or partners (other than the Company or any Restricted Subsidiary) of or in such Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, Minority Joint Venture or Unrestricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such other shareholder or partner being an officer or director of such Restricted Subsidiary, Minority Joint Venture or Unrestricted Subsidiary or by reason of being a Subsidiary or Minority Joint Venture of the Company and (iv) for as long as the Common Stock of the Company remains listed on The Stock Exchange of Hong Kong Limited, any Affiliate Transaction which is conducted in compliance with the applicable listing rules of The Stock Exchange of Hong Kong Limited.

Limitation on Liens

The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the New Notes are equally and ratably secured by such Lien.

In the event that one or more Liens (and documents relating thereto) are to be established or maintained to effect equal and ratable security arrangements in respect of the New Notes (as contemplated under the preceding paragraph) with regards to Indebtedness proposed to be or previously Incurred by the Company or any Subsidiary Guarantor in compliance with the terms of the Indenture, the Company may instruct the Trustee to directly, or through its Affiliates (in its capacity as Trustee or that of a collateral agent on such terms as it shall require and subject to such terms as it may agree) and without the consent of any Holders, (a) enter into one or more intercreditor agreements, pledge agreements, collateral and security agreements or other arrangements intended to effect the shared security arrangements contemplated by this paragraph among holders of such Indebtedness and (b) complete or facilitate the completion by itself or other parties of filings, registrations or other actions necessary to effect or perfect the relevant Liens or related arrangements.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any of the Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; **provided that** the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (1) the Company or such Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under “— *Limitation on Indebtedness and Preferred Stock*” and (b) incurred a Lien to secure such

Indebtedness pursuant to the covenant described above under the caption “— *Limitation on Liens*,” in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

- (2) the gross cash proceeds of such Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (3) the transfer of assets in such Sale and Leaseback Transaction is permitted by, and the Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described below under the caption “— *Limitation on Asset Sales*.”

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and
- (3) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; **provided that**, in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing. For purposes of this provision, each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Company’s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
 - (b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or any Restricted Subsidiary) may apply such Net Cash Proceeds to:

- (1) permanently repay Senior Indebtedness of the Company, a Subsidiary Guarantor or a JV Subsidiary Guarantor, if any, or any Indebtedness of a Non-Guarantor Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or

- (2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (other than current assets that are not land use rights, properties under development or completed property held for sale) that will be used in a Permitted Business (including any Capital Stock in a person holding such property or assets that is primarily engaged in a Permitted Business) (“**Replacement Assets**”).

provided that, Pending application of such Net Cash Proceeds as set forth in clause (1) or (2) above, the Company or any Restricted Subsidiary may make an Investment in cash or Temporary Cash Investments.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute “**Excess Proceeds.**” Excess Proceeds of less than US\$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated.

When accumulated Excess Proceeds exceeds US\$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase New Notes having a principal amount equal to:

- (1) accumulated Excess Proceeds, multiplied by
- (2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the New Notes and (y) the denominator of which is equal to the outstanding principal amount of the New Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale,

rounded down to the nearest US\$1.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount of the New Notes plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of New Notes (and any other *pari passu* Indebtedness) tendered into (or required to be prepaid or redeemed in connection with) such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the New Notes (and such other *pari passu* Indebtedness) to be purchased on a *pro rata* basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company’s Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; **provided, however, that** the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption “— *Limitation on Restricted Payments.*”

Use of Proceeds

The Company will not, and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the New Notes, in any amount, for any purpose other than (1) in the approximate amounts and for the purposes specified, including any adjustment in response to changes in acquisition or development plans as contemplated, under the caption “**Use of Proceeds**” in this exchange offer memorandum (or in the case of Additional New Notes, the offering or other document relating to the sale of such Additional New Notes) and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; **provided that** (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) neither the Company nor any Restricted Subsidiary provides credit support (other than any credit support in compliance with clause (6) of this paragraph) for the Indebtedness of such Restricted Subsidiary; (3) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company as a result of such designation; (4) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*” or such Lien would violate the covenant described under the caption “— *Limitation on Liens*”; (5) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (6) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under the caption “— *Limitation on Restricted Payments*.”

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; **provided that** (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*”; (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption “— *Limitation on Liens*”; (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (5) if such Restricted Subsidiary is not a Non-Guarantor Subsidiary, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor to the extent required under “— *The Subsidiary Guarantees and the JV Subsidiary Guarantees*.”

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Company and the Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor (if any) to perform its obligations under the New Notes, the relevant Subsidiary Guarantee, the relevant JV Subsidiary Guarantee or the Indenture.

Anti-Layering

The Company will not Incur, and will not permit any Subsidiary Guarantor or JV Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the New Notes, the applicable Subsidiary Guarantee or the applicable JV Subsidiary Guarantee, on substantially identical terms.

This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Provision of Financial Statements and Reports

- (1) So long as any of the New Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with The Stock Exchange of Hong Kong Limited or any other recognized exchange on which the Company's Common Stock are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; **provided that**, if at any time the Common Stock of the Company ceases to be listed for trading on a recognized stock exchange, the Company will file with the Trustee and furnish to the Holders:
 - (a) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants;
 - (b) as soon as they are available, but in any event within 45 calendar days after the end of the second financial quarter of the Company, copies of its financial statements (on a consolidated basis and in English language) in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) reviewed by a member firm of an internationally-recognized firm of independent accountants; and
 - (c) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third financial quarter of the Company, copies of its unaudited financial statements (on a consolidated basis and in English language), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period.
- (2) In addition, so long as any of the New Notes remain outstanding, the Company will provide to the Trustee (a) within 120 days after the close of each fiscal year ending after the Original Issue Date, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio thereof, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; **provided that** the Company shall not be required to provide such auditor certificate if its external auditors refuse to provide such certificate as a result of a policy of such external auditors not to provide such certificate; and (b) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

Events of Default

The following events will be defined as "**Events of Default**" in the Indenture:

- (1) default in the payment of principal of (or premium (if any) on) the New Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of the provisions of the covenants described under the caption “— *Consolidation, Merger and Sale of Assets*,” the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions “— *Repurchase of New Notes upon a Change of Control*” or “— *Certain Covenants — Limitation on Asset Sales*”;
- (4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the New Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the New Notes then outstanding;
- (5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$15.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due, *provided, however*, that such Indebtedness shall not include (x) the Excluded Indebtedness and/or (y) any Indebtedness with respect to which any default or event of default occurs as a result of any default or event of default under the Excluded Indebtedness;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any of the Restricted Subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US\$15.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company’s insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or any Significant Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary or for any substantial part of the property and assets of the Company or any Significant Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Significant Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) The Company or any Significant Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Subsidiary or (c) effects any general assignment for the benefit of creditors (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of a Significant Subsidiary in the ordinary course of business that shall result in the net assets of such Significant Subsidiary being transferred to or otherwise vested in the Company or any Restricted Subsidiary on a *pro rata* basis or on a basis more favorable to the Company); or

- (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the New Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall, subject to receiving indemnity and/or security and/or pre-funding to its satisfaction, declare the principal of, premium (if any) on and accrued and unpaid interest on the New Notes to be immediately due and payable. Upon a declaration of acceleration, such principal, premium (if any) and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Significant Subsidiary, the principal of, premium (if any) on and accrued and unpaid interest on the New Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in aggregate principal amount of the outstanding New Notes by written notice to the Company and to the Trustee may on behalf of the Holders of New Notes waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the nonpayment of the principal of, premium (if any) on and interest on the New Notes that have become due solely by such declaration of acceleration, have been cured or waived, and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction,

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may, and shall upon written request of Holders of at least 25% in aggregate principal amount of outstanding New Notes, pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium (if any) and interest on the New Notes or to enforce the performance of any provision of the New Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the New Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding New Notes may direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction in advance of the proceedings. However, the Trustee may refuse to follow any direction that is unclear, conflicting or equivocal, conflicts with law or the Indenture, that may involve the Trustee in personal liability or that is unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action that is not inconsistent with any such direction received from Holders. The Trustee shall not be required to expend its own funds in following such direction it does not believe that reimbursement or indemnity and/or security and/or pre-funding to its satisfaction is assured to it.

A Holder of New Notes may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the New Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the New Notes, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

- (2) the Holders of at least 25% in aggregate principal amount of outstanding New Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such written request;
- (4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security and/or pre-funding satisfactory to it; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding New Notes do not give the Trustee a written direction that is inconsistent with the written request.

However, subject to any amendment or waiver obtained as described under the caption “— *Amendments and Waiver*,” such limitations do not apply to the right of any Holder to receive payment of the principal of, premium (if any) on or interest on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the New Notes, which right shall not be impaired without the consent from that Holder.

Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and the Restricted Subsidiaries and the Company’s and the Restricted Subsidiaries’ performance under the Indenture and that the Company and the Restricted Subsidiaries have fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See “— *Certain Covenants — Provision of Financial Statements and Reports*.”

The Trustee and the Agents are not obligated to do anything to ascertain whether any Event of Default or Default has occurred or is continuing and will not be responsible to Holders for any loss arising from any failure by it to do so. The Trustee and the Agents may assume that no such Event of Default or Default has occurred and that the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) are performing their respective obligations under the Indenture and the New Notes unless the Trustee and the Agents have received written notice of the occurrence of an Event of Default or Default. The Trustee and the Agents are entitled to conclusively rely, without liability, on any Officers’ Certificate regarding whether or not a Default or an Event of Default has occurred and is continuing.

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and the Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person, unless:

- (1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the “**Surviving Person**”) shall be a corporation organized and validly existing under the laws of the Cayman Islands, Hong Kong or the British Virgin Islands and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the New Notes, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture and the New Notes, as the case may be, shall remain in full force and effect;

- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
- (4) immediately after giving effect to such transaction on a *pro forma* basis the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (5) the Company delivers to the Trustee (x) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and
- (6) each Subsidiary Guarantor and JV Subsidiary Guarantor, unless such Subsidiary Guarantor or JV Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this caption, shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee or JV Subsidiary Guarantee, as applicable, shall apply to the obligations of the Company or the Surviving Person in accordance with the New Notes and the Indenture.

No Subsidiary Guarantor or JV Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and the Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor or, in the case of a JV Subsidiary Guarantor, other than to another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor), unless:

- (1) such Subsidiary Guarantor or JV Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction (or, in the case of a JV Subsidiary Guarantor, another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor); and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor or JV Subsidiary Guarantor under the Indenture and the New Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture and the New Notes, as the case may be, shall remain in full force and effect;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a *pro forma* basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
- (4) immediately after giving effect to such transaction on a *pro forma* basis, the Company could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”; and

- (5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

provided that this paragraph shall not apply to any sale or other disposition that complies with the covenant described under the caption “— *Certain Covenants — Limitation on Asset Sales*” or any Subsidiary Guarantor or JV Subsidiary Guarantor whose Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, is unconditionally released in accordance with the provisions described under the caption “— *The Subsidiary Guarantees and the JV Subsidiary Guarantees — Release of the Subsidiary Guarantees and the JV Subsidiary Guarantees.*”

Although there is a limited body of case law interpreting the phrase “*substantially all*,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “*all or substantially all*” of the property or assets of a Person.

The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor or JV Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor or JV Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor survives such consolidation or merger.

The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor that may adversely affect Holders.

No Payments for Consents

The Company will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, the New Notes or the Subsidiary Guarantees in connection with an exchange or tender offer, the Company and any Restricted Subsidiary may exclude (i) Holders or beneficial owners of the New Notes that are not institutional “*accredited investors*” as defined in Rule 501 under the Securities Act, (ii) Holders or beneficial owners of the New Notes that are located or resident in the U.S. or are “**U.S. Persons**” as defined in Regulation S under the Securities Act, and (iii) Holders or beneficial owners of the New Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any Subsidiary to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the New Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the New Notes (except for, among other matters, certain obligations to register the transfer or exchange of the New Notes, to replace stolen, lost or mutilated New Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

- (1) the Company (a) has deposited with the Trustee (or its agent), in trust, money and/or U.S. Government Obligations or any combination thereof that through the payment of interest, premium (if any) and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium (if any) on and accrued interest on the New Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and the New Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium (if any) on and accrued interest on, the New Notes on the Stated Maturity for such payment in accordance with the terms of the Indenture;
- (2) the Company has delivered to the Trustee an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and
- (3) immediately after giving effect to such deposit on a *pro forma* basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary is bound.

In the case of either discharge or defeasance of the New Notes the Subsidiary Guarantees and the JV Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that (i) the provisions of the Indenture applicable to the New Notes will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph under “— *Consolidation, Merger and Sale of Assets*” and all the covenants described herein under “— *Certain Covenants*,” other than as described under the captions “— *Certain Covenants — Government Approvals and Licenses; Compliance with Law*” and “— *Certain Covenants — Anti-Layering*,” and (ii) clause (3) under “— *Events of Default*” with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph under “— *Consolidation, Merger and Sale of Assets*” and with respect to the other events set forth in clause (i) above, clause (4) under “— *Events of Default*” with respect to such other covenants in clause (i) above and clauses (5) and (6) under “**Events of Default**” shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest, premium (if any) and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium (if any) on and accrued interest on the New Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the New Notes, the satisfaction of the provisions described in clause (2) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the New Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee (or its agents) will be sufficient to pay amounts due on the New Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the New Notes at the time of the acceleration resulting from such Event of Default. However, the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will remain liable for such payments.

Amendments and Waivers

Amendments Without Consent of Holders

The Indenture, the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) may be amended, without the consent of any Holder, to:

- (1) cure any ambiguity, defect, omission or inconsistency in the Indenture or the New Notes;
- (2) comply with the provisions described under the caption “— *Consolidation, Merger and Sale of Assets*”;
- (3) evidence and provide for the acceptance of appointment by a successor Trustee;
- (4) add any Subsidiary Guarantor or JV Subsidiary Guarantor, or any Subsidiary Guarantee or JV Subsidiary Guarantee, or release any Subsidiary Guarantor or JV Subsidiary Guarantor from any Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, as provided or permitted by the terms of the Indenture;
- (5) provide for the issuance of Additional New Notes in accordance with the limitations set forth in the Indenture;
- (6) add or release any collateral to secure the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee or enter into any intercreditor agreement, in each case as permitted and in accordance with the Indenture;
- (7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
- (8) effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream;
- (9) make any other change that does not materially and adversely affect the rights of any Holder; or
- (10) conform the text of the Indenture, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees to any provision of this “**Description of the New Notes**” to the extent that such provision in this “**Description of the New Notes**” was intended to be a verbatim recitation of a provision in the Indenture, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

Amendments With Consent of Holders

The Indenture, the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of

the outstanding New Notes, and the Holders of a majority in aggregate principal amount of the outstanding New Notes may amend or waive future compliance by the Company with any provision thereof; provided, however, that no such modification, amendment or waiver may, without the consent of the Holders of not less than 75% in aggregate principal amount of the Notes then outstanding:

- (1) change the Stated Maturity of the principal of, or any instalment of interest on, any Note;
- (2) reduce the principal amount of, or premium (if any) on or interest on, any Note;
- (3) change the currency of payment of principal of, or premium (if any) on or interest on, any Note;
- (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note, any Subsidiary Guarantee or any JV Subsidiary Guarantee;
- (5) reduce the above-stated percentage of outstanding New Notes the consent of whose Holders is necessary to modify or amend the Indenture;
- (6) waive a default in the payment of principal of, premium (if any) on or interest on the New Notes;
- (7) release any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture;
- (8) reduce the percentage or aggregate principal amount of outstanding New Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;
- (9) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders;
- (10) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the New Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, whether through an amendment or waiver of provision in the covenants, definitions or otherwise, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control or the event giving rise to the repurchase of the New Notes under "*Certain Covenants — Limitation on Asset Sales*";
- (11) change the redemption date or the redemption price of the New Notes from that stated under the caption "*— Optional Redemption*" or "*— Redemption for Taxation Reasons*";
- (12) amend, change or modify the obligation of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor to pay Additional Amounts; or
- (13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee in a manner which materially and adversely affects the Holders.

Unclaimed Money

Claims against the Company for the payment of principal of, premium (if any) on or interest on the New Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium (if any) on or interest on any of the New Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company, any of the Subsidiary Guarantors or any of the JV Subsidiary Guarantors in the Indenture, or in any of the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company, any of the Subsidiary Guarantors or JV Subsidiary Guarantors, or of any successor Person thereof. Each Holder, by accepting the New Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the New Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Concerning the Trustee and the Agents

China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) will be appointed as trustee under the Indenture, and also as registrar (the “**Registrar**”), and also as paying and transfer agent (the “**Paying and Transfer Agent**”, and together with the Registrar, the “**Agents**”) with regard to the New Notes. Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and the New Notes, and no implied covenant or obligation shall be read into the Indenture and the agent appointment letter against the Trustee or the Agents. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the New Notes as a prudent person would exercise under the circumstances in the conduct of such person’s own affairs. The Trustee will be under no obligation to exercise and have absolute and uncontrolled discretion as to exercise or non-exercise of any of its rights or powers under the Indenture at the request of any Holder, unless requisite number of Holders have instructed the Trustee in writing and have offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against any loss, liability or expense.

In the exercise of its duties, the Trustee (i) shall not be responsible for the verification of the accuracy or completeness of any certificate or legal opinion submitted to it by the Company, and (ii) is entitled to rely exclusively on such certifications or opinions, and to take action based on the information, contained in such certificate or legal opinion.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee and the Agents are permitted to engage in other transactions, including normal banking and trustee relationships, with the Company and its Affiliates and can profit therefrom without being obliged to account for such profit. The Trustee and the Agents may have an interest in or may be providing or may in the future provide financial or other services to other parties; **provided, however, that** if it acquires any conflicting interest, it must eliminate such conflict or resign. The Trustee and the Agents may have an interest in, may be providing or may in the future provide financial or other services to, other parties.

The Trustee and the Agents shall not be deemed to have knowledge of any Event of Default or Default unless it has received express written notice of such Event of Default or Default.

Under the Indenture, the Trustee is entitled to be indemnified and/or secured and/or pre-funded and relieved from liability or responsibility in certain circumstances and will be paid its fees, costs, expenses and indemnity in priority to the claims of the Holders.

Under the Indenture, the Trustee is entitled by the terms of the Notes and/or the Indenture to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such

decision, or giving any such direction or certification, to seek directions from the instructing Holders and shall have been indemnified and/or provided with security and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages expenses (including but not limited to legal fees and expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions.

Each Holder, by accepting the New Notes agrees, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the offering of the New Notes and has not relied on and will not at any time rely on the Trustee in respect of such risks.

Book-Entry; Delivery and Form

The New Notes will be represented by a global note in registered form without interest coupons attached (the “**Initial Global Note**”). On the Original Issue Date, the Initial Global Note will be deposited with a common depository and registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream. Any additional New Notes will be represented by additional global notes in registered form without interest coupons attached (the “**Additional Global Notes**” and, together with the Initial Global Note, the “**Global Notes**”).

Global Notes

Ownership of beneficial interests in the Initial Global Note (the “**book-entry interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under “— *Individual Definitive Notes*,” the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the New Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture and “**holders**” of book-entry interests will not be considered the owners or “**Holders**” of New Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the New Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Trustee or any of the Agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The New Notes are not issuable in bearer form.

Payments on the Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium (if any), interest and Additional Amounts) will be made to the Paying and Transfer Agent in U.S. dollars. The Paying and Transfer Agent will, in turn, make such payments to the common depository for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. Each of

the Company, the Subsidiary Guarantors and JV Subsidiary Guarantors (if any) will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under the caption “— *Additional Amounts.*”

Under the terms of the Indenture, the Company, any Subsidiary Guarantor, any JV Subsidiary Guarantor and the Trustee will treat the registered holder of the Global Notes (i.e., the common depository or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee or any of the Agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or
- any action or failure to take any action by Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the common depository will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the book-entry interests in such Global Note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by the common depository, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of Euroclear and Clearstream, if fewer than all of the New Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; **provided, however, that** no book-entry interest of US\$150,000 principal amount, or less, as the case may be, will be redeemed in part.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder of New Notes only at the direction of one or more participants to whose account the book-entry interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of New Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the New Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Notes will be subject to the restrictions on transfer discussed under “**Transfer Restrictions**” of this exchange offer memorandum.

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the applicable settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream participants on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

The Company understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the New Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee or any of the Agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depository or any successor to the common depository is at any time unwilling or unable to continue as a depository for the reasons described in the Indenture and a successor depository is not appointed within 90 days, (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the New Notes has become immediately due and payable in accordance with “— *Events of Default*” and the Company has

received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depository, Euroclear, Clearstream or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depository for the exchange of interests in the Global Notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the Registrar in sufficient quantities and authenticated by the Trustee or the Registrar for delivery to Holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the Registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the New Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier, first-class mail or email (if intended for the Company or any Subsidiary Guarantor) addressed to the Company or such Subsidiary Guarantor at the principal office of the Company or emailed to the email address at eugenelam@ganglong.net.cn and zhanghg@ganglong.net.cn or such other email addresses that the Company or any Subsidiary Guarantor may advise the Trustee from time to time; (if intended for the Trustee) at the corporate trust office of the Trustee or emailed to the email address at cta_cstm@asia.ccb.com/cta_cs@asia.ccb.com and cta_tm@asia.ccb.com; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Register.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream, as the case may be, and no separate notices to the Holders are required under the above paragraph. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, as the case may be, or if by mail, when so sent or deposited, or if by email, when so sent, *provided* that, no delivery failure notification is received by the sender within two hours of sending the email. However, notwithstanding the foregoing, any notice to the Trustee will be effective only upon receipt, *provided* that, any notice sent by email shall be deemed as received if no delivery failure notification is received by the sender within 24 hours of sending the email.

Consent to Jurisdiction; Service of Process

The Company and each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the New Notes, any Subsidiary Guarantee, any JV Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the New Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this “**Description of the New Notes**” for which no definition is provided.

“**2022 Notes**” means the 13.5% senior notes due 2022 issued by the Company pursuant to the 2022 Notes Indenture.

“**2022 Notes Indenture**” means the indenture dated November 12, 2022, as amended or supplemented from time to time, governing the 2022 Notes.

“**Acquired Indebtedness**” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

“**Affiliate**” means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, “control” (including, with correlative meanings, the terms “**controlling**,” “controlled by” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“**Asset Acquisition**” means (1) an investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary; or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

“**Asset Disposition**” means the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

“**Asset Sale**” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; **provided that** “**Asset Sale**” shall not include:

- (1) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;
- (2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the covenant described under the caption “— *Certain Covenants — Limitation on Restricted Payments*”;
- (3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or the Restricted Subsidiaries;
- (5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

- (6) a transaction covered by the covenant described under the caption “— *Consolidation, Merger and Sale of Assets*”; and
- (7) any sale, transfer or other disposition by the Company or any Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Restricted Subsidiary.

“**Attributable Indebtedness**” means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“**Average Life**” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“**Bank Deposit Secured Indebtedness**” means Indebtedness of the Company or any Restricted Subsidiary that is (i) secured by bank accounts, deposits or other assets of the Company or a Restricted Subsidiary or (ii) Guaranteed by a Guarantee or a letter of credit (or similar instruments) from or arranged by the Company or a Restricted Subsidiary and is used by the Company and the Restricted Subsidiaries to in effect exchange foreign currencies into Renminbi or *vice versa* or to remit Renminbi or any foreign currency into or outside the PRC.

“**Board of Directors**” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“**Board Resolution**” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“**Business Day**” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London or Hong Kong (or in any other place in which payments on the New Notes are to be made) are authorized by law or governmental regulation to close.

“**Capitalized Lease**” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“**Capitalized Lease Obligations**” means the discounted present value of the rental obligations under a Capitalized Lease.

“**Capital Stock**” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

“**Change of Control**” means the occurrence of one or more of the following events:

- (1) the merger, amalgamation or consolidation of the Company with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one

or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person (other than one or more Permitted Holders);

- (2) the Permitted Holders are the beneficial owners of less than 50.1% of the total voting power of the Voting Stock of the Company;
- (3) any “**person**” or “**group**” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “**beneficial owner**” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (4) individuals who on the Original Issue Date constituted the Board of Directors, together with any new directors whose election by the Board of Directors was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the Board of Directors then in office; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

“**Clearstream**” means Clearstream Banking S.A.

“**Commodity Hedging Agreement**” means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to reduce or manage exposure to fluctuations in commodity prices.

“**Common Stock**” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares.

“**Consolidated Assets**” means, with respect to any Restricted Subsidiary at any date of determination, the Company and the Restricted Subsidiaries’ proportionate interest in the total consolidated assets of that Restricted Subsidiary and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company and the Restricted Subsidiaries (which the Company shall use its best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements).

“**Consolidated EBITDA**” means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense,
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), and
- (3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period and other than losses on Investment Properties arising from fair value adjustments made in conformity with GAAP), less all non-cash items increasing Consolidated Net Income (other than accrual of revenue in the ordinary course of business and gains on Investment Properties arising from fair value adjustments made in conformity with GAAP),

all as determined on a consolidated basis for the Company and the Restricted Subsidiaries in conformity with GAAP; **provided that** (1) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary,

Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any Restricted Subsidiary and (2) in the case of any future PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

“**Consolidated Fixed Charges**” means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Company’s Capital Stock (other than Disqualified Stock) or paid to the Company or to a Wholly Owned Restricted Subsidiary.

“**Consolidated Interest Expense**” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and the Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and the Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any Person (other than the Company or any Restricted Subsidiary) that is Guaranteed by, or secured by a Lien on any asset of, the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees and Liens on any Capital Stock of a Person that is not a Restricted Subsidiary), only to the extent such interest is actually paid by the Company or any Restricted Subsidiary and (7) any capitalized interest; **provided that** interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“**Consolidated Net Income**” means, for any period, the aggregate of the net income (or loss) of the Company and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; **provided that** the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:
 - (a) subject to the exclusion contained in clause (5) below, the Company’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as (i) a dividend or other distribution or (ii) as distribution in the form of intercompany loans or otherwise that is treated as dividend in advance prior to any recognition of income on the consolidated financial statements of such Person (to the extent that the amounts actually received in dividends in a future period are less than such loans or advances, with a deduction for the difference in such future period); **provided that**, in the case of such distribution in the form of intercompany loans or otherwise, such amount shall not be again included in the Consolidated Net Income in the same period or another period when it is later recognized as income (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

- (b) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;
- (2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Company or any Restricted Subsidiary;
- (3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (4) the cumulative effect of a change in accounting principles;
- (5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);
- (6) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and
- (7) any net after-tax extraordinary or non-recurring gains,

provided that (A) solely for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the current book value and the cash sale price shall be added to Consolidated Net Income; (B) for purposes of this Consolidated Net Income calculation (but not for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio) any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the original cost basis and the cash sale price shall be added to Consolidated Net Income to the extent not already included in the net income for such period as determined in conformity with GAAP and Consolidated Net Income and (C) solely for the purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains on Investment Properties arising from fair value adjustments made in conformity with GAAP shall be added to Consolidated Net Income.

“Consolidated Net Worth” means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly, semi-annual or annual consolidated balance sheet (which may be an internal consolidated balance sheet) of the Company and the Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for *Indebtedness*, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any Restricted Subsidiary, each item to be determined in conformity with GAAP.

“Contractor Guarantees” means any Guarantee by the Company or any Restricted Subsidiary of Indebtedness of any contractor, builder or other similar Person engaged by the Company or such Restricted Subsidiary in connection with the development, construction or improvement of assets, real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary in the

ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

“Credit Facilities” means one or more of the facilities or arrangements with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables or financings (including without limitation through the sale of receivables or assets to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or assets or the creation of any Liens in respect of such receivables or assets in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term **“Credit Facility”** shall include any agreement (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder (**provided that** such increase is permitted under the covenant described under the caption *“— Certain Covenants — Limitation on Indebtedness and Preferred Stock”*) or (4) otherwise altering the terms and conditions thereof.

“Currency Agreement” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to reduce or manage exposure to fluctuations in foreign exchange rates.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the New Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the New Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the New Notes; **provided that** any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an **“asset sale”** or **“change of control”** occurring prior to the Stated Maturity of the New Notes shall not constitute Disqualified Stock if the **“asset sale”** or **“change of control”** provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the covenants described under the captions *“— Certain Covenants — Limitation on Asset Sales”* and *“— Repurchase of New Notes upon a Change of Control”* and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such New Notes as are required to be repurchased pursuant to the covenants described under the captions *“— Certain Covenants — Limitation on Asset Sales”* and *“— Repurchase of New Notes upon a Change of Control.”*

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“Entrusted Loans” means borrowings by a Non-Guarantor Subsidiary from the Company or another Non-Guarantor Subsidiary (whether directly or through or facilitated by a bank or other financial institution), **provided that** such borrowings are not reflected as borrowings on the consolidated balance sheet of the Company.

“**Euroclear**” means Euroclear Bank SA/NV.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

“**Excluded Indebtedness**” means any Indebtedness in respect of the 2022 Notes.

“**Exempted Subsidiary**” means any Restricted Subsidiary organized in any jurisdiction other than the PRC that is prohibited by applicable law or regulation to provide a Subsidiary Guarantee or a JV Subsidiary Guarantee; **provided that** (x) the Company shall have failed, upon using commercially reasonable efforts, to obtain any required governmental or regulatory approval or registration with respect to such Subsidiary Guarantee or JV Subsidiary Guarantee, to the extent that such approval or registration is available under any applicable law or regulation and (y) such Restricted Subsidiary shall cease to be an Exempted Subsidiary immediately upon such prohibition ceasing to be in force or apply to such Restricted Subsidiary or upon the Company having obtained such applicable approval or registration.

“**Existing Unrestricted Subsidiaries**” means Anhui Gangfan Property Co. Ltd (安徽港帆置業有限公司) and Guangde Gangxing Property Co. Ltd (廣德市港興置業有限公司) and any of their Subsidiaries.

“**Fair Market Value**” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution, except in the case of a determination of Fair Market Value of total assets for the purposes of determining a JV Entitlement Amount, in which case such price shall be determined by an accounting, appraisal or investment banking firm of international standing appointed by the Company.

“**Fitch**” means Fitch Ratings Ltd. and its successors.

“**Fixed Charge Coverage Ratio**” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarter periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the “**Four Quarter Period**”) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

- (a) *pro forma* effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the “**Reference Period**”) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; **provided that**, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;
- (b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (c) *pro forma* effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

- (d) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
- (e) *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged or consolidated with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that, to the extent that clause (d) or (e) of this paragraph requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation shall be based upon the four full fiscal quarter periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“Franchise Company” means any Minority Joint Venture engaged in property development, of which the Company or a Restricted Subsidiary, through contractual agreements, directly or indirectly, controls or manages operations, including controlling the property planning, development, sales or management of such Minority Joint Ventures; **provided, however, that** the occurrence of any event as a result of which such corporation, association or other business entity ceases to be a Franchise Company, the Company shall be deemed to make an Investment in such entity equal to the Fair Market Value of any Investment that the Company retains, directly or indirectly, in such entity immediately following such event, which shall be made in compliance with the covenant under the caption “— *Limitation on Restricted Payments*” other than pursuant to clause (17) of the definition of Permitted Investment.

“GAAP” means generally accepted accounting principles in Hong Kong as in effect from time to time.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), **provided that** the term **“Guarantee”** shall not include endorsements for collection or deposit in the ordinary course of business. The term **“Guarantee”** used as a verb has a corresponding meaning.

“Hedging Obligation” of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

“Holder” means the Person in whose name a Note is registered in the Register.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; **provided that** (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional

Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock shall not be considered an Incurrence of Indebtedness. The terms “**Incurrence**,” “**Incurred**” and “**Incurring**” have meanings correlative with the foregoing.

“**Indebtedness**” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; **provided that** the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations; and
- (9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

Notwithstanding the foregoing, Indebtedness shall not include (1) any capital commitments, deferred payment obligations, pre-sale receipts in advance from customers or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business, or (2) Entrusted Loans; **provided that** such Indebtedness is not reflected on the consolidated balance sheet of the Company as borrowings or indebtedness (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; **provided that**:

- (1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “**Indebtedness**” so long as such money is held to secure the payment of such interest; and

- (3) the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause (2)(f) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock,*” and (ii) equal to the net amount payable by such Person if such Hedging Obligation were terminated at that time if not Incurred pursuant to such paragraph.

“**Independent Third Party**” means any Person that is not an Affiliate of the Company.

“**Interest Rate Agreement**” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to reduce or manage exposure to fluctuations in interest rates.

“**Investment**” means:

- (1) any direct or indirect advance, loan or other extension of credit to another Person;
- (2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);
- (3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or
- (4) any Guarantee of any obligation of another Person.

For the purposes of the provisions of the “**Designation of Restricted and Unrestricted Subsidiaries**” and “**Limitation on Restricted Payments**” covenants: (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Company’s proportional interest in the Fair Market Value of the assets (net of the Company’s proportionate interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“**Investment Property**” means any property that is owned and held by the Company or any Restricted Subsidiary primarily for rental yields or for capital appreciation or both, or any hotel owned or held by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

“**JV Entitlement Amount**” means, with respect to any JV Subsidiary Guarantor and its Subsidiaries, an amount that is equal to the product of (i) the Fair Market Value of the total assets of such JV Subsidiary Guarantor and its Subsidiaries, on a consolidated basis (without deducting any Indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal year end of the Company; and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or the Restricted Subsidiaries in the Capital Stock of such JV Subsidiary Guarantor and its Subsidiaries.

“**JV Subsidiary Guarantee**” has the meaning set forth under the caption “— *The Subsidiary Guarantees and the JV Subsidiary Guarantees.*”

“**JV Subsidiary Guarantor**” means a Restricted Subsidiary that executes a JV Subsidiary Guarantee.

“**Lien**” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“**Listed Subsidiary**” means any Restricted Subsidiary, any class of Voting Stock of which is listed on a Qualified Exchange, and any Restricted Subsidiary of a Listed Subsidiary; **provided that** such Restricted Subsidiary shall cease to be a Listed Subsidiary immediately upon, as applicable, (x) the Voting Stock of such Restricted Subsidiary ceasing to be listed on a Qualified Exchange, or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary of a Listed Subsidiary.

“**Measurement Date**” means December 2, 2020.

“**Minority Interest Staged Acquisition Agreement**” means an agreement between the Company and/or any Restricted Subsidiary on the one hand and an Independent Third Party on the other (x) pursuant to which the Company and/or such Restricted Subsidiary agrees to acquire less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock at the time the Company and/or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“**Minority Joint Venture**” means any corporation, association or other business entity that is accounted for by the equity method of accounting in accordance with GAAP by the Company or a Restricted Subsidiary and primarily engaged in the Permitted Businesses, and such Minority Joint Venture’s Subsidiaries.

“**Moody’s**” means Moody’s Investors Service, Inc. and its successors.

“**Net Cash Proceeds**” means:

- (1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:
 - (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment banks) related to such Asset Sale;
 - (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and the Restricted Subsidiaries, taken as a whole;
 - (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;
 - (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

- (2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Offer to Purchase” means an offer to purchase New Notes by the Company from the Holders commenced by the Company sending a notice to the Trustee, the Paying and Transfer Agent and each Holder at its last address appearing in the Register stating:

- (1) the covenant pursuant to which the offer is being made and that all New Notes validly tendered will be accepted for payment on a *pro rata* basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the **“Offer to Purchase Payment Date”**);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled **“Option of the Holder to Elect Purchase”** on the reverse side of the Note completed, to the Paying and Transfer Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying and Transfer Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of New Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such New Notes purchased; and
- (7) that Holders whose New Notes are being purchased only in part will be issued New Notes equal in principal amount to the unpurchased portion of the New Notes surrendered; **provided that** each Note purchased and each new Note issued shall be in a principal amount of US\$150,000 or integral multiples of US\$1 in excess thereof.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Paying and Transfer Agent money sufficient to pay the purchase price of all New Notes or portions thereof tendered pursuant to an Offer to Purchase. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a *pro rata* basis New Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all New Notes or portions thereof so accepted together with an Officers' Certificate specifying the New Notes or portions thereof accepted for payment by the Company.

The Paying and Transfer Agent shall as soon as reasonably practicable make payment by wire transfer to the Holders of New Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall as soon as reasonably practicable authenticate and mail to such Holders a new Note equal in principal amount

to any unpurchased portion of the Note surrendered; **provided that** each Note purchased and each new Note issued shall be in a principal amount of US\$150,000 or integral multiples of US\$1 in excess thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase New Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Company will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all New Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender New Notes pursuant to the Offer to Purchase.

“**Officer**” means one of the executive officers of the Company or, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be.

“**Officers’ Certificate**” means a certificate signed by two Officers; **provided, however, that**, with respect to the Officers’ Certificate required to be delivered by any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) under the Indenture, Officers’ Certificate means a certificate signed by one Officer if there is only one Officer in such Subsidiary Guarantor or JV Subsidiary Guarantor at the time such certificate is required to be delivered.

“**Opinion of Counsel**” means a written opinion from legal counsel who is reasonably acceptable to the Trustee.

“**Original Issue Date**” means the date on which the New Notes are originally issued under the Indenture.

“**Pari Passu Guarantee**” means a guarantee by the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor of Indebtedness of the Company (including Additional New Notes) or any Subsidiary Guarantor or JV Subsidiary Guarantor; **provided that** (1) the Company, or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, was permitted to Incur such Indebtedness under the covenant described under the caption “— *Limitation on Indebtedness and Preferred Stock*” and (2) such guarantee ranks *pari passu* with the New Notes, with any outstanding Subsidiary Guarantee of such Subsidiary Guarantor, or with any outstanding JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be.

“**Permitted Businesses**” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and the Restricted Subsidiaries on the Original Issue Date, which, for the avoidance of doubt, shall include, among others, the real estate development business and financial investment in real estate industry.

“**Permitted Holders**” means any or all of the following:

- (1) Mr. Lui Wing Wai, Mr. Lui Wing Mau, Mr. Lui Jin Ling, Mr. Lui Wing Nam and Mr. Lui Chi Chung Jimmy;
- (2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Persons specified in clause (1);
- (3) the estate, trust and any immediate family member of the Persons listed in clause (1) or the legal representative of any of the foregoing; and
- (4) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by Persons specified in clauses (1), (2) and (3).

“**Permitted Investment**” means:

- (1) any Investment in the Company or a Restricted Subsidiary, directly or indirectly through one or more other Restricted Subsidiaries, that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged, directly or indirectly through one or more other Restricted Subsidiaries, in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged, directly or indirectly through one or more other Restricted Subsidiaries, in a Permitted Business;
- (2) any Investment in cash or Temporary Cash Investments;
- (3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;
- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) any Investment pursuant to a Hedging Obligation designed to reduce or manage the exposure of the Company or any Restricted Subsidiary to fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (8) Investments made by the Company or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale made in compliance with the covenant under the caption “— *Certain Covenants — Limitation on Asset Sales*”;
- (9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “**Permitted Liens**” or made in connection with Liens permitted under the covenant described under the caption “— *Certain Covenants — Limitation on Liens*”;
- (10) any Investment pursuant to Pre-Registration Mortgage Guarantees or Contractor Guarantees by the Company or any Restricted Subsidiary otherwise permitted to be Incurred under the Indenture;

- (11) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;
- (12) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company's consolidated balance sheet;
- (13) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;
- (14) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of business;
- (15) deposits made in order to secure the performance of the Company or any Restricted Subsidiary and prepayments made in connection with the direct or indirect acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any Restricted Subsidiary (including, without limitation, by way of acquisition of Capital Stock of a Person), in each case in the ordinary course of business;
- (16) Guarantees permitted under the covenant described under the caption "*— Certain Covenants — Limitation on Indebtedness and Preferred Stock*";
- (17) any Investment (including any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the sale of Capital Stock of a Restricted Subsidiary) made in the ordinary course of business by the Company or any Restricted Subsidiary in any Person (other than a Restricted Subsidiary); **provided that:**
 - (i) the aggregate of all Investments made under this clause (17) since the Original Issue Date shall not exceed in aggregate an amount equal to 15% of Total Assets.

Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (17) since the Original Issue Date resulting from:

- (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (17), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
- (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Person,
- (C) to the extent that an Investment made after the Original Issue Date under this clause (17) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment,
- (D) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries not to exceed, in each case, the amount of Investments made pursuant to this clause (17) by the Company or any Restricted Subsidiary after the Original Issue Date in any such Person, or

(E) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of this definition),

not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (17);

(ii) none of the shareholders or partners (other than the Company or any Restricted Subsidiary) in such Person in which such Investment was made pursuant to this clause (17) is a Person described in clause (x) or (y) of the first paragraph of the covenant described under the caption “— *Certain Covenants — Limitation on Transactions with Shareholders and Affiliates*” (other than by reason of such shareholder or partner being an officer or director of the Company, a Restricted Subsidiary, Minority Joint Venture or Unrestricted Subsidiary or by reason of being a Subsidiary, Minority Joint Venture or Unrestricted Subsidiary of the Company);

(iii) no Default has occurred and is continuing or would occur as a result of such Investment; and

(iv) in the case of any Investment by the Company or any Restricted Subsidiary in a Person of which less than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by the Company or any of its Restricted Subsidiaries, at the time of such Investment, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant under the caption “— *Limitation on Indebtedness and Preferred Stock*”; **provided that** shall not apply if such Investment would otherwise have been permitted under this clause (17) and such Investment, together with the aggregate amount of all other Investments made in reliance on this proviso since the Original Issue Date, shall not exceed in aggregate an amount equal to 5% of Total Assets (such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made in reliance on this proviso since the Original Issue Date resulting from the events set forth in paragraphs (i)(A) through (i)(E) above, where references in such paragraphs to “under this clause (17)” or “under this clause (1)” shall be substituted with “in reliance on the proviso in this paragraph (iv)”).

For the avoidance of doubt, the value of each Investment made pursuant to this clause (17) shall be valued at the time such Investment is made;

(18) advances in the ordinary course of business to government authorities or government-affiliated entities in the PRC for the purpose of the development and preparation by such government authority or government affiliated entity of primary land for auction purposes which advances are recorded as deposits or prepaid expenses on the Company’s consolidated balance sheet to the extent each such advance is on normal commercial terms including being subject to repayment from the relevant government authority;

(19) an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Common Stock of the Company;

(20) repurchases of the New Notes;

(21) the purchase of Capital Stock of a Person and payments made pursuant to a Staged Acquisition Agreement or a Minority Interest Staged Acquisition Agreement;

(22) Investment that has been agreed to or is otherwise obligated to be made in a Minority Joint Venture pursuant to an agreement existing on Original Issue Date which is entered into with other shareholders or partners in such Minority Joint Venture; and

(23) Any Investment in a Franchise Company (including, among others, any deemed Investment in a Person that was a Restricted Subsidiary but becomes a Franchise Company after the issuance or sale of Capital Stock of such Person); **provided that:**

- (i) if any of the other shareholders or partners in such Franchise Company in which such Investment was made pursuant to this clause (23) is a Person described in clauses (x) or (y) of the first paragraph of the covenant under the caption “— *Limitation on Transactions with Shareholders and Affiliates*” (other than by reason of such shareholder or partner being an officer or director of the Company, a Restricted Subsidiary, Minority Joint Venture or Unrestricted Subsidiary, as the case may be, or by reason of being a Minority Joint Venture, a Restricted Subsidiary or an Unrestricted Subsidiary), such Investment shall comply with the requirements set forth under the “— *Limitation on Transactions with Shareholders and Affiliates*” covenant;
- (ii) no Default has occurred and is continuing or would occur as a result of such Investment;
- (iii) at the time of such Investment, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first sentence of clause (1) of the covenant under the caption “— *Limitation on Indebtedness and Preferred Stock*”, except that solely for purpose of this clause
- (iii) references to “2.25 to 1.0” thereunder shall be replaced with “1.0 to 1.0”; and
- (iv) the aggregate of all Investments made under this clause (23) since the Original Issue Date shall not exceed in aggregate an amount equal to 15% of Total Assets.

Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (23) since the Original Issue Date resulting from:

- (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (23), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
- (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Franchise Company,
- (C) to the extent that an Investment made after the Original Issue Date under this clause (23) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or
- (D) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of this definition),

not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Franchise Company pursuant to this clause (23).

For the avoidance of doubt, the value of each Investment made pursuant to this clause (23) shall be valued at the time such Investment is made.

“**Permitted Liens**” means:

- (1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and the Restricted Subsidiaries, taken as a whole;
- (5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or the Restricted Subsidiaries relating to such property or assets;
- (6) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; **provided that** such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; **provided further that** such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (7) Liens in favor of the Company or any Restricted Subsidiary;
- (8) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that do not give rise to an Event of Default;
- (9) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
- (10) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry, in each case, securing Indebtedness under Hedging Obligations permitted by clause (2)(f) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (11) Liens existing on the Original Issue Date;
- (12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (2)(e) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”; **provided that** such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
- (13) any interest or title of a lessor in the property subject to any operating lease;

- (14) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (2)(g) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (15) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;
- (16) Liens (including extensions and renewals thereof) upon real or personal property; **provided that**, (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under clause (2)(h) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*” and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction or improvement of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement and (c) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item; **provided that**, in the case of clauses (b) and (c), such Lien may cover other property or assets (instead of or in addition to such item of property or improvements) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets (as reflected in the most recent available consolidated financial statements of the Company (which may be internal consolidated financial statements) or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (16) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;
- (17) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (18) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (19) Liens on deposits made in order to secure the performance of the Company or any Restricted Subsidiary in connection with the acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any Restricted Subsidiary in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (20) Liens granted by the Company or a Restricted Subsidiary in favor of a Trust Company Investor in respect of, and to secure, the Indebtedness permitted under paragraph (2)(p) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (21) Liens securing Indebtedness permitted under clauses (2)(n) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (22) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement or Minority Interest Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clause (2)(o) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;

- (23) Liens incurred on bank accounts, deposits or other assets made to secure Bank Deposit Secured Indebtedness;
- (24) Liens securing Indebtedness permitted under clauses (2)(r), (s), (t), (u) or (v) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”;
- (25) Liens incurred or deposits made to secure Entrusted Loans; and
- (26) Liens on assets of a Non-Guarantor Subsidiary securing any Permitted Subsidiary Indebtedness of any Non-Guarantor Subsidiary permitted to be Incurred under the proviso in paragraph (1) of the covenant described under the caption “— *Certain Covenants-Limitation on Indebtedness and Preferred Stock*.”

“**Permitted Subsidiary Indebtedness**” means Indebtedness of, and all Preferred Stock issued by, the Non-Guarantor Subsidiaries, taken as a whole; **provided that**, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness (excluding any Public Indebtedness and any Indebtedness of any Non-Guarantor Subsidiary permitted under clauses (2)(d), (f), (g), (m) and (o) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*”) does not exceed an amount equal to 15% of Total Assets.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**PRC**” means the People’s Republic of China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

“**PRC CJV**” means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures adopted on April 13, 1988 (lastly amended on November 4, 2017 and superseded by the Foreign Investment Law of the People’s Republic of China adopted on January 1, 2020) and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995 (lastly amended on November 17, 2017 and superseded by the Regulation for Implementing the Foreign Investment Law of the People’s Republic of China adopted on January 1, 2020), as such laws may be amended.

“**PRC CJV Partner**” means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.

“**Pre-Registration Mortgage Guarantee**” means any Indebtedness of the Company or any Restricted Subsidiary consisting of a guarantee in favor of any bank or other similar financial institutions in the ordinary course of business of secured loans of purchasers of individual units of properties from the Company or any Restricted Subsidiary; **provided that**, any such guarantee shall be released in full on or before the perfection of a security interest in such properties under applicable law in favor of the relevant lender.

“**Preferred Stock**” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“**Public Indebtedness**” means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the New Notes) to institutional investors.

“**Qualified Exchange**” means either (1) The New York Stock Exchange, the London Stock Exchange, The Stock Exchange of Hong Kong Limited, the Nasdaq Stock Market, Singapore Exchange Securities Trading Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Taiwan Stock Exchange or (2) a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act).

“**Receivable Financing**” means any financing transaction or series of financing transactions that have been or may be entered into by the Company or any Restricted Subsidiary pursuant to which the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to another Person, or may grant a security interest in, any of its receivables, mortgages, royalty, other revenue streams, assets or interests therein (including without limitation, all security interests in goods financed thereby (including equipment and property), the proceeds of such receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization or factoring transactions involving such assets) for credit or liquidity management purposes (including discounting, securitization or factoring transactions) either (i) in the ordinary course of business or (ii) by way of selling securities by such other Person that are, or are capable of being, listed on any stock exchange or in any securities market and are offered using an offering memorandum or similar offering document.

“**Receivable Financing Assets**” means assets that are underlying and are sold, conveyed or otherwise transferred or pledged in a Receivable Financing.

“**Restricted Subsidiary**” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“**S&P**” means Standard & Poor’s Ratings Services and its affiliates.

“**Sale and Leaseback Transaction**” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended.

“**Securitization Fees**” means distributions or payments made directly or by means of discounts with respect to any Receivable Financing Asset or participation interest therein issued or sold in connection with and other fees paid to a Person that is not a Restricted Subsidiary in connection with any Receivable Financing.

“**Senior Indebtedness**” of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the New Notes, (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee, or (c) in respect of any Restricted Subsidiary that is a JV Subsidiary Guarantor, its JV Subsidiary Guarantee; **provided that** Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

“**Significant Subsidiary**” means a Restricted Subsidiary, or any group of Restricted Subsidiaries, when taken together and consolidated with its or their Restricted Subsidiaries, that would be a “**significant subsidiary**” within the meaning of the definition of “**significant subsidiary**” in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Original Issue Date, if any of the conditions exceeds 5%.

“**Staged Acquisition Agreement**” means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary

agrees to acquire not less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“**Stated Maturity**” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“**Subordinated Indebtedness**” means any Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the New Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“**Subordinated Shareholder Loan**” means any unsecured Indebtedness for borrowed money Incurred by the Company or any Restricted Subsidiary from but only so long as such Indebtedness is owed to any Permitted Holder which (i) is expressly made subordinate to the prior payment in full of the New Notes, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, created or remains outstanding, with respect to the payment of principal and any other payment obligations in respect of such Indebtedness, (ii) by its terms (and by the terms of any security into which it is convertible or for which it is exchangeable) does not mature and is not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise, in whole or in part, on or prior to the date that is one year after the Stated Maturity of the New Notes and (iii) by its terms, does not provide for any cash payment of interest or premium (if any).

“**Subsidiary**” means, with respect to any Person, any corporation, association or other business entity (i) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and, in each case of (i) and (ii) which is “**controlled**” and consolidated by such Person in accordance with GAAP; **provided, however, that** with respect to clause (ii), the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be “**controlled**” by such Person under the GAAP and to constitute a Subsidiary of such Person shall be deemed to be an Investment by such Person in such entity.

“**Subsidiary Guarantee**” means any Guarantee of the obligations of the Company under the Indenture and the New Notes by any Subsidiary Guarantor.

“**Subsidiary Guarantor**” means any Initial Subsidiary Guarantor and any other Restricted Subsidiary which guarantees the payment of the New Notes pursuant to the Indenture and the New Notes; **provided that** Subsidiary Guarantor will not include (a) any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the New Notes or (b) any JV Subsidiary Guarantor.

“**Temporary Cash Investment**” means any of the following:

- (1) direct obligations of the United States of America, the United Kingdom, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by the United States of America, the United Kingdom, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing, in each case maturing within one year, which in the case of obligations of, or obligations Guaranteed by, the United Kingdom, any state of the European Economic Area, shall be rated at least “**A**” by S&P, Moody’s or Fitch;

- (2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom, any state of the European Economic Area or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A”(or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;
- (4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-1”(or higher) according to Moody’s or “A-1”(or higher) according to S&P or Fitch;
- (5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P, Moody’s or Fitch;
- (6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above;
- (7) demand or time deposit accounts, certificates of deposit, overnight or call deposits, money market deposits with any bank, trust company or financial institution organized under the laws of the PRC, Hong Kong or any other jurisdiction where the Company or any Restricted Subsidiary conducts business; and
- (8) structured deposit products that are principal protected with any bank or financial institution organized under the laws of the PRC, Hong Kong or anywhere the Company or any Restricted Subsidiary conducts business operations if held to maturity (which shall not be more than one year) and can be withdrawn at any time with no more than six months’ notice.

“**Total Assets**” means, as of any date, the total consolidated assets of the Company and the Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); **provided that:**

- (1) only with respect to clause (2)(h) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*” covenant and the definition of “*Permitted Subsidiary Indebtedness*,” Total Assets shall be calculated after giving *pro forma* effect to include the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or other similar financial institutional lender providing such Indebtedness;
- (2) only with respect to clause (2)(t) of the covenant described under the caption “— *Certain Covenants — Limitation on Indebtedness and Preferred Stock*” covenant, with respect to the

Incurrence of any Acquired Indebtedness as a result of any Person becoming a Restricted Subsidiary, Total Assets shall be calculated after giving *pro forma* effect to include the consolidated assets of such Restricted Subsidiary and any other change to the consolidated assets of the Company as a result of such Person becoming a Restricted Subsidiary; and

- (3) only with respect to any Person becoming a New Non-Guarantor Subsidiary, *pro forma* effect shall at such time be given to the consolidated assets of such New Non-Guarantor Subsidiary (including giving *pro forma* effect to any other change to the consolidated assets of the Company, in each case as a result of such Person becoming a New Non-Guarantor Subsidiary).

“**Trade Payables**” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“**Transaction Date**” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“**Trust Company Investor**” means an Independent Third Party that is a bank, financial institution, insurance company, trust company, fund management company, asset management company organized under the laws of the PRC, Hong Kong Special Administrative Region, Macau Special Administrative Region or overseas countries or territories or an Affiliate thereof, that Invests in any Capital Stock of a Restricted Subsidiary.

“**Unrestricted Subsidiary**” means (1) subject to any redesignations under the section titled “— *Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries*,” each of the Existing Unrestricted Subsidiaries and their respective Subsidiaries; (2) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (3) any Subsidiary of an Unrestricted Subsidiary.

“**U.S. Government Obligations**” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the New Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; **provided that** (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“**Voting Stock**” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“**Wholly Owned**” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person; **provided that** Subsidiaries that are PRC CJVs shall not be considered Wholly Owned Subsidiaries unless such Person or one or more Wholly Owned Subsidiaries of such Person is entitled to 95% or more of the economic benefits distributable by such Subsidiary.

TAXATION

The following summary of certain Cayman Islands, British Virgin Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of New Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this exchange offer memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the New Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of New Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of New Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

CAYMAN ISLANDS

The following is a discussion of certain Cayman Islands tax consequences of an investment in the New Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstance, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest, principal or premium on the New Notes will not be subject to taxation and no withholding will be required on the payment of interest, principal or premium to any holder of the New Notes, as the case may be, nor will gains derived from the disposal of the New Notes be subject to any capital gains, income or corporation tax in the Cayman Islands. The Cayman Islands currently have no exchange control restrictions and are not party to any double taxation treaties. The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty.

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the New Notes unless they are executed in or brought within (for example, for the purposes of enforcement) the jurisdiction of the Cayman Islands, in which case stamp duty of 0.25% of the face amount thereof may be payable on each Note (up to a maximum of 250 Cayman Islands dollars ("CI\$")) unless stamp duty of CI\$500 has been paid in respect of the entire issue of New Notes.

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

- (i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (ii) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from October 15, 2018.

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2021 Revision), which became effective on January 1, 2019, together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. A Cayman Islands company is required to comply with the economic substance requirements from July 1, 2019 and make an annual report in the Cayman Islands as to whether or not it is carrying on any relevant activities and if it is, it would be required to satisfy an economic substance test.

BRITISH VIRGIN ISLANDS

The BVI enacted the Economic Substance (Companies and Limited Partnerships) Act, 2018 (the “ES Act”), which became effective on January 1, 2019, and the Rules on Economic Substance in the Virgin Islands, containing rules and guidance relating to the interpretation of the ES Act and how the International Tax Authority (the “ITA”) will carry out its obligations, were released on October 9, 2019, and were further updated on February 10, 2020. Each Subsidiary Guarantors or JV Subsidiary Guarantors (if any) incorporated in the BVI is required to report to the ITA on a periodic basis to enable the ITA to monitor compliance with the economic substance requirements, if it is carrying on one or more relevant activities. If this is the case, it may be required to adopt adequate economic substance in the BVI.

HONG KONG

Withholding Tax. No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the New Notes) and interest in respect of the New Notes.

Profits Tax. Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “Inland Revenue Ordinance”) as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the New Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the New Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- a corporation carrying on a trade, profession or business in Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale, redemption or disposal of the New Notes where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

Stamp Duty. No Hong Kong stamp duty will be chargeable upon the issue, redemption or transfer of the New Notes as the New Notes are not denominated in H.K. dollars and not redeemable in H.K. dollars.

PRC

The following summary of certain PRC tax consequences of the purchase, ownership and disposition of New Notes is based upon applicable laws, rules and regulations in effect as of the date of this exchange offer memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the New Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of New Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of New Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Taxation on Interest and Capital Gains. Under the PRC EIT Law and implementation regulations issued by the State Council, PRC income tax at the rate of 10% (or lower treaty rate, if any) must be withheld from interest payable to investors that are “non-resident enterprises” and that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant interest income is not effectively connected with the establishment or place of business, or 20% for “non-resident individuals” investors (or lower treaty rate, if any), if we are deemed to be a PRC “resident enterprise” and the interest is deemed as PRC-source income. Any gain realized on the transfer of the New Notes by such “non-resident enterprises” investors would be subject to a 10%, or 20% for “non-resident individuals” investors (or lower treaty rate, if any) PRC income tax if such gain is regarded as income derived from sources within the PRC in the case that we are treated as a PRC “resident enterprise”. There is uncertainty as to whether we will be treated as a PRC “resident enterprise” for the purpose of the EIT Law. See “Risk Factors — Risks Relating to the New Notes — Under the EIT Law we may be classified as a “resident enterprise” of the PRC, which could result in unfavorable tax consequences to us and our non-PRC holders of the New Notes.” If we are treated as a PRC “resident enterprise,” the interest we pay in respect of the New Notes, and the gain any investor may realize from the transfer of the New Notes, might be treated as income derived from sources within the PRC and be subject to PRC income tax.

Stamp Duty. No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the New Notes is maintained outside the PRC) of a Note.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the New Notes, including the Subsidiary Guarantees (collectively, the “Securities”).

The New Notes are subject to restrictions on transfer as summarized below. By purchasing the Securities, you will be deemed to have made the following acknowledgements, representations to, and agreements with, us and the Dealer Advisors:

1. You understand and acknowledge that:
 - the Securities have not been registered under the Securities Act or any other applicable securities laws;
 - the Securities are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Securities are being offered and sold only outside the United States to non-U.S. Persons (as defined in Regulation S) in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and
 - unless so registered, the Securities may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws.
2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that you are purchasing the Securities in an offshore transaction in accordance with Regulation S.
3. You acknowledge that neither we nor the Dealer Advisors nor any person representing us or the Dealer Advisors has made any representation to you with respect to us or the offering of the Securities, other than the information contained in this exchange offer memorandum. You represent that you are relying only on this exchange offer memorandum in making your investment decision with respect to the Securities. You agree that you have had access to such financial and other information concerning us and the Securities as you have deemed necessary in connection with your decision to purchase the Securities including an opportunity to ask questions of and request information from us.
4. You represent that you are purchasing the Securities for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Securities in violation of the Securities Act. You represent that you (and any person on whose behalf you are acting) are Professional Investors.
5. You also acknowledge that each note will contain a legend substantially to the following effect:

THIS NOTE AND THE SUBSIDIARY GUARANTEES RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH

TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

6. You acknowledge that we, the Dealer Advisors, the New Notes Trustee, the New Notes Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Securities is no longer accurate, you will promptly notify us, the Dealer Advisors, the New Notes Trustee and the New Notes Agent. If you are purchasing any Securities as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

LEGAL MATTERS

Certain legal matters with respect to the New Notes will be passed upon for us by Sidley Austin as to matters of Hong Kong, United States federal and New York law and Harney Westwood & Riegels as to matters of Cayman Islands law and BVI law. Certain legal matters will be passed upon for the Dealer Advisors by Clifford Chance as to matters of United States federal and New York law and Jingtian & Gongcheng as to matters of PRC Law.

INDEPENDENT AUDITOR

The consolidated financial statements as of and for the years ended December 31, 2020 and 2021 included in this exchange offer memorandum have been audited by PricewaterhouseCoopers, Certified Public Accountants, as stated in their reports appearing herein. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2022 have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, as stated in their report appearing herein.

GENERAL INFORMATION

CONSENTS

We have obtained all necessary consents, approvals and authorizations in the Cayman Islands, the BVI and Hong Kong in connection with the issue and performance of the New Notes and the Subsidiary Guarantees. The entering into of the Indenture and the issue of the New Notes have been authorized by a resolution of our board of directors dated October 19, 2022.

LITIGATION

Except as disclosed in this exchange offer memorandum, there are no legal or arbitration proceedings against or affecting us, any of our subsidiaries or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the New Notes or the Subsidiary Guarantees.

NO MATERIAL ADVERSE CHANGE

Except as otherwise disclosed in this exchange offer memorandum, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since June 30, 2022 that is material in the context of the issue of the New Notes.

DOCUMENTS AVAILABLE

For so long as any of the New Notes is outstanding, upon prior written request and satisfactory proof of holding and identity, copies of the Indenture may be inspected during normal business hours (being 9:00 a.m. to 3:00 p.m.) Monday to Friday (except public holidays) at the specified offices of the Trustee.

For so long as any of the New Notes is outstanding, upon prior written request and satisfactory proof of holding and identity, copies of the independent auditor's reports and/or review report and/or our published financial statements, if any, including the independent auditor's reports and/or review report set out in the section entitled "Index to Financial Information" in this exchange offer memorandum, may be obtained during normal business hours (being 9:00 a.m. to 3:00 p.m.) Monday to Friday (except public holidays) at the principal/registered office of the Company.

CLEARING SYSTEMS AND SETTLEMENT

The New Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the New Notes is set forth below:

ISIN	XS2545232832
Common Code	254523283

LISTING OF THE NEW NOTES

Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the New Notes, the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any). For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the New Notes may be presented or surrendered for payment or redemption, in the event that the global certificate is exchanged for definitive certificates. In addition, in the event that the global certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

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Notes:

- (1) Our unaudited interim condensed financial information as of and for the six months ended June 30, 2022 is a reproduction from our interim report for the six months ended June 30, 2022 and page references to pages set forth in such interim report.
- (2) Our audited consolidated financial statements as of and for the year ended December 31, 2021 is a reproduction of our annual report for the year ended December 31, 2021 and page references to pages set forth in such annual report.
- (3) Our audited consolidated financial statements as of and for the year ended December 31, 2020 is a reproduction of our annual report for the year ended December 31, 2020 and page references to pages set forth in such annual report.

Report on Review of Interim Financial Information 中期財務資料的審閱報告



To the Board of Directors of Ganglong China Property Group Limited

致港龍中國地產集團有限公司董事會

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

羅兵咸永道

Introduction

We have reviewed the interim financial information set out on pages 45 to 88, which comprises the interim condensed consolidated statement of financial position of Ganglong China Property Group Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2022 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

本核數師(以下簡稱「我們」)已審閱列載於第45至88頁的中期財務資料，此中期財務資料包括港龍中國地產集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於2022年6月30日的中期簡明綜合財務狀況表與截至該日止六個月期間的中期簡明綜合全面收益表、中期簡明綜合權益變動表和中期簡明綜合現金流量表，以及附註，包括主要會計政策和其他解釋信息。香港聯合交易所有限公司證券上市規則規定，就中期財務資料擬備的報告必須符合以上規則的有關條文以及香港會計師公會頒布的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒布的香港審閱聘用準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據《香港審計準則》進行審計的範圍為小，故不能令我們可保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們不會發表審計意見。

Report on Review of Interim Financial Information (Continued) 中期財務資料的審閱報告(續)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 August 2022

結論

按照我們的審閱，我們並無發現任何事項，令我們相信貴集團的中期財務資料未有在各重大方面根據香港會計準則第34號「中期財務報告」擬備。

羅兵咸永道會計師事務所

執業會計師

香港，2022年8月25日

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Interim Condensed Consolidated Statement of Comprehensive Income

中期簡明綜合全面收益表

For the six months ended 30 June 2022 | 截至2022年6月30日止六個月

		Six months ended 30 June		
		截至6月30日止六個月		
		2022	2021	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue from contracts with customers	來自客戶合約的收益	6	5,478,713	4,858,839
Cost of sales	銷售成本	8	(4,338,019)	(3,719,851)
Gross profit	毛利		1,140,694	1,138,988
Other income and other gains, net	其他收入及其他收益淨額	7	25,178	75,467
Selling and marketing expenses	銷售及營銷開支	8	(209,510)	(296,441)
General and administrative expenses	一般及行政開支	8	(242,305)	(284,878)
Operating profit	經營溢利		714,057	633,136
Finance income	融資收入	9	19,929	21,614
Finance costs	融資成本	9	(84,148)	(148,738)
Finance costs – net	融資成本淨額	9	(64,219)	(127,124)
Share of results of joint ventures and associates	應佔合營企業與聯營公司業績	15	49,074	192,121
Profit before income tax	除所得稅前溢利		698,912	698,133
Income tax expenses	所得稅開支	10	(245,656)	(245,045)
Profit and total comprehensive income for the period	期內溢利及全面收益總額		453,256	453,088
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		180,421	156,937
Non-controlling interests	非控股權益		272,835	296,151
			453,256	453,088
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔溢利之每股盈利(每股以人民幣列示)			
– Basic and diluted	– 基本及攤薄	12	0.11	0.10

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述中期簡明綜合全面收益表應與所附附註一併閱讀。

Interim Condensed Consolidated Statement of Financial Position

中期簡明綜合財務狀況表

As at 30 June 2022 | 於2022年6月30日

			30 June 2022 2022年6月30日	31 December 2021 2021年12月31日
		Note 附註	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	130,026	138,939
Investment properties	投資物業	14	183,020	183,020
Investments accounted for using the equity method	採用權益法列賬的投資	15	1,668,958	1,619,884
Deferred income tax assets	遞延所得稅資產		391,512	409,496
Total non-current assets	非流動資產總額		2,373,516	2,351,339
Current assets	流動資產			
Properties under development	開發中物業	16	35,381,299	36,670,782
Completed properties held for sale	持作出售的已竣工物業	16	1,891,933	2,375,337
Trade and other receivables and prepayments	貿易及其他應收款項及預付款項	17	2,343,176	1,804,477
Amounts due from associates	應收聯營公司款項	28	133,108	129,850
Amounts due from joint ventures	應收合營企業款項	28	139,735	253,761
Amounts due from non-controlling interests	應收非控股權益款項	23	4,176,644	3,960,807
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產	18	20,828	-
Tax recoverable	可收回稅項		692,631	1,497,073
Restricted cash	受限制現金	19	4,128,246	4,608,272
Pledged time deposits	已抵押定期存款	19	3,199	71,657
Cash and bank balances	現金及銀行結餘	19	1,605,909	2,304,919
Total current assets	流動資產總額		50,516,708	53,676,935
Total assets	資產總額		52,890,224	56,028,274
Equity	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	20	14,881	14,900
Reserves	儲備		4,006,536	3,826,972
			4,021,417	3,841,872
Non-controlling interests	非控股權益		6,990,540	6,435,880
Total equity	權益總額		11,011,957	10,277,752

Interim Condensed Consolidated Statement of Financial Position (Continued)

中期簡明綜合財務狀況表(續)

As at 30 June 2022 | 於2022年6月30日

			30 June 2022 2022年6月30日	31 December 2021 2021年12月31日
		Note 附註	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
Liabilities	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	21	6,812,011	6,736,574
Lease liabilities	租賃負債		74,980	80,188
Deferred income tax liabilities	遞延所得稅負債		203,248	157,124
Total non-current liabilities	非流動負債總額		7,090,239	6,973,886
Current liabilities	流動負債			
Trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項	22	3,606,119	5,076,982
Lease liabilities	租賃負債		16,681	16,629
Contract liabilities	合約負債	6	26,239,400	27,240,235
Amounts due to associates	應付聯營公司款項	28	971,733	705,827
Amounts due to joint ventures	應付合營企業款項	28	686,269	804,488
Amounts due to non-controlling interests	應付非控股權益款項	23	1,365,678	1,858,586
Tax payable	應付稅項		348,205	315,876
Borrowings	借款	21	1,553,943	2,758,013
Total current liabilities	流動負債總額		34,788,028	38,776,636
Total liabilities	負債總額		41,878,267	45,750,522
Total equity and liabilities	權益及負債總額		52,890,224	56,028,274

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述中期簡明綜合財務狀況表應與所附附註一併閱讀。

The interim condensed consolidated financial information on pages 45 to 88 were approved by the Board of Directors of the Company on 25 August 2022 and were signed on its behalf.

第45至88頁的中期簡明綜合財務資料已於2022年8月25日獲本公司董事會批准，並代表其簽署。

Mr. Lui Ming
呂明先生
Director
董事

Mr. Lui Jin Ling
呂進亮先生
Director
董事

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明綜合權益變動表

For the six months ended 30 June 2022 | 截至2022年6月30日止六個月

		Attributable to owners of the Company					Non-		
		本公司擁有人應佔					controlling		
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Sub-total	interests	Total
		股本	股份溢價	法定儲備	其他儲備	保留盈利	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Six months ended 30 June 2022	截至2022年6月30日								
(Unaudited)	止六個月(未經審核)								
Balance at 1 January 2022	於2022年1月1日結餘	14,900	1,467,819	232,788	282,964	1,843,401	3,841,872	6,435,880	10,277,752
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	180,421	180,421	272,835	453,256
Transactions with owners:	與擁有人的交易：								
Buyback of shares (Note 20)	購回股份(附註20)	-	-	-	(876)	-	(876)	-	(876)
Cancellation of shares (Note 20)	註銷股份(附註20)	(19)	(6,988)	-	7,007	-	-	-	-
Disposal of a subsidiary (Note 25(a))	出售一間附屬公司(附註25(a))	-	-	-	-	-	-	14,525	14,525
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	267,300	267,300
Appropriation to statutory reserve	轉撥至法定儲備	-	-	154,198	-	(154,198)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以其作為擁有人的身份)的交易總額	(19)	(6,988)	154,198	6,131	(154,198)	(876)	281,825	280,949
Balance at 30 June 2022	於2022年6月30日結餘	14,881	1,460,831	386,986	289,095	1,869,624	4,021,417	6,990,540	11,011,957

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

中期簡明綜合權益變動表(續)

For the six months ended 30 June 2022 | 截至2022年6月30日止六個月

		Attributable to owners of the Company					Sub-total	Non-controlling interests	Total
		本公司擁有人應佔							
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings			
		股本	股份溢價	法定儲備	其他儲備	保留盈利	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Six months ended 30 June 2021	截至2021年6月30日								
(unaudited)	止六個月(未經審核)								
Balance at 1 January 2021	於2021年1月1日結餘	14,919	1,474,816	227,833	315,515	1,660,931	3,694,014	792,679	4,486,693
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	156,937	156,937	296,151	453,088
Transactions with owners:	與擁有人的交易:								
Dividends for the year ended 31 December 2020 (Note 11)	截至2020年12月31日止年度的股息(附註11)	-	-	-	-	(293,511)	(293,511)	-	(293,511)
Acquisition of additional interests in subsidiaries (Note 24)	收購附屬公司額外權益(附註24)	-	-	-	2,032	-	2,032	(5,672)	(3,640)
Waiver of advances from non-controlling interest (Note a)	豁免非控股權益墊款(附註a)	-	-	-	-	-	-	1,847,133	1,847,133
Deemed disposal of Nanjing Jinjun (Note 25(b))	視作出售南京金俊(附註25(b))	-	-	-	-	-	-	(22,010)	(22,010)
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	2,460,290	2,460,290
Appropriation to statutory reserve	轉撥至法定儲備	-	-	117,478	-	(117,478)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以其作為擁有人的身份)的交易總額	-	-	117,478	2,032	(410,989)	(291,479)	4,279,741	3,988,262
Balance at 30 June 2021	於2021年6月30日結餘	14,919	1,474,816	345,311	317,547	1,406,879	3,559,472	5,368,571	8,928,043

Note a: During the six months ended 30 June 2021, certain subsidiaries of the Group have passed shareholders' resolution to waive certain rights of advances from non-controlling interests. Accordingly, advances from non-controlling interests amounted to RMB1,847,133,000 have been recognised in equity during the six months ended 30 June 2021.

附註a: 截至2021年6月30日止六個月, 本集團若干附屬公司已通過股東決議案豁免若干非控股權益墊款權。因此, 截至2021年6月30日止六個月, 非控股權益墊款人民幣1,847,133,000元已於權益中確認。

Interim Condensed Consolidated Statement of Cash Flows

中期簡明綜合現金流量表

For the six months ended 30 June 2022 | 截至2022年6月30日止六個月

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from/(used in) operations	營運所得/(所用)現金	1,448,308	(2,978,345)
Income tax paid	已付所得稅	(370,249)	(355,685)
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	1,078,059	(3,334,030)
Cash flows from investing activities	投資活動所得現金流量		
Payments for purchase of property, plant and equipment	購買物業、廠房及設備付款	(11,136)	(7,684)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	-	1,112
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公允價值計量且其變動計入損益的金融資產的所得款項	11,732	-
Payments for purchase of financial assets at fair value through profit and loss	購買按公允價值計量且其變動計入損益的金融資產付款	(34,987)	(43,326)
Investment in associates	投資聯營公司	-	(70,630)
Investment in joint ventures	投資合營企業	-	(165,395)
Advances to associates	向聯營公司墊款	(1,283)	(168,408)
Repayment of advances to associates	償還向聯營公司墊款	-	140,585
Advances to joint ventures	向合營企業墊款	(5,244)	(61,172)
Repayment of advances to joint ventures	償還向合營企業墊款	51,200	292,159
Advances to non-controlling interests	向非控股權益墊款	(1,089,956)	(1,543,399)
Repayment of advances to non-controlling interests	償還向非控股權益墊款	676,728	347,074
Net cash disposed of on deemed disposal of a subsidiary	就視作出售一間附屬公司所產生的出售現金淨額	-	(81,669)
Net cash disposed of on disposal of a subsidiary	就出售一間附屬公司所產生的出售現金淨額	(30,379)	-
Interest received	已收利息	19,929	21,614
Net cash used in investing activities	投資活動所用現金淨額	(413,396)	(1,339,139)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

中期簡明綜合現金流量表(續)

For the six months ended 30 June 2022 | 截至2022年6月30日止六個月

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cash flows from financing activities	融資活動所得現金流量		
Advances from associates	聯營公司墊款	275,931	6,000
Repayment of advances from associates	償還聯營公司墊款	(12,000)	(36)
Advances from joint ventures	合營企業墊款	28,451	58,896
Repayment of advances from joint ventures	償還合營企業墊款	(78,600)	(2,442)
Advances from non-controlling interest	非控股權益墊款	369,331	901,896
Repayment of advances from non-controlling interest	償還非控股權益墊款	(664,848)	(981,158)
Repayment of advances from third parties	償還第三方墊款	(19,342)	-
Proceeds from borrowings	借款所得款項	1,428,002	4,572,256
Repayment of borrowings	償還借款	(2,556,635)	(3,488,410)
Repayment of principal portion of lease liabilities	償還租賃負債本金部分	(7,624)	(11,636)
Repayment of interest portion of lease liabilities	償還租賃負債利息部分	(3,502)	(3,817)
Payments for acquisition of non-controlling interests	收購非控股權益付款	-	(3,640)
Buyback of shares	購回股份	(1,519)	-
Capital injection from non-controlling interests	非控股權益注資	267,300	2,460,290
Interest paid	已付利息	(388,618)	(290,313)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(1,363,673)	3,217,886
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(699,010)	(1,455,283)
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	2,304,919	4,547,628
Cash and cash equivalents at the end of the period	期末現金及現金等價物	1,605,909	3,092,345

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述中期簡明綜合現金流量表應與所附附註一併閱讀。

Notes to the Interim Condensed Consolidated Financial Information

中期簡明綜合財務資料附註

1 General Information

The Company was incorporated in the Cayman Islands on 8 October 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the **"Group"**) are principally engaged in the development of real estate projects in the People's Republic of China (the **"PRC"**).

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 15 July 2020.

This interim condensed consolidated financial information is presented in Renminbi (**"RMB"**), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board on 25 August 2022.

This interim condensed consolidated financial information for the six months ended 2022 has not been audited.

2 Basis of Preparation

This interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard (**"HKAS"**) 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**).

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Company during the interim reporting period.

1 一般資料

本公司於2018年10月8日根據開曼群島法例第22章公司法(1961年法例三,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands。

本公司為一間投資控股公司。本公司及其附屬公司(統稱**"本集團"**)主要在中華人民共和國(**"中國"**)從事房地產項目開發。

本公司股份於2020年7月15日在香港聯合交易所有限公司(**"聯交所"**)上市。

除另有說明外,本中期簡明綜合財務資料以人民幣(**"人民幣"**)列示。董事會於2022年8月25日批准發佈本中期簡明綜合財務資料。

截至2022年6月30日止六個月的本中期簡明綜合財務資料尚未經過審核。

2 編製基準

截至2022年6月30日止六個月之本中期簡明綜合財務資料乃根據香港會計師公會(**"香港會計師公會"**)頒佈之香港會計準則(**"香港會計準則"**)第34號「中期財務報告」而編製。

中期報告不包括一般於年度財務報告納入的所有種類附註。因此,本報告須與截至2021年12月31日止年度的年報及本公司於中期報告期間發佈的任何公告一併閱讀。

3 Accounting Policies

The accounting policies applied are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

(a) New and amended standard adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

HKAS 16 (Amendments)

香港會計準則第16號(修訂本)

HKAS 37 (Amendments)

香港會計準則第37號(修訂本)

HKFRS 3 (Amendments)

香港財務報告準則第3號(修訂本)

Accounting Guideline 5 (Revised)

會計指引第5項(修訂)

Annual Improvements Projects

年度改進項目

Property, Plant and Equipment: Proceeds before intended use

物業、廠房及設備：作擬定用途前的所得款項

Onerous Contracts - Cost of Fulfilling a Contract

虧損合約－履行合約的成本

Reference to the Conceptual Framework

引用概念框架

Merger Accounting for Common Control Combinations

共同控制合併的合併會計法

Annual Improvements to HKFRS Standard 2018-2020

香港財務報告準則2018年至2020年之年度改進

3 會計政策

除下文所載所得稅預估及採用新訂及經修訂準則外，所採用的會計政策與上一個財政年度及相應中期報告期間的會計政策一致。

(a) 本集團採納的新訂及經修訂準則

若干新訂或經修訂準則適用於本報告期間。本集團毋須就採納該等準則而變更其會計政策或進行追溯調整。

Notes to the Interim Condensed Consolidated Financial Information (Continued)

中期簡明綜合財務資料附註(續)

3 Accounting Policies (Continued)

(b) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after 於下列日期 或之後起的 年度期間生效
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	1 January 2023 2023年1月1日
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Classification of Liabilities as Current or Non-current 負債分類為流動或非流動	1 January 2023 2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2 香港會計準則第1號及香港財務報告 準則實務報告第2號(修訂本)	Disclosure of Accounting Policies 會計政策披露	1 January 2023 2023年1月1日
Amendments to HKAS 8 香港會計準則第8號(修訂本)	Definition of Accounting Estimates 會計估計的定義	1 January 2023 2023年1月1日
Amendments to HKAS 12 香港會計準則第12號(修訂本)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 與單一交易所產生與資產及負債有關之遞延稅項	1 January 2023 2023年1月1日
Hong Kong Interpretations 5 (2020) 香港詮釋第5號(2020年)	Presentation of financial statements classification by the borrower of a term loan that contains a repayable on demand clause 財務報表的呈列 – 借款人對載有按要求償還條款的 定期貸款的分類	1 January 2023 2023年1月1日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計 準則第28號(修訂本)	Sale or contribution of assets between an investor and its associates or joint venture 投資者與其聯營公司或合營企業之間的資產出售或注資	To be determined 待定

These new standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

若干新訂會計準則及詮釋已發佈，惟於本報告期間尚未強制生效，亦未獲本集團提早採納：

3 會計政策(續)

(b) 已頒佈但本集團尚未應用的準則的影響

4 重要會計估計及判斷

4 Critical Accounting Estimates and Judgements

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the critical accounting estimates and judgements applied were consistent with those described in the annual consolidated financial statements for the year ended 31 December 2021.

預期該等新訂準則及修訂不會對本集團目前或未來報告期間以及可見將來的交易構成任何重大影響。

編製中期簡明綜合財務資料需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響會計政策的應用以及所呈報的資產及負債、收入及支出的金額。實際結果可能與這些估計不同。在編製本中期簡明綜合財務資料時，所應用的重要會計估計及判斷與截至2021年12月31日止年度的年度綜合財務報表所述的一致。

5 Financial Risk Management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

There have been no changes in the risk management policies since 31 December 2021.

5.1.1 Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and through having available sources of financing.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include reducing land acquisition, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing and seeking joint venture partners to develop projects. The Group will pursue such options basing on its assessment of relevant future costs and benefits. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

5 財務風險管理

5.1 財務風險因素

本集團的業務活動面臨多種財務風險：市場風險(包括外匯風險及利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的難測性，並力求將其對本集團財務表現的潛在不利影響減至最低。

本中期簡明綜合財務資料並不包括年度財務報表中規定的所有財務風險管理資料及披露，且應與本集團截至2021年12月31日止年度的年度綜合財務報表一併閱讀。

自2021年12月31日起，風險管理政策並無任何變動。

5.1.1 流動資金風險

本集團管理層旨在維持充足現金及現金等價物或透過預售物業所得款項及充足的可用融資(包括短期及長期借款以及來自股東的額外資金)獲得可用資金。由於相關業務千變萬化，本集團透過保持充足的現金及現金等價物及取得可用的融資來源以確保融資的靈活性。

本集團有多項替代計劃以減輕經濟環境出現重大不利變動對預測現金流量的潛在影響。該等計劃包括減少土地收購、調整項目開發時間表以適應當地物業市場環境的改變、實施成本控制措施、促銷已竣工物業、制定更靈活的定價加快銷售及物色合營企業合作夥伴共同開發項目。本集團會基於對相關未來成本及利益的評估作出選擇。董事認為，本集團有能力維持充足的財務資源以滿足經營需要。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

5 Financial Risk Management (Continued)

5.1 Financial risk factors (Continued)

5.1.1 Liquidity risk (Continued)

The table below sets out the Group's financial liabilities by relevant maturity grouping at each statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		On demand	Less than 1 year	1-2 years	2-5 years	Over 5 years	Total
		按要求	1年內	1至2年	2至5年	5年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 30 June 2022 (Unaudited)	於2022年6月30日 (未經審核)						
Borrowings (including interest payables)	借款(包括應付利息)	66,367	2,364,445	4,377,411	2,525,499	-	9,333,722
Trade payables, bills payables and other payables, excluding payroll payable and other taxes payable	貿易應付款項、應付票據及其他應付款項，不包括應付薪資及其他應付稅項	-	3,083,803	-	-	-	3,083,803
Amounts due to associates	應付聯營公司款項	971,733	-	-	-	-	971,733
Amounts due to joint ventures	應付合營企業款項	686,269	-	-	-	-	686,269
Amounts due to non-controlling interests	應付非控股權益款項	1,365,678	-	-	-	-	1,365,678
Lease liabilities (including interest payables)	租賃負債(包括應付利息)	-	22,882	16,377	39,159	39,698	118,116
		3,090,047	5,471,130	4,393,788	2,564,658	39,698	15,559,321

5 財務風險管理(續)

5.1 財務風險因素(續)

5.1.1 流動資金風險(續)

下表載列於各財務狀況表日期按相關到期日劃分的本集團的金融負債。表內所披露之金額均為合約未貼現現金流量。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

5 Financial Risk Management (Continued)

5.1 Financial risk factors (Continued)

5.1.1 Liquidity risk (Continued)

		On demand 按要求 RMB'000 人民幣千元	Less than 1 year 1年內 RMB'000 人民幣千元	1-2 years 1至2年 RMB'000 人民幣千元	2-5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2021 (Audited)	於2021年12月31日 (經審核)						
Borrowings (including interest payables)	借款(包括應付利息)	63,747	3,433,866	2,617,245	4,777,393	-	10,892,251
Trade payables, bills payables and other payables, excluding payroll payable and other taxes payable	貿易應付款項、應付票據及其他應付款項，不包括應付薪資及其他應付稅項	-	4,799,951	-	-	-	4,799,951
Amounts due to associates	應付聯營公司款項	705,827	-	-	-	-	705,827
Amounts due to joint ventures	應付合營企業款項	804,488	-	-	-	-	804,488
Amounts due to non-controlling interests	應付非控股權益款項	1,858,586	-	-	-	-	1,858,586
Lease liabilities (including interest payables)	租賃負債(包括應付利息)	-	23,274	18,995	38,593	45,642	126,504
		3,432,648	8,257,091	2,636,240	4,815,986	45,642	19,187,607

The Group also provides guarantees to secure repayment obligation of certain purchasers of the Group's property units and the principal of borrowings of the joint ventures and associates, which will have contractual cash flows only if the guarantee purchasers, joint ventures and associates default the repayment (Note 26).

本集團亦提供擔保作為本集團物業單位的若干買家還款責任及合營企業及聯營公司借款本金的抵押，其僅在受擔保的買家、合營企業及聯營公司拖欠還款的情況下，方會產生合約現金流量(附註26)。

5 財務風險管理(續)

5.1 財務風險因素(續)

5.1.1 流動資金風險(續)

5 Financial Risk Management (Continued)

5.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Except for the compliance of certain financial covenants (Note 21) for maintaining the Group's banking facilities and borrowings, the Group is not subject to any externally imposed capital requirements. The management monitors capital on the basis of the gearing ratio of the Group. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, amounts due to third parties, amounts due to associates and joint ventures, amounts due to non-controlling interests and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the interim condensed consolidated statement of financial position plus net debt.

5 財務風險管理(續)

5.2 資本風險管理

本集團的資本管理目標為保障本集團持續經營的能力，從而為擁有人及其他利益相關方提供回報及利益，同時維持最佳資本結構以降低資本成本。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東退還資本、發行新股或出售資產以減少債務。除須遵守若干金融契約(附註21)以維持本集團的銀行融資及借款外，本集團不受任何外部施加的資本要求所約束。管理層根據本集團的資產負債比率監控資本。該比率按債務淨額除資本總額計算。債務淨額按借款總額、應付第三方款項、應付聯營公司及合營企業款項、應付非控股權益款項與租賃負債減現金及現金等價物計算。資本總額按中期簡明綜合財務狀況表所示的「權益」加債務淨額計算。

		As of 30 June 2022 於2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As of 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Borrowings (Note 21)	借款(附註21)	8,365,954	9,494,587
Amounts due to third parties (Note 22)	應付第三方款項(附註22)	-	139,812
Amounts due to associates (Note 28)	應付聯營公司款項(附註28)	971,733	705,827
Amounts due to joint ventures (Note 28)	應付合營企業款項(附註28)	686,269	804,488
Amounts due to non-controlling interests (Note 23)	應付非控股權益款項(附註23)	1,365,678	1,858,586
Lease liabilities	租賃負債	91,661	96,817
Total borrowings	借款總額	11,481,295	13,100,117
Less: Cash and cash equivalents (Note 19)	減：現金及現金等價物(附註19)	(1,605,929)	(2,304,919)
Net borrowings	借款淨額	9,875,366	10,795,198
Total equity	權益總額	11,011,957	10,277,752
Total capital	資本總額	20,887,323	21,072,950
Gearing ratio	資產負債比率	47.3%	51.2%

5 Financial Risk Management (Continued)

5.3 Fair value estimation

(a) Financial assets carried at fair value

The Group's financial assets carried at fair value include financial assets at fair value through profit or loss. The different levels of the financial instruments carried at fair value, by valuation method, have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The financial assets at fair value through profit or loss are measured at fair value, which is grouped into level 1 fair value measurements, subsequent to initial recognition. The fair values of the financial assets is determined based on quoted market prices at the end of the reporting period.

The Group's policy was to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers among levels 1, 2 and 3 for recurring fair value measurements.

5 財務風險管理(續)

5.3 公允價值估計

(a) 按公允價值列賬的金融資產

本集團按公允價值列賬的金融資產包括按公允價值計量且其變動計入損益的金融資產。按公允價值列賬的金融工具按估值方法劃分的不同層級定義如下：

第1級：在活躍市場買賣的金融工具(如公開交易的衍生工具、股本證券)的公允價值基於報告期末的市場報價釐定。本集團持有的金融資產所用的市場報價為當前投標價格。該等工具均計入第1級。

第2級：未在活躍市場買賣的金融工具的公允價值使用估值技術釐定，該技術最大限度利用可觀察市場數據並盡可能減少依賴實體特定的估計。倘釐定一項工具公允價值所需的所有主要輸入數據均可觀察得出，則該工具計入第2級。

第3級：倘一項或多項主要輸入數據並非基於可觀察的市場數據得出，則該工具計入第3級。非上市股本證券屬此種情況。

按公允價值計量且其變動計入損益的金融資產在初始確認後按公允價值計量，其歸入第1級公允價值計量。金融資產的公允價值基於報告期末的市場報價釐定。

本集團的政策為確認於報告期末的公允價值層級等級的轉入及轉出。第1級、第2級及第3級經常性公允價值計量之間並無轉移。

5 Financial Risk Management (Continued)

5.3 Fair value estimation (Continued)

(b) Investment properties

Investment properties of the Group were measured at fair value.

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of investment properties that are recognised and measured at fair value in the interim condensed consolidated financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers among levels 1, 2 and 3 for recurring fair value measurements during the six months ended 30 June 2022 (six months ended 30 June 2021: same).

(ii) Valuation techniques used to determine level 3 fair values

The directors determine a property's value within a range of reasonable fair value estimates. Fair values of the Group's completed investment properties are derived using the income capitalisation approach. This valuation method takes into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate.

All resulting fair value estimates for investment properties are included in level 3.

5 財務風險管理(續)

5.3 公允價值估計(續)

(b) 投資物業

本集團的投資物業按公允價值計量。

(i) 公允價值層級

本附註對釐定中期簡明綜合財務資料中按公允價值確認及計量的投資物業的公允價值時進行的判斷及估計作出解釋。為就釐定公允價值時使用的輸入數據可靠程度提供指標，本集團按照會計準則項下訂明的三個等級對其非金融資產進行分類。

本集團的政策為確認於報告期末的公允價值層級等級的轉入及轉出。

截至2022年6月30日止六個月，第1級、第2級及第3級經常性公允價值計量之間並無轉移(截至2021年6月30日止六個月：相同)。

(ii) 釐定第3級公允價值所用的估值方法

董事在合理的公允價值估計範圍內釐定物業的價值。本集團的已竣工投資物業公允價值使用收入資本化法計量。採用該估值方法時，計及該物業源於其現有租賃及/或在當前市場中可實現的租金收入淨額，並充分考慮租賃的可復歸潛在收入，且該等收入已按照合適的資本化率進行資本化，以釐定公允價值。

由此得出的投資物業的所有公允價值估計計入第3級內。

5 Financial Risk Management (Continued)

5.3 Fair value estimation (Continued)

(b) Investment properties (Continued)

(iii) Valuation processes of the Group

The Group's investment properties were valued by an independent professionally qualified valuer, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department has a team to review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and the valuer at least once in each reporting periods.

At each reporting period end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior period/year valuation report; and
- Holds discussions with the independent valuer.

5 財務風險管理(續)

5.3 公允價值估計(續)

(b) 投資物業(續)

(iii) 本集團的估值過程

本集團的投資物業由獨立專業合資格估值師估值，該估值師持有獲認可的相關專業資格，且於所估值投資物業所在地區及種類具備近期估值的經驗。就所有投資物業而言，其現時的用途即為其最高及最佳用途。

本集團的財務部門設有一個團隊，專門審閱由獨立估值師就財務報告目的而進行之估值。該團隊直接向執行董事匯報。執行董事、估值團隊及估值師至少每個報告期討論一次估值程序及結果。

於各報告期末，財務部門：

- 核實獨立估值報告的所有主要輸入數據；
- 評估物業估值相較上一期間/年度估值報告的變動；及
- 與獨立估值師開展討論。

Notes to the Interim Condensed Consolidated Financial Information (Continued)

中期簡明綜合財務資料附註(續)

6 Revenue and Segment Information

The Executive Directors has been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are then submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors assess the performance of the operating segment based on a measure of profit before income tax and regard these to be only one operating segment – property development. Accordingly, segment disclosures are not presented. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risk and returns.

For the six months ended 30 June 2022 and 2021, there was no transaction with a single external customer that amounted to 10% or more of the Group's revenue.

The revenue from external parties is derived from numerous external customers and the revenue reported to the Executive Directors is measured in a manner consistent with that in the interim condensed consolidated financial information.

6 收益及分部資料

執行董事已被確認為主要經營決策者。管理層根據本集團的內部報告釐定經營分部，並隨後提呈予執行董事用以評估表現及分配資源。

執行董事根據除所得稅前溢利計量評估經營分部的表現，並視之為唯一的經營分部，即物業開發。因此，未呈列分部披露資料。由於本集團的大部分資產及業務位於中國（被視為位於具有相似風險及回報的經濟環境下的地理區域），故未呈列地理分部分析。

截至2022年及2021年6月30日止六個月，與單一外部客戶的交易佔比概無超過本集團收益的10%或以上。

來自外部各方的收益源於大量外部客戶，而向執行董事呈報的收益採用與中期簡明綜合財務資料一致的方式計量。

Six months ended 30 June

截至6月30日止六個月

		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of properties	物業銷售	5,478,713	4,858,839

The revenue from contracts with customers recognised during six months ended 30 June 2022 and 2021 are sales of properties in the PRC, all of which are recognised at a point in time.

截至2022年及2021年6月30日止六個月確認的來自客戶合約的收益為位於中國的物業銷售（均於某一時點予以確認）。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

6 Revenue and Segment Information
 (Continued)

(a) Details of contract liabilities

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Contract liabilities related to sales of properties (Note)	與物業銷售有關的合約負債 (附註)	26,239,400	27,240,235

Note: As of 30 June 2022 and 31 December 2021, contract liabilities represent advanced payments received from customers for properties that have not yet been transferred to the customers.

附註：截至2022年6月30日及2021年12月31日，合約負債指就尚未轉讓予客戶的物業向客戶收取的預付款項。

(b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised during the periods related to carried-forward contract liabilities.

		Six months ended 30 June 截至6月30日止六個月	
		2022 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue recognised that was included in the contract liabilities balance at the beginning of the periods	期初計入合約負債結餘的已確認收益		
Sales of properties	物業銷售	5,096,728	4,408,577

(b) 與合約負債有關的已確認收益

下表載列期內已確認與結轉合約負債相關的收益。

(c) Unsatisfied contracts related to sales of properties

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Sales of properties	物業銷售		
Expected to be recognised	預期將予確認		
– Within one year	—一年內	12,693,849	13,906,177
– After one year	—一年後	16,430,947	17,356,647
		29,124,796	31,262,824

(c) 與物業銷售有關的未履行合約

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

7 Other Income and Other Gains, Net

7 其他收入及其他收益淨額

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Fair value (losses)/gains on financial assets at fair value through profit or loss – listed trading securities (Note 18)	按公允價值計量且其變動計入損益的金融資產的公允價值(虧損)/收益—上市交易證券(附註18)	(3,070)	32,785
Fair value gains on deemed disposal of a subsidiary (Note 25(b))	視作出售一間附屬公司的公允價值收益(附註25(b))	–	4,548
Gains on disposal of a subsidiary (Note 25(a))	出售一間附屬公司收益(附註25(a))	9,406	–
Management and consulting service income (Note (a))	管理及諮詢服務收入(附註(a))	12,772	13,915
Rental income	租金收入	1,996	3,947
Interest income from associates and joint ventures	來自聯營公司及合營企業的利息收入	–	13,006
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)/收益	(97)	740
Others	其他	4,171	6,526
		25,178	75,467

Note (a): The amount mainly represents the management and consulting services provided to the Group's joint ventures and associates in relation to the property development projects.

附註(a)：該款項主要指就物業開發項目而向本集團合營企業及聯營公司提供的管理及諮詢服務。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

8 Expenses by Nature

8 按性質劃分的費用

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold – including construction cost, land cost and capitalised interest expenses	已售存貨成本—包括建築成本、土地成本及資本化利息開支	4,303,312	3,672,195
Business taxes and other taxes surcharges	營業稅及其他稅費附加	34,707	47,656
Employee benefit expenses (including directors' emoluments)	僱員福利開支(包括董事酬金)	195,631	227,627
Management and consulting service fee (Note (a))	管理及諮詢服務費(附註(a))	23,770	22,976
Advertising and promotion expenses	廣告及推廣開支	58,926	84,647
Property management fees	物業管理費	39,288	31,834
Office expenses	辦公室費用	17,480	18,272
Depreciation on property, plant and equipment and right-of-use assets	物業、廠房、設備及使用權資產折舊	22,311	20,308
Entertainment expenses	業務招待開支	16,676	21,949
Recruitment fee	招聘費用	131	1,255
Motel vehicle expenses	汽車費用	917	1,383
Guarantee fee	擔保費	–	3,548
Auditors' remuneration	核數師薪酬	2,341	2,319
Legal and professional service fees	法律及專業服務費用	6,168	3,555
Construction consultancy fee	建築諮詢費	13,654	11,630
Travelling and transportation expenses	差旅及交通費用	4,662	8,657
Sales commission to property agents	物業代理的銷售佣金	31,498	81,676
Others	其他	18,362	39,683
Total cost of sales, selling and marketing expenses and general and administrative expenses	銷售成本、銷售及營銷開支及一般及行政開支總額	4,789,834	4,301,170

Note:

(a) The amount represents the fees paid to certain non-controlling interest shareholders and third parties in relation to the management and consulting services provided by them for the property development projects.

附註：

(a) 該金額指向若干非控股權益股東及第三方支付有關物業開發項目提供管理及諮詢服務的費用。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

9 Finance Costs – Net

9 融資成本淨額

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Finance income	融資收入		
Interest income from	利息收入來自		
– Bank deposits	– 銀行存款	19,929	21,614
Finance costs	融資成本		
Interest expenses for	利息開支		
– Lease liabilities	– 租賃負債	(3,502)	(3,817)
– Bank and other borrowings	– 銀行及其他借款	(377,583)	(388,019)
– Amounts due to non-controlling interests	– 應付非控股權益款項	(17,205)	–
		(398,290)	(391,836)
Add: capitalised interest	加：資本化利息	314,142	243,098
		(84,148)	(148,738)
Finance costs, net	融資成本淨額	(64,219)	(127,124)

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

10 Income Tax Expenses

10 所得稅開支

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current income tax:	即期所得稅：		
– PRC corporate income tax	– 中國企業所得稅	187,130	168,900
– PRC land appreciation tax	– 中國土地增值稅	73,363	98,965
		260,493	267,865
Deferred income tax	遞延所得稅	(14,837)	(22,820)
		245,656	245,045

PRC corporate income tax

The income tax provision of the Group in respect of operations in the PRC has been recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**").

PRC land appreciation tax ("LAT")

Pursuant to the requirements in relation to LAT in the PRC, all income from the sale or transfer of state-owned land use rights, building and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate.

中國企業所得稅

本集團於中國業務經營的所得稅撥備乃根據管理層對整個財政年度預期的加權平均實際年度所得稅率的估計確認。

根據《中華人民共和國企業所得稅法》(「**企業所得稅法**」)，位於中國內地的集團實體所適用的企業所得稅稅率為25%。

中國土地增值稅(「土地增值稅」)

根據中國土地增值稅的規定，銷售或轉讓中國固有土地使用權、樓宇及附屬設施的所有收入須按介乎增值30%至60%的累進稅率繳納土地增值稅，惟倘一般住宅物業的銷售增值不超過總可扣稅項目金額的20%，則可予豁免。

本集團已按上述累進稅率就物業銷售計提土地增值稅撥備。

10 Income Tax Expenses (Continued)

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

On 21 December 2020, the immediate holding companies of the PRC subsidiaries have obtained the Certificate of Resident Status from the Inland Revenue Department and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Therefore, a lower 5% withholding tax rate shall be applied to dividend distribution thereafter.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2022 (six months ended 30 June 2021: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2022 (six months ended 30 June 2021: same).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands (the "BVI") was incorporated under the Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax.

11 Dividends

Pursuant to the resolution approved in the Company's annual general meeting held on 20 May 2021, the Company has declared final dividend in respect of the year ended 31 December 2020 of RMB0.18 per ordinary shares totaling approximately RMB293,511,000. This dividend has been fully paid in July 2021.

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2022.

10 所得稅開支(續)

中國股息預扣所得稅

根據於2007年12月6日頒佈的企業所得稅法實施條例，於2008年1月1日後，以中國公司產生的利潤向其海外投資者分派的股息應按10%的稅率繳納預扣所得稅。倘中國附屬公司的直接控股公司在香港註冊成立及符合由中國與香港所訂立的稅務條約安排規定，則適用5%的較低預扣稅率。

於2020年12月21日，中國附屬公司的直接控股公司已獲得稅務局簽發的居民身份證明書，並符合中國與香港訂立的稅務條約安排的規定。因此，其後的股息分派應採用較低的5%預扣稅率。

香港利得稅

截至2022年6月30日止六個月的適用香港利得稅稅率為16.5% (截至2021年6月30日止六個月：16.5%)。由於截至2022年6月30日止六個月本集團並無任何應課稅利潤，故並無就香港利得稅計提撥備 (截至2021年6月30日止六個月：相同)。

海外所得稅

本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，並獲豁免繳納開曼群島所得稅。本公司於英屬維爾京群島(「英屬維爾京群島」)的直接附屬公司根據英屬維爾京群島商業公司法於英屬維爾京群島註冊成立，並獲豁免繳納英屬維爾京群島所得稅。

11 股息

根據本公司於2021年5月20日召開的股東週年大會上批准的決議案，本公司就截至2020年12月31日止年度已宣派末期股息每股普通股人民幣0.18元，合共約為人民幣293,511,000元。有關股息已於2021年7月悉數派付。

董事會不建議就截至2022年6月30日止六個月派發中期股息。

Notes to the Interim Condensed Consolidated Financial Information (Continued) 中期簡明綜合財務資料附註(續)

12 Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

12 每股盈利

(a) 基本

每股基本盈利按本公司擁有人應佔溢利除以各期間已發行普通股的加權平均數計算。

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit attributable to owners of the Company during the periods (RMB'000)	期內本公司擁有人應佔溢利(人民幣千元)	180,421	156,937
Weighted average number of ordinary shares in issue (in thousand)	已發行普通股加權平均數(千股)	1,630,011	1,630,618
Basic earnings per share (RMB)	每股基本盈利(人民幣)	0.11	0.10

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the six months ended 30 June 2022 and 2021. Accordingly, diluted earnings per share is the same as the basic earnings per share.

(b) 攤薄

截至2022年及2021年6月30日止六個月內本公司沒有任何潛在攤薄股份發行在外。因此，每股攤薄盈利與每股基本盈利相同。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

13 Property, Plant and Equipment

13 物業、廠房及設備

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Computer and office equipment 電腦及 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Six months ended 30 June 2022 (Unaudited)	截至2022年6月30日 止六個月(未經審核)					
Opening net book amount	期初賬面淨值	91,362	22,846	18,660	6,071	138,939
Additions	添置	2,468	10,441	65	630	13,604
Disposals	出售	-	-	(21)	(185)	(206)
Depreciation	折舊	(10,146)	(7,574)	(3,063)	(1,528)	(22,311)
Closing net book amount	期末賬面淨值	83,684	25,713	15,641	4,988	130,026
Six months ended 30 June 2021 (Unaudited)	截至2021年6月30日 止六個月(未經審核)					
Opening net book amount	期初賬面淨值	35,849	6,556	18,065	7,505	67,975
Additions	添置	153,416	4,864	1,301	1,519	161,100
Disposals	出售	-	-	(26)	(346)	(372)
Depreciation	折舊	(13,182)	(2,933)	(2,948)	(1,245)	(20,308)
Closing net book amount	期末賬面淨值	176,083	8,487	16,392	7,433	208,395

14 Investment Properties

14 投資物業

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Opening net book amount	期初賬面淨值	183,020	180,900
Fair value changes	公允價值變動	-	-
Closing net book amount	期末賬面淨值	183,020	180,900

As at 30 June 2022, the Group had no contractual obligations for repairs, maintenance or enhancements (2021: same).

於2022年6月30日，本集團並無合約責任進行維修、保養或加強工程(2021年：相同)。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

15 Investments Accounted for Using the Equity Method

(a) The amounts recognised in the interim condensed consolidated statement of financial position as “Investments accounted for using the equity method” are as follows:

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Joint ventures	合營企業	928,531	868,812
Associates	聯營公司	740,427	751,072
		1,668,958	1,619,884

(b) The amounts recognised in the interim condensed consolidated statement of comprehensive income “Share of results of joint ventures and associates” are as follows:

		Six months ended 30 June 截至6月30日止六個月	
		2022 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 RMB'000 人民幣千元 (Unaudited) (未經審核)
Joint ventures	合營企業	59,719	171,318
Associates	聯營公司	(10,645)	20,803
		49,074	192,121

15 採用權益法列賬的投資

(a) 於中期簡明綜合財務狀況表確認為「採用權益法列賬的投資」的數額如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Joint ventures	合營企業	928,531	868,812
Associates	聯營公司	740,427	751,072
		1,668,958	1,619,884

(b) 於中期簡明綜合全面收益表確認為「應佔合營企業與聯營公司業績」的數額如下：

		Six months ended 30 June 截至6月30日止六個月	
		2022 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 RMB'000 人民幣千元 (Unaudited) (未經審核)
Joint ventures	合營企業	59,719	171,318
Associates	聯營公司	(10,645)	20,803
		49,074	192,121

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

15 Investments Accounted for Using the Equity Method (Continued)

(c) The amounts recognised in the interim condensed consolidated statement of financial position as “Investments accounted for using the equity method” are as follows:

Movement of investments in joint ventures:

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At 1 January	於1月1日	868,812	834,380
Additions	添置	–	165,395
Additions upon deemed disposal of Nanjin Jinjun (Note 25(b))	視作出售南京金俊後添置 (附註25(b))	–	11,885
Share of results	應佔業績	59,719	171,318
Dividend declared	已宣派股息	–	(175,370)
At 30 June	於6月30日	928,531	1,007,608

Movement of investments in associates:

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At 1 January	於1月1日	751,072	634,454
Additions	添置	–	70,630
Share of results	應佔業績	(10,645)	20,803
Dividend declared	已宣派股息	–	(174,980)
At 30 June	於6月30日	740,427	550,907

15 採用權益法列賬的投資(續)

(c) 於中期簡明綜合財務狀況表確認為「採用權益法列賬的投資」的數額如下：

投資於合營企業的變動：

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)

投資於聯營公司的變動：

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

16 Properties under Development and Completed Properties Held for Sale

16 開發中物業及持作出售的已竣工物業

		30 June 2022	31 December 2021
		2022年 6月30日	2021年 12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Properties under development	開發中物業	35,381,299	36,670,782
Completed properties held for sale	持作出售的已竣工物業	1,891,933	2,375,337
		37,273,232	39,046,119

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within normal operating cycle.

The capitalisation rate of borrowings is 8.9% for the six months ended 30 June 2022 (year ended 31 December 2021: 9.6%).

As of 30 June 2022 and 31 December 2021, the Group's pledged properties held for sale and properties under development are set out as follows:

本集團開發中物業及持作出售的已竣工物業均位於中國，預期於正常運營週期內完成及可供銷售。

截至2022年6月30日止六個月的借款的資本化比率為8.9%（截至2021年12月31日止年度：9.6%）。

截至2022年6月30日及2021年12月31日，本集團的已抵押持作出售物業及開發中物業載列如下：

		30 June 2022	31 December 2021
		2022年 6月30日	2021年 12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Carrying amounts of completed properties held for sale and properties under development:	持作出售的已竣工物業及開發中物業的賬面值：		
– Pledged as collateral for Group's borrowings	– 抵押作為本集團借款的抵押品	11,720,000	17,308,747

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

17 Trade and Other Receivables and Prepayments 17 貿易及其他應收款項以及預付款項

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables from third parties (Note (a))	來自第三方的貿易應收款項 (附註(a))	41,916	46,984
Other receivables	其他應收款項		
– Deposits for property development projects	– 物業開發項目按金	568,877	470,868
– Receivables from banks and bank card services providers	– 應收銀行及銀行卡服務 供應商款項	11,767	238,574
– Refundable deposits for property development projects	– 物業開發項目的可退還按金	76,576	265,092
– Others	– 其他	36,496	35,931
		693,716	1,010,465
Prepayments	預付款項		
– Prepayments for property development projects	– 物業開發項目預付款項	568,838	82,419
– Prepaid value added tax, business taxes and other taxes	– 預付增值稅、營業稅 及其他稅項	827,457	514,640
– Contract acquisition costs	– 合約獲取成本	172,811	136,267
– Others	– 其他	38,438	13,702
		1,607,544	747,028
Trade and other receivables and prepayments	貿易及其他應收款項以及 預付款項	2,343,176	1,804,477

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

17 Trade and Other Receivables and Prepayments (Continued)

Notes:

(a) Trade receivables

Trade receivables mainly arise from sales of properties. Proceeds in respect of sales of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements. There is generally no credit period granted to the property purchasers.

The aging analysis of trade receivables at the interim condensed consolidated statement of financial position dates based on invoice date is as follows:

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	41,916	46,984

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical loss experiences, existing market conditions and forward-looking information. Based on the assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivables balances was not material.

17 貿易及其他應收款項以及預付款項(續)

附註：

(a) 貿易應收款項

貿易應收款項主要源自銷售物業。銷售物業所得款項一般根據買賣協議列明條款收取。一般而言，並無向購房者授予信貸期。

貿易應收款項於中期簡明綜合財務狀況表日期按發票日期劃分的賬齡分析如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	41,916	46,984

就該等逾期貿易應收款項而言，本集團透過考慮過往虧損經驗、現有市況及前瞻性資料評估預期信貸虧損。根據評估，貿易應收款項的預期信貸虧損率接近零。因此，該等貿易應收款項結餘的虧損撥備並不重大。

Notes to the Interim Condensed Consolidated Financial Information (Continued) 中期簡明綜合財務資料附註(續)

18 Financial Assets at Fair Value through Profit or Loss

The Group's financial assets at fair value through profit or loss ("FVPL") represent investment in listed trading securities. These financial assets are mandatorily measured at fair value.

	30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Listed trading securities in Hong Kong (Note)	20,828	–

Note: The fair value of the listed trading securities is based on their current bid prices in an active market and their carrying amount is denominated in HKD. Changes in fair value of financial assets at FVPL are recorded in "other income and other gains, net" in the interim condensed consolidated statement of comprehensive income.

18 按公允價值計量且其變動計入損益的金融資產

本集團按公允價值計量且其變動計入損益(「按公允價值計量且其變動計入損益」)的金融資產指於上市買賣證券的投資。該等金融資產乃強制以公允價值計量。

	30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Listed trading securities in Hong Kong (Note)	20,828	–

附註：上市買賣證券的公允價值按其於活躍市場的當前買入價計算，且其賬面值以港元計值。按公允價值計量且其變動計入損益的金融資產的公允價值變動於中期簡明綜合全面收益表「其他收入及其他收益淨額」入賬。

19 Cash and Bank Balances

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Restricted cash (Note a)	受限制現金(附註a)	4,128,246	4,608,272
Pledged time deposits	已抵押定期存款	3,199	71,657
Cash and cash equivalents	現金及現金等價物	1,605,909	2,304,919
		5,737,354	6,984,848

Note:

- (a) The Group's restricted cash mainly comprise of (1) supervision accounts for construction of pre-sold properties; (2) guarantee deposits for construction; and (3) supervision accounts for mortgage guarantee.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

19 現金及銀行結餘

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Restricted cash (Note a)	受限制現金(附註a)	4,128,246	4,608,272
Pledged time deposits	已抵押定期存款	3,199	71,657
Cash and cash equivalents	現金及現金等價物	1,605,909	2,304,919
		5,737,354	6,984,848

附註：

- (a) 本集團的受限制現金主要包括(1)預售物業建設的監管賬戶；(2)施工保證金；及(3)抵押擔保監管賬戶。

將人民幣計值的結餘轉換為外幣以及將該等外幣匯至中國境外，須遵守中國政府頒佈的有關外匯管制的相關規則及法規。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

19 Cash and Bank Balances (Continued)

The above balances as at 30 June 2022 and 31 December 2021 approximate their fair values and are denominated in the following currencies:

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Denominated in:	以下列幣種計值：		
– RMB	– 人民幣	5,658,939	6,906,543
– USD	– 美元	204	58,796
– HKD	– 港元	78,211	19,509
		5,737,354	6,984,848

19 現金及銀行結餘(續)

上述於2022年6月30日及2021年12月31日的結餘與其公允價值相若，並按下列幣種計值：

20 Share Capital

20 股本

		Number of shares 股份數目	Share capital 股本 HK\$ 港元
Authorised:	法定：		
At 1 January 2022 and 30 June 2022	於2022年1月1日及2022年6月30日	10,000,000,000	100,000,000
		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Issued:	已發行：		
At 1 January 2022	於2022年1月1日	1,628,541,000	14,900
Cancellation of shares (Note)	註銷股份(附註)	(2,084,000)	(19)
At 30 June 2022	於2022年6月30日	1,626,457,000	14,881

Note: During the year ended 31 December 2021 and the six months ended 30 June 2022, the Group repurchased 3,914,000 and 247,000 of the Company's shares from the Hong Kong Stock Exchange. During the six months ended 30 June 2022, 2,084,000 shares were cancelled and deducted from share capital and share premium, amounting to HK\$20,840 (equivalent to RMB19,000) and HK\$8,524,000 (equivalent to RMB6,988,000) respectively.

附註：截至2021年12月31日止年度及截至2022年6月30日止六個月，本集團於香港聯交所購回本公司的3,914,000股及247,000股股份。截至2022年6月30日止六個月，自股本及股份溢價中註銷及扣除了2,084,000股股份，金額分別為20,840港元(相當於人民幣19,000元)及8,524,000港元(相當於人民幣6,988,000元)。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

21 Borrowings

21 借款

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current:	非即期：		
Bank borrowings – secured and guaranteed	銀行借款－有抵押及擔保	4,731,611	4,502,508
Other borrowings – secured	其他借款－有抵押	2,080,400	2,234,066
		6,812,011	6,736,574
Current:	即期：		
Bank borrowings – secured and guaranteed	銀行借款－有抵押及擔保	141,843	393,747
Other borrowings – secured	其他借款－有抵押	198,000	1,157,698
Other borrowings – unsecured	其他借款－無抵押	162,000	196,000
Senior notes	優先票據	1,052,100	1,010,568
		1,553,943	2,758,013
Total borrowings	借款總額	8,365,954	9,494,587

In November 2021, the Group issued senior notes with principal amount of USD158,000,000 (equivalent to RMB1,047,540,000) (31 December 2021: RMB1,010,568,000), which bears interest rate of 13.5% per annum and matures in 2022.

於2021年11月，本集團發行本金為158,000,000美元(相當於人民幣1,047,540,000元)(2021年12月31日：人民幣1,010,568,000元)的優先票據，年利率為13.5%，於2022年到期。

As at 30 June 2022, except for the senior notes of RMB1,052,100,000 (31 December 2021: RMB1,010,568,000) and a bank borrowing of RMB66,367,000 (31 December 2021: RMB nil) which were denominated in USD and HKD respectively, all of the Group's borrowings were denominated in RMB.

於2022年6月30日，除分別以美元及港元計值的優先票據人民幣1,052,100,000元(2021年12月31日：人民幣1,010,568,000元)及銀行借款人民幣66,367,000元(2021年12月31日：人民幣零元)外，本集團所有借款均以人民幣計值。

Certain bank and other borrowings of the Group as of 30 June 2022 and 31 December 2021 of RMB7,151,854,000 and RMB8,288,019,000 respectively, were secured by certain pledged time deposit, equity interests of group companies, properties under development, completed properties held for sale and investment properties with total carrying values of RMB19,375,032,000 and RMB18,082,384,000 respectively.

截至2022年6月30日及2021年12月31日，本集團金額分別為人民幣7,151,854,000元及人民幣8,288,019,000元的若干銀行及其他借款由賬面總值分別為人民幣19,375,032,000元及人民幣18,082,384,000元的若干已抵押定期存款、集團公司的股權、開發中物業、持作出售的已竣工物業及投資物業提供擔保。

Notes to the Interim Condensed Consolidated Financial Information (Continued) 中期簡明綜合財務資料附註(續)

21 Borrowings (Continued)

As of 30 June 2022, certain bank and other borrowings amounted to RMB11,720,000,000 required guarantee by subsidiaries of the Group (31 December 2021: RMB17,308,747,000).

Certain group companies in the PRC have entered into fund arrangements with trust companies and assets management companies, respectively, pursuant to which these financial institutions raised funds and injected them to the group companies. Certain equity interests of the group companies were held by the financial institutions as collateral of which the Group is obligated to redeem at predetermined prices. The funds bear fixed interest rates and have fixed repayment terms. Thus, the Group did not derecognise its equity interests in the subject group companies but treated the fund arrangements as other borrowings in the consolidated financial statements.

The weighted average effective interest rates as of 30 June 2022 and 31 December 2021 were as follows:

		30 June 2022 2022年 6月30日 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 (Audited) (經審核)
Bank borrowings	銀行借款	5.63%	6.36%
Other borrowings	其他借款	11.55%	11.94%
Weighted average effective interest rates	加權平均實際利率	8.59%	9.02%

The carrying amounts of the borrowings approximate their fair values as of 30 June 2022 and 31 December 2021 as either the impact of discounting of borrowings with fixed interest rates was not significant, or the borrowings bear interests at floating rates.

21 借款(續)

截至2022年6月30日，若干銀行及其他借款人民幣11,720,000,000元應要求由本集團附屬公司擔保(2021年12月31日：人民幣17,308,747,000元)。

若干中國集團公司已分別與信託公司及資產管理公司訂立資金安排，據此，該等金融機構籌集資金並向集團公司注資。集團公司的若干股權由金融機構持有作為抵押品，本集團有責任按預定價格贖回該抵押品。該等資金有固定利率及固定還款期限。因此，本集團並未終止確認其於標的集團公司的股權，而是於綜合財務報表內將資金安排視為其他借款。

於2022年6月30日及2021年12月31日的加權平均實際利率如下：

截至2022年6月30日及2021年12月31日，借款賬面值與其公允價值相若，乃由於固定利率借款的貼現影響不大，或借款以浮動利率計息。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

22 Trade Payables, Bills Payables and Other Payables

22 貿易應付款項、應付票據及其他應付款項

		30 June	31 December
		2022	2021
		2022年	2021年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade and bills payables	貿易應付款項及應付票據		
Trade payable (Note a)	貿易應付款項(附註a)	2,575,643	4,437,831
Bills payables	應付票據	53,625	22,990
		2,629,268	4,460,821
Other payables:	其他應付款項：		
Other taxes payable	其他應付稅項	489,711	195,017
Payroll payable	應付薪資	32,605	82,014
Amounts due to third parties	應付第三方款項	-	139,812
Deposits received from potential property purchasers	自潛在購房者收取的按金	39,576	49,760
Deposits from contractors and suppliers	承建商及供應商按金	407,704	144,305
Interest payable	應付利息	3,515	-
Others	其他	3,740	5,253
		976,851	616,161
Total trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項總額	3,606,119	5,076,982

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

22 Trade Payables, Bills Payables and Other Payables (Continued)

(a) The aging analysis of the trade payables of the Group based on invoice dates is as follows:

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	1,980,407	3,849,597
31-60 days	31-60日	130,776	251,814
61-90 days	61-90日	131,055	294,878
Over 90 days	90日以上	333,405	41,542
		2,575,643	4,437,831

(b) An aging analysis of the bills payables of the Group is as follows:

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	-	10,089
31-60 days	31-60日	2,232	8,531
61-90 days	61-90日	35,465	1,743
Over 90 days	90日以上	15,928	2,627
		53,625	22,990

22 貿易應付款項、應付票據及其他應付款項(續)

(a) 下表載列本集團按發票日期劃分的貿易應付款項的賬齡分析：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	1,980,407	3,849,597
31-60 days	31-60日	130,776	251,814
61-90 days	61-90日	131,055	294,878
Over 90 days	90日以上	333,405	41,542
		2,575,643	4,437,831

(b) 本集團應付票據賬齡分析如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30日	-	10,089
31-60 days	31-60日	2,232	8,531
61-90 days	61-90日	35,465	1,743
Over 90 days	90日以上	15,928	2,627
		53,625	22,990

Notes to the Interim Condensed Consolidated Financial Information (Continued) 中期簡明綜合財務資料附註(續)

23 Amounts Due from/(to) Non-Controlling Interests

Amounts due from non-controlling interests mainly represented cash advances to the non-controlling interest of certain subsidiaries. They are unsecured, interest-free and repayable on demand.

Amounts due to non-controlling interests mainly represented cash advances provided by the non-controlling interests of certain subsidiaries. All of the amounts due to non-controlling interests are unsecured, interest free and repayable on demand.

24 Transaction with Non-Controlling Interests

During the six months ended 30 June 2022, the Group did not have transactions with non-controlling interests.

During the six months ended 30 June 2021, the Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total cash consideration of RMB3,640,000.

The following table summarises the effect of these acquisitions:

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Total carrying amounts of non-controlling interest	非控股權益賬面值總額	-	5,672
Less: total consideration paid to non-controlling interests	減：支付予非控股權益的代價總額	-	(3,640)
Total difference recognised within equity	於權益內確認的總差額	-	2,032

23 應收／(付)非控股權益款項

應收非控股權益款項主要指向若干附屬公司的非控股權益墊支的現金。該等款項為無抵押、免息及須按要求償還。

應付非控股權益款項主要指若干附屬公司的非控股權益所提供的現金墊款。所有應付非控股權益款項均為無抵押、免息並須按要求償還。

24 與非控股權益的交易

截至2022年6月30日止六個月，本集團與非控股權益並無進行任何交易。

截至2021年6月30日止六個月，本集團以現金代價總額人民幣3,640,000元自相關非控股權益收購若干附屬公司的額外股本權益。

下表概述該等收購事項的影響：

25 Disposal of Subsidiaries

(a) Disposal of a subsidiary – Taixing Chuanghe Property Co., Limited (“**Taixing Chuanghe**”)

On 10 January 2022, the Group entered into a sales and purchases agreement with a third-party property developer to sell the Group’s 33% equity interests in Taixing Chuanghe for a cash consideration of RMB6,600,000. A gain on disposal of Taixing Chuanghe amounting to RMB9,406,000 was recognised as “Other income and other gains, net” in the interim condensed consolidated statement of comprehensive income.

The major classes of assets and liabilities of Taixing Chuanghe as at the date of disposal were as follows:

25 出售附屬公司

(a) 出售一間附屬公司－泰興市創和置業有限公司(「**泰興創和**」)

於2022年1月10日，本集團與一間第三方物業開發公司訂立買賣協議，以現金代價人民幣6,600,000元出售本集團於泰興創和的33%股權。出售泰興創和的收益人民幣9,406,000元於中期簡明綜合全面收益表內確認為「其他收入及其他收益淨額」。

泰興創和於出售日期的資產及負債的主要類別如下：

		RMB'000 人民幣千元
Completed properties held for sale	持作出售的已竣工物業	647,829
Prepayments and other receivables	預付款項及其他應收款項	4,373
Tax recoverable	可收回稅項	283
Cash and cash equivalents	現金及現金等價物	36,979
Trade and other payables	貿易及其他應付款項	(136,747)
Contract liabilities	合約負債	(574,396)
Net liabilities disposed of	已出售負債淨額	(21,679)
Less: net liabilities attributable to non-controlling interests	減：非控股權益應佔負債淨額	14,525
Net liabilities attributable to the Group	本集團應佔負債淨額	(7,154)
Gain on disposal:	出售收益：	
Cash consideration	現金代價	6,600
Less: Written-off of receivables from Taixing Chuanghe	減：撇銷應收泰興創和款項	(4,348)
Add: net liabilities attributable to the Group disposed of	加：本集團應佔已出售負債淨額	7,154
Gains on disposal of a subsidiary (Note 7)	出售一間附屬公司收益(附註7)	9,406
Net cash outflow disposal of	出售產生的現金流出淨額	36,979
Cash consideration received	已收現金代價	(6,600)
Cash and cash equivalents disposed of	已出售現金及現金等價物	30,379

25 Disposal of subsidiaries (Continued)

(b) Deemed disposal of a subsidiary - Nanjing Jinjun Real Estate Development Co., Limited (“Nanjing Jinjun”)

On 10 June 2021, the Group’s subsidiary Jiangsu Ganglong Realty Co., Limited (“**Jiangsu Ganglong**”) entered into a supplemental agreement (“**Supplemental Agreement**”) to the co-operative development agreement of Nanjing Jinjun. Pursuant to the Supplemental Agreement, the voting mechanism in the shareholders’ meeting and board of directors meeting of Nanjing Jinjun has been revised where unanimous consent is required to pass a resolution in shareholders’ meeting and board of directors’ meeting. Accordingly, the Group will no longer be able to control Nanjing Jinjun but continue to joint control over Nanjing Jinjun with other shareholders upon signing the Supplemental Agreement. As a result, Nanjing Jinjun ceased to be a subsidiary of the Group with effect from 10 June 2021. Since then Nanjing Jinjun has been accounted for as investment in joint venture in the consolidated financial statements using the equity method of accounting. Such transaction was recognised as deemed disposal of a subsidiary. A fair value gain on deemed disposal of Nanjin Jinjun amounting to RMB4,548,000 was recognised as “Other income and other gains, net” in the interim condensed consolidated statement of comprehensive income.

The fair value of assets and liabilities of Nanjin Jinjun were valued by an independent professionally qualified valuer, Cushman & Wakefield, through application of market comparison method and the key assumption of the valuation is the development value for comparison on completion basis.

25 出售附屬公司(續)

(b) 視作出售一間附屬公司－南京金俊房地產開發有限公司(「南京金俊」)

於2021年6月10日，本集團附屬公司江蘇港龍地產集團有限公司(「江蘇港龍」)就南京金俊的合作開發協議訂立補充協議(「補充協議」)。根據補充協議，南京金俊的股東大會及董事會會議投票機制已予修改，決議案須於股東大會及董事會會議上獲一致同意後方可通過。因此，於簽訂補充協議後，本集團將不再擁有南京金俊的控制權，惟將繼續與其他股東共同控制南京金俊。因此，南京金俊自2021年6月10日起不再為本集團的附屬公司。自此，南京金俊使用權益法會計處理於綜合財務報表內入賬列作於合營企業的投資。該交易確認為視作出售一間附屬公司。視作出售南京金俊的公允價值收益人民幣4,548,000元於中期簡明綜合全面收益表內確認為「其他收入及其他收益淨額」。

南京金俊的資產及負債公允價值由具備專業資格的獨立估值師戴德梁行使用市場比較法進行估值，而估值的主要假設為以竣工計作比較用途的開發價值。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

25 Disposal of subsidiaries (Continued)

(b) Deemed disposal of a subsidiary - Nanjing Jinjun Real Estate Development Co., Limited (“Nanjing Jinjun”) (Continued)

The major classes of assets and liabilities of Nanjin Jinjun as at the date of deemed disposal were as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	10
Property under development	開發中物業	987,506
Prepayments and other receivables	預付款項及其他應收款項	121,899
Cash and cash equivalents	現金及現金等價物	81,669
Trade and other payables	貿易及其他應付款項	(11,741)
Contract liabilities	合約負債	(149,996)
Borrowings	借款	(1,000,000)
Net assets disposed of	已出售資產淨值	29,347
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(22,010)
Net assets attributable to the Group	本集團應佔資產淨值	7,337
Net gain on deemed disposal:	視作出售收益淨額：	
Fair value of the 25% equity interests retained in Nanjin Jinjun as investment in joint venture	作為合營企業投資而於南京金俊所保留的25%股本權益的公允價值	11,885
Less: net assets attributable to the Group disposed of	減：本集團應佔已出售資產淨值	(7,337)
Fair value gains on deemed disposal of Nanjing Jinjun (Note 7)	視作出售南京金俊的公允價值收益(附註7)	4,548
Net cash outflow arising on deemed disposal:	視作出售所產生的現金流出淨額：	
Cash and cash equivalents disposed of	已出售現金及現金等價物	81,669

25 出售附屬公司(續)

(b) 視作出售一間附屬公司－南京金俊房地產開發有限公司(「南京金俊」)(續)

南京金俊於視作出售日期的資產及負債的主要類別如下：

26 Financial Guarantee

26 財務擔保

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Guarantee in respect of mortgage facilities for certain purchasers (Note (a))	為若干購房者的按揭融資作出的擔保(附註(a))	11,590,786	11,470,684
Guarantee in respect of borrowings of joint ventures (Note (b) and Note 28(c))	為合營企業借款作出的擔保(附註(b)及附註28(c))	285,425	288,926
		11,876,211	11,759,610

Notes to the Interim Condensed Consolidated Financial Information (Continued) 中期簡明綜合財務資料附註(續)

26 Financial Guarantee (Continued)

- (a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

The directors consider that the likelihood of default in payments by purchasers is minimal as the Group is entitled to retain the ownership of the properties, the valuation of which is significantly higher than the guaranteed amounts. Therefore, the financial guarantees measured at fair value is immaterial and no liabilities was recognised.

- (b) Amounts represented the maximum exposure of the guarantees provided for the borrowings of the joint ventures and associates at the respective balance sheet dates. The directors consider that the likelihood of default in payments by the joint ventures and associates is minimal. Therefore the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

27 Commitments

Commitments for capital and property development expenditure:

		30 June	31 December
		2022	2021
		2022年	2021年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Contracted but not provided for	已訂約但未撥備	6,481,219	8,101,524

Note: The amount represented capital commitment for construction contracts and agreed proposed development contracts determined based on current estimated budgets.

26 財務擔保(續)

- (a) 本集團已為本集團物業單位的若干購房者安排銀行融資，並為該等購房者履行償還責任提供擔保。該等擔保於以下較早者終止：(i)獲發房地產權證，該證書通常將於擔保註冊完成後平均兩至三年內獲得；或(ii)購房者償還按揭貸款。

董事認為，由於本集團有權保留物業的所有權，而物業的估值大大高於擔保金額，買家拖欠付款的可能性極低。因此，以公允價值計量的財務擔保並不重大且無確認負債。

- (b) 該等金額指在各自資產負債表日期為合營企業及聯營公司借款提供擔保的最大風險。董事認為，合營企業及聯營公司拖欠付款的可能性極微。因此，以公允價值計量的財務擔保並不重大且無確認負債。

27 承諾

資本及物業開發支出承諾：

附註：該金額指根據當前估計預算釐定的建設合約及協定的擬開發合約的資本承諾。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

28 Related Party Transactions

- (a) The ultimate holding companies of the Company are Huaxing Development Co., Ltd., Hualian Development Co., Ltd. and Hualong Development Co., Ltd.. The ultimate controlling shareholders of the Company are Mr. Lui Ming, Mr. Lui Wing Nam, Mr. Lui Chi Chung Jimmy, Mr. Lui Jin Ling and Mr. Lui Wing Mau.
- (b) Balances with shareholders, associates and joint ventures

28 關聯方交易

- (a) 本公司的最終控股公司為華興發展有限公司、華聯發展有限公司及華隆發展有限公司。本公司的最終控股股東為呂明先生、呂永南先生、呂志聰先生、呂進亮先生及呂永茂先生。
- (b) 與股東、聯營公司及合營企業的結餘

		As of 30 June 2022 於2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As of 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)	
Amounts due from joint ventures (Note (i))	應收合營企業款項 (附註(i))	139,735	253,761	Non-trade 非貿易
Amounts due to joint ventures (Note (ii))	應付合營企業款項 (附註(ii))	(686,269)	(804,488)	Non-trade 非貿易
Amounts due from associates (Note (iii))	應收聯營公司款項 (附註(iii))	133,108	129,850	Non-trade 非貿易
Amounts due to associates (Note (iv))	應付聯營公司款項 (附註(iv))	(971,733)	(705,827)	Non-trade 非貿易

Note (i): Amounts due from joint ventures were interest-free, unsecured and repayable on demand.

附註(i): 應收合營企業款項為免息、無抵押及須按要求償還。

Note (ii): Amounts due to joint ventures were interest-free, unsecured and repayable on demand.

附註(ii): 應付合營企業款項為免息、無抵押及須按要求償還。

Note (iii): Amounts due from associates were interest-free, unsecured and repayable on demand.

附註(iii): 應收聯營公司款項為免息、無抵押及須按要求償還。

Note (iv): Amounts due to associates were interest-free, unsecured and repayable on demand.

附註(iv): 應付聯營公司款項為免息、無抵押及須按要求償還。

Notes to the Interim Condensed Consolidated Financial Information (Continued)
 中期簡明綜合財務資料附註(續)

28 Related Party Transactions (Continued)
 (c) Guarantee with related parties

		30 June	31 December
		2022	2021
		2022年	2021年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Carrying values of the borrowings of joint ventures guaranteed by certain subsidiaries of the Group	本集團若干附屬公司擔保合營企業借款的賬面值	285,425	288,926

(d) Key management compensation

Key management compensation for the six months ended 30 June 2022 and 2021 are set out below:

		Six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Key management compensation	主要管理人員薪酬		
– Salaries and other employee benefits	– 薪金及其他僱員福利	3,986	3,932
– Pension costs	– 退休金成本	296	317
		4,282	4,249

28 關聯方交易(續)
 (c) 與關聯方的擔保

(d) 主要管理人員薪酬

截至2022年及2021年6月30日止六個月的主要管理人員薪酬載列如下：

29 資產負債表日後事項

29 Events after the Balance Sheet Date

Save as disclosed in this report, there is no significant event took place subsequent to 30 June 2022.

除本報告中所披露者外，於2022年6月30日後概無重大事件發生。

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

To the Shareholders of Ganglong China Property Group Limited
(incorporated in the Cayman Islands with limited liability)

致港龍中國地產集團有限公司股東
(於開曼群島註冊成立的有限公司)

Opinion

What we have audited

The consolidated financial statements of Ganglong China Property Group Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 132 to 279, comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

意見

我們已審計的內容

港龍中國地產集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第132至279頁的綜合財務報表，包括：

- 於2021年12月31日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要及其他解釋信息。

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2021年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- 1 Classification of investments in subsidiaries, joint ventures and associates
- 2 Provision for land appreciation tax

Key Audit Matter

關鍵審計事項

Classification of investments in subsidiaries, joint ventures and associates

附屬公司、合營企業及聯營公司的分類

Refer to Note 4(b), Note 16 and Note 35 to the consolidated financial statements.

請參閱綜合財務報表的附註4(b)、附註16和附註35。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

In assessing the Group's classification of investments in subsidiaries, joint ventures and associates, we have performed the following procedures:

在評估該集團對附屬公司、合營企業及聯營公司的分類時，我們實施了以下審計程序：

- (a) in relation to the composition of the board of directors of the investees:
關於獲投資方董事會的組成：

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

我們在審計中識別的關鍵審計事項是概述如下：

- 1 附屬公司、合營企業及聯營公司的投資分類
- 2 土地增值稅的撥備

Key Audit Matters (Continued)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

The Group is a property developer in Mainland China focusing on the development of residential properties. The Group co-operated with other parties to invest in a number of property development projects, which are classified as subsidiaries, joint ventures or associates.

集團為一間中國內地的房地產開發商，專注於開發住宅物業。集團與其他房地產開發商合作投資多個房地產開發項目公司，該等公司被歸類為附屬公司，合營企業或聯營公司。

We focus on the classification of investments in subsidiaries, joint ventures and associates as the classification requires management's use of significant judgements in determining whether the Group has control, joint control or significant influence over the investees. It requires the analysis of various factors aside from shareholdings, including but not limited to composition of the board of directors of the investees and decision making authorities at the investees' shareholders' meeting and board of directors meetings.

我們關注於對附屬公司、合營企業及聯營公司的分類，因為該分類要求管理層於確定 貴集團是否對獲投資方具有控制權、共同控制權或重大影響力時使用重大判斷。判斷需考慮持股比例及其他各種因素，包括但不限於獲投資方董事會的組成以及在獲投資方股東大會和董事會會議上的決策權。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- we obtained and examined the legal documents in relation to the investments in the property development projects where the Group co-operated with other parties, including the co-development agreements and articles of associations of the investees, to assess management's evaluation of the rights of investors, co-operation arrangements, termination provisions, management structures and profit-sharing arrangements;
我們獲得並審查與集團與其他方合作的物業開發項目投資相關的法律文件，包括獲投資方的合作開發協議及公司章程，以評估管理層對投資者權利的評估、合作安排、終止條款、管理結構及利潤分享安排；
 - where there are subsequent changes to legal documents, including but not limited to the co-development agreements and/or articles of association, we assessed whether the accounting impact of such changes, affecting any previously determined classification have been considered.
法律文件(包括(惟不限於)合作開發協議及/或組織章程細則)後續出現變動時，我們已評估該等變動的會計影響是否影響先前確定的分類。
- (b) in relation to the decision making authorities at the investees' shareholders' meetings and board of directors meetings:
有關與獲投資方的股東大會和董事會會議上的決策權：

Key Audit Matters (Continued)

Key Audit Matter

關鍵審計事項

For subsidiaries, their assets, liabilities and transactions are consolidated in the Group's consolidated financial statements on a line-by-line basis, whereas the interests in joint ventures and associates are accounted for as investments on the consolidated statement of financial position, whilst their results are accounted for using the equity method. Hence, the classification of investments as subsidiaries, joint ventures or associates has material and pervasive impact on the preparation and presentation of the consolidated financial statements.

對於附屬公司，其資產、負債及交易於貴集團的綜合財務報表中逐行合併，而合資企業及聯營公司的權益於綜合財務狀況表中作為投資入賬，而其業績則使用權益法入賬。因此，將投資分類為附屬、合資企業或聯營公司對綜合財務報表的編製及呈列具有重大及普遍的影響。

關鍵審計事項(續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- we understood and evaluated whether the decision making mechanism as well as the scope of decisions where shareholders and the board of directors are empowered to make are consistent with the co-development agreements and articles of association of the investees;
我們瞭解並評估了決策機制以及授權股東和董事會作出決策的範圍是否與共同開發協定和獲投資公司的章程相一致；
 - we reviewed minutes of shareholders' meetings and board of directors' meetings of the investees, and other materials presented to shareholders and the board of directors to corroborate with our understanding on the decision making mechanism and the scope of decisions that the shareholders and the board of directors are empowered to make, or made in practice during the year.
我們審閱了股東大會及獲投資方董事會會議的會議紀錄，以及向股東及董事會提交的其他材料，以佐證我們對決策機制及由股東及董事會有權作出或已作出的決策的範圍的理解。
- (c) in relation to changes in shareholdings during the year:
就股權變動而言：
- we understand and evaluated management's assessment on the changes in control and classification of investments in subsidiaries, joint ventures and associates;
我們瞭解並評估管理層對附屬公司、合營企業及聯營公司的投資的控制及分類的變化的評估；
 - we obtained and examined the legal documents in relation to the changes in investments, including the co-development agreements, articles of associations of the investees and shareholders' resolutions.
我們獲得並審查與投資變動有關的法律文件，包括獲投資方的共同開發協議、公司章程及股東的決議案。

Based on the procedures performed, we found that management's judgements applied in determining the classification of the Group's investments in subsidiaries, joint ventures and associates were supported by available evidence. 根據所執行的程序，我們發現管理層在確定貴集團於附屬公司、合營企業或聯營公司的投資分類時運用的判斷均獲得證據支持。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Key Audit Matters (Continued)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

Provision for land appreciation tax
土地增值稅的撥備

Refer to Note 4(c) and Note 10 to the consolidated financial statements.

請參閱綜合財務報表附註4(c)和附註10。

As at and for the year ended 31 December 2021, the Group had land appreciation tax ("LAT") payable amounted to RMB200,608,000 and the provision for LAT amounted to RMB53,804,000, respectively.

截至2021年12月31日及截至該日止年度，貴集團的應付土地增值稅為人民幣200,608,000元，土地增值稅撥備為人民幣53,804,000元。

LAT in Mainland China is one of the main components of the Group's tax provision, and is levied on the sale of properties at progressive rates ranging from 30% to 60% based on the appreciation of land value. At the end of each financial reporting period, management of the Group estimates the provision for LAT in relation to the sales of properties based on the allocation of revenue and cost of sales among different property types and the estimated total sales of properties less total deductible expenditures of the relevant property. This estimation incorporated judgement around classification of property types, and the application of deductibles, which includes lease payments for land use rights, property development costs, borrowing costs and other development expenditures, based on management's understanding and interpretation of the relevant tax rules and regulations.

中國內地的土地增值稅為貴集團稅項支出的主要組成部分之一。物業銷售的土地增值稅乃按照30%至60%的累進稅率對土地增值額徵收。於各報告期末，集團管理層根據不同房地產類型之間的收入和銷售成本和房地產的估計總銷售額減去可抵扣的費用總額來估計土地增值稅撥備。該估計基於管理層對相關稅法和規章的理解和解釋，涉及房地產類型的分類，開發成本包括土地使用權的租賃付款，房地產開發成本，借款成本和其他開發支出在內的免稅額的判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

In assessing the provision for LAT, we have performed the following procedures:

在評估土地增值稅撥備時，我們實施了以下審計程序：

- (a) we understood, evaluated and tested the relevant controls over the calculation of the provision for LAT;
我們瞭解，評估和測試了有關土地增值稅撥備計算的相關控制措施；
- (b) we tested, on a sample basis, the accuracy of sales of properties and expenditures of the relevant properties by checking the relevant documents including property sales contracts and invoices;
我們通過檢查相關檔案(包括房地產銷售合約和發票)，以抽樣的方式測試了物業銷售和相關物業支出的準確性；
- (c) we assessed the reasonableness of the basis for classification of property types and allocation of revenue and cost of sales among different property types by reviewing the relevant documents including construction land planning permit and certificates;
我們通過查閱建設用地規劃許可證和證書等有關文件，評估了房地產分類以及不同房地產分配的收入和銷售成本的合理性；
- (d) we obtained and examined the tax payments, LAT clearance, where applicable, and other relevant correspondences with local tax authorities, on a sample basis, to assess the accuracy and reasonableness of LAT provision; and
我們獲得並檢查稅款、土地增值稅清算(倘適用)以及與當地稅務機關的其他相關信函，以抽樣方式評估土地增值稅撥備是否準確合理；及

Key Audit Matters (Continued)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

When the LAT is subsequently determined by the tax authority upon LAT clearance, the actual payments may be different from the estimates.

稅務機構其後釐定土地增值稅時，實際付款可能有別於估計值。

We focus on the provision for LAT as a key audit matter due to the significance of the LAT to the consolidated financial statements and the significance of the judgement and estimates involved.

由於土地增值稅對綜合財務報表有重大的影響以及所涉及的判斷和估計的重要性，我們將土地增值稅撥備確認為一項關鍵審計事項。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

(e) we engaged our internal tax specialists to review the LAT provision, including the LAT provision calculation based on the relevant tax rates for different types of properties and the deductibility of the against the relevant tax rules and regulations in the calculation.

我們聘請了內部稅務專家審閱土地增值稅撥備，包括根據不同房地產類型的相關稅率以及計算中相關稅法及規章的可抵扣項目計算土地增值稅撥備。

Based on the procedures performed, we found that management's judgement and estimates applied in provision for LAT were supported by available evidence.

根據所執行的程序，我們發現管理層對土地增值稅撥備的判斷和估計獲得證據支持。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑑證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay, Gabriel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2022

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳顯基。

羅兵咸永道會計師事務所
執業會計師

香港，2022年3月25日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
Revenue	5	10,368,685	4,171,331
Cost of sales	6	(7,968,312)	(2,654,238)
Gross profit		2,400,373	1,517,093
Other income and other gains, net	8	87,289	26,172
Selling and marketing expenses	6	(514,368)	(388,552)
General and administrative expenses	6	(626,590)	(461,659)
Fair value gains on investment properties	15	2,120	10,100
Operating profit		1,348,824	703,154
Finance income	9	43,575	38,735
Finance costs	9	(281,605)	(121,702)
Finance costs, net	9	(238,030)	(82,967)
Share of results of joint ventures and associates	16	393,009	403,436
Profit before income tax		1,503,803	1,023,623
Income tax expenses	10	(401,622)	(381,684)
Profit and total comprehensive income for the year		1,102,181	641,939
Profit attributable to:			
Owners of the Company		480,936	960,748
Non-controlling interests		621,245	(318,809)
		1,102,181	641,939
Earnings per share attributable to owners of the Company (expressed in RMB per share)			
– Basic and diluted	12	0.30	0.68

The notes on pages 139 to 279 are an integral part of these consolidated financial statements.

第139至279頁之附註構成該等綜合財務報表的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At of 31 December 2021 | 於2021年12月31日

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		As at 31 December		
		於12月31日		
		2021		
		2020		
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	138,939	67,975
Investment properties	投資物業	15	183,020	180,900
Investments accounted for using the equity method	採用權益法列賬的投資	16	1,619,884	1,468,834
Deferred income tax assets	遞延所得稅資產	17	409,496	347,836
			2,351,339	2,065,545
Current assets	流動資產			
Properties under development	開發中物業	18	36,670,782	32,108,351
Completed properties held for sale	持作出售的已竣工物業	18	2,375,337	295,960
Trade and other receivables and prepayments	貿易及其他應收款項及預付款項	19	1,804,477	1,128,141
Amounts due from associates	應收聯營公司款項	33	129,850	175,789
Amounts due from joint ventures	應收合營企業款項	33	253,761	426,390
Amounts due from non-controlling interests	應收非控股權益款項	26	3,960,807	2,578,961
Tax recoverable	可收回稅項		1,497,073	670,214
Restricted cash	受限制現金	20	4,608,272	2,211,490
Pledged time deposits	質押定期存款	20	71,657	37,727
Cash and cash equivalents	現金及現金等價物	20	2,304,919	4,547,628
			53,676,935	44,180,651
Total assets	資產總額		56,028,274	46,246,196
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔權益及儲備			
Share capital	股本	21	14,900	14,919
Reserves	儲備	22	3,826,972	3,679,095
			3,841,872	3,694,014
Non-controlling interests	非控股權益		6,435,880	792,679
Total equity	權益總額		10,277,752	4,486,693

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At of 31 December 2021 | 於2021年12月31日

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	23	6,736,574
Deferred income tax liabilities	遞延所得稅負債	17	2,590,967
Lease liabilities	租賃負債	14	157,124
			18,049
			6,973,886
			2,719,418
Current liabilities	流動負債		
Trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項	24	5,076,982
Lease liabilities	租賃負債	14	5,836,270
Contract liabilities	合約負債	5	16,629
Amounts due to associates	應付聯營公司款項	33	27,240,235
Amounts due to joint ventures	應付合營企業款項	33	705,827
Amounts due to non-controlling interests	應付非控股權益款項	26	1,159,616
Tax payable	應付稅項		804,488
Borrowings	借款	23	1,858,586
			325,482
			2,758,013
			6,050,640
			38,776,636
			39,040,085
Total liabilities	負債總額		45,750,522
			41,759,503
Total equity and liabilities	權益及負債總額		56,028,274
			46,246,196

The consolidated financial statements on pages 132 to 279 were approved by the Board of Directors on 25 March 2022 and were signed on its behalf.

第132至279頁上的綜合財務報表已於2022年3月25日獲董事會批准，並代表董事會簽署。

Mr. Lui Ming

呂明先生
Director
董事

Mr. Lui Jin Ling

呂進亮先生
Director
董事

The notes on pages 139 to 279 are an integral part of these consolidated financial statements.

第139至279頁之附註構成該等綜合財務報表的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Attributable to the owners of the Company					Non-		
		本公司擁有人應佔					controlling		
		Share capital	Share premium	Statutory reserves	Other reserves	Retained earnings	Subtotal	interests	Total
		股本	股份溢價	法定儲備	其他儲備	保留盈利	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 21)	(Note 22)	(Note 22)	(Note 22)				
		(附註21)	(附註22)	(附註22)	(附註22)				
Balance at 1 January 2021	於2021年1月1日結餘	14,919	1,474,816	227,833	315,515	1,660,931	3,694,014	792,679	4,486,693
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	480,936	480,936	621,245	1,102,181
Transactions with owners:	與擁有人的交易：								
Cancellation of shares (Note 21)	註銷股份(附註21)	(19)	(6,997)	-	7,016	-	-	-	-
Buy back of shares (Note 21)	購回股份(附註21)	-	-	-	(13,147)	-	(13,147)	-	(13,147)
Dividends for the year ended 31 December 2020	截至2020年12月31日止年度的股息	-	-	-	-	(293,511)	(293,511)	-	(293,511)
Acquisition of additional interests in subsidiaries (Note 27)	收購附屬公司額外權益(附註27)	-	-	-	(26,420)	-	(26,420)	(122,072)	(148,492)
Waiver of advances from non-controlling interest (Note a)	豁免非控股權益墊款(附註a)	-	-	-	-	-	-	1,847,133	1,847,133
Acquisition of Shanghai Gangxuan (Note 28)	收購上海港軒(附註28)	-	-	-	-	-	-	50,047	50,047
Deemed disposal of Nanjing Jinjun (Note 29)	視作出售南京金俊(附註29)	-	-	-	-	-	-	(22,010)	(22,010)
Capital injections from non-controlling interests (Note b)	非控股權益注資(附註b)	-	-	-	-	-	-	3,268,858	3,268,858
Appropriation to statutory reserve	轉撥至法定儲備	-	-	4,955	-	(4,955)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以其作為擁有人的身份)的交易總額	(19)	(6,997)	4,955	(32,551)	(298,466)	(333,078)	5,021,956	4,688,878
Balance at 31 December 2021	於2021年12月31日結餘	14,900	1,467,819	232,788	282,964	1,843,401	3,841,872	6,435,880	10,277,752

Note a: During the year ended 31 December 2021, certain subsidiaries of the Group have passed shareholders' resolution to waive the collection of advances from non-controlling interests. Accordingly, advances from non-controlling interests amounted to RMB1,847,133,000 have been recognised in equity during the year ended 31 December 2021.

Note b: During the year ended 31 December 2021, the non-controlling interests of certain subsidiaries injected RMB3,628,858,000 (2020: RMB701,665,000) in cash into the Group's subsidiaries as capital contribution.

附註a：截至2021年12月31日止年度，本集團若干附屬公司已通過股東決議案豁免收取非控股權益墊款。因此，截至2021年12月31日止年度，非控股權益墊款人民幣1,847,133,000元已於權益中確認。

附註b：截至2021年12月31日止年度，若干附屬公司的非控股權益現金形式注資本集團的附屬公司，金額為人民幣3,628,858,000元(2020年：人民幣701,665,000元)。

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Attributable to the owners of the Company 本公司擁有人應佔					Subtotal 小計	Non- controlling interests 非控股權益	Total 總計
		Share capital 股本 RMB'000 人民幣千元 (Note 21) (附註21)	Share premium 股份溢價 RMB'000 人民幣千元 (Note 22) (附註22)	Statutory reserves 法定儲備 RMB'000 人民幣千元 (Note 22) (附註22)	Other reserves 其他儲備 RMB'000 人民幣千元 (Note 22) (附註22)	Retained earnings 保留盈利 RMB'000 人民幣千元 (Note 22) (附註22)			
Balance at 1 January 2020	於2020年1月1日結餘	-	-	136,121	315,515	791,895	1,243,531	409,823	1,653,354
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	960,748	960,748	(318,809)	641,939
Transactions with owners:	與擁有人的交易：								
Shares issued pursuant to the capitalisation issue	就資本化發行發行股份	10,979	(10,979)	-	-	-	-	-	-
Shares issued under the global offering	全球發售項下已發行股份	3,940	1,544,394	-	-	-	1,548,334	-	1,548,334
Share issuance costs	股份發行成本	-	(58,599)	-	-	-	(58,599)	-	(58,599)
Capital injections from non-controlling interests	非控股權益注資	-	-	-	-	-	-	701,665	701,665
Appropriation to statutory reserve	轉撥至法定儲備	-	-	91,712	-	(91,712)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以其作為擁有人的身份)的交易總額	14,919	1,474,816	91,712	-	(91,712)	1,489,735	701,665	2,191,400
Balance at 31 December 2020	於2020年12月31日結餘	14,919	1,474,816	227,833	315,515	1,660,931	3,694,014	792,679	4,486,693

The notes on pages 139 to 279 are an integral part of these consolidated financial statements.

第139至279頁之附註構成該等綜合財務報表的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

Year ended 31 December

截至12月31日止年度

			2021	2020
	Note		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
Cash flows from operating activities		經營活動所得現金流量		
Cash (used in)/generated from operations	25(a)	經營(所用)/所得現金	(2,682,086)	755,605
Income tax paid		已付所得稅	(1,253,025)	(1,027,084)
Net cash used in operating activities		經營活動所用現金淨額	(3,935,111)	(271,479)
Cash flows from investing activities		投資活動所得現金流量		
Payments for purchase of property, plant and equipment	13	購買物業、廠房及設備付款	(34,284)	(22,499)
Proceeds from disposals of property, plant and equipment	25(b)	出售物業、廠房及設備所得款項	5,891	224
Payments for purchase of financial assets at fair value through profit or loss		按公允價值計量且其變動計入損益的購買金融資產付款	(120,790)	—
Proceed from disposal of financial assets at fair value through profit or loss		出售按公允價值計量且其變動計入損益的金融資產的所得款項	164,800	—
Net cash acquired on acquisition of a subsidiary	28	收購一間附屬公司所獲得的現金淨額	37,481	—
Net cash disposed on deemed disposal of a subsidiary	29	視作出售一間附屬公司時流出的現金淨額	(81,669)	—
Investments in joint ventures		投資合營企業	(25,115)	(47,000)
Investments in associates		投資聯營公司	(98,340)	—
Advances to associates		向聯營公司墊款	(152,318)	(45,000)
Repayment of advances to associates		償還向聯營公司墊款	188,890	—
Advances to joint ventures		向合營企業墊款	(297,743)	(795,816)
Repayment of advances to joint ventures		償還向合營企業墊款	435,401	720,996
Advances to non-controlling interests		向非控股權益墊款	(2,273,814)	(2,455,392)
Repayment of advances to non-controlling interests		償還向非控股權益墊款	819,218	254,330
Dividend received		已收股息	4,100	—
Interest received		已收利息	43,575	38,735
Net cash used in investing activities		投資活動所用現金淨額	(1,384,717)	(2,351,422)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		Note	
		附註	
Cash flows from financing activities	融資活動所得現金流量		
Advances from associates	聯營公司墊款		104,855
Repayment of advances from associates	償還聯營公司墊款		(379,940)
Advances from joint ventures	合營企業墊款		1,257,156
Repayment of advances from joint ventures	償還合營企業墊款		(1,214,190)
Repayment of advances from Controlling Shareholders	償還控股股東墊款		(23,539)
Advances from non-controlling interests	非控股權益墊款		6,967,702
Repayment of advances from non-controlling interests	償還非控股權益墊款		(8,085,120)
Proceeds from borrowings	借款所得款項		9,511,850
Repayment of borrowings	償還借款		(3,723,542)
Payment of principal portion of lease liabilities	償還租賃負債本金部分		(11,315)
Payment of interest portion of lease liabilities	償還租賃負債利息部分		(1,249)
Buyback of shares	購回股份		-
Capital injection from non-controlling interests	非控股權益注資		701,665
Dividend paid	已付股息		-
Interest paid	已付利息		(432,749)
Payment for acquisition of non-controlling interests	收購非控股權益付款	27	-
Proceeds from the listing	上市所得款項		1,548,334
Payments for listing expenses	上市開支付款		(92,819)
Payment for issuance of senior note	發行優先票據款項		(8,787)
Net cash generated from financing activities	融資活動所得現金淨額		6,118,312
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		1,052,217
Cash and cash equivalents at 31 December 2021	於2021年12月31日 現金及現金等價物	20	4,547,628

The notes on pages 139 to 279 are an integral part of these consolidated financial statements.

第139至279頁之附註構成該等綜合財務報表的一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

1. General Information

The Company was incorporated in the Cayman Islands on 8 October 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business of the Company and its subsidiaries (collectively referred to as the “Group”) is located at No. 11 Building, PortMix South District, No. 2177 Shenkun Road, Minhang District, Shanghai, the People’s Republic of China (the “PRC”). The principal place of business of the Company in Hong Kong is located at Suites 3620–22, 36/F, Two Pacific Place, 88 Queensway, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the development of real estate projects in the PRC. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 July 2020.

The consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

The consolidated financial statements have been approved for issued by the Board of Directors (the “Board”) of the Company on 25 March 2022.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”), and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“HKCO”). The consolidated financial statements have been prepared under the historical cost convention, except as modified by investment properties which are measured at fair value.

1. 一般資料

本公司於2018年10月8日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands。本公司及其附屬公司(統稱「本集團」)的主要營業地點位於中華人民共和國(「中國」)上海市閔行區申昆路2177號虹橋國際展匯南區11號樓。本公司於香港的主要營業地點位於香港金鐘道88號太古廣場二座36樓3620-22室。

本公司為一間投資控股公司。本集團主要在中國從事房地產項目開發。本公司股份於2020年7月15日在香港聯合交易所有限公司(「聯交所」)上市。

除非另有說明，否則綜合財務報表以人民幣(「人民幣」)呈列。

綜合財務報表已於2022年3月25日獲本公司董事會(「董事會」)批准發佈。

2. 重大會計政策概要

編製該等綜合財務報表時所採納之重大會計政策清單呈列如下。除另有說明外，該等政策於所有呈報年度貫徹一致應用。

2.1 編製基準

本集團的綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)及香港公司條例(「香港公司條例」)第622章。綜合財務報表按照歷史成本慣例編製，惟投資物業以公允價值計量的情況除外。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

- (a) New and amendments to standards adopted by the Group

The following new and amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2021:

Amendments to HKFRS 9, HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
香港財務報告準則第9號、香港會計準則第39號、
香港財務報告準則第7號、香港財務報告準則第4號及
香港財務報告準則第16號之修訂

The adoption of the above new and amendments to standards did not have significant financial impact on the consolidated financial statements.

2. 重大會計政策概要(續)

2.1 編製基準(續)

編製符合香港財務報告準則的綜合財務報表需要使用若干重大會計估計。本集團管理層亦須於應用本集團會計政策時作出判斷。涉及較高程度判斷或複雜性的範疇，或當中假設及估計對綜合財務報表而言屬重大的範疇，披露於下文附註4。

- (a) 本集團採納的新訂及經修訂準則

本集團已就2021年1月1日或之後開始的財政年度首次採納以下之新訂及經修訂準則：

Interest Rate Benchmark Reform – Phase 2

利率基準改革－第二階段

採納上述新訂及經修訂準則對綜合財務報表並無重大財務影響。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

- (b) New standard and amendments to existing standards issued but not yet effective for the financial year beginning on or after 1 January 2022 and have not been early adopted by the Group:

2. 重大會計政策概要(續)

2.1 編製基準(續)

- (b) 新訂準則及現有準則之修訂本已頒佈但尚未於2022年1月1日起或之後的財年生效，且並無獲本集團提前採納：

		Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生效
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
香港會計準則第16號之修訂本	物業、廠房及設備：擬定使用前的所得款項	2022年1月1日
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
香港會計準則第37號之修訂本	有償合約—履行合約之成本	2022年1月1日
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
香港財務報告準則第3號之修訂本	參考概念框架	2022年1月1日
Annual Improvements Projects	Annual improvements to HKFRS Standards 2018 to 2020	1 January 2022
項目之年度改進	香港財務報告準則2018年至2020年週期之年度改進	2022年1月1日
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations	1 January 2022
會計指引第5項(修訂)	共同控制的合併會計法	2022年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
香港會計準則第1號及香港財務報告準則實務報告第2號之修訂本	會計政策披露	2023年1月1日
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
香港會計準則第12號之修訂本	單一交易產生的資產和負債相關的遞延所得稅	2023年1月1日
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
香港會計準則第8號之修訂本	會計估算的定義	2023年1月1日
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
香港會計準則第1號之修訂本	負債分類為流動及非流動	2023年1月1日

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

- (b) New standard and amendments to existing standards issued but not yet effective for the financial year beginning on or after 1 January 2022 and have not been early adopted by the Group: (Continued)

		Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生效
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
香港詮譯第5號(2020)	財務報表的呈列 – 借款人對含有按要求償還條款的定期貸款的分類	2023年1月1日
HKFRS 17	Insurance Contracts	1 January 2023
香港財務報告準則第17號	保險合約	2023年1月1日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港財務報告準則第10號及 香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間資產出售或 注資	待定

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

若干已頒佈的新會計準則、會計準則的修訂及解釋毋須於截至2021年12月31日止的報告期間強制採納，因此本集團未提早採納此等準則、修改及解釋。預計該等準則、修訂或解釋於當前或未來報告期內不會對實體及可預見的未來交易產生重大影響。

2. 重大會計政策概要(續)

2.1 編製基準(續)

- (b) 新訂準則及現有準則之修訂本已頒佈但尚未於2022年1月1日起或之後的財年生效，且並無獲本集團提前採納：(續)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights, except for joint arrangements as detailed in (c) below. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost.

2. 重大會計政策概要(續)

2.2 綜合原則及權益會計處理

(a) 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團自參與實體業務而面臨可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉讓予本集團時全部綜合入賬。附公司於終止控制權當日起終止綜合入賬。

本集團採用收購會計法將業務合併入賬(附註2.3)。

集團內公司間交易、結餘及交易之未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已於需要時作出調整，以確保與本集團所採納有關政策一致。

於附屬公司的業績及權益之非控股權益分別單獨呈列於綜合全面收益表、綜合權益變動表及綜合財務狀況表。

(b) 聯營公司

聯營公司指本集團對其有重大影響力但無控股權或共同控制權的所有實體。一般而言，本集團持有該聯營公司20%至50%的投票權，惟下文(c)詳述的合營安排除外。於聯營公司的投資初步則按成本確認後以權益會計法入賬(見下文(d))。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(c) Joint arrangements

Under HKFRS 11 “Joint Arrangements” investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in consolidated statement of comprehensive income, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2. 重大會計政策概要(續)

2.2 綜合原則及權益會計處理(續)

(c) 合營安排

根據香港財務報告準則第11號「合營安排」，於合營安排的投資分類為合營業務或合營企業。分類取決於各投資者的合約權利及義務，而非合營安排的法定架構。

於初步按成本在綜合財務狀況表中確認後，於合營企業的權益使用權益法入賬(見下文(d))。

(d) 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於綜合全面收益表確認本集團應佔獲投資方收購後溢利或虧損，並於其他全面收益確認本集團應佔獲投資方的其他全面收益之變動。已收或應收聯營公司及合營企業的股息確認為投資賬面值扣減。

倘本集團應佔權益入賬投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易顯示已轉讓資產減值的證據。權益入賬獲投資方的會計政策已於需要時作出調整，以確保與本集團所採納有關政策一致。

權益入賬投資的賬面金額根據附註2.9所述政策進行減值測試。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. Summary of Significant Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(e) Structured entities

For structured entities, the Group assesses whether they should be consolidated based on the contractual terms as to whether the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Third-party beneficiaries' interests in the consolidated structured entities with a limited life and are classified as liabilities in the Group's consolidated statement of financial position, and net profits or losses attributable to third-party beneficiaries are recorded in consolidated statement of profit or loss as "finance costs".

(f) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2. 重大會計政策概要(續)

2.2 綜合原則及權益會計處理(續)

(e) 結構性實體

就結構性實體而言，本集團根據合約條款就本集團對實體的參與面臨可變回報的風險或取得可變回報的權利；及利用對實體的權力影響該等回報金額的能力評估是否合併。有限壽命的合併結構性實體中第三方受益人權益且分類為本集團綜合資產負債表中的債務，而歸屬於第三方受益人的淨損益於綜合損益表入賬列作「融資成本」。

(f) 所有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。所有權權益變動導致控股與非控股權益賬面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

當本集團因喪失控制權或重大影響力而不再綜合入賬或按權益入賬一項投資時，於實體的任何保留權益重新按公允價值計量，而賬面值變動於綜合全面收益表確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，該公允價值為初始賬面值。此外，先前於其他全面收益就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收益確認的金額重新分類至損益或轉撥至適用香港財務報告準則所指明／許可的另一權益類別內。

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2. Summary of Significant Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(f) Changes in ownership interests (Continued)

If the ownership interest in a joint venture or an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2. 重大會計政策概要(續)

2.2 綜合原則及權益會計處理(續)

(f) 所有權權益變動(續)

倘於一間合營企業或聯營公司的所有權權益減少但保留重大影響力，則先前於其他全面收益確認的金額僅有一定比例份額重新分類至損益(如適用)。

2.3 業務合併

除重組外，本集團採用收購會計法將所有業務合併入賬，不論是否已購入權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公允價值
- 被收購業務的前擁有人所產生負債
- 本集團已發行股本權益
- 或然代價安排所產生任何資產或負債的公允價值；及
- 附屬公司任何先前存在的股本權益的公允價值。

在業務合併中所收購的可識別資產以及所承擔的負債及或有負債，初步以其於收購日期的公允價值計量(少數例外情況除外)。本集團以逐項收購基準，按公允價值或按非控股權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.3 Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in consolidated statement of comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in consolidated statement of comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in consolidated statement of comprehensive income.

2. 重大會計政策概要(續)

2.3 業務合併(續)

收購相關成本於產生時支銷。

以下的超額部分：

- 所轉讓代價；
- 被收購實體的任何非控股權益金額；及
- 於被收購實體先前的任何股本權益於收購日期的公允價值

超出所收購可識別資產淨值的公允價值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公允價值，則差額將直接於綜合全面收益表確認為議價購買。

倘現金代價的任何部分遞延結算，則未來應付款項將貼現為交換日期的現值。所使用的貼現率為本集團的增量借貸利率，即根據可比條款及條件可從獨立融資人獲得類似借貸的利率。

或然代價分類為權益或財務負債。分類為財務負債的金額其後將重新按公允價值計量，而公允價值變動於綜合全面收益表確認。

倘業務合併分階段進行，則收購方先前持有的被收購方股本權益於收購日期的賬面值重新按於收購日期的公允價值計量。該項重新計量產生的任何收益或虧損於綜合全面收益表確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decision.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income.

2. 重大會計政策概要(續)

2.4 獨立財務報表

於附屬公司的投資乃按成本扣除減值列賬。成本包括投資直接應佔費用。附屬公司業績由本公司按已收及應收股息基準入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該投資於獨立財務報表內的賬面值超過獲投資方淨資產(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息後須對該等投資進行減值測試。

2.5 分部報告

經營分部的報告方式與提供予主要經營決策者(「主要經營決策者」)的內部報告方式一致。主要經營決策者負責分配資源及評估經營分部的表現，其身份為本公司作出策略性決策的執行董事。

2.6 外幣換算

(a) 功能及呈報貨幣

本集團各實體的綜合財務報表內載列的項目，乃按該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈列，而人民幣為本公司的功能貨幣及本集團的呈報貨幣。

(b) 交易及結餘

外幣交易按交易當日的通行匯率換算為功能貨幣。外幣交易結算及按年末匯率換算以外幣計值的貨幣資產及負債所產生的匯兌損益於綜合全面收益表內確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within “finance costs”. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within “Other income and other gains, net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

2. 重大會計政策概要(續)

2.6 外幣換算(續)

(b) 交易及結餘(續)

與借款相關的匯兌損益在合併綜合收益表內的「融資成本」中列報。所有其他的匯兌損益按淨額在合併綜合收益表內的「其他收入及其他收益淨額」中列報。

以外幣公允價值計量的非貨幣性項目，按照公允價值決定日的匯率折算。以公允價值計量的資產與負債的折算差異作為公允價值損益的一部分進行報告。例如，非貨幣性資產與負債(如以公允價值計量且其變動計入損益的證券)的折算差異被認定為公允價值損益的一部分，非貨幣性資產(如以公允價值計量且其變動計入其他全面收益的證券)的折算差異被確認為其他全面收益。

(c) 集團公司

對於功能貨幣有別於呈報貨幣的本集團旗下所有實體(均無惡性通脹經濟體的貨幣)，業績及財務狀況按如下方式換算成呈報貨幣：

- 各財務狀況表所呈列資產及負債按財務狀況表日期的收市匯率換算
- 各全面收益表的收益及開支按平均匯率換算(除非此平均匯率不足以合理地概括反映於交易日期通行匯率的累計影響，則在此情況下，收益及開支按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額於其他全面收益中確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to consolidated statement of comprehensive income, as part of the gain or loss on sale.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2. 重大會計政策概要(續)

2.6 外幣換算(續)

(c) 集團公司(續)

於綜合入賬時，換算境外實體任何淨投資及借貸以及指定為有關投資對沖的其他金融工具而產生的匯兌差額於其他全面收益中確認。出售境外業務或償還構成淨投資一部分的任何借款時，相關匯兌差額於綜合全面收益表中重新歸類為出售收益或虧損。

(d) 出售境外業務

關於出售境外業務(即出售本集團境外業務的全部權益，或涉及喪失對含有境外業務的附屬公司的控制權的出售，涉及喪失對含有境外業務的合資企業的共同控制的出售，或涉及喪失對含有境外業務的聯營公司的重大影響的出售)，本公司擁有人應佔業務權益中累積的所有貨幣折算差額均重新分類為損益。

倘部分出售不會導致本集團喪失對含有境外業務的附屬公司的控制，累計貨幣折算差額的所佔份額重新歸屬於非控股權益且不會於損益中確認。對於所有其他部分處置(即集團於聯營公司或合資企業中的所有權權益減少，且不會導致集團失去重大影響或共同控制的情況)，累計匯兌差額的所佔份額重新分類至損益。

2.7 物業、廠房及設備

物業、廠房及設備乃按歷史成本減折舊及任何減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.7 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives as follows:

Leasehold improvements 租賃物業裝修	Shorter of 5 years or the lease term 5年或租期(以較短者為準)
Computer and office equipment 電腦及辦公設備	3–5 years 3至5年
Motor vehicles 汽車	5 years 5年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2. 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

後續成本僅在與該項目相關的未來經濟利益將可能流入本集團且項目成本能可靠計量時，方會計入資產的賬面值或確認為一項獨立資產(如適用)。作為單獨資產入賬的任何組成部分之賬面值於置換時終止確認。所有其他維修及維護費用均在其產生的報告期間內於損益中計入。

折舊均以直線法計算，以於下列估計可使用年期內將其成本分配至其剩餘價值淨額：

資產的剩餘價值及可使用年期於各財務狀況日期檢討並調整(如適合)。

倘資產的賬面值超過其估計可收回金額，則資產的賬面值會即時撇減至其可收回金額(附註2.9)。

出售產生的損益按所得款項與賬面值之間的差額釐定，並於綜合全面收益表確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.8 Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, included related transaction costs and where applicable borrowing costs. Subsequently they are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is and uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are presented in consolidated statement of comprehensive income as part of a valuation gain or loss.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. 重大會計政策概要(續)

2.8 投資物業

投資物業為並非由本集團所佔用並持作賺取長期租金收益或資本增值或兩者皆是。投資物業亦包括在建或開發以供未來用作投資物業的物業。投資物業初步按成本計量，包括相關交易成本及借款成本(如適用)。隨後彼等按公允價值列賬，相當於外部估值師在各報告日期釐定的公開市場價值。公允價值乃根據活躍市價釐定，並在有需要情況下按特定資產的性質、地點或狀況的任何差異作出調整。倘未能取得有關資料，本集團會使用其他估值法，例如較不活躍市場的近期價格或貼現現金流量預測。公允價值變動作為估值收益或虧損的一部分於綜合全面收益表內呈列。

2.9 非金融資產減值

商譽及無確定可使用年期的無形資產毋須攤銷，惟須每年進行減值測試，或在多數情況下當有事件出現或情況改變顯示有可能減值，則進行減值測試。其他資產須在當有事件出現或情況改變顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額為資產的公允價值減出售成本與使用價值兩者當中的較高者。於評估減值時，資產按可獨立識別現金流入(在很大程度上獨立於其他資產或資產組別(現金產生單位)之現金流入)的最低層次分組。除商譽外，已作出減值的非金融資產在各報告日期末就減值有否可能撥回進行檢討。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.10 Financial instruments

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and measurement

Regular way purchases and sale of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2. 重大會計政策概要(續)

2.10 金融工具

(a) 分類

本集團對其金融資產進行分類為以下計量類別。

- 其後按公允價值計量(其變動計入其他全面收益或損益)，及
- 按攤銷成本計量。

分類取決於實體管理金融資產及現金流量合約條款的業務模式。

對於以公允價值計量的資產，其收益及虧損計入損益或其他全面收益。對於非交易性的權益工具投資，其收益及虧損之計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他全面收益。

僅當該等資產之業務模式發生變化時，本集團才對債券投資進行重分類。

(b) 確認及計量

金融資產的常規買賣乃於交易日(即本集團承諾購買或出售資產之日)確認。於從金融資產收取現金流量的權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部分風險及回報轉移時，終止確認金融資產。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.10 Financial instruments (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at FVPL are expensed in the consolidated statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. 重大會計政策概要(續)

2.10 金融工具(續)

(c) 計量

於初步確認時，本集團按金融資產的公允價值加(倘並非按公允價值計量且其變動計入損益的金融資產)收購金融資產的直接應佔交易成本計量。按公允價值計量且其變動計入損益的金融資產之交易成本於綜合全面收益表支銷。

釐定現金流量是否僅為支付本金及利息時，附帶嵌入衍生工具的金融資產作為整體考慮。

債務工具

債務工具的后續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將債務工具分為三個計量類別：

- 攤銷成本：就持作收取合約現金流量的資產而言，倘有關資產的現金流量僅為支付本金及利息，則按攤銷成本計量。來自該等金融資產的利息收入按實際利率法計入財務收入。終止確認產生的任何收益或虧損於損益直接確認，並於其他收益/(虧損)連同外匯收益及虧損呈列。減值虧損於損益表作為單獨項目呈列。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.10 Financial instruments (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains, net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains, net and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains, net in the period in which it arises.

2. 重大會計政策概要(續)

2.10 金融工具(續)

(c) 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入其他全面收益的金融資產：就持作收取合約現金流量及出售金融資產的資產而言，倘有關資產的現金流量僅為支付本金及利息，則按以公允價值計量且其變動計入其他全面收益。賬面值變動計入其他全面收益，惟於損益確認的減值收益或虧損、利息收入及外匯收益及虧損的確認除外。終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益，淨額確認。來自該等金融資產的利息收入按實際利率法計入財務收入。外匯收益及虧損於其他收益，淨額呈列，而減值開支則於綜合損益表作為單獨項目呈列。
- 以公允價值計量且其變動計入損益的金融資產：不符合攤銷成本或以公允價值計量且其變動計入其他全面收益標準的資產按以公允價值計量且其變動計入損益。其後以公允價值計量且其變動計入損益的債務投資的收益或虧損於其產生期間在損益確認並於其他收益，淨額按淨額呈列。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.10 Financial instruments (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains, net in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details.

2. 重大會計政策概要(續)

2.10 金融工具(續)

(c) 計量(續)

權益工具

本集團按公允價值後續計量所有權益投資。倘本集團管理層已選擇於其他全面收益列報權益投資的公允價值收益及虧損，終止確認投資後，概無後續重新分類公允價值收益及虧損至損益。當確立本集團收取付款的權利時，來自該等投資的股息繼續在損益確認為其他收入。

以公允價值計量且其變動計入損益的金融資產公允價值變動在適用的情況下於損益表確認為其他收益，淨額。以公允價值計量且其變動計入其他全面收益的權益投資的減值虧損(及減值虧損撥回)不會與其他公允價值變動分開列報。

(d) 減值

本集團對其按攤銷成本列賬及以公允價值計量且其變動計入其他全面收益的債務工具的相關預期信貸虧損作出前瞻性評估。所用的減值方法取決於信用風險有否顯著增加。

就貿易應收款項而言，本集團應用香港財務報告準則第9號允許的簡化方式，於初始確認應收款項時同時確認預期全期虧損，更多細節請參閱附註3.1(b)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.12 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion based on prevailing marketing conditions.

Development cost of property primarily comprises land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle. The normal operating cycle is usually between 2 to 3 years.

2. 重大會計政策概要(續)

2.11 抵銷金融工具

當有可依法強制執行的權利用作抵銷已確認金額，且有意圖按其淨額作結算或同時變現資產和結算負債時，有關金融資產與負債可互相抵銷，並在綜合財務狀況表呈報其淨值。可依法強制執行的權利不得依賴未來事件而定，且於正常業務過程中，以及於本集團或交易對手方違約、無力償債或破產時須可強制執行。

2.12 開發中物業

開發中物業按成本與可變現淨值兩者的較低者列賬。可變現淨值參考於日常業務過程中已售物業的銷售所得款項，減去適用的可變銷售開支及預期竣工成本，根據當時市場狀況估計釐定。

物業的開發成本主要包括土地使用權、建築成本、借款成本及在開發期間產生的專業費用。物業於竣工時轉撥至持作出售的已竣工物業。

除非預期有關物業開發項目的建築期長於一般營運週期，否則開發中物業分類為流動資產。一般營運週期通常為2至3年。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.13 Completed properties held for sale

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.10(d) for impairment policies.

2. 重大會計政策概要(續)

2.13 持作出售的已竣工物業

於報告期末已竣工但仍未出售的物業按成本與可變現淨值中的較低者列賬。成本包括未售物業應佔的開發成本。可變現淨值參考於日常業務過程中已售物業的銷售所得款項，減去適用的可變銷售開支釐定，或由管理層根據當時市場狀況估計釐定。

2.14 貿易及其他應收款項

貿易應收款項為就日常業務過程中出售的物業或提供的服務而應向客戶收取的款項。倘貿易及其他應收款項預期於一年或以內收回(或於正常業務營運週期內(如超過一年)，則被分類為流動資產，否則呈列為非流動資產。

貿易應收款項初步按代價金額確認，金額乃無條件，除非含有重大財務部分，則按公允價值確認。集團持有貿易應收款項目標在於收取合約現金流量，因此其後採用實際利息法按攤銷成本計量。有關減值政策請參閱附註2.10(d)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.15 Contract assets and liabilities and costs for obtaining contracts

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs of obtaining a contract with a customer within prepayments if the Group expects to recover these costs.

2. 重大會計政策概要(續)

2.15 合約資產及負債以及取得合約的成本

在與客戶訂立合約時，本集團有權獲得客戶支付的代價，並承擔向客戶轉讓貨物或服務的履約責任。該等權利及履約責任共同導致淨資產或淨負債，視乎剩餘權利與履約責任之間的關係而定。倘收取代價的剩餘有條件權利超過已履行的履約責任，則該合約為一項資產，並確認為合約資產。反之，倘剩餘履約責任超過剩餘權利，則該合約為一項負債，並確認為合約負債。

在與客戶訂立合約時，本集團有權獲得客戶支付的代價，並承擔向客戶轉讓貨物或服務的履約責任。該等權利及履約責任共同導致淨資產或淨負債，視乎剩餘權利與履約責任之間的關係而定。倘收取代價的剩餘有條件權利超過已履行的履約責任，則該合約為一項資產，並確認為合約資產。反之，倘剩餘履約責任超過剩餘權利，則該合約為一項負債，並確認為合約負債。

倘本集團預期將可收回為取得客戶合約而產生的增量成本，則會將有關成本確認為預付款項。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.16 Cash and cash equivalents, restricted cash and pledged time deposits

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank deposits which are restricted to use are included in “restricted cash” of the consolidated statement of financial position. Time deposits pledged for notes payables of the Group are included in “pledged time deposit” of the consolidated statement of financial position. Restricted cash and pledged time deposit are excluded from cash and cash equivalents.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2. 重大會計政策概要(續)

2.16 現金及現金等價物、受限制現金及已抵押定期存款

於綜合現金流量表內，現金及現金等價物包括手頭現金、活期銀行存款及原到期日為三個月或以內的其他短期、高流通性投資。受限制使用的銀行存款計入綜合財務狀況表內的「受限制現金」，就本集團應付票據已抵押的定期存款計入綜合財務狀況表內的「已抵押定期存款」。受限制現金及已抵押定期存款不包括在現金及現金等價物內。

2.17 股本

普通股分類為權益。

與發行新股直接有關的增量成本於權益內列示為所得款項扣減(扣除稅項)。

倘任何集團公司購買本公司的權益工具(例如，因購回股份或以股份為基礎的付款計劃)，所支付的代價，包括任何直接歸屬的新增成本(扣除所得稅)，作為庫存股份自本公司擁有人應佔的權益中扣除，直至股份被註銷或重新發行為止。如該等普通股其後被重新發行，任何已收取的代價，扣除任何直接歸屬的新增交易成本以及相關的所得稅影響，均計入本公司擁有人的應佔權益。

2.18 貿易及其他應付款項

貿易及其他應付款項指在日常業務過程中從供應商購買貨物或服務的支付責任。倘於一年或以下(或於正常業務營運週期內，如較長)到期支付，則貿易應付款項分類為流動負債。否則呈列為非流動負債。貿易應付款項初步按公允價值確認，其後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.19 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2. 重大會計政策概要(續)

2.19 借款及借款成本

借款初步按公允價值扣除所產生的交易成本予以確認。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回價值間的任何差額使用實際利率法於借款期間在綜合收益表內確認。

在融資將很有可能部分或全部提取的情況下，獲得貸款融資所支付的費用應確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款時。在並無跡象顯示該融資將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期結束起計至少12個月，否則借款被分類為流動負債。

直接歸屬於收購、建設或生產合資格資產的一般及特定借款成本乃於完成及準備有關資產以作其擬定用途或作銷售所須的期間內撥充資本。合資格資產指必須經過一段長時間籌備以作其擬定用途或出售的資產。

直接歸屬於收購、建設或生產合資格資產的一般及特定借貸成本乃於完成及準備有關資產以作其擬定用途或作銷售所須的期間內撥充資本。合資格資產指必須經過一段長時間籌備以作其擬定用途或出售的資產。

有待用以支付合資格資產有關款項的特定借款用作臨時投資賺取的投資收入，應在合資格資本化時自借貸成本中扣除。

其他借款成本於產生期間支銷。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined on the basis that the property will be recovered entirely through use.

2. 重大會計政策概要(續)

2.20 即期及遞延所得稅

期內所得稅開支或抵免指就期內應課稅收入按各司法權區之適用所得稅稅率支付之稅項(根據暫時性差額及未動用稅項虧損應佔之遞延稅項資產及負債變動作出調整)。

(a) 即期所得稅

即期所得稅開支乃根據本公司及其附屬公司、聯營公司及合營企業營運及產生應課稅收入所在國家於報告期末已頒佈或實質頒佈的稅法計算。管理層定期就適用稅務法規須作詮釋的情況評估報稅表的狀況。本集團根據最可能的金額或預期價值計量其稅收餘額，具體取決於何種方法可以更好地預測不確定性的解決方法。

(b) 遞延所得稅

遞延所得稅以負債法按資產及負債的稅基與其在綜合財務報表的賬面值之間的暫時差額悉數撥備。然而，倘遞延稅項負債來自初步確認商譽，則不予確認；倘遞延所得稅來自在交易(業務合併除外)中對資產或負債的初步確認，而在交易時不影響會計處理或應課稅損益，則不予列賬。遞延所得稅採用在報告期末前已頒佈或實質頒佈，並預期在有關遞延所得稅資產變現或遞延所得稅負債結算時以適用稅率(及稅法)釐定。

與投資物業有關並按公允價值計量的遞延稅項負債乃基於物業將透過使用全部收回而釐定。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

2. 重大會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額很可能不會於可預見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

倘存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益內確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

2.21 僱員福利

(a) 短期責任

工資及薪金負債，包括預期於僱員提供相關服務的期末後12個月內結清的非貨幣福利及累計病假，將就截至報告期末的僱員服務予以確認，並按清償負債時預期將予支付的金額計量。該負債於綜合財務狀況表呈列為即期僱員福利責任。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.21 Employee benefits (Continued)

(b) Pension obligations

The group companies incorporated in PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these defined contributions plans are expensed as incurred.

(c) Housing benefits, medical insurances and other social insurances

PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other social insurance plan. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2. 重大會計政策概要(續)

2.21 僱員福利(續)

(b) 退休金責任

在中國註冊成立的集團公司每月按僱員薪金的一定比例向中國相關政府機構組織的定額供款退休福利計劃進行供款。政府機構承諾承擔根據該等計劃應付予所有現有及未來退休僱員的退休福利責任，而除所作供款外，本集團並無就退休後福利承擔其他責任。對該等定額供款計劃的供款在發生時支銷。

(c) 住房福利、醫療保險及其他社會保險

本集團的中國僱員有權加入政府監督的各種住房公積金、醫療保險和其他社會保險計劃。本集團根據僱員工資的一定比例按月向該等基金繳存供款。本集團對該等基金的負債以其各期間應付的供款為限。向住房公積金、醫療保險及其他社會保險作出的供款在發生時支銷。

(d) 僱員假期權利

僱員的年假權利在僱員享有該等權利時確認。本集團為直至報告期末僱員已提供服務產生年假的估計負債作出撥備。僱員的病假及產假直至正式休假時方予確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.21 Employee benefits (Continued)

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value, is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2. 重大會計政策概要(續)

2.21 僱員福利(續)

(e) 離職福利

離職福利於本集團在正常退休日期前終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團於以下日期之較早者確認離職福利：(a)本集團無法撤回該等福利時；及(b)實體就介乎香港會計準則第37號範圍且涉及支付離職福利之重組確認成本時。在提出一項要約鼓勵自願遣散的情況下，離職福利乃根據預期接納該要約之僱員數目計量。於報告期末後超過12個月到期支付的福利乃貼現至現值。

2.22 撥備

當本集團因過往事件而承擔現時法定或推定責任，以致可能引致資源流出以清償責任，且有關金額已能可靠估算時，則確認撥備。概不就日後經營虧損確認撥備。

如有多項類似責任，履行責任時須流出資源的可能性乃經考慮整體責任類別後釐定。即使就同一責任類別所包含的任何一個項目而言，資源流出的可能性較微，仍須確認撥備。

撥備乃按於申報期間末清償目前責任所需開支的管理層最佳估算的現值計量。用於釐定現值的貼現率乃稅前利率，反映市場當時對貨幣時間價值的評估及該責任的特定風險。因時間流逝而增加的撥備確認為利息開支。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables for the sales of properties in the PRC in the ordinary course of the Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Sales of properties

Revenue is recognised when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- Provides all of the benefits received and consumed simultaneously by the purchaser; or
- Creates and enhances an asset that the purchaser controls as the Group performs;
- Does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

2. 重大會計政策概要(續)

2.23 收益確認

收益按就於中國在本集團日常業務過程中銷售物業而已收或應收代價的公允價值計量。當收益金額能可靠計量，未來經濟利益可能流入實體，且本集團的各項活動符合特定標準時，本集團會確認收益，具體如下。

物業的銷售

收入乃於資產之控制權轉移至買方時確認。視乎合約條款及適用於該合約之法律規定，資產控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，資產之控制權將經過一段時間轉移：

- 提供全部利益，而買方亦同步收到並消耗有關利益；或
- 本集團履約時，創建並提升買方所控制之資產；
- 並無創建對本集團而言有其他用途之資產，而本集團可強制執行其權利收回累計至今已完成履約部分之款項。

就物業控制權於某一時間點轉移的物業開發及銷售合約而言，收益於買方獲得實物管有權或竣工物業的業權且本集團已獲得現時付款權利並很可能收回代價時確認。

於釐定交易價格時，如融資部分的影響屬重大，則本集團會就該影響調整已承諾代價的金額。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.24 Earnings per share

(i) Basic earnings per shares

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per shares

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. 重大會計政策概要(續)

2.24 每股盈利

(i) 每股基本盈利

每股基本盈利按：

- 本公司擁有人應佔溢利(不包括支付普通股以外權益的任何成本)
- 除以財政年度內發行在外普通股加權平均數，並就年內已發行普通股(不包括庫存股)的股利予以調整。

(ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時使用的數字，以計及：

- 與潛在攤薄普通股相關的利息及其他融資成本的除所得稅後影響；及
- 假設轉換所有潛在攤薄普通股時，將已發行的額外普通股加權平均數目。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.25 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.26 Management and consultancy service income

Management and consultancy service income is recognised in the accounting period in which the services are rendered.

2.27 Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income and other gains, net in the consolidated profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.28 Leases

The Group leases various properties to operate as its office premises. Property leases are typically made for fixed periods of one to ten years. Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets (included in property, plant and equipment) and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2. 重大會計政策概要(續)

2.25 利息收入

利息收入使用實際利率法按時間比例基準確認。

2.26 管理及諮詢服務收入

管理及諮詢服務收入於提供服務之會計期間確認。

2.27 股息收入

股息來自按公允價值計量且其變動計入損益及按公允價值計量且其變動計入其他全面收益的金融資產。於確立收取付款的權利時，於綜合損益中確認股息為其他收入及其他收益，淨額。亦適用於由收購前利潤支付的股息，除非股息明確表示收回部分投資成本。就此而言，倘股息與按公允價值計量且其變動計入其他全面收益的投資有關，則在其他全面收益中確認。然而，投資可能需要進行減值測試。

2.28 租賃

本集團租賃若干物業作為其辦公物業。物業租賃通常為定期一至十年。租賃條款按單獨基準協商且包含多種不同條款及條件。租賃協議並無施加任何契約，惟租賃資產不可作為借款用途的抵押品。

租賃於各租賃資產可供本集團所用之日日期確認為使用權資產(包括於物業、廠房及設備當中者)及相應負債。

合約可能包含租賃及非租賃成份。本集團按照租賃及非租賃成份相應的獨立價格，將合約代價分配至租賃及非租賃成份。然而，對本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃成份視為單一租賃成份，並無將兩者區分。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.28 Leases (Continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2. 重大會計政策概要(續)

2.28 租賃(續)

租賃條款按個別基準磋商，包括各種不同條款及條件。租賃協議不施加任何契諾，惟出租人持有的租賃資產中的抵押權益除外。租賃資產不得就借貸用途用作抵押。

每項租賃付款均會在負債與融資成本之間分配。融資成本於租賃期間內於損益扣除，以產生各期間租賃負債結餘的固定利率。

產生自租賃的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的現值淨額：

- 固定付款(包括實物固定付款)，減任何應收租賃優惠；
- 根據一項指數或利率計算的可變租賃付款；
- 預期將由承租人根據剩餘價值保證支付的金額；
- 購買選擇權的行使價(倘可合理地確定承租人會行使該選擇權)；及
- 終止租賃的罰款(倘租賃條款反映承租人行使終止租賃的選擇權)。

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率(本集團的租賃一般屬此類情況)，則使用承租人增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金必須支付的利率。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.28 Leases (Continued)

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statements of financial position based on their nature.

2. 重大會計政策概要(續)

2.28 租賃(續)

為釐定增量借款利率，倘可行，本集團會使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動。租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額；
- 於開始日期或之前所作的任何租賃付款，減去所得的任何租賃獎勵；
- 任何初始直接成本；及
- 修復成本。

使用權資產一般以直線法按資產之可用年期與租賃期兩者之較短者折舊。倘本集團可合理確定會行使購買選擇權，則使用權資產按相關資產之可用年期折舊。儘管本集團對其呈列於物業、廠房及設備內之土地及樓宇進行重新估值，但其已選擇不重新評估本集團所持有之使用權樓宇之價值。

與短期租賃相關的付款及低價值資產的租賃以直線法於損益中確認為開支。短期租賃指租賃期少於12個月的租賃。

營運租賃所得租金收入(倘本集團為出租人)於租期內按直線法在收入中確認。各租賃資產根據其性質計入綜合財務狀況表。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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2. Summary of Significant Accounting Policies (Continued)

2.29 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2. 重大會計政策概要(續)

2.29 財務擔保合約

財務擔保合約於提供擔保時確認為財務負債。該負債以公允價值初步計量，後續按以下較高者計量：

- 根據香港財務報告準則第9號「金融工具」項下的預計信貸虧損模型釐定的金額及
- 初步確認的金額減去(如適用)根據香港財務報告準則第15號「來自客戶合約的收益」確認的累計收入之差額。

財務擔保的公允價值乃根據債務工具要求的合約付款金額與無擔保所需支付的金額或為履行義務應付第三方的估計金額之間的現金流量差額的現值而釐定。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group principally operates in the PRC with most of the transactions denominated in RMB. With minor operation in Hong Kong, the Group is exposed to foreign exchange risk with respect to the Hong Kong dollar ("HK\$") and United States dollar ("USD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The exposure to foreign exchange risk related to HKD is not material to the Group.

At 31 December 2021, if USD had strengthened/weakened by 5% against the RMB with all other variables held constant, profit before income tax for the year then ended would have been approximately RMB47,589,000 (2020: RMB41,418,000) lower/higher, mainly as a result of the foreign exchange difference on translation of USD denominated cash and cash equivalents and borrowings.

3. 財務風險管理

3.1 財務風險因素

本集團的業務活動面臨多種財務風險：市場風險(包括匯率風險及利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的難測性，並力求將其對本集團財務表現的潛在不利影響減至最低。

(a) 市場風險

(i) 外匯風險

本集團主要在中國營運，大部分交易均以人民幣結算。由於在香港的業務不多，本集團面臨港元(「港元」)及美元(「美元」)的外匯風險。外匯風險產生自未來商業交易及已確認的資產及負債，而該等款項均非以相關集團實體之功能貨幣計值。與港元有關的外匯風險對本集團並不重大。

於2021年12月31日，倘在所有其他變量不變的情況下美元兌人民幣升值／貶值5%，本年度的除所得稅前溢利會分別減少／增加約人民幣47,589,000元(2020年：人民幣41,418,000元)，主要由於兌換以美元計值之現金及現金等價物的外匯差額所致。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2021, bank and other borrowings of the Group which were bearing at floating rates amounted to approximately RMB3,160,168,000 (2020: RMB3,993,680,000). If interest rates on borrowings at floating rates had been 50 basis points higher or lower with all other variables held constant and without taking into account interest capitalisation, interest charges for the year ended 31 December 2021 would have been RMB15,801,000 higher/lower (2020: RMB19,968,000 higher/lower).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

本集團的利率風險來自長期借款。按浮息利率取得的借款使本集團面臨現金流利率風險，部分被按浮息利率持有的現金抵銷。而按固定利率取得的借款使本集團面臨公允價值利率風險。本集團密切關注利率走勢及其對利率風險敞口的影響。本集團目前尚未使用利率掉期安排，但倘有需要，將考慮利率風險對沖。

於2021年12月31日，本集團按浮息利率計息的銀行及其他借款約為人民幣3,160,168,000元(2020年：人民幣3,993,680,000元)。假設所有其他變量保持不變，且不計及利息資本化，若按浮息利率計息的借款利率高於或低於50個基點，截至2021年12月31日止年度的利息支出將增加／減少人民幣15,801,000元(2020年：增加／減少人民幣19,968,000元)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash, pledged time deposits, trade and other receivables, amounts due from associates, joint ventures and non-controlling interests included in the consolidated statement of financial position, which represent the Group's maximum exposure to credit risk in relation to its financial assets. Management has credit policies in place to monitor the exposures to these credit risks on an ongoing basis.

(i) Risk management

As at 31 December 2021 and 2020, in order to manage this risk, the Group's bank deposits are mainly deposited with reputable banks which are all high-credit-quality financial institutions incorporated in the PRC.

For the trade receivables arising from sales of properties, the Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk with exposure spread over a number of counterparties and customers.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團的信貸風險主要來自綜合財務狀況表所載的現金及現金等價物、受限制現金、已抵押定期存款、貿易及其他應收款項、應收聯營公司、合營企業及非控股股東款項，上述為本集團所面臨與其金融資產有關的最大信貸風險。管理層已製定信貸政策持續監控該等信貸風險。

(i) 風險管理

於2021年及2020年12月31日，為管理該風險，本集團的銀行存款主要存放於信譽良好的銀行，該等銀行皆為於中國境內註冊成立的高信貸質量金融機構。

就銷售物業產生的貿易應收款項而言，本集團根據客戶認可的付款計劃密切監察收取客戶付款的進展情況。本集團亦已製定適當政策，確保向擁有適當財政實力的買家以適當首付款比例進行銷售。

同時，倘客戶逾期付款，本集團有權取消合約。本集團亦已製定監控程序，確保採取跟進行動收回逾期結餘。此外，本集團定期檢討各項貿易應收款項的可收回金額以確保就不可收回金額作出充足減值撥備。本集團的信貸風險分散於眾多對手方及客戶中，因此並無高度集中的信貸風險。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of such guarantees is made in Note 30. If a purchase defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is mitigated.

For other receivables and amounts due from associates, joint ventures and non-controlling interests, the Group assessed the credit quality of the counterparties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the risk of default by counterparties is low. The directors of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of these receivables.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

本集團已為本集團物業單位的若干買家安排銀行融資，並已提供擔保以作為該等買家履行還款責任的抵押。該等擔保的詳細披露載於附註30。倘買家於擔保期內拖欠按揭貸款付款，持有擔保的銀行可要求本集團償還結欠的貸款本金及其任何應計利息。在該等情況下，本集團能夠沒收客戶的按金，並將物業轉售以彌補本集團向銀行支付的任何款額。就此，本公司董事認為，本集團的信貸風險得到大幅降低。

就其他應收款項及應收聯營公司、合營企業及非控股權益的款項而言，本集團考慮交易對手的財務狀況、信貸歷史及其他因素評估其信貸質量。管理層亦會定期評估該等應收款項的可收回性，並跟進任何糾紛或逾期款項(如有)。董事認為對手方違約的風險較低。本集團董事認為，本集團尚未收回的其他應收款項結餘並無重大信貸風險。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

本集團考慮初始確認資產時的違約概率，以及於各報告期內，信貸風險是否持續顯著增加。為評估信貸風險是否顯著增加，本集團將報告日期資產發生違約的風險與初始確認日期的違約風險進行比較。其考慮可用的合理且有幫助的前瞻性資料。特別是納入以下指標：

- 內部信貸評級
- 外部信貸評級
- 業務、財務或經濟狀況的實際或預期重大不利變動，而預計該等變動會導致交易對手方履行義務的能力發生重大變化
- 客戶經營業績的實際或預期重大變動
- 客戶預期業績及行為的重大變化，包括本集團內客戶付款狀態的變動以及客戶經營業績的變動。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category 類別	Description 描述	Basis for recognition of expected credit loss 確認預期信貸虧損的基準
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
履約	交易對手方的違約風險較低，並無逾期款項	12個月的預期虧損。倘資產的預期全期小於12個月，則按其預期全期計量預期虧損
Underperforming	Debtor frequently repays after due dates but usually settle after due date	Lifetime expected losses
未如預期	債務人經常於到期日後還款，且通常於到期日後結算	全期預期虧損
Non-performing	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime expected losses
違約	根據由內部或外部資源得出的資料，自初始確認以來，信貸風險顯著增加	全期預期虧損
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Asset is written off
撇銷	有證據表明債務人面臨嚴重的財務困難，本集團並無實際的復甦前景	已撇銷資產

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

本集團將應收賬款分為四類，該等分類反映其信用風險以及各類別的虧損撥備。該等內部信貸評級與外部信貸評級相符。

支撐本集團預期信貸虧損模型的假設概述如下：

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data. The loss allowance provision for the Group's financial assets were not material for the year ended 31 December 2021 (2020: same).

(ii) Impairment of financial assets

Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties.

The Group overall considers the shared credit risk characteristic and the days past due of the trade receivables to measure the expected credit loss. Based on management assessment, the expected credit losses of the financial assets mentioned above are not significant. The loss allowance provision for these balances was not material as at 31 December 2021 (2020: same).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

本集團透過適時適當就預期信貸虧損計提撥備為其信貸風險入賬。於計算預期信貸虧損率時，本集團考慮各類應收款項的過往虧損率，並根據前瞻性經濟資料進行調整。截至2021年12月31日止年度，本集團的金融資產的虧損撥備並不重大(2020年：相同)。

(ii) 金融資產減值

貿易應收款項

本集團採用香港財務報告準則第9號規定的簡化法為預期信貸虧損計提撥備，該準則允許對所有來自第三方的貿易應收款項使用全期預期虧損撥備。

為計量預期信貸虧損，本集團全面考慮信貸風險的共同特徵及貿易應收款項的逾期日數。據管理層評估，上述金融資產的預期信貸虧損並不重大。該等結餘的虧損撥備於2021年12月31日並非重大(2020年：相同)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised costs

For other receivables and amounts due from associates, joint ventures and related parties, the measurement of the expected credit losses has been grouped based on shared credit risk characteristics and the days past due. All of these financial assets are considered to have low credit risk and thus the impairment provision recognised was based on 12 months expected losses. Management considered other receivables from third parties, amounts due from associates, joint ventures and related parties to be low credit risk as they have a low risk of default and the issuer has a strong capacity to its considered contractual cash flow obligation in the near term and the loss allowance provision for these balances was not material as at 31 December 2021 (2020: same).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

按攤銷成本列賬的其他金融資產就其他應收款項及應收聯營公司、合營企業及關聯方款項而言，預期信貸虧損的計量已根據共同信貸風險特徵及逾期天數進行分組。所有該等金融資產被視為具有低信貸風險，因此已確認減值撥備乃基於12個月預期虧損。管理層認為來自第三方的其他應收款項、應收聯營公司、合營企業及關聯方款項的信貸風險較低，原因為該等款項的違約風險較低，且發行人有強大能力於短期內履行其認為的合約現金流量責任，而於2021年12月31日(2020年：相同)，該等結餘的虧損撥備並不重大。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and through having available sources of financing.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include reducing land acquisition, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing and seeking joint venture partners to develop projects. The Group will pursue such options basing on its assessment of relevant future costs and benefits. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below sets out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團管理層旨在維持充足現金及現金等價物或透過預售物業所得款項及充足的可用融資(包括短期及長期借款以及來自股東的額外資金)獲得可用資金。由於相關業務的動態特性，本集團透過保持充足的現金及現金等價物及維持可用的融資來源以確保融資的靈活性。

本集團有多項替代計劃以減輕經濟環境出現重大不利變動對預測現金流量的潛在影響。該等計劃包括減少土地收購、調整項目開發時間表以適應當地物業市場環境的改變、實施成本控制措施、促銷已竣工物業、製定更靈活的定價加快銷售及物色合營企業合作夥伴共同開發項目。本集團會在評估相關未來成本及收益的基礎上作出適當的選擇。董事認為，本集團有能力維持充足的財務資源以滿足經營需要。

下表載列於各資產負債表日按相關到期日期劃分的本集團的金融負債。表內所披露之金額均為合約未貼現現金流量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		On demand	Less than 1 year	1-2 years	2-5 years	Over 5 years	Total
		按需求	1年內	1至2年	2至5年	超過5年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2021	於2021年12月31日						
Borrowings	借款	63,747	3,433,866	2,617,245	4,777,393	-	10,892,251
Trade payables, bills payables and other payables (excluding payroll payable and other taxes payable)	貿易應付款項、應付票據及其他應付款項，不包括應付薪資及其他應付稅項	-	4,799,951	-	-	-	4,799,951
Amounts due to associates	應付聯營公司款項	705,827	-	-	-	-	705,827
Amounts due to joint ventures	應付合營企業款項	804,488	-	-	-	-	804,488
Amounts due to non-controlling interests	應付非控股權益款項	1,858,586	-	-	-	-	1,858,586
Lease liabilities	租賃負債	-	23,274	18,995	38,593	45,642	126,504
		3,432,648	8,257,091	2,636,240	4,815,986	45,642	19,187,607

		On demand	Less than 1 year	1-2 years	2-5 years	Total
		按需求	1年內	1至2年	2至5年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2020	於2020年12月31日					
Borrowings	借款	-	6,707,251	1,842,187	1,079,688	9,629,126
Trade payables, bills payables and other payables (excluding payroll payable and other taxes payable)	貿易應付款項、應付票據及其他應付款項，不包括應付薪資及其他應付稅項	-	5,454,531	-	-	5,454,531
Amounts due to associates	應付聯營公司款項	1,159,616	-	-	-	1,159,616
Amounts due to joint ventures	應付合營企業款項	914,191	-	-	-	914,191
Amounts due to non-controlling interests	應付非控股權益款項	3,761,926	-	-	-	3,761,926
Lease liabilities	租賃負債	-	13,948	11,207	8,169	33,324
		5,835,733	12,175,730	1,853,394	1,087,857	20,952,714

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group also provides guarantees to secure repayment obligations of certain purchasers of the Group's property units and the principal of borrowings of the joint ventures, associates and third parties, which will have contractual cash flows only if the guaranteed purchasers, joint ventures, associates or third parties default the repayment (Note 30).

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Except for the compliance of certain financial covenants for maintaining the Group's banking facilities and borrowings, the Group is not subject to any externally imposed capital requirements. The management monitors capital on the basis of the gearing ratio of the Group. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, amounts due to third parties, amounts due to associates and joint ventures and non-controlling interests and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

本集團亦提供擔保以確保本集團物業單元的若干買家的還款責任及合營企業、聯營公司及第三方的借款本金，其惟有在受擔保的買家、合營企業、聯營公司或第三方拖欠還款的情況下，才會產生合約現金流量(附註30)。

3.2 資本風險管理

本集團的資本管理目標為保障本集團持續經營的能力，從而為擁有人及其他利益相關方提供回報及利益，同時維持最優資本結構以降低資本成本。

為維持或調整資本結構，本集團或會調整支予股東的股息金額、向股東退還資本、發行新股或出售資產以減少債務。除須遵守若干金融契約以維持本集團的銀行融資及借款外，本集團不受任何外部強加的資本要求的約束。管理層根據本集團的資產負債比率監控資本。該比率乃按債務淨額除資本總額計算。債務淨額乃按借款總額、應付第三方款項、應付聯營公司及合營企業款項、應付非控股權益款項與租賃負債減現金及現金等價物計算。資本總額乃按綜合財務狀況表所示的「權益」加債務淨額計算。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued) 3.2 Capital risk management (Continued)

3. 財務風險管理(續) 3.2 資本風險管理(續)

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Borrowings (Note 23)	借款(附註23)	9,494,587	8,641,607
Amounts due to third parties (Note 24)	應付第三方款項(附註24)	139,812	139,812
Amounts due to associates (Note 33)	應付聯營公司款項(附註33)	705,827	1,159,616
Amounts due to joint ventures (Note 33)	應付合營企業款項(附註33)	804,488	914,191
Amounts due to non-controlling interests (Note 26)	應付非控股權益款項(附註26)	1,858,586	3,761,926
Lease liabilities (Note 14)	租賃負債(附註14)	96,817	30,200
Total borrowings	借款總額	13,100,117	14,647,352
Less: Cash and cash equivalents (Note 20)	減：現金及現金等價物 (附註20)	(2,304,919)	(4,547,628)
Net debt	債務淨額	10,795,198	10,099,724
Total equity	權益總額	10,277,752	4,486,693
Total capital	資本總額	21,072,950	14,586,417
Gearing ratio	資產負債比率	51.2%	69.2%

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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3. Financial Risk Management (Continued)

3.3 Fair value estimation

Investment properties of the Group were measured at fair value.

(a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of investment properties that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers among levels 1, 2 and 3 for recurring fair value measurements during the year ended 31 December 2021 (2020: same).

3. 財務風險管理(續)

3.3 公允價值估計

本集團的投資物業按公允價值計量。

(a) 公允價值層級

本附註對確定綜合財務報表中按公允價值確認及計量的投資物業的公允價值時進行的判斷及估計予以解釋。為表明確定公允價值時使用的輸入數據可靠，本集團按照會計標準下所述三個等級對其非金融資產進行分類。

第1級： 相同資產或負債在活躍市場的報價(未經調整)。

第2級： 除第1級所包括的報價外，就該資產或負債而言為直接(即價格)或間接(即源自價格)的可觀察輸入數據。

第3級： 就該資產或負債而言並非依據可觀察市場數據的輸入數據(即不可觀察輸入數據)。

本集團的政策為確認於報告期末的公允價值層級等級的轉入及轉出。

截至2021年12月31日止年度期間，第1級、第2級及第3級經常性公允價值計量之間並無轉移(2020年：相同)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine level 3 fair values

The directors determine a property's value within a range of reasonable fair value estimates. Fair values of the Group's completed investment properties are derived using the income capitalisation approach. This valuation method takes into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate.

All resulting fair value estimates for investment properties are included in level 3.

3. 財務風險管理(續)

3.3 公允價值估計(續)

(b) 確定第3級公允價值所用的估值方法

董事在合理的公允價值估計範圍內確定物業的價值。本集團的已竣工投資物業公允價值使用收益資本化法計量。採用該等估值方法時，考慮該物業源於其現有租賃及／或在當前市場中可實現的淨租金收入，並充分考慮租賃的可復歸潛在收入，且該等收入已按照合適的資本化率進行資本化，用於確定公允價值。

由此得出的投資物業的所有公允價值估計包含在第3級內。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

Detailed disclosures of the changes in level 3 items for the years ended 31 December 2021 and 2020 for recurring fair value measurements are disclosed below.

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (b) above for the valuation techniques adopted.

		Fair value at 31 December 於12月31日的公允價值	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Investment properties	投資物業	183,020	180,900

Range of unobservable inputs As at 31 December 於12月31日不可觀察輸入數據的範圍

Properties status 物業	Unobservable inputs 不可觀察輸入數據	2021	2020
Investment properties 投資物業	Capitalisation rate 資本化率	5.2%-5.3%	4.8%-5.3%
	Monthly rental (RMB/sq.m./ month) 月租金(人民幣/平方米/ 月)	78-110	77.2-106.1

Relationship of unobservable inputs to fair value:

- The higher capitalisation rate, the lower the fair value;
- The higher monthly rental, the higher the fair value.

不可觀察輸入數據與公允價值的關係：

- 資本化率越高，公允價值越低；
- 月租金越高，公允價值越高。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

(d) Valuation inputs and relationships to fair value (Continued)

The Group's investment properties were valued by an independent professionally qualified valuer, Cushman & Wakefield, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department has a team to review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and the valuer at least once every six months for the Group's interim and annual reporting process.

At each reporting period end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior period valuation report; and
- Holds discussions with the independent valuer.

3. 財務風險管理(續)

3.3 公允價值估計(續)

(d) 估值輸入數據及與公允價值的關係(續)

本集團的投資物業由戴德梁行獨立專業合資格估值師估值，該估值師持有獲認可的相關專業資格，且最近具有所估值投資物業所在地區及種類的經驗。就所有投資物業而言，其現時的用途即為其最高及最佳用途。

本集團的財務部門設有一個團隊，專門審閱由獨立估值師對財務報告目的而進行之估值。該團隊直接向執行董事匯報。執行董事、估值團隊及估值師至少每六個月就本集團的中期及年度報告程序討論一次估值程序及結果。

於各報告期末，財務部門：

- 核實獨立估值報告的所有主要輸入數據；
- 評估物業估值相較往期估值報告的變動；及
- 與獨立估值師開展討論。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

(e) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in Note 32.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 5 years.

4. Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition on properties sold

Judgement on recognition method

The Group recognises revenue from sales of properties at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. Whether there is an enforceable right to payment depends on the terms of sales contract (by written or verbal) and the interpretation of the applicable laws that apply to the contract. Such determination requires the use of judgements interpretation.

3. 財務風險管理(續)

3.3 公允價值估計(續)

(e) 租賃安排

若干投資物業按長期經營租賃以按月收取租金方式出租予承租人。投資物業租賃的最低應收租賃付款披露於附註32。

藉此，本集團根據經營租賃出租其投資物業的租賃期介乎1年至5年。

4. 重要會計估計及判斷

編製綜合財務報表時所採用的估計及判斷乃基於過往經驗及其他因素(包括於有關情況下被視為合理的預期日後事件)進行評估。本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際結果。下文論述可能會導致於下個財政年度內對資產及負債的賬面值產生重大影響的估計及假設。

(a) 已售物業的收益確認

判斷確認方法

本集團於買方取得已竣工物業控制權的時間點確認銷售物業的收益。由於與客戶之間的合約限制，本集團不得更改或替換物業單位，或出於其他目的對物業進行重新定向，因此物業單位對本集團來說並無替代用途。然而，是否具有獲得付款的可強制執行權利取決於銷售合約(書面或口頭)的條款及適用於該合約的適用法律的解釋。該等確定需作出判斷的解釋。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
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4. Critical Accounting Estimates and Judgements (Continued)

(a) Revenue recognition on properties sold (Continued)

Judgement on recognition point

Management has also made judgement on when control of properties are transferred to customers. Control of properties are transferred to customer upon which the construction of relevant properties has been completed and upon which the properties has been handed over to the customers, the Group has present right to payment and the collection of the consideration is probable, usually all considerations received before handover of the properties to customers.

The judgement on the right to payment associated with the property sales transaction and the transfer of control of properties would affect the Group's profit for the years ended 31 December 2021 and 2020 and the carrying value of completed properties held for sale.

(b) Classification of subsidiaries, joint ventures and associates

The classification of an investment as a subsidiary, a joint venture or an associate is based on whether the Group is determined to have control, joint control or significant influence over the investee, which involves judgments through the analysis of various factors, including the Group's representation on the chief decision making authorities of an investee, such as board of directors' meetings and shareholders' meetings, as well as other facts and circumstances.

Subsidiaries are consolidated, which means each of their assets, liabilities and transactions are included line-by-line in the Group's consolidated financial statements, whereas the interests in joint ventures and associates are equity accounted for as investments on the consolidated statement of financial position.

Accordingly, any changes in classification as a result of recognition or derecognition of material investments could have a material and pervasive impact on the consolidated financial statements.

4. 重要會計估計及判斷(續)

(a) 已售物業的收益確認(續)

判斷確認時點

管理層亦已就物業控制權何時轉讓予客戶作出判斷。相關物業已竣工且物業已轉移至客戶後，物業控制權即為轉讓予客戶。本集團提供付款權利，且收取代價成為可能，通常所有代價會在轉讓物業至客戶之前收取。

就與物業銷售交易相關的付款權利之判斷及物業控制權轉讓會影響本集團於截至2021年及2020年12月31日止年度的溢利及持作出售的已竣工物業的賬面值。

(b) 附屬公司、合營企業及聯營公司的分類

根據本集團是否被確定對獲投資方擁有控制權、共同控制權或重大影響，將投資劃分為附屬公司、合營企業或聯營公司，當中涉及透過分析各種因素(包括本集團對獲投資方主要決策機關的代表權，例如董事會會議及股東會議)以及其他事實及情況作出判斷。

附屬公司進行綜合入賬，即意味著其各項資產、負債及交易均逐行列入本集團的綜合財務報表，而在合營企業及聯營公司的權益於綜合財務狀況表入賬列作投資權益。

因此，確認或終止確認重大投資導致任何類別變動可能對綜合財務報表造成重大及深遠影響。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

4. Critical Accounting Estimates and Judgements (Continued)

(c) Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group's land appreciation taxes calculation and payments are subject to finalisation with local tax authorities in the PRC. Accordingly, significant judgements is required in determining the amount of the land appreciation and its related taxes. The Group recognises these land appreciation taxes based on management's best estimates according to the understanding of the tax rules, by using a single best estimate of the most likely outcome approach. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and deferred income tax provisions in the periods in which such taxes have been finalised with local tax authorities.

(d) Income tax and deferred income tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Group recognises tax liabilities for anticipated tax audit issues based on a single best estimate of the most likely outcome approach. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(e) Provision for impairment of properties under development and completed properties held for sale

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable value based on the realisability of these properties, taking into account estimated costs to completion based on past experience (properties under development only) and estimated net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

4. 重要會計估計及判斷(續)

(c) 土地增值稅

本集團須支付中國土地增值稅。然而，有關稅項的執行及結算在中國各城市不同稅務司法權區有異，而本集團尚未與中國任何地方稅務機關落實其土地增值稅的計算及付款方法。因此，須作出重大判斷以釐定土地增值及其相關稅項的金額。本集團採用最有可能發生之結果單一最佳估計法，根據管理層按其對稅務規則的理解作出的最佳估計，確認此等土地增值稅。最終稅務結果可能與最初記錄的金額有別，而有關差異將影響地方稅務機關落實有關稅項年度的所得稅開支及遞延所得稅撥備。

(d) 所得稅及遞延所得稅

確定所得稅撥備時需要作出重大判斷。於日常業務過程中，許多交易及計算的最終確定尚不明確。本集團根據最有可能發生之結果單一最佳估計法，就預期稅務審計事項確認稅項負債。若此等事務的最終稅務結果與最初記錄的金額有異，該差額將影響作出此等確定期間的所得稅開支及遞延所得稅撥備。

與若干暫時差額及稅項虧損有關的遞延所得稅資產於管理層認為可能有未來應課稅溢利抵銷該暫時差額或稅項虧損時確認。其實際抵銷結果可能不同。

(e) 開發中物業及持作出售的已竣工物業的減值撥備

本集團按照以開發中物業及持作出售的已竣工物業的可變現能力為依據的物業可變現淨值評估該等物業的賬面值，同時考慮按過往經驗估算的竣工成本(僅開發中物業)及基於現行市況估算的銷售淨值。當有事件出現或情況變動顯示賬面值可能無法變現時進行撥備。評估時需要進行判斷及估算。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

5. Revenue from Contracts With Customers and Segment Information

The Executive Directors of the Company have been identified as the CODM. Management determines the operating segments based on the Group's internal reports, which are then submitted to the CODM for performance assessment and resources allocation.

The Executive Directors assess the performance of the operating segment based on a measure of profit before income tax and regard these to be only one operating segment – property development. Accordingly, segment disclosures are not presented. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in China, which is considered as one geographical location in an economic environment with similar risk and returns.

For the years ended 31 December 2021 and 2020, there was no transaction with a single external customer that amounted to 10% or more of the Group's revenue.

The revenue from contracts with customers recognised during the years ended 31 December 2021 and 2020 are sales of properties in the PRC, all of which were recognised at a point in time.

The revenue from external parties is derived from numerous external customers and the revenue reported to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

(a) Details of contract liabilities

5. 來自客戶合約的收益及分部資料

本公司執行董事已被確認為主要經營決策者。管理層根據本集團的內部報告釐定經營分部，之後提交予主要經營決策者用以評估業績及分配資源。

執行董事根據除所得稅前溢利計量評估經營分部的表現，並視之為唯一的經營分部，即物業開發部。因此，未列報分部披露資料。由於本集團的大部分資產及經營位於中國（被視為位於具有相似風險及回報的經濟環境下的地理區域），故未列報地理分部分析。

截至2021年及2020年12月31日止年度，與單一外部客戶的交易佔比概無超過本集團收益的10%或以上。

截至2021年及2020年12月31日止年度確認的來自客戶合約的收益為位於中國的物業銷售額（均已於某一時點予以確認）。

來自外部各方的收益乃源於大量外部客戶，且上報予執行董事的收益採用與綜合財務報表一致的方式計量。

(a) 合約負債詳情

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract liabilities related to sales of properties (Note)	與物業銷售有關的合約負債(附註)	27,240,235	20,979,809

Note: As at 31 December 2021, contract liabilities represent advanced payments received from customers for properties that have not yet been transferred to the customers. Increased in contract liabilities during the year ended 31 December 2021 represents increase in advanced payments received from customers.

附註：於2021年12月31日，合約負債指就尚未轉讓予客戶的物業向客戶收取的預先付款。截至2021年12月31日止年度的合約負債增加指預收客戶款項增加。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

5. Revenue from Contracts With Customers and Segment Information (Continued)

(b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised during the year ended 31 December 2021 related to carried-forward contract liabilities.

Revenue recognised that was included in the contract liabilities balance at the beginning of the year:

5. 來自客戶合約的收益及分部資料(續)

(b) 與合約負債有關的已確認收益

下表載列於2021年12月31日止年度期間所確認與結轉合約負債相關的收益。

年初計入合約負債結餘的已確認收益：

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of properties	物業銷售	9,869,526	3,799,385

(c) Unsatisfied contracts related to sales of properties

(c) 與物業銷售有關的未履行合約

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of properties	物業銷售		
Expected to be recognised	預期將予確認		
– Within one year	– 一年內	13,906,177	11,214,411
– After one year	– 一年後	17,356,647	13,542,130
		31,262,824	24,756,541

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

5. Revenue from Contracts With Customers and Segment Information (Continued)

(d) Assets recognised from costs to fulfill a contract

In addition to the contract balances disclosed above, the Group has also recognised sales commission as an asset in relation to costs to fulfill the contracts with customers. This is presented within trade and other receivables and prepayments in the consolidated statement of financial position.

5. 來自客戶合約的收益及分部資料(續)

(d) 自履約成本中確認的資產

除上文所披露合約結餘外，本集團亦已確認銷售佣金為有關履行與客戶合約之成本的資產。此於綜合財務狀況表內的貿易及其他應收款項以及預付款項列示。

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales commission recognised from costs incurred to fulfill a contract (Note 19)	自履約產生的成本中確認的銷售佣金(附註19)	136,267	40,759

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

6. Expenses by Nature

6. 按性質劃分的費用

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of properties sold – including construction cost, land cost, capitalised interest expenses	已售物業成本—包括建築成本、土地成本及資本化利息開支	7,917,295	2,623,888
Other taxes and surcharges	其他稅項及附加費	51,017	30,350
Employee benefit expenses (Note 7)	僱員福利開支(附註7)	545,997	406,604
Management and consulting services fee (Note (a))	管理及諮詢服務費(附註(a))	47,197	47,553
Donation	捐款	144	2,334
Advertising and promotion expenses	廣告及推廣開支	188,195	140,722
Office expenses	辦公室費用	126,343	79,931
Depreciation on property, plant and equipment and right-of-use assets (Note 13)	物業、廠房、設備及使用權資產折舊(附註13)	37,831	19,669
Entertainment expenses	業務招待開支	42,811	39,196
Recruitment fee	招聘費用	3,270	3,123
Motor vehicle expenses	汽車費用	3,111	2,678
Auditors' remuneration	核數師薪酬		
– Audit services	– 審計服務	4,565	4,894
– Non-audit services	– 非審計服務	645	796
Guarantee fee	擔保費	–	2,143
Legal and professional service fees	法律及專業服務費用	58,099	27,242
Listing expenses	上市開支	–	16,541
Travelling and transportation expenses	差旅及交通費用	15,586	12,683
Sales commission	銷售佣金	50,326	34,414
Others	其他	16,838	9,688
Total cost of sales, selling and marketing expenses and general and administrative expenses	銷售總成本、銷售及營銷開支及一般行政開支	9,109,270	3,504,449

Note (a): The amounts represent the fees paid to certain non-controlling interests shareholders and third parties in relation to the management and consulting services provided by them for the property development projects.

附註(a)：該金額指向若干非控股權益股東及第三方支付有關物業開發項目的管理及諮詢服務費的費用。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. Employee Benefit Expenses (Including Directors' Emoluments) 7. 僱員福利開支(包括董事袍金)

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and other benefits	工資、薪金及其他福利	486,086	382,226
Pension costs – statutory pension	退休金成本—法定退休金	59,911	24,378
		545,997	406,604

Pensions scheme – statutory pension

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.

The Group recognises employee benefit expenses in the following categories in the consolidated statement of comprehensive income:

退休金計劃—法定退休金

本集團的中國附屬公司僱員須參加地方市政府管理及運作的定額供款退休計劃。本集團的中國附屬公司乃若干僱員薪金百分比計算的數額向計劃供款，以向僱員退休福利提供資金。

本集團於綜合全面收益表確認以下類別的僱員福利開支：

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Selling and marketing expenses	銷售及營銷開支	189,418	141,724
General and administrative expenses	一般行政開支	356,579	264,880
		545,997	406,604

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. Employee Benefit Expenses (Including Directors' Emoluments) (Continued)

(a) Directors' emoluments

The remuneration of the directors of the Company are presented as below:

(i) For the year ended 31 December 2021

Name of Directors 董事姓名	Fees 費用	Salaries 薪金	Discretionary bonuses 酌情花紅	Allowance and benefit in kind 津貼及 實物利益	Employer's contribution to a retirement benefit scheme 僱主對退休 福利計劃的供款	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Group 有關董事就 管理本集團 事務的其他服務 已付或應收的 其他酬金	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2021	截至2021年12月31日止年度						
Executive Directors	執行董事						
Mr. Lui Ming	-	1,788	-	-	136	-	1,924
Mr. Lui Chi Chung Jimmy	-	1,622	-	-	136	-	1,758
Mr. Lui Jin Ling	-	1,622	-	-	136	-	1,758
Non-executive Directors	非執行董事						
Mr. Lui Wing Nam	-	931	-	-	-	-	931
Mr. Lui Wing Mau	-	931	-	-	-	-	931
Independent Non-executive Directors	獨立非執行董事						
Mr. Chan Pak Hung (Note (i))	-	-	-	-	-	-	-
Mr. Wan Ho Yin (Note (ii))	200	-	-	-	-	-	200
Mr. Guo Shaomu	300	-	-	-	-	-	300
Ms. Tang Lo Nar	200	-	-	-	-	-	200
Total	700	6,894	-	-	408	-	8,002

7. 僱員福利開支(包括董事袍金) (續)

(a) 董事袍金

本公司董事的薪酬如下：

(i) 截至2021年12月31日止年度

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. Employee Benefit Expenses (Including Directors' Emoluments) (Continued)

(a) Directors' emoluments (continued)

(ii) For the year ended 31 December 2020

7. 僱員福利開支(包括董事袍金)(續)

(a) 董事袍金(續)

(ii) 截至2020年12月31日止年度

Name of Directors 董事姓名	Fees 費用	Salaries 薪金	Discretionary bonuses 酌情花紅	Allowance and benefit in kind 津貼及 實物利益	Employer's contribution to a retirement benefit scheme 僱主對退休 福利計劃的供款	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Group 有關董事就 管理本集團 事務的其他服務 已付或應收的 其他酬金	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2020	截至2020年12月31日止年度						
Executive Directors	執行董事						
Mr. Lui Ming	-	916	-	-	62	-	978
Mr. Lui Chi Chung Jimmy	-	756	-	-	62	-	818
Mr. Lui Jin Ling	-	756	-	-	62	-	818
Non-executive Directors	非執行董事						
Mr. Lui Wing Nam	-	800	-	-	-	-	800
Mr. Lui Wing Mau	-	800	-	-	-	-	800
Independent Non-executive Directors	獨立非執行董事						
Mr. Wan Ho Yin (Note (i))	92	-	-	-	-	-	92
Mr. Guo Shaomu	139	-	-	-	-	-	139
Ms. Tang Lo Nar	92	-	-	-	-	-	92
Total	323	4,028	-	-	186	-	4,537

Notes:

- (i) Mr. Chan Pak Hung was appointed as the Company's independent non-executive director on 11 February 2022.
- (ii) Mr. Wan Ho Yin resigned as the Company's independent non-executive director on 11 February 2022.

附註：

- (i) 陳栢鴻先生於2022年2月11日獲委任為本公司的獨立非執行董事。
- (ii) 溫浩然先生於2022年2月11日辭任本公司的獨立非執行董事。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. Employee Benefit Expenses (Including Directors' Emoluments) (Continued)

(b) Directors' retirement benefits and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking for the year ended 31 December 2021 (2020: same).

(c) Consideration provided to third parties for making available directors' services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the year 31 December 2021 (2020: same).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no other loans, quasi-loans and other dealings in favor of the directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2021 (2020: same).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 33, no significant transactions, arrangements, and contracts in relations to the Group's business to which the Company was a party and in which a director of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2021 (2020: same).

7. 僱員福利開支(包括董事袍金)(續)

(b) 董事退休福利及離職福利

截至2021年12月31日止年度(2020年：相同)，任何董事概無就管理本公司或其附屬公司事務的其他服務而獲支付或應收任何退休福利。

(c) 就獲提供董事服務而向第三方提供代價

截至2021年12月31日止年度，概無就董事出任本公司董事而向董事的任何前僱主支付任何款項(2020年：相同)。

(d) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

截至2021年12月31日止年度，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何其他貸款、類似貸款及其他交易(2020年：相同)。

(e) 董事於交易、安排或合約中的重大權益

除附註33所披露者外，於截至2021年12月31日止年度年末或任何時間並無存續本公司訂立之就本集團業務而言屬重大而本公司董事直接或間接擁有重大權益之交易、安排及合約(2020年：相同)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. Employee Benefit Expenses (Including Directors' Emoluments) (Continued)

(f) Five highest paid individuals

There are three directors' emoluments included in the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2021 (2020: None). The emoluments payable to the remaining 2 (2020: 5) individuals during the year ended 31 December 2021 are as follows:

7. 僱員福利開支(包括董事袍金)(續)

(f) 五大最高薪酬人士

截至2021年12月31日止年度，本集團五大最高薪酬人士包括三名董事薪酬(2020年：無)。截至2021年12月31日止年度，應付餘下2名人士的薪酬如下(2020年：5名)：

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and other benefits	工資、薪金及其他福利	3,958	6,744
Pension costs – statutory pension	退休金成本—法定退休金	27	168
		3,985	6,912

The emoluments of these remaining individuals of the Group fell within the following bands:

本集團該等餘下人士之薪酬範圍如下：

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		Number of individual	Number of individual
		人數	人數
Annual emolument bands:	年酬範圍：		
– HKD1,000,000 to HKD1,500,000	– 1,000,000港元至 1,500,000港元	–	3
– HKD1,500,001 to HKD2,000,000	– 1,500,001港元至 2,000,000港元	1	2
– HKD2,000,001 to HKD2,500,000	– 2,000,001港元至 2,500,000港元	1	–

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

8. Other Income and Other Gains, Net

8. 其他收入及其他收益，淨額

		Year ended 31 December 截至12月31日止年度	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Fair value gains of financial assets at fair value through profit or loss – listed trading securities	按公允價值計量且其變動計入損益的金融資產—上市交易證券	44,010	–
Fair value gains on deemed disposal of Nanjing Jinjun (Note 29)	視作出售南京金俊的公允價值收益(附註29)	4,548	–
Dividend income from financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產的股息收益	4,100	–
Management and consulting service income (Note a)	管理及諮詢服務收入(附註a)	20,088	12,281
Rental income	租金收入	5,482	4,181
Interest income from amounts due from associates, joint ventures and other third parties	來自聯營公司、合營企業及其他第三方的應收款項的利息收入	10,187	8,547
Gains/(losses) on disposal of property, plant and equipment	出售物業、廠房及設備的收益/(虧損)	801	(193)
Others	其他	(1,927)	1,356
		87,289	26,172

Note (a): The amount mainly represents the management and consulting services provided to the Group's joint ventures and associates in relation to the property development projects.

附註(a)：該款項主要指就物業開發項目而提供予本集團合營企業及聯營公司的管理及諮詢服務。

9. Finance Costs, Net

9. 融資成本，淨額

		Year ended 31 December 截至12月31日止年度	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Finance income	融資收入		
Interest income from bank deposits	利息收入自銀行存款	(43,575)	(38,735)
		(43,575)	(38,735)
Finance costs	融資成本		
– Bank and other borrowings	– 銀行及其他借款	917,041	405,922
– Amount due to associates and a joint venture	– 應付聯營公司及一間合營企業款項	40,139	17,229
– Amounts due to non-controlling interests	– 應付非控股權益款項	30,785	197,787
– Lease liabilities (Note 14)	– 租賃負債(附註14)	6,305	1,249
– Less: capitalised interest	– 減：資本化利息	(712,665)	(500,485)
		281,605	121,702
Finance costs, net	融資成本淨額	238,030	82,967

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

10. Income Tax Expenses

10. 所得稅開支

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax:	即期所得稅：		
– PRC corporate income tax	– 中國企業所得稅	362,756	348,677
– PRC land appreciation tax	– 中國土地增值稅	53,804	213,948
		416,560	562,625
Deferred income tax (Note 17)	遞延所得稅(附註17)	(14,938)	(180,941)
		401,622	381,684

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/loss of the consolidated entities as follows:

本集團稅前利潤的稅項有別於使用綜合實體利潤／虧損所適用的加權平均稅率而得出的理論金額，情況如下：

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	所得稅前溢利	1,503,803	1,023,623
Adjust for share of results of joint ventures and associates reported net of tax	就所呈報分佔合營企業及聯營公司業績作調整(扣除稅項)	(393,009)	(403,436)
		1,110,794	620,187
Tax calculated at applicable corporate income tax rate	按適用企業所得稅稅率計算的稅項	291,153	159,518
Effect of income not subject to tax	毋須課稅所得稅收入的影響	(8,973)	(172)
Effect of expenses not deductible	不可扣所得稅開支的影響	4,935	10,066
Effect of tax losses not recognised as deferred income tax assets	未確認為遞延所得稅資產的稅項虧損的影響	45,176	42,291
PRC land appreciation tax deductible for income tax purpose	可扣所得稅的中國土地增值稅	(13,451)	(53,487)
Effect of withholding tax on undistributed profits	未分派溢利的預扣稅影響	28,978	9,520
Corporate income tax	企業所得稅	347,818	167,736
PRC land appreciation tax	中國土地增值稅	53,804	213,948
		401,622	381,684

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

10. Income Tax Expenses (Continued)

PRC corporate income tax

The income tax provision of the Group in respect of operations in PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

PRC land appreciation tax ("LAT")

Pursuant to the requirements in relation to LAT in the PRC, all income from the sale or transfer of state-owned land use rights, building and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands ("**BVI**") was incorporated under the BVI Business Companies Act of the BVI and is exempted from BVI income tax. The Group's subsidiaries in Hong Kong are subject to profits tax at the rate of 16.5%.

10. 所得稅開支(續)

中國企業所得稅

本集團就中國業務經營計提的所得稅撥備乃根據現有相關立法、詮釋及慣例對截至當年的估計應課稅利潤按適用稅率而計算。

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)，位於中國內地的集團實體所適用的企業所得稅稅率為25%。

中國土地增值稅(「土地增值稅」)

根據土地增值稅的規定，銷售或轉讓中國國有土地使用權、樓宇及附屬設施的所有收入須按介乎增值30%至60%的累進稅率繳納土地增值稅，惟倘一般住宅物業的銷售增值不超過總可扣稅項目金額的20%，則可予豁免。

本集團已按上述累進稅率就物業銷售計提土地增值稅撥備。

海外所得稅

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，並獲豁免繳納開曼群島所得稅。本公司於英屬維爾京群島(「**英屬維爾京群島**」)的直接附屬公司乃根據英屬維爾京群島之英屬維爾京群島商業公司法註冊成立，並獲豁免繳納英屬維爾京群島所得稅。本集團於香港的附屬公司須按16.5%的稅率繳納利得稅。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

10. Income Tax Expenses (Continued)

PRC withholding tax

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2017, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

On 21 December 2020, the immediate holding companies of the PRC subsidiaries have obtained the Certificate of Resident Status from the Inland Revenue Department and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Therefore, a lower 5% withholding tax rate shall be applied to dividend distribution thereafter.

As at 31 December 2021 deferred income tax liabilities of approximately RMB109,328,000 (2020: RMB80,350,000) have been provided for at applicable tax rate 5% (2020: 5%) in respect of temporary differences attributable to undistributed profits of the Company's PRC subsidiaries.

11. Dividends

Final dividend for the year ended 31 December 2020 of RMB0.18 per ordinary share	截至2020年12月31日止年度的 末期股息每股普通股 人民幣0.18元
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The board does not recommend the payment of dividend for the year ended 31 December 2021 (2020: RMB0.18 per ordinary share).

10. 所得稅開支(續)

中國預扣稅

根據於2017年12月6日頒佈的企業所得稅法實施條例，於2008年1月1日後，以中國公司產生的溢利向其海外投資者分派的股息應按10%的稅率繳納預扣所得稅，倘中國附屬公司的直接控股公司在香港註冊成立及符合由中國與香港所訂立的稅務條約安排規定，則適用5%的較低預扣稅率。

於2020年12月21日，中國附屬公司的直接控股公司已獲得稅務局簽發的居民身份證明書，並符合中國與香港訂立的稅務條約安排的規定。因此，其後的股息分派應採用較低的5%預扣稅率。

於2021年12月31日，約人民幣109,328,000元(2020年：人民幣80,350,000元)的遞延所得稅負債已按本公司中國附屬公司未分派溢利應佔暫時差額按適用稅率5%(2020年：5%)計提撥備。

11. 股息

Year ended 31 December

截至12月31日止年度

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元

		-	293,511

董事會不建議支付截至2021年12月31日止年度的股息(2020年：每股普通股人民幣0.18元)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

12. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

12. 每股收益

(a) 基本

每股股份基本收益乃以各年度內本公司擁有人應佔溢利除以已發行普通股的加權平均數而計算得出。

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to owners of the Company during the years (RMB'000)	有關年度內本公司擁有人應佔溢利(人民幣千元)	480,936	960,748
Weighted average number of ordinary shares in issue (in thousand)	已發行普通股的加權平均數(千股)	1,630,249	1,415,823
Basic earnings per share (RMB)	每股基本收益(人民幣元)	0.30	0.68

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2021 and 2020. Accordingly, diluted earnings per share is the same as the basic earnings per share.

(b) 攤薄

截至2021年及2020年12月31日止年度內本公司沒有任何潛在攤薄股份在外。因此，攤薄每股收益與基本每股收益相同。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

13. Property, Plant and Equipment

13. 物業、廠房及設備

		Right-of use assets 使用權資產 RMB'000 人民幣千元	Leasehold improvement 租賃物業 裝修 RMB'000 人民幣千元	Computer and office equipment 電腦及 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於2020年12月31日					
Cost	成本	58,172	11,364	25,987	13,804	109,327
Accumulated depreciation	累計折舊	(22,323)	(4,808)	(7,922)	(6,299)	(41,352)
Net book amount	賬面淨值	35,849	6,556	18,065	7,505	67,975
Year ended 31 December 2021	截至2021年12月31日止年度					
Opening net book amount	期初賬面淨值	35,849	6,556	18,065	7,505	67,975
Additions	添置	79,601	24,051	8,538	1,695	113,885
Disposals	出售	-	(1,161)	(3,271)	(658)	(5,090)
Depreciation	折舊	(24,088)	(6,600)	(4,672)	(2,471)	(37,831)
Closing net book amount	期末賬面淨值	91,362	22,846	18,660	6,071	138,939
At 31 December 2021	於2021年12月31日					
Cost	成本	137,773	34,564	33,759	12,407	218,503
Accumulated depreciation	累計折舊	(46,411)	(11,718)	(15,099)	(6,336)	(79,564)
Net book amount	賬面淨值	91,362	22,846	18,660	6,071	138,939

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

13. Property, Plant and Equipment (Continued)

13. 物業、廠房及設備(續)

		Right-of use assets 使用權資產 RMB'000 人民幣千元	Leasehold improvement 租賃物業 裝修 RMB'000 人民幣千元	Computer and office equipment 電腦及 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於2019年12月31日					
Cost	成本	29,471	7,742	15,898	13,107	66,218
Accumulated depreciation	累計折舊	(12,389)	(1,892)	(7,391)	(8,542)	(30,214)
Net book amount	賬面淨值	17,082	5,850	8,507	4,565	36,004
Year ended 31 December 2020	截至2020年12月31日止年度					
Opening net book amount	期初賬面淨值	17,082	5,850	8,507	4,565	36,004
Additions	添置	31,948	4,422	12,586	5,491	54,447
Disposals	出售	(2,390)	-	(127)	(290)	(2,807)
Depreciation	折舊	(10,791)	(3,716)	(2,901)	(2,261)	(19,669)
Closing net book amount	期末賬面淨值	35,849	6,556	18,065	7,505	67,975
At 31 December 2020	於2020年12月31日					
Cost	成本	58,172	11,364	25,987	13,804	109,327
Accumulated depreciation	累計折舊	(22,323)	(4,808)	(7,922)	(6,299)	(41,352)
Net book amount	賬面淨值	35,849	6,556	18,065	7,505	67,975

Depreciation expenses has been charged in the following categories in the consolidated statement of comprehensive income:

折舊費用已於綜合全面收益表按以下類別扣除：

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of sales	銷售成本	53	1,264
Selling and marketing expenses	銷售及營銷開支	597	655
Administrative expenses	行政開支	37,181	17,750
		37,831	19,669

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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14. Leases

(i) Amount recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

14. 租賃

(i) 於綜合財務狀況表內確認的金額

綜合財務狀況表顯示下列與租賃有關之金額：

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Right-of-use assets	使用權資產		
Properties	物業	91,362	35,849
Lease liabilities	租賃負債		
– Non-current	– 非流動	80,188	18,049
– Current	– 流動	16,629	12,151
Total lease liabilities	租賃負債總額	96,817	30,200

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

14. Leases (Continued)

(ii) Amount recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation charges of right-of-use assets (Note 13)	使用權資產折舊費用(附註13)	24,088	10,791
Interest expense on lease liabilities (Note 9)	租賃負債利息費用(附註9)	6,305	1,249

(iii) Amount recognised in the consolidated statement of cash flows

During the year ended 31 December 2021, cash outflows relating to leases, including short-term and low value leases, amounted to RMB22,008,000 (2020: RMB17,073,000).

14. 租賃(續)

(ii) 於綜合全面收益表內確認的金額

綜合財務狀況表顯示下列與租賃有關之金額：

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation charges of right-of-use assets (Note 13)	使用權資產折舊費用(附註13)	24,088	10,791
Interest expense on lease liabilities (Note 9)	租賃負債利息費用(附註9)	6,305	1,249

(iii) 於綜合現金流量表確認的金額

截至2021年12月31日止年度，現金流出與租賃有關，包括短期和低價值租賃，為人民幣22,008,000元(2020年：人民幣17,073,000元)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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15. Investment Properties

15. 投資物業

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net book amount	期初賬面淨額	180,900	170,800
Fair value gains	公允價值收益	2,120	10,100
Closing net book amount	期末賬面淨額	183,020	180,900

As at 31 December 2021, the Group had no contractual obligations for repairs, maintenance or enhancements (2020: same).

於2021年12月31日，本集團並無合約責任進行維修、保養或加強工程(2020年：相同)。

16. Investments Accounted for Using the Equity Method

16. 採用權益法列賬的投資

(a) Investments accounted for using the equity method

(a) 以權益法列賬的投資

- (i) The amounts recognised in the consolidated statement of financial position as “Investments accounted for using the equity method” are as follows:

- (i) 於綜合財務狀況表確認為「採用權益法入賬的投資」的數額如下：

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Joint ventures	合營企業	868,812	834,380
Associates	聯營公司	751,072	634,454
		1,619,884	1,468,834

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(a) Investments accounted for using the equity method (Continued)

- (i) The amounts recognised in the consolidated statement of financial position as “Investments accounted for using the equity method” are as follows: (Continued)

Movement of investments in joint ventures:

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	834,380	520,299
Additions	添置	25,115	47,000
Addition upon deemed disposal of Nanjing Jinjun (Note 29)	視作出售南京金俊時的添置(附註29)	11,885	–
Acquisition of a subsidiary (Note 28)	收購一間附屬公司(附註28)	(26,948)	(12,000)
Share of results	應佔業績	199,751	289,081
Dividend declared	已宣派股息	(175,371)	(10,000)
At 31 December	於12月31日	868,812	834,380

Movement of investments in associates:

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	634,454	583,133
Additions	添置	98,340	–
Share of results	應佔業績	193,258	114,355
Dividend declared	已宣派股息	(174,980)	(63,034)
At 31 December	於12月31日	751,072	634,454

16. 採用權益法列賬的投資(續)

(a) 以權益法列賬的投資(續)

- (i) 於綜合財務狀況表確認為「採用權益法列賬的投資」的數額如下：(續)

投資於合營企業的變動：

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元

At 1 January	於1月1日	834,380	520,299
Additions	添置	25,115	47,000
Addition upon deemed disposal of Nanjing Jinjun (Note 29)	視作出售南京金俊時的添置(附註29)	11,885	–
Acquisition of a subsidiary (Note 28)	收購一間附屬公司(附註28)	(26,948)	(12,000)
Share of results	應佔業績	199,751	289,081
Dividend declared	已宣派股息	(175,371)	(10,000)
At 31 December	於12月31日	868,812	834,380

投資於聯營公司的變動：

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元

At 1 January	於1月1日	634,454	583,133
Additions	添置	98,340	–
Share of results	應佔業績	193,258	114,355
Dividend declared	已宣派股息	(174,980)	(63,034)
At 31 December	於12月31日	751,072	634,454

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(a) Investments accounted for using the equity method (Continued)

- (i) The amounts recognised in the consolidated statement of financial position as “Investments accounted for using the equity method” are as follows: (Continued)

The Group’s joint ventures and associates are principally engaged in property development business. During the years ended 31 December 2021 and 2020, certain projects of the joint ventures and associates were under development, net losses were incurred and the Group recognised share of losses of the joint ventures and associates. As at 31 December 2021 and 2020, the Group has performed assessment on impairment of the investments in joint ventures and associates taking into account the pre-sales of the properties of the joint venture and associates, the current and future market condition for sales of properties and the budgeted development cost and expenses, no impairment on the investments in joint ventures and associates is considered necessary.

- (ii) The amounts recognised in the consolidated statement of comprehensive income statements as “Share of results of joint ventures and associates” are as follows:

16. 採用權益法列賬的投資(續)

(a) 以權益法列賬的投資(續)

- (i) 於綜合財務狀況表確認為「採用權益法列賬的投資」的數額如下：(續)

本集團的合營企業及聯營公司主要從事房地產開發業務。截至2021年及2020年12月31日止年度，合營企業及聯營公司的若干項目仍在開發中，已產生虧損淨額，而本集團確認應佔合營企業及聯營公司的虧損。於2021年及2020年12月31日，本集團已對合營企業及聯營公司的投資進行減值評估，當中考慮到預售合營企業及聯營公司的物業、出售物業的現時及未來市況及預算發展成本及開支，認為合營公司及聯營公司的投資毋須減值。

- (ii) 於綜合全面收益表確認為「應佔合營企業與聯營公司業績」的金額如下：

		Year ended 31 December 截至12月31日止年度	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Joint ventures	合營企業	199,751	289,081
Associates	聯營公司	193,258	114,355
		393,009	403,436

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(b) Set out below are the principal joint ventures and associates of the Group as at 31 December 2021 and 2020. The place of incorporation or registration is also their principal place of business.

(i) Joint ventures:

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2021	2020
海門錦嘉置業有限公司 Haimen Jinjia Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
海鹽金碧房地產開發有限公司 Haiyan Jinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	33.3%	33.3%
張家港保稅區耀輝房地產開發有限公司 Zhangjiagang Free Duty Zone Yaohui Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	13.5%	13.5%
南通卓蘇(「南通卓蘇」)房地產開發有限公司 Nantong Zhuosu Real Estate Development Co., Ltd. ("Nantong Zhuosu")	PRC 中國	Property development 物業發展	Equity method 權益法	12.5%	12.5%
宜興市嘉譽(「宜興嘉譽」)房地產開發有限公司 Yixing Jiayu Real Estate Co., Ltd. ("Yixing Jiayu")	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
常熟卓陽置業有限公司 Changshu Zhuoyang Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%
南通富利騰房地產開發有限公司 Nantong Fuliteng Real Estate Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
南通崇通置業有限公司 Nantong Chongtong Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
常州嘉宏采菱置業發展有限公司 Changzhou Jiahong Cailing Real Estate Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20.21%	20.21%

16. 採用權益法列賬的投資(續)

(b) 下文載列本集團於2021年及2020年12月31日的主要合營公司及聯營公司。註冊成立或註冊地點亦為其主要營業地點。

(i) 合營公司：

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued) (b) (Continued)

(i) Joint ventures: (Continued)

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group	
				2021	2020
泰興市融和置業有限公司(「泰興融和」) Taixing Ronghe Property Co., Ltd. ("Taixing Ronghe")	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
浙江港達(「浙江港達」)置業有限公司 Zhejiang Gangda Property Co., Ltd. ("Zhejiang Gangda")	PRC 中國	Property development 物業發展	Equity method 權益法	49%	49%
湖州港宏置業有限公司 Huzhou Ganghong Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	60%	60%
常熟茂龍(「常熟茂龍」)房地產開發有限公司 Changshu Maolong Real State Co., Ltd. ("Changshu Maolong")	PRC 中國	Property development 物業發展	Equity method 權益法	50%	50%
蘇州正璽(「蘇州正璽」)房地產開發有限公司 Suzhou Zhengxi Real Estate Development Co., Ltd. ("Suzhou Zhengxi")	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
如皋港華置業有限公司 Rugao Ganghua Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	24.99%	24.99%
南京金俊(「南京金俊」)房地產開發有限公司 Nanjing Jinjun Real Estate Development Co., Ltd. ("Nanjing Jinjun")	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%

16. 採用權益法列賬的投資(續)

(b) (續)

(i) 合營公司：(續)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(b) (Continued)

(ii) Associates:

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group	
				2021	2020
常熟市虞山碧桂園房地產開發有限公司 Changshu Yushan Country Garden Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	40%	40%
南通市碧桂園新區置業有限公司 Nantong Country Garden New District Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
張家港金碧房地產開發有限公司 Zhangjiagang Jinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
海門中南錦冠置業有限公司 Haimen Zhongnan Jinguan Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
張家港城南碧桂園房地產開發有限公司 Zhangjiagang South City Country Garden Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
鹽城新碧房地產開發有限公司 Yancheng Xinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
鹽城市順碧房地產開發有限公司 Yancheng Shunbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
江陰市合誠(「江陰市合誠」)房地產開發有限公司 Jiangyin Hecheng Real Estate Development Co., Ltd. (“Jiangyin Hecheng”)	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
常熟市必達房地產開發有限公司 Changshu Bida Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%
如皋市新碧房地產開發有限公司 Rugao Xinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
常熟市金安瑞宸(「常熟市金安瑞宸」)房地產開發有限公司 Changshu Jin'an Ruichen Real Estate Development Co., Ltd. (“Changshu Jin'an Ruichen”)	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%

16. 採用權益法列賬的投資(續)

(b) (續)

(ii) 聯營公司：

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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16. Investments Accounted for Using the Equity Method (Continued) (b) (Continued)

(ii) Associates: (Continued)

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2021	2020
常州牡丹君港(「常州牡丹君港」)置業有限公司 Changzhou Mudan Jungang Real Estate Co., Ltd. (「Changzhou Mudan Jungang」)	PRC 中國	Property development 物業發展	Equity method 權益法	24.5%	24.5%
連雲港市港龍置業有限公司(「連雲港市港龍」) Lianyungang Ganglong Property Co., Ltd. (「Lianyungang Ganglong」)	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
常州市凱澤置業有限公司(「常州市凱澤」) Changzhou Kaize Property Co., Ltd. (「Changzhou Kaize」)	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
揚州九和(「揚州九和」)置業有限公司 Yangzhou Jiuhe Property Co., Ltd. (「Yangzhou Jiuhe」)	PRC 中國	Property development 物業發展	Equity method 權益法	24.5%	N/A 不適用
廣州科旺投資有限公司 Guangzhou Kewang Investment Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	N/A 不適用
廣州旺園(「廣州旺園」)實業投資有限公司 Guangzhou Wangyuan Industrial Investment Co., Ltd. (「Guangzhou Wangyuan」)	PRC 中國	Property development 物業發展	Equity method 權益法	9.8%	N/A 不適用

* The English names of PRC companies referred to above in this note represents management's best effort in translating the Chinese names of those companies as no English name have been registered or available.

* 本附註上文所述中國公司的英文名稱代表管理層儘力翻譯該等公司的中文名稱，因為並無英文名稱已註冊或可供索取。

16. 採用權益法列賬的投資(續)

(b) (續)

(ii) 聯營公司：(續)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures

None of the joint ventures and associates accounted for using the equity method is individually material to the Group. Set out below are the summarised financial information for a selected group of joint ventures and associates that the Directors consider to be meaningful for users of the consolidated financial statements of the Group:

- (i) **Nantong Zhuosu, a joint venture to the Group.**
Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要

採用權益法入賬的合資企業及聯營公司對本集團均無重大影響。以下為董事會認為對本集團綜合財務報表使用者有意義的選定合資企業及聯營公司集團的財務資料概要：

- (i) **南通卓蘇(為本集團的合營企業)**
財務狀況表概要

		As at 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	237,409	326,879
Other current assets	其他流動資產	31,547	36,317
Total assets	資產總額	268,956	363,196
Current liabilities	流動負債		
Other current liabilities	其他流動負債	75,301	189,551
Total liabilities	負債總額	75,301	189,551
Net assets	資產淨額	193,655	173,645

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(i) Nantong Zhuosu, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	173,645	122,563
Profit for the year	年內溢利	20,010	131,082
Dividend declared	已宣派股息	-	(80,000)
Closing net assets	期末淨資產	193,655	173,645
Proportion of the Group's ownership	本集團所有權比例	12.5%	12.5%
Carrying amount of the investment	投資賬面值	24,207	21,706

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	41,052	1,406,833
Expenses	開支	(21,042)	(1,275,751)
Net profit and total comprehensive profit for the year	年內淨溢利及全面溢利總額	20,010	131,082

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(ii) Yixing Jiayu, a joint venture to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(ii) 宜興嘉譽(為本集團的合營企業)

財務狀況表概要

		As at 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	57,977	78,577
Other current assets	其他流動資產	599,119	1,338,927
Total assets	資產總額	657,096	1,417,504
Current liabilities	流動負債		
Other current liabilities	其他流動負債	426,092	1,417,662
Total liabilities	負債總額	426,092	1,417,662
Net assets/(liabilities)	淨資產/(負債)	231,004	(158)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(ii) Yixing Jiayu, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(ii) 宜興嘉譽(為本集團的合營企業)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net liabilities	期初淨負債	(158)	(8,839)
Profit for the year	年內溢利	231,162	8,681
Closing net assets/(liabilities)	期末淨資產/(負債)	231,004	(158)
Proportion of the Group's ownership	本集團所有權比例	20%	20%
Carrying amount of the investment	投資賬面值	46,201	-

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	952,009	366,024
Expenses	開支	(720,847)	(357,343)
Net profit and total comprehensive profit for the year	年內淨溢利及全面溢利總額	231,162	8,681

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(iii) Taixing Ronghe, a joint venture to the Group.

Summarised statement of financial position

		As at 31 December	
		於12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	41,272	46,679
Other current assets	其他流動資產	400,237	1,040,976
Total assets	資產總額	441,509	1,087,655
Current liabilities	流動負債		
Other current liabilities	其他流動負債	471,352	1,081,201
Total liabilities	負債總額	471,352	1,081,201
Net (liabilities)/assets	(負債)／資產淨額	(29,843)	6,454

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

本集團的權益賬面值呈列的財務資料概要的對賬。

Year ended 31 December

截至12月31日止年度

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	6,454	14,600
Loss for the year	年內虧損	(36,297)	(8,146)
Closing net (liabilities)/assets	期末淨(負債)／資產	(29,843)	6,454
Proportion of the Group's ownership	本集團所有權比例	20%	20%
Carrying amount of the investment	投資賬面值	-	1,291

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(iii) Taixing Ronghe, a joint venture to the Group. (Continued)

Summarised statement of comprehensive income

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	678,614	941,462
Expenses	開支	(714,911)	(949,608)
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(36,297)	(8,146)

(iv) Zhejiang Gangda, a joint venture to the Group.

Summarised statement of financial position

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	2,508	2,292
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	53,650	126,777
Other current assets	其他流動資產	172,506	609,348
		226,156	736,125
Total assets	資產總額	228,664	738,417
Non-current liabilities	非流動負債		
Other non-current liabilities	其他非流動負債	-	1,704
Current liabilities	流動負債		
Other current liabilities	其他流動負債	95,681	337,317
Total liabilities	負債總額	95,681	339,021
Net assets	資產淨額	132,983	399,396

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(iii) 泰興融和(本集團的合營企業)(續)

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	678,614	941,462
Expenses	開支	(714,911)	(949,608)
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(36,297)	(8,146)

(iv) 浙江港達(為本集團的合營企業)

財務狀況表概要

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	2,508	2,292
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	53,650	126,777
Other current assets	其他流動資產	172,506	609,348
		226,156	736,125
Total assets	資產總額	228,664	738,417
Non-current liabilities	非流動負債		
Other non-current liabilities	其他非流動負債	-	1,704
Current liabilities	流動負債		
Other current liabilities	其他流動負債	95,681	337,317
Total liabilities	負債總額	95,681	339,021
Net assets	資產淨額	132,983	399,396

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(iv) Zhejiang Gangda, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(iv) 浙江港達(為本集團的合營企業)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	399,396	104,276
(Loss)/profit for the year	年內(虧損)/溢利	(6,413)	295,120
Dividend declared	已宣派股息	(260,000)	–
Closing net assets	期末淨資產	132,983	399,396
Proportion of the Group's ownership	本集團所有權比例	49%	49%
Carrying amount of the investment	投資賬面值	65,162	195,704

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	229,609	2,108,586
Expenses	開支	(236,022)	(1,813,466)
Net (loss)/profit and total comprehensive (loss)/profit for the year	年內淨(虧損)/溢利及全面(虧損)/溢利總額	(6,413)	295,120

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(v) Changshu Maolong, a joint venture to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(v) 常熟茂龍(為本集團的合營企業)

財務狀況表概要

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	3,685	3,701
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期 存款、現金及現金等價物	124,500	174,761
Other current assets	其他流動資產	1,022,687	1,631,451
		1,147,187	1,806,212
Total assets	資產總額	1,150,872	1,809,913
Non-current liabilities	非流動負債		
Borrowings	借款	–	490,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	881,001	1,130,934
Total liabilities	負債總額	881,001	1,620,934
Net assets	資產淨額	269,871	188,979

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(v) Changshu Maolong, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨負債	188,979	193,904
Profit/(loss) for the years	年內溢利/(虧損)	80,892	(4,925)
Closing net assets	期末淨資產	269,871	188,979
Proportion of the Group's ownership	本集團所有權比例	50%	50%
Carrying amount of the investment	投資賬面值	134,936	94,490

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	1,085,882	-
Expenses	開支	(1,004,990)	(4,925)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	80,892	(4,925)

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(v) 常熟茂龍(為本集團的合營企業)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(vi) Suzhou Zhengxi, a joint venture to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(vi) 蘇州正璽(為本集團的合營企業)

財務狀況表概要

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	20,264	51,489
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期 存款、現金及現金等價物	126,085	298,945
Other current assets	其他流動資產	769,748	2,557,792
		895,833	2,856,737
Total assets	資產總額	916,097	2,908,226
Non-current liabilities	非流動負債		
Borrowings	借款	-	259,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	215,487	2,286,915
Total liabilities	負債總額	215,487	2,545,915
Net assets	資產淨額	700,610	362,311

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(vi) Suzhou Zhengxi, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	362,311	379,718
Profit/(loss) for the year	年內溢利/(虧損)	338,299	(17,407)
Closing net assets	期末淨資產	700,610	362,311
Proportion of the Group's ownership	本集團所有權比例	33%	33%
Carrying amount of the investment	投資賬面值	231,201	119,563

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	2,349,041	-
Expenses	開支	(2,010,742)	(17,407)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	338,299	(17,407)

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(vi) 蘇州正璽(為本集團的合營企業)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(vii) Nanjing Jinjun, a joint venture to the Group.

Summarised statement of financial position

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	7	NA 不適用
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	156,091	NA 不適用
Other current assets	其他流動資產	1,241,419	NA 不適用
		1,397,510	NA 不適用
Total assets	資產總額	1,397,517	NA 不適用
Non-current liabilities	非流動負債		
Borrowings	借款	1,000,000	NA 不適用
Current liabilities	流動負債		
Other current liabilities	其他流動負債	381,900	NA 不適用
Total liabilities	負債總額	1,381,900	NA 不適用
Net assets	資產淨額	15,617	NA 不適用

Note:

Nanjing Jinjun was a 25% subsidiary of the Group. On 10 June 2021, the Group no longer be able to control but retained a joint control over Nanjing Jinjun (Details set out in Note 29). The investment in Nanjing Jinjun was recognised in the investment in joint venture in the consolidated financial statements on the same date.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(vii) 南京金俊(為本集團的合營企業)

財務狀況表概要

附註：

南京金俊曾為本集團持股25%的附屬公司。於2021年6月10日，本集團不再能夠控制但保留了對南京金俊的共同控制(詳見附註29)。對南京金俊的投資於同日在綜合財務報表中確認為對合營企業的投資。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(vii) Nanjing Jinjun, a joint venture to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(vii) 南京金俊(為本集團的合營企業)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		For the period from 10 June 2021 (date of deemed disposal) to 31 December 2021 2021年6月10日 (視作出售日期) 至2021年12月31日 的期間 RMB'000 人民幣千元	Year ended 31 December 2020 截至2020年 12月31日止年度 RMB'000 人民幣千元
Opening net assets	期初淨資產	47,540	NA 不適用
Loss for the year	年內虧損	(13,730)	NA 不適用
Closing net assets	期末淨資產	33,810	NA 不適用
Proportion of the Group's ownership	本集團所有權比例	25%	NA 不適用
Share of net assets value held by the Group	本集團所持資產淨值的份額	8,452	NA 不適用
Fair value gains (Note 29)	公允價值收益(附註29)	(4,548)	NA 不適用
Carrying amount of the investment	投資賬面值	3,904	NA 不適用

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(vii) Nanjing Jinjun, a joint venture to the Group. (Continued)

Summarised statement of comprehensive income

		For the period from 10 June 2021 (date of deemed disposal) to 31 December 2021 2021年6月10日 (視作出售日期) 至2021年12月31日 的期間 RMB'000 人民幣千元	Year ended 31 December 2020 截至2020年 12月31日止年度 RMB'000 人民幣千元
Revenue	收益	-	NA 不適用
Expenses	開支	(13,730)	NA 不適用
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(13,730)	NA 不適用

(viii) Jiangyin Hecheng, an associate to the Group.

Summarised statement of financial position

(viii) 江陰市合誠(為本集團的聯營公司)

財務狀況表概要

		As at 31 December 於12月31日	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Non-current assets	非流動資產	12,214	37,286
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期 存款、現金及現金等價物	560,600	298,250
Other current assets	其他流動資產	1,401,340	2,280,479
		1,961,940	2,578,729
Total assets	資產總額	1,974,154	2,616,015
Current liabilities	流動負債		
Other current liabilities	其他流動負債	1,607,616	2,603,375
Net assets	資產淨額	366,538	12,640

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(viii) Jiangyin Hecheng, an associate to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	12,640	33,927
Profit/(loss) for the year	年內溢利/(虧損)	353,898	(21,287)
Closing net assets	期末淨資產	366,538	12,640
Proportion of the Group's ownership	本集團所有權比例	15%	15%
Carrying amount of the investment	投資賬面值	54,981	1,896

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	2,166,019	-
Expenses	開支	(1,812,121)	(21,287)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	353,898	(21,287)

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(viii) 江陰市合誠(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(ix) Changshu Jin'an Ruichen, an associate to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(ix) 常熟市金安瑞宸(為本集團的聯營公司)

財務狀況表概要

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	18	1,040
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期 存款、現金及現金等價物	160,768	200,702
Other current assets	其他流動資產	330,309	605,561
		491,077	806,263
Total assets	資產總額	491,095	807,303
Non-current liabilities	非流動負債		
Borrowings	借款	–	225,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	38,065	112,065
Total liabilities	負債總額	38,065	337,065
Net assets	資產淨額	453,030	470,238

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(ix) Changshu Jin'an Ruichen, an associate to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	470,238	77,192
(Loss)/profit for the year	年內(虧損)/溢利	(17,208)	393,046
Closing net assets	期末淨資產	453,030	470,238
Proportion of the Group's ownership	本集團所有權比例	25%	25%
Carrying amount of the investment	投資賬面值	113,257	117,559

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	283,275	896,173
Expenses	開支	(300,483)	(503,127)
Net (loss)/profit and total comprehensive (loss)/profit for the year	年內淨(虧損)/溢利及全面(虧損)/溢利總額	(17,208)	393,046

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(ix) 常熟市金安瑞宸(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

- (x) Changzhou Mudan Jungang, an associate to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

- (x) 常州牡丹君港(為本集團的聯營公司)

財務狀況表概要

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	26,794	21,812
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	119,821	146,528
Other current assets	其他流動資產	1,072,392	2,172,715
		1,192,213	2,319,243
Total assets	資產總額	1,219,007	2,341,055
Current liabilities	流動負債		
Other current liabilities	其他流動負債	316,001	1,573,498
Total liabilities	負債總額	316,001	1,573,498
Net assets	資產淨額	903,006	767,557

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(x) Changzhou Mudan Jungang, an associate to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	767,557	543,678
Profit for the year	年內溢利	275,449	223,879
Dividend declared	已宣派股息	(140,000)	–
Closing net assets	期末淨資產	903,006	767,557
Proportion of the Group's ownership	本集團所有權比例	24.5%	24.5%
Carrying amount of the investment	投資賬面值	221,236	188,051

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	1,614,162	1,829,488
Expenses	開支	(1,338,713)	(1,605,609)
Net profit and total comprehensive profit for the years	年內淨溢利及 全面溢利總額	275,449	223,879

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(x) 常州牡丹君港(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xi) Lianyungang Ganglong, an associate to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xi) 連雲港市港龍(為本集團的聯營公司)

財務狀況表概要

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	14,455	145,613
Other current assets	其他流動資產	144,166	1,114,923
Total assets	資產總額	158,621	1,260,536
Current liabilities	流動負債		
Other current liabilities	其他流動負債	88,692	1,259,761
Net assets	資產淨額	69,929	775

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

本集團的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net assets	期初淨資產	775	4,244
Profit/(loss) for the year	年內溢利/(虧損)	69,154	(3,469)
Closing net assets	期末淨資產	69,929	775
Proportion of the Group's ownership	本集團所有權比例	20%	20%
Carrying amount of the investment	投資賬面值	13,985	155

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xi) Lianyungang Ganglong, an associate to the Group. (Continued)

Summarised statement of comprehensive income

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	1,202,691	–
Expenses	開支	(1,133,537)	(3,469)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	69,154	(3,469)

(xii) Changzhou Kaize, an associate to the Group.

Summarised statement of financial position

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	15	22
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	22,550	73,605
Other current assets	其他流動資產	325,897	822,515
		348,447	896,120
Total assets	資產總額	348,462	896,142
Current liabilities	流動負債		
Other current liabilities	其他流動負債	245,042	898,827
Net assets/(liabilities)	資產/(負債)淨額	103,420	(2,685)

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xi) 連雲港市港龍(為本集團的聯營公司)(續)

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	1,202,691	–
Expenses	開支	(1,133,537)	(3,469)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	69,154	(3,469)

(xii) 常州市凱澤(為本集團的聯營公司)

財務狀況表概要

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current assets	非流動資產	15	22
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	22,550	73,605
Other current assets	其他流動資產	325,897	822,515
		348,447	896,120
Total assets	資產總額	348,462	896,142
Current liabilities	流動負債		
Other current liabilities	其他流動負債	245,042	898,827
Net assets/(liabilities)	資產/(負債)淨額	103,420	(2,685)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xii) Changzhou Kaize, an associate to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xii) 常州市凱澤(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net (liabilities)/assets	期初淨(負債)/資產	(2,685)	15,045
Profit/(loss) for the year	年內溢利/(虧損)	106,105	(17,730)
Closing net assets/(liabilities)	期末淨資產/(負債)	103,420	(2,685)
Proportion of the Group's ownership	本集團所有權比例	30%	30%
Carrying amount of the investment	投資賬面值	31,026	-

Summarised statement of comprehensive income

全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益	1,095,781	-
Expenses	開支	(989,676)	(17,730)
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	106,105	(17,730)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xiii) Guangzhou Wangyuan, an associate to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xiii) 廣州旺園(為本集團的聯營公司)

財務狀況表概要

		As at 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元
Current assets	流動資產	
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、現金及現金等價物	23,726
Other current assets	其他流動資產	1,679,797
Total assets	資產總額	1,703,523
Non-current liabilities	非流動負債	
Borrowings	借款	397,200
Current liabilities	流動負債	
Other current liabilities	其他非流動負債	1,324,869
Total liabilities	負債總額	1,722,069
Net liabilities	負債淨額	(18,546)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xiii) Guangzhou Wangyuan, an associate to the Group. (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xiii) 廣州旺園(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		For the period from 2 February 2021 (date of cooperation) to 31 December 2021 由2021年2月2日 (合作日)至 2021年12月31日 RMB'000 人民幣千元
Opening net assets	期初淨資產	-
Loss for the year	年內虧損	(18,546)
Closing net liabilities	期末淨負債	(18,546)
Proportion of the Group's ownership	本集團所有權比例	9.8%
Carrying amount of the investment	投資賬面值	-

Summarised statement of comprehensive income

全面收益表概要

		For the period from 2 February 2021 (date of cooperation) to 31 December 2021 由2021年2月2日 (合作日)至 2021年12月31日 RMB'000 人民幣千元
Revenue	收益	-
Expenses	開支	(18,546)
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(18,546)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xiv) Yangzhou Jiuhe, an associate to the Group.

Summarised statement of financial position

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xiv) 揚州九和(為本集團的聯營公司)

財務狀況表概要

		As at 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產	120
Current assets	流動資產	
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金、已抵押定期存款、 現金及現金等價物	274,738
Other current assets	其他流動資產	361,756
		636,494
Total assets	資產總額	636,614
Non-current liabilities	非流動負債	
Borrowings	借款	335,000
Current liabilities	流動負債	
Other current liabilities	其他流動負債	288,258
Total liabilities	負債總額	623,258
Net assets	資產淨額	13,356

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. Investments Accounted for Using the Equity Method (Continued)

(c) Summarised financial information for associates and joint ventures (Continued)

(xiv) Yangzhou Jiuhe, an associate to the Group. (Continued)

Reconciliation of the summarized financial information presented to the carrying amount of the Group's interest.

16. 採用權益法列賬的投資(續)

(c) 聯營公司及合營企業的財務資料概要(續)

(xiv) 揚州九和(為本集團的聯營公司)(續)

本集團的權益賬面值呈列的財務資料概要的對賬。

		For the period from 11 March 2021 (date of cooperation) to 31 December 2021 由2021年 3月11日(合作日) 至2021年 12月31日 RMB'000 人民幣千元
Capital injection	注資	20,000
Loss for the year	年內虧損	(6,644)
Closing net assets	期末淨資產	13,356
Proportion of the Group's ownership	本集團所有權比例	24.5%
Carrying amount of the investment	投資賬面值	3,272

Summarised statement of comprehensive income

全面收益表概要

		For the period from 11 March 2021 (date of cooperation) to 31 December 2021 由2021年 3月11日(合作日) 至2021年 12月31日 RMB'000 人民幣千元
Revenue	收益	-
Expenses	開支	(6,644)
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(6,644)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

17. Deferred Income Tax

(a) Deferred income tax assets

17. 遞延所得稅

(a) 遞延所得稅資產

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項的暫時性差額：		
– Tax losses	– 稅項虧損	338,283	269,581
– Deferred land appreciation tax	– 遞延土地增值稅	82,878	79,897
Total deferred income tax assets	遞延所得稅資產總額	421,161	349,478
Set-off with deferred tax liabilities pursuant to set-off provisions	按照抵銷準則抵銷遞延所得稅項負債	(11,665)	(1,642)
Net deferred income tax assets	遞延所得稅資產淨額	409,496	347,836

Movements of deferred income tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

遞延所得稅資產變動(並無計及同一稅務機關內結餘的抵銷)如下：

Movements 變動		Deferred land appreciation tax		Total 總計
		Tax losses 稅項虧損	Deferred land appreciation tax 遞延土地增值稅	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	119,540	36,955	156,495
Credited to the consolidated statement of comprehensive income (Note 10)	計入綜合全面收益表(附註10)	150,041	42,942	192,983
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	269,581	79,897	349,478
Credited to the consolidated statement of comprehensive income (Note 10)	計入綜合全面收益表(附註10)	68,702	2,981	71,683
At 31 December 2021	於2021年12月31日	338,283	82,878	421,161

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

17. Deferred Income Tax (Continued)

(a) Deferred income tax assets (Continued)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2021, the Group did not recognise deferred income tax assets of RMB83,789,000 (2020: RMB38,613,000) in respect of tax losses amounting to RMB335,156,000 (2020: RMB154,453,000), that can be carried forward against future taxable income. These tax losses will expire up to and including 2025.

(b) Deferred income tax liabilities

17. 遞延所得稅(續)

(a) 遞延所得稅資產(續)

遞延所得稅資產乃因應相關稅項利益有可能透過日後應課稅溢利變現而就所結轉之稅項虧損作確認。於2021年12月31日，本集團並無就可予結轉以抵銷未來應課稅收入的稅項虧損人民幣335,156,000元(2020年：人民幣154,453,000元)確認遞延所得稅資產人民幣83,789,000元(2020年：人民幣38,613,000元)。該等稅項虧損將於2025年(包括相關年度)前屆滿。

(b) 遞延所得稅負債

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項的暫時性差額：		
– Withholding tax on dividends for undistributed profits	– 未分派溢利的股息預扣稅	(109,328)	(80,350)
– Fair value gains on investment properties	– 投資物業公允價值收益	(26,736)	(26,206)
– Deferred land appreciation tax	– 遞延土地增值稅	(32,725)	(5,488)
Total deferred income tax liabilities	遞延所得稅負債總額	(168,789)	(112,044)
Set-off with deferred income tax assets pursuant to set-off provisions	按照抵銷準則抵銷遞延所得稅資產	11,665	1,642
Net deferred income tax liabilities	遞延所得稅負債淨額	(157,124)	(110,402)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

17. Deferred Income Tax (Continued)

(b) Deferred income tax liabilities (Continued)

Movements of deferred income tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Movements 變動		Withholding tax on dividends for undistributed profits 未分派溢利 的股息預扣稅 RMB'000 人民幣千元	Fair value gains on investment properties 投資物業 公允價值收益 RMB'000 人民幣千元	Deferred land properties tax 遞延 土地增值稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	(70,829)	(23,681)	(5,492)	(100,002)
(Charged)/credited to the consolidated statement of comprehensive income (Note 10)	於綜合全面收益表(計入)/扣除(附註10)	(9,521)	(2,525)	4	(12,042)
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	(80,350)	(26,206)	(5,488)	(112,044)
Charged to the consolidated statement of comprehensive income (Note 10)	於綜合全面收益表扣除(附註10)	(28,978)	(530)	(27,237)	(56,745)
At 31 December 2021	於2021年12月31日	(109,328)	(26,736)	(32,725)	(168,789)

The analysis of deferred income tax accounts are as follows:

遞延所得稅賬目分析如下：

		As at 31 December 於12月31日	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
Recoverable after 12 months	可於12個月後收回	409,496	347,836
Deferred income tax liabilities:	遞延所得稅負債：		
Recoverable after 12 months	可於12個月後收回	(157,124)	(110,402)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2021 | 截至2021年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

18. Properties Under Development and Completed Properties Held for Sale

18. 開發中物業及持作出售的已竣工物業

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties under development	開發中物業	36,670,782	32,108,351
Completed properties held for sale	持作出售的已竣工物業	2,375,337	295,960
		39,046,119	32,404,311

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within normal operating cycle.

本集團開發中物業及持作出售的已竣工物業均位於中國，預期於正常運營週期內完成及可供銷售。

For the year ended 31 December 2021, the capitalisation rate of borrowings is 9.6% (2020: 7.7%).

截至2021年12月31日止年度的借款的資本化比率為9.6%(2020年：7.7%)。

The carrying amounts of Group's properties held for sales and properties under development pledged as collateral for the Group's borrowings are set out as follows:

抵押作為本集團借款的抵押品的本集團持作出售的物業及開發中的物業的賬面值如下：

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amounts of completed properties held for sale and properties under development:	持作出售的已竣工物業及開發中物業的賬面值：		
- Pledged as collateral for Group's borrowings	- 抵押作為本集團借款的抵押品	17,308,747	14,392,717

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19. Trade and Other Receivables and Prepayments 19. 貿易及其他應收款項及預付款項

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables from third parties	來自第三方的貿易應收款項		
(Note (a))	(附註(a))	46,984	8,071
Other receivables	其他應收款項		
– Deposits for property development projects	– 物業開發項目按金	470,868	562,287
– Receivables from banks and bank card service providers	– 應收銀行及銀行卡服務供應商款項	238,574	68,901
– Refundable deposits for property development projects (Note (b))	– 物業開發項目的可退還按金(附註(b))	265,092	–
– Others	– 其他	35,931	26,511
		1,010,465	657,699
Prepayments	預付款項		
– Prepayments for property development projects	– 物業開發項目預付款項	82,419	99,264
– Prepaid value added tax and other taxes	– 預付增值稅及其他稅項	514,640	308,645
– Contract acquisition costs (Note (c))	– 合約獲取成本(附註(c))	136,267	40,759
– Others	– 其他	13,702	13,703
		747,028	462,371
Total trade and other receivables and prepayments	貿易及其他應收款項以及預付款項	1,804,477	1,128,141

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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19. Trade and Other Receivables and Prepayments (Continued)

(a) Trade receivables from third parties

Trade receivables are denominated in RMB and mainly arise from sales of properties and construction services. Proceeds in respect of sales of properties and construction services are generally received in accordance with the terms stipulated in the sale and purchase agreements. This is generally no credit period granted to the property purchasers.

The ageing analysis of the trade receivables at the consolidated statement of financial position date based on invoice dates is as follows:

0 – 30 days	0 – 30日
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As at 31 December 2021, trade receivables of RMB46,984,000 (2020: RMB8,071,000) were overdue but not impaired and fully relate to certain customers that have good settlement record with the Group.

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical loss experiences, existing market conditions and forward-looking information. Based on the assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these receivables balances was not material.

19. 貿易及其他應收款項及預付款項(續)

(a) 來自第三方的貿易應收款項

貿易應收款項以人民幣計值，主要來自銷售物業及建築服務。銷售物業及建築服務所得款項一般根據買賣協議訂明的條款收取。通常不授予物業買家信貸期。

貿易應收款項於綜合財務狀況表日期按發票日期劃分的賬齡分析如下：

As at 31 December 於12月31日	
2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
46,984	8,071

於2021年12月31日，貿易應收款項人民幣46,984,000元(2020年：人民幣8,071,000元)已逾期但尚未減值，完全與跟本集團有良好結算紀錄的若干客戶相關。

就有關逾期貿易應收款項，本集團透過考慮過往虧損經驗、現有市況及前瞻性資料評估預期信貸虧損。根據評估，預期貿易應收款項的信貸虧損率接近零。因此，該等貿易應收款項結餘的虧損撥備並不重大。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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19. Trade and Other Receivables and Prepayments (Continued)

- (b) Refundable deposits for property development projects represent the amounts advanced to other property developers in the PRC for the funding of property development projects. As at 31 December 2021, the balance were unsecured, interest-free and repayable on demand.
- (c) Management considers the contract acquisition costs, which represents sales commission paid for obtaining property sale contracts, to be recoverable. The Group has deferred the amounts paid and will charge them to the consolidated statement of comprehensive income when the related revenue is recognised. For the year ended 31 December 2021, the amount charged to consolidated statement of comprehensive income was RMB50,326,000 (2020: RMB34,414,000) and there were no impairment loss in relation to the remaining balances.

The carrying amounts of the trade and other receivables and prepayments approximate their fair values and are denominated in RMB.

The maximum exposure to credit risk as at 31 December 2021 and 2020 was the carrying value of receivables. The Group did not hold any collateral as security.

19. 貿易及其他應收款項及預付款項(續)

- (b) 物業開發項目的可退還按金指預付予中國其他物業開發商的物業開發項目資金。於2021年12月31日，結餘為無擔保、免息並須按要求予以償還。
- (c) 管理人員認為合約收購成本可予收回，該等成本指為獲得物業銷售合約而支付的銷售佣金。本集團已遞延支付的金額，並將於確認相關收入時將其借記入綜合收益表。截至2021年12月31日止年度，借記入綜合全面收益表的金額為人民幣50,326,000元(2020年：人民幣34,414,000元)，餘額無減值虧損。

貿易及其他應收款項及預付款項的賬面值與其公允價值相若，並以人民幣計值。

於2021年及2020年12月31日最高信貸風險為上述應收款項之賬面值。本集團並無持有任何抵押品作為擔保。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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20. Cash and Bank Balances

20. 現金及銀行結餘

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash (Note a)	受限制現金(附註a)	4,608,272	2,211,490
Pledged time deposits	已抵押定期存款	71,657	37,727
Cash and cash equivalents	現金及現金等價物	2,304,919	4,547,628
		6,984,848	6,796,845

Note:

- (a) The Group's restricted cash mainly comprise of (1) Supervision accounts for construction of pre-sold properties; (2) Guarantee deposits for construction; and (3) Supervision accounts for mortgage guarantee.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

The above balances as at 31 December 2021 and 2020 approximate their fair values and are denominated in the following currencies:

附註：

- (a) 本集團的受限制現金主要包括(1)預售物業建設的監管賬戶；(2)施工保證金；及(3)抵押擔保監管賬戶。

將人民幣計值的結餘轉換為外幣以及將外幣匯至中國境外，須遵守中國政府頒佈的有關外匯管制的相關規則及法規。

上述於2021年及2020年12月31日的結餘與其公允價值相若，並按下列幣種計值：

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Denominated in:	按下列幣種計值：		
- RMB	- 人民幣	6,906,543	6,638,199
- USD	- 美元	58,796	66
- HKD	- 港幣	19,509	158,580
		6,984,848	6,796,845

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

21. Share Capital

21. 股本

		Number of shares 股份數目	Share capital 股本 HK\$ 港幣
Authorised:	法定：		
1 January 2020	於2021年1月1日	38,000,000	380,000
Changes	變動	9,962,000,000	99,620,000
At 31 December 2020 and 2021	於2020年及2021年12月31日	10,000,000,000	100,000,000

		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Issued:	已發行：		
At 1 January 2020	於2020年1月1日	1,000	-
Shares issued pursuant to the capitalisation issue (Note (i))	根據資本化發行發行股份(附註(i))	1,199,999,000	10,979
Share issued under global offering (Note (ii))	根據全球發售發行股份(附註(ii))	430,618,000	3,940
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	1,630,618,000	14,919
Cancellation of shares (Note (iii))	註銷股份(附註(iii))	(2,077,000)	(19)
At 31 December 2021	於2021年12月31日	1,628,541,000	14,900

The Company was incorporated on 8 October 2018 with an authorised share capital of HK\$380,000, divided into 38,000,000 shares of HK\$0.01 each.

本公司於2018年10月8日註冊成立，法定股本為380,000港元，分為38,000,000股每股面值0.01港元的股份。

Pursuant to the written resolutions of the shareholders of the Company dated 20 June 2020, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of par value of HK\$0.01 each by the creation of an additional 9,962,000,000 shares of par value of HK\$0.01 each.

根據本公司股東於2020年6月20日作出的書面決議，本公司的法定股本由380,000港元以每股面值0.01港元增至38,000,000股，由100,000,000港元以每股面值0.01港元增至10,000,000,000股，另增加9,962,000,000股，每股面值0.01港元。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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21. Share Capital (Continued)

(i) Capitalisation issue

On 15 July 2020, the capitalisation issue pursuant to the Shareholders' resolution dated 20 June 2020 was effected. The Company issued 1,199,999,000 shares at par value of HK\$0.01 each to holders of shares on the register of members of the Company on 15 July 2020, by way of capitalisation of an amount of HK\$11,999,990 to the credit of the share premium account of the Company.

(ii) Global offering

On 15 July 2020, the Company issued a total of 400,000,000 ordinary shares at a price of HK\$3.93 per share as a result of the completion of the global offering.

30,618,000 shares were issued upon the partially exercise of the over-allotment option on 5 August 2020 at a price of HK\$3.93 per share.

Number of total issued shares of the Company was increased to 1,630,618,000 shares upon completion of the capitalisation issue, the global offering and the exercise of over-allotment option.

(iii) Cancellation of shares

During the year ended 31 December 2021, the Group acquired 3,914,000 of the Company's shares through purchases from the Hong Kong Stock Exchange in November and December 2021. The total amount paid to acquire shares was RMB13,147,000 (equivalent to HK\$16,032,000). During the year ended 31 December 2021, 2,077,000 shares were cancelled and deducted from share capital and share premium amounting to RMB19,000 and RMB6,997,000 respectively.

21. 股本(續)

(i) 資本化發行

於2020年7月15日，資本化發行根據2020年6月20日的股東決議案生效。本公司以資本化發行的方式向本公司於2020年7月15日股東名冊上的股份持有人發行1,199,999,000股股份，每股面值為0.01港元，金額為11,999,990港元，記入本公司股份溢價賬之進賬額。

(ii) 全球發售

於2020年7月15日，本公司因完成全球發售，按每股股份3.93港元價格發行合共400,000,000股普通股。

超額配股權於部分行使後，於2020年8月5日按每股股份3.93港元價格發行30,618,000股股份。

於完成資本化發行、全球發售及行使超額配股權後，本公司已發行股份總數增加至1,630,618,000股。

(iii) 股份註銷

截至2021年12月31日止年度，本集團於2021年11月及12月自香港證券交易所購買3,914,000股本公司股份。收購股份支付的總金額為人民幣13,147,000元（相當於16,032,000港元）。截至2021年12月31日的年度，註銷2,077,000股股份，並自股本及股份溢價中扣除，金額分別為人民幣19,000元及人民幣6,997,000元。

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21. Share Capital (Continued)

21. 股本(續)

Month of repurchase	購回月份	Number of ordinary shares repurchased 購回普通股數目 (Thousand shares) (千股)	Highest purchase price per ordinary share 每股普通股的最高購買價 (HK\$) (港元)	Lowest purchase price per ordinary share 每股普通股的最低購買價 (HK\$) (港元)
November 2021	2021年11月	2,027	4.2700	4.0000
December 2021	2021年12月	1,887	4.1500	4.0400

22. Share Premium and Reserves

22. 股份溢價及儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserves 法定儲備 RMB'000 人民幣千元 (Note (i)) (附註(i))	Other reserves 其他儲備 RMB'000 人民幣千元 (Note (ii)) (附註(ii))	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	-	136,121	315,515	451,636
Shares issued pursuant to the capitalisation issue	根據資本化發行發行股份	(10,979)	-	-	(10,979)
Shares issued under the global offering	根據全球發售發行股份	1,544,394	-	-	1,544,394
Share issuance costs (Note (iii))	股份發行成本(附註(iii))	(58,599)	-	-	(58,599)
Appropriation to statutory reserves	轉撥至法定儲備	-	91,712	-	91,712
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	1,474,816	227,833	315,515	2,018,164
Cancellation of shares (Note 21)	註銷股份(附註21)	(6,997)	-	7,016	19
Buy back of shares (Note 21)	購回股份(附註21)	-	-	(13,147)	(13,147)
Acquisition of additional interests in subsidiaries (Note 27)	收購附屬公司的額外權益(附註27)	-	-	(26,420)	(26,420)
Appropriation to statutory reserves	轉撥至法定儲備	-	4,955	-	4,955
At 31 December 2021	於2021年12月31日	1,467,819	232,788	282,964	1,983,571

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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22. Share Premium and Reserves (Continued)

(i) Statutory reserve

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiary is required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on the PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiary, the subsidiary will not be required to make any further appropriation. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

(ii) Other reserves

Other reserves mainly represented the reserves derived from acquisition of non-controlling interests, the share premium and the accumulated capital contribution from the then equity holders of the group companies in excess of the consideration given in relation to the reorganisation.

(iii) Share issuance costs

Share issuance costs mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs that are directly attributable to the global offering.

22. 股份溢價及儲備(續)

(i) 法定儲備

根據中國適用於外商獨資企業之有關法規，中國附屬公司須將一筆不少於除所得稅後利潤10%(按中國會計準則計算)之款項撥入儲備基金。倘此儲備基金之累計總額達中國附屬公司之註冊資本之50%，則該等附屬公司將毋須再作撥款。經過股東大會或相似機構的批准，此儲備基金僅可用於抵銷累計虧損或增加資本。

(ii) 其他儲備

其他儲備主要指來自收購非控股權益的儲備及集團公司當時股東就重組超出所付代價部分的股份溢價及累計註資。

(iii) 股份發行成本

股份發行成本主要包括股份包銷佣金、律師費、申報會計師費用及其他直接歸屬全球發售的相關費用。

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23. Borrowings

23. 借款

		As at 31 December 於12月31日	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Non-current	非即期：		
Bank borrowings	銀行借款		
– Secured and guaranteed	– 有抵押及擔保	4,502,508	2,064,527
Other borrowings	其他借款		
– Secured	– 有抵押	2,234,066	516,440
– Unsecured	– 無抵押	–	10,000
		6,736,574	2,590,967
Current	即期：		
Bank borrowings	銀行借款		
– Secured and guaranteed	– 有抵押及擔保	393,747	2,860,765
Other borrowings	其他借款		
– Secured	– 有抵押	1,157,698	1,731,800
– Unsecured	– 無抵押	196,000	471,060
Senior notes	優先票據	1,010,568	987,015
		2,758,013	6,050,640
Total borrowings	借款總額	9,494,587	8,641,607

On 15 November 2021, the Group issued another short-term notes with principal amount of USD158,000,000 at par value, at an interest rate of 13.5% per annum and with maturity in 2022 (“**2022 Senior Notes**”).

On 25 November 2020, the Group issued short-term senior notes with principal amount of USD150,000,000 (“**2021 Senior Notes**”) at par value, at an interest rate of 13.5% per annum and with maturity in 2021. During year ended 31 December 2021, the 2021 Senior Notes in principal amount of USD126,700,000 was cancelled by the Company pursuant to an exchange offer conducted in November 2021, and the balance of USD23,300,000 was fully redeemed by the Company at maturity date.

As at 31 December 2021, bank and other borrowings of RMB8,288,019,000 (2020: RMB7,173,532,000) were secured by certain pledged time deposit, receivables, equity interests of group companies, properties under development, completed properties held for sales and investment properties with total carrying values of RMB18,082,384,000 (2020: RMB14,879,716,000).

於2021年11月15日，本集團發行本金額為158,000,000美元的另一短期優先票據（「**2022年優先票據**」），年利率為13.5%，到期日為2022年。

於2020年11月25日，本集團發行以票面價值計本金為150,000,000美元的短期優先票據（「**2021年優先票據**」），年利率為13.5%並於2021年到期。截至2021年12月31日止年度，本公司根據2021年11月進行的交換要約取消本金為126,700,000美元的2021年優先票據，本公司於到期日悉數贖回23,300,000美元的結餘。

於2021年12月31日，本集團的銀行及其他借款人民幣8,288,019,000元（2020年：人民幣7,173,532,000元）由賬面總值為人民幣18,082,384,000元（2020年：人民幣14,879,716,000元）的若干質押定期存款、應收款項、集團公司的股本權益、開發中物業、持作出售的已竣工物業及投資物業提供擔保。

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23. Borrowings (Continued)

As at 31 December 2021, certain bank and other borrowings amounted to RMB17,308,747,000 required guaranteed by subsidiaries of the Group (2020: RMB7,161,957,000).

Certain group companies in the PRC have entered into fund arrangements with trust companies and assets management companies, respectively, pursuant to which these financial institutions raised funds and injected them to the group companies. Certain equity interests of the group companies were held by the financial institutions as collateral of which the Group is obligated to redeem at predetermined prices. The funds bear fixed interest rates and have fixed repayment terms. Thus, the Group did not derecognise its equity interests in the subject group companies but treated the fund arrangements as other borrowings in the consolidated financial statements.

- (a) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates or maturity date whichever is earlier are as follows:

23. 借款(續)

於2021年12月31日，集團附屬公司要求擔保的若干銀行借款及其他借款為人民幣17,308,747,000元(2020年：人民幣7,161,957,000元)。

若干中國集團公司已分別與信託公司及資產管理公司訂立資金安排，據此，該等金融機構籌集資金並向集團公司注資。集團公司的若干股權由金融機構持有，本集團有責任按預定價格贖回的抵押品。該等資金根據固定利率支付利息，按照固定期限還款。因此，本集團並未終止確認其於標的集團公司的股權，而是於綜合財務報表內將資金安排視為其他借款。

- (a) 本集團借款對利率變動的風險及合約重新定價日或到期日(以較早者為準)如下：

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Variable rate borrowings	浮息借款	3,160,168	3,993,680
Other borrowings – repricing date:	其他借貸 – 重新定價日期：		
6 months or less	6個月或以下	–	320,000
6 – 12 months	6 – 12個月	1,710,933	3,317,374
1 – 2 years	1 – 2年	2,160,317	496,940
2 – 5 years	2 – 5年	2,463,169	513,613
Total	總計	9,494,587	8,641,607

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23. Borrowings (Continued)

- (b) The weighted average effective interest rates as at 31 December 2021 and 2020 are as follows:

		As at 31 December 於12月31日	
		2021	2020
Bank borrowings	銀行借貸	6.36%	6.70%
Other borrowings	其他借貸	11.94%	11.93%
Weighted average effective interest rates	加權平均實際利率	9.02%	7.67%

- (c) The repayment terms of the borrowings are as follows:

		As at 31 December 於12月31日	
		2021	2020
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	1年內	2,758,013	6,050,640
1 – 2 years	1 – 2年	2,165,317	1,691,791
2 – 5 years	2 – 5年	4,571,257	899,176
Total	總計	9,494,587	8,641,607

- (d) The carrying amounts of the borrowings are denominated in the following currencies.

		As at 31 December 於12月31日	
		2021	2020
RMB	人民幣	8,42,272	7,654,592
HKD	港元	63,747	–
USD	美元	1,010,568	987,015
Total	總計	9,494,587	8,641,607

- (e) The carrying amounts of the borrowings approximated their fair values as at 31 December 2021 and 2020 as either the impact of discounting of borrowings with fixed interest rates was not significant, or the borrowings bear interest at floating rates.

23. 借款(續)

- (b) 於2021年及2020年12月31日的加權平均實際利率如下：

		As at 31 December 於12月31日	
		2021	2020
Bank borrowings	銀行借貸	6.36%	6.70%
Other borrowings	其他借貸	11.94%	11.93%
Weighted average effective interest rates	加權平均實際利率	9.02%	7.67%

- (c) 借款的還款期如下：

		As at 31 December 於12月31日	
		2021	2020
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	1年內	2,758,013	6,050,640
1 – 2 years	1 – 2年	2,165,317	1,691,791
2 – 5 years	2 – 5年	4,571,257	899,176
Total	總計	9,494,587	8,641,607

- (d) 借款的賬面值按下列幣種計值。

		As at 31 December 於12月31日	
		2021	2020
RMB	人民幣	8,42,272	7,654,592
HKD	港元	63,747	–
USD	美元	1,010,568	987,015
Total	總計	9,494,587	8,641,607

- (e) 於2021年及2020年12月31日，借款賬面價值接近其公允價值，乃由於固定利率對借款貼現影響不大，或借款以浮動利率計息。

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24. Trade Payables, Bills Payables and Other Payables

24. 貿易應付款項、應付票據及其他應付款項

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables (Note (a))	貿易應付款項(附註(a))	4,437,831	4,665,565
Bills payables (Note (b))	應付票據(附註(b))	22,990	65,659
Other payables:	其他應付款項：		
Other taxes payable	其他應付稅項	195,017	279,221
Payroll payable	應付薪資	82,014	102,518
Amounts due to third parties	應付第三方款項	139,812	139,812
Deposits received from potential property purchasers	自潛在購房者收取的按金	49,760	472,970
Deposits from contractors and suppliers	承建商及供應商按金	144,305	81,116
Interests payable	應付利息	–	11,848
Others	其他	5,253	17,561
Total trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項	5,076,982	5,836,270

(a) The ageing analysis of the trade payables based on invoice dates or contractual terms is as follows:

(a) 下表載列按發票日期或合約條款劃分的貿易應付款項的賬齡分析：

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0–30 days	0–30日	3,849,597	4,279,766
31–60 days	31–60日	251,814	120,017
61–90 days	61–90日	294,878	22,810
Over 91 days	91日以上	41,542	242,972
		4,437,831	4,665,565

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24. Trade Payables, Bills Payables and Other Payables (Continued)

- (b) The ageing analysis of the bills payables based on invoice dates or contractual terms is as follows:

24. 貿易應付款項、應付票據及其他應付款項(續)

- (b) 下表載列按發票日期或合約條款劃分的應付票據的賬齡分析：

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0-30 days	0-30日	10,089	18,124
31-60 days	31-60日	8,531	16,176
61-90 days	61-90日	1,743	9,849
Over 91 days	91日以上	2,627	21,510
		22,990	65,659

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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25. Cash (Used in)/Generated from Operations

(a) Reconciliation of profit before income tax to cash (used in)/generated from operations

25. 經營(所用)/所得現金

(a) 所得稅前溢利與經營(所用)/所得現金之間的對賬

		Year ended 31 December 截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	除所得稅前溢利	1,503,803	1,023,623
Adjustments for:	就以下各項作出調整：		
- Depreciation of property, plant and equipment (Note 13)	- 物業、廠房及設備折舊(附註13)	37,831	19,669
- Finance costs (Note 9)	- 融資成本(附註9)	281,605	121,702
- Finance income (Note 9)	- 融資收入(附註9)	(43,575)	(38,735)
- Share of results of joint ventures and associates (Note 16)	- 應佔合營企業與聯營公司業績(附註16)	(393,009)	(403,436)
- Fair value gains on deemed disposal of Nanjing Jinjun (Note 8)	- 視作出售南京金俊的公允價值收益(附註8)	(4,548)	-
- Gain on disposal of financial assets at fair value through profit or loss (Note 8)	- 出售按公允價值計量且其變動計入損益的金融資產的收益(附註8)	(44,010)	-
- Fair value gains on investment properties (Note 15)	- 投資物業公允價值收益(附註15)	(2,120)	(10,100)
- (Gains)/Losses on disposals of property, plant and equipment (Note 8)	- 出售物業、廠房及設備的(收益)/損失(附註8)	(801)	193
- Dividend income from financial assets at fair value through profit or loss (Note 8)	- 按公允價值計量且其變動計入損益的金融資產的股息收益(附註8)	(4,100)	-
- Interest income from amounts due from associates, joint ventures and other third parties (Note 8)	- 來自聯營公司、合營企業及其他第三方的應收款項的利息收入(附註8)	(10,187)	(8,547)
Operating profit before changes in working capital	營運資金變動前的經營溢利	1,320,889	704,369
Changes in working capital:	營運資金變動：		
- Properties under development and completed properties held for sale	- 開發中物業及持作出售的已竣工物業	(5,996,584)	(15,106,374)
- Contract liabilities	- 合約負債	5,932,721	12,563,637
- Trade and other receivables and prepayments	- 貿易及其他應收款項及預付款項	(506,948)	172,675
- Trade payables, bill payables and other payables	- 貿易應付款項、應付票據及其他應付款項	(1,022,488)	3,193,433
- Changes in pledged time deposits	- 已抵押定期存款變動	(33,930)	8,193
- Changes in restricted cash	- 受限制現金變動	(2,396,782)	(796,746)
- Amounts due from associates, joint ventures and non-controlling interests	- 聯營公司、合資企業和非控股權益的應付金額	(21,036)	16,418
Cash (used in)/generated from operations	經營(所用)/所得現金	(2,682,086)	755,605

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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25. Cash (Used in)/Generated from Operations (Continued)

(b) Reconciliation of proceeds from disposals of property, plant and equipment

25. 經營(所用)/所得現金(續)

(b) 出售物業、廠房及設備所得款項的對賬

		Year ended 31 December 截至12月31日止年度	
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Net book amount (Note 13)	賬面淨值(附註13)	5,090	417
Gains/(losses) on disposals of property, plant and equipment	出售物業、廠房及設備的收益/(損失)	801	(193)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	5,891	224

(c) Reconciliation of assets and liabilities arising from financing activities

(c) 融資活動產生的資產及負債的對賬

		Amounts			Amounts			Amounts			
		Lease liabilities	Amounts due to associates	Amounts due to Controlling Shareholders	Amounts due to joint ventures	Amounts due to non-controlling interest	Amounts due to third parties	Borrowings	Total		
		租賃負債	應付聯營公司款項	應付控股股東款項	應付合營企業款項	應付非控股權益款項	應付第三方款項	借款	總計		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
As at 1 January 2020	於2020年1月1日	11,970	1,497,735	23,539	869,944	4,682,599	139,812	2,853,299	10,078,898		
Non-cash movement	非現金變動	30,794	(63,034)	-	1,281	196,745	-	-	165,786		
Cash inflows	現金流入	-	104,855	-	1,257,156	6,967,702	-	9,511,850	17,841,563		
Cash outflows	現金流出	(12,564)	(379,940)	(23,539)	(1,214,190)	(8,085,120)	-	(3,723,542)	(13,438,895)		
As at 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	30,200	1,159,616	-	914,191	3,761,926	139,812	8,641,607	14,647,352		
Non-cash movement	非現金變動	85,906	(174,980)	-	(230,268)	(1,948,006)	-	(550,000)	(2,817,348)		
Cash inflows	現金流入	-	53,881	-	148,230	1,039,675	-	7,680,895	8,922,681		
Cash outflows	現金流出	(19,289)	(332,690)	-	(27,665)	(995,009)	-	(6,277,915)	(7,652,568)		
As at 31 December 2021	於2021年12月31日	96,817	705,827	-	804,488	1,858,586	139,812	9,494,587	13,100,117		

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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26. Amounts Due from/(to) Non-Controlling Interests

26. 應收／(付)非控股權益款項

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts due from non-controlling interests (Note (a))	應收非控股權益款項(附註(a))	3,960,807	2,578,961
Amounts due to non-controlling interests (Note (b))	應付非控股權益款項(附註(b))	(1,858,586)	(3,761,926)

Notes:

- (a) Amounts due from non-controlling interests mainly represented cash advances to the non-controlling interest of certain subsidiaries. They are unsecured, interest free and repayable on demand.
- (b) Amounts due to non-controlling interests mainly represented cash advances provided by the non-controlling interests of certain subsidiaries. All of the amounts due to non-controlling interests are unsecured, interest free and repayable on demand.

As at 31 December 2020, amounts due to non-controlling interests were interest-free, except for amounts of RMB2,047,248,000 which bears interest ranging from 8.0%-12.0% per annum. Within these interest-bearing balances, interest in respect of balance amounted to RMB1,371,832,000 were waived during the year ended 31 December 2020.

附註：

- (a) 應收非控股權益款項主要指向若干附屬公司的非控股權益墊支的現金。該等款項為無抵押，免息及按要求償還。
- (b) 應付非控股權益款項主要指若干附屬公司的非控股權益所提供的現金墊款。所有應付非控股權益款項均為無抵押、免息並須要求償還。

於2020年12月31日，應付非控股權益款項為免息，惟年利率介乎8.0%至12.0%金額為人民幣2,047,248,000元的款項除外。於該等計息結餘中，截至2020年12月31日止年度豁免金額為人民幣1,371,832,000元的結餘之利息。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

27. Transaction with Non-controlling Interests

During the year, the Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total cash consideration of RMB148,492,000.

The following table summarises the effect of these acquisitions:

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total carrying amounts of non-controlling interest	非控股權益的總賬面值	122,072	–
Less: total consideration paid to non-controlling interests	減：支付予非控股權益的總代價	(148,492)	–
Total difference recognised within equity	於權益內確認的總差額	26,420	–

27. 非控股權益交易

年內，本集團自相關非控股權益中收購若干附屬公司的額外權益，總現金代價為人民幣148,492,000元。

下表概述該等收購的影響：

28. Business Combination

Acquisition of Shanghai Gangxuan Property Co., Ltd (“Shanghai Gangxuan”)

Prior to 27 August 2021, the Group has accounted for Shanghai Gangxuan as a joint venture, pursuant to the co-operative development agreement signed on 1 June 2020. On 27 August 2021, to facilitate the project management and speed up the progress of the property development project, Jiangsu Ganglong Huayang Real Estate Co., Limited (“Ganglong Huayang”), the Group’s subsidiary and shareholder of Shanghai Gangxuan, entered into a supplemental agreement (“Supplemental Agreement”) with the other shareholders of Shanghai Gangxuan, pursuant to which the Group was able to appoint 2 additional directors to the board of directors of Shanghai Gangxuan, thereby establishing control over the board of directors. As a result, the Group has accounted for Shanghai Gangxuan as a subsidiary from 27 August 2021 onwards.

28. 業務合併

收購上海港軒置業有限公司(「上海港軒」)

於2021年8月27日前，本集團根據2020年6月1日簽訂的合作開發協議，將上海港軒作為合資企業入賬。於2021年8月27日，為方便項目管理及加快物業開發進度，本集團附屬公司江蘇港龍華揚置業有限公司(「港龍華揚」)與上海港軒的其他股東訂立補充協議(「補充協議」)，據此，本集團能夠為上海港軒的董事會委任額外兩名董事，從而確立了對董事會的控制權。因此，本集團自2021年8月27日起將上海港軒作為附屬公司入賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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28. Business Combination (Continued)

Acquisition of Shanghai Gangxuan Property Co., Ltd (“Shanghai Gangxuan”) (Continued)

The principal assets of Shanghai Gangxuan are properties under development (mainly consist of land use rights) and accordingly, the transaction has been accounted for as an acquisition of assets.

The fair value of assets and liabilities of Shanghai Gangxuan on acquisition date were valued by an independent professionally qualified valuer, Cushman & Wakefield, through application of market comparison method and the key assumptions of the valuation is the development value for comparison in completion basis.

The major classes of assets and liabilities of Shanghai Gangxuan at the date of acquisition were as follows:

28. 業務合併(續)

收購上海港軒置業有限公司(「上海港軒」)(續)

上海港軒的主要資產為開發中物業(主要包括土地使用權)，因此，有關交易已作為資產收購入賬。

收購日期上海港軒的資產及負債的公允價值，由獨立的專業合格估價師戴德梁行應用市場比較法進行估價，評估的關鍵假設乃於完工基礎上進行比較的開發價值。

收購日期上海港軒的資產及負債的主要類別如下：

		RMB'000 人民幣千元
Fair value of 35% equity interests of Shanghai Gangxuan as at acquisition date	收購日期上海港軒35%權益的公允價值	26,948
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及已承擔負債的已確認金額	
Property under development	開發中物業	920,065
Prepayments and other receivables	預付款項及其他應收款項	193,359
Cash and cash equivalents	現金及現金等價物	37,481
Trade and other payables	貿易及其他應付款項	(146,209)
Contract liabilities	合約責任	(477,701)
Borrowings	借款	(450,000)
Net identifiable assets acquired	已收購可識別資產淨額	76,995
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(50,047)
Net assets attributable to the Group	本集團應佔資產淨值	26,948

		RMB'000 人民幣千元
Net cash inflow arising from the acquisition:	收購產生的現金流入淨值	
Cash and cash equivalents acquired	已收購現金及現金等價物	37,481

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29. Deemed Disposal of A Subsidiary – Nanjing Jinjun Real Estate Development Co., Limited (“Nanjing Jinjun”)

Prior to 10 June 2021, the Group has accounted for Nanjing Jinjun as a subsidiary, pursuant to the original co-operative development agreement signed on 20 May 2020. On 10 June 2021, to better facilitate the financing of the project, Jiangsu Ganglong Realty Co., Limited (“Jiangsu Ganglong”), the Group’s subsidiary and shareholder of Nanjing Jinjun, entered into a supplement agreement (“Supplemental Agreement”) with the other shareholders of Nanjing Jinjun, pursuant to which the resolution passing mechanism in the shareholders’ meeting and board of directors meeting of Nanjing Jinjun was amended to require unanimous consent from all shareholders and directors to pass any resolution in shareholders’ meeting and board of directors’ meeting. As a result, the Group has accounted for Nanjing Jinjun as a joint venture from 10 June 2021 onwards.

The fair value of assets and liabilities of Nanjing Jinjun were valued by an independent professionally qualified valuer, Cushman & Wakefield, through application of market comparison method and the key assumptions of the valuation is the development value for comparison in completion basis. A fair value gains on deemed disposal of Nanjing Jinjun amounting to RMB4,548,000 was recognised as “Other income and other gains, net” in the consolidated statement of comprehensive income.

29. 視作出售一間附屬公司 – 南京金俊房地產開發有限公司(「南京金俊」)

於2021年6月10日前，本集團根據2020年5月20日簽訂的原合作開發協議，將南京金俊作為附屬公司入賬。於2021年6月10日，為更好地促進項目融資，本集團附屬公司及南京金俊股東江蘇港龍地產集團有限公司(「江蘇港龍」)與南京金俊的其他股東簽訂補充協議(「補充協議」)，據此，股東大會修改南京金俊董事會會議決議通過機制，須經全體股東及董事一致同意方可通過股東會及董事會決議。因此，本集團自2021年6月10日起將南京金俊列為合營企業。

南京金俊的資產及負債公允價值由具備專業資格的獨立估值師戴德梁行使用市場比較法進行估值，而估值的主要假設為以竣工計作比較用途的開發價值。視作出售南京金俊的公允價值收益人民幣4,548,000元於綜合全面收益表內確認為「其他收入及其他收益淨額」。

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29. Deemed Disposal of A Subsidiary – Nanjing Jinjun Real Estate Development Co., Limited (“Nanjing Jinjun”) (Continued)

The major classes of assets and liabilities of Nanjing Jinjun as at the date of deemed disposal were as follows:

29. 視作出售一間附屬公司－南京金俊房地產開發有限公司(「南京金俊」)(續)

南京金俊於視作出售日期的資產及負債的主要類別如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	10
Property under development	開發中物業	987,506
Prepayments and other receivables	預付款項及其他應收款項	121,899
Cash and cash equivalents	現金及現金等價物	81,669
Trade and other payables	貿易及其他應付款項	(11,741)
Contract liabilities	合約負債	(149,996)
Borrowings	借款	(1,000,000)
Net assets disposed of	已出售資產淨值	29,347
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(22,010)
Net assets attributable to the Group	本集團應佔資產淨值	7,337

		RMB'000 人民幣千元
Net gain on deemed disposal:	視作出售虧損淨額：	
Fair value of the 25% equity interests retained in Nanjing Jinjun as investment in joint venture	作為合營企業投資而於南京金俊所保留的25%股本權益的公允價值	11,885
Less: net assets attributable to the Group disposed of	減：本集團應佔已出售資產淨值	(7,337)
Fair value gains on deemed disposal of Nanjing Jinjun (Note 8)	視作出售南京金俊的公允價值收益(附註8)	4,548
Net cash outflow arising from deemed disposal:	視作出售所產生的現金流出淨額：	
Cash and cash equivalents disposed of	已出售現金及現金等價物	81,669

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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30. Financial Guarantee

30. 財務擔保

		As at 31 December 於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	為若干購房者的按揭融資作出的擔保(附註(a))	11,470,684	7,913,296
Guarantee provided for the borrowings of joint ventures (note (b) and Note 33(d))	為合營企業借款提供的擔保(附註(b)及附註33(d))	288,926	615,000
		11,759,610	8,528,296

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligation of such purchasers for repayments. Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by purchasers of properties. The directors consider that the likelihood of default in payments by purchasers is minimal as the Group is entitled to retain the ownership of the properties, the valuation of which is significantly higher than the guaranteed amounts. Therefore, the financial guarantees measured at fair value is immaterial and no liabilities was recognised.

(b) Amounts represented the maximum exposure of the guarantees provided for the borrowings of the joint ventures and associates at the year-end date. The directors consider that the likelihood of default in payments by the joint ventures and associates is minimal and therefore the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

(a) 本集團已為物業單元的若干購房者安排了銀行融資，並為該等購房者履行償還義務提供擔保。此類擔保於以下較早者終止：(i)獲頒發房地產權證，該證書通常可於擔保註冊完成後的平均兩至三年內獲得；或(ii)購房者償還按揭貸款。董事認為，由於本集團有權保留物業的所有權，而物業的估值大大高於擔保金額，買家拖欠還款的可能性極小。因此以公允價值計量的金融擔保並不重大且無確認負債。

(b) 金額指在年終日期為合營企業及聯營公司借款提供擔保的最大風險。董事認為，合營企業及聯營公司拖欠付款的可能性很小，因此，以公允價值計量的財務擔保並不重大且無確認負債。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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31. Financial instruments by category

31. 按類型劃分的金融工具

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost:	按攤銷成本列賬的金融資產：		
– Trade and other receivables	– 貿易及其他應收款項	1,057,449	665,770
– Amounts due from associates	– 應收聯營公司款項	129,850	175,789
– Amounts due from joint ventures	– 應收合營企業款項	253,761	426,390
– Amount due from non-controlling interests	– 應收非控股權益款項	3,960,807	2,578,961
– Restricted cash	– 受限制現金	4,608,272	2,211,490
– Pledged time deposits	– 已抵押定期存款	71,657	37,727
– Cash and cash equivalents	– 現金及現金等價物	2,304,919	4,547,628
Total	總計	12,386,715	10,643,755

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Financial liabilities	金融負債		
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
– Trade payables, bills payables and other payables	– 貿易應付款項、應付票據及 其他應付款項	4,799,951	5,454,531
– Lease liabilities	– 租賃負債	96,817	30,200
– Amounts due to associates	– 應付聯營公司款項	705,827	1,159,616
– Amounts due to joint ventures	– 應付合營企業款項	804,488	914,191
– Amount due to non-controlling interests	– 應付非控股權益款項	1,858,586	3,761,926
– Borrowings	– 借款	9,494,587	8,641,607
Total	總計	17,760,256	19,962,071

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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32. Commitments

(a) Commitments for property development expenditures

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted but not provided for	已訂約但未撥備	8,101,524	15,725,006

The amount represented capital commitment for construction contracts and agreed proposed development contracts determined based on current estimated budgets.

該金額指根據當前估計預算釐定的建設合約及協定的擬開發合約的資本承諾。

(b) Operating leases rental receivables – a group company as lessor

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	6,591	5,027
Later than one year but no later than five years	超過一年但不超過五年	16,716	12,749
		23,307	17,776

(b) 經營租賃應收租金 – 集團公司為出租人

根據不可撤銷經營租賃應收的未來最低租賃付款如下：

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33. Related Party Transactions

(a) The ultimate holding company of the Company are Huaxing Development Co., Ltd, Hualian Development Co., Ltd and Hualong Development Co., Ltd and the ultimate controlling shareholders of the Company are Mr. Lui Ming, Mr. Lui Wing Nam, Mr. Lui Chi Chung Jimmy, Mr. Lui Jin Ling and Mr. Lui Wing Mau.

(b) Transaction with related parties

33. 關聯方交易

(a) 本公司的最終控股公司為華興發展有限公司、華聯發展有限公司及華隆發展有限公司。本公司的最終控股股東為呂明先生、呂永南先生、呂志聰先生、呂進亮先生及呂永茂先生。

(b) 與關聯方的交易

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Lease payments to Mr. Xie Jian Qing in respect of the leased office premises (Note)	就租用辦公室物業向謝劍青先生支付租金(附註)	(664)	(1,034)
Interest expense to a joint venture	合營企業的利息開支	(20,762)	(12,539)
Interest expense to associates	應付聯營公司利息開支	(19,377)	(4,690)
Interest income from associates	來自聯營公司的利息收入	948	3,680
Income for rendering of management and consulting services to joint ventures	向合營企業提供管理及諮詢服務的收入	10,721	2,075
Income for rendering of management and consulting services to associates	向聯營公司提供管理及諮詢服務的收入	9,367	889

Note: Mr. Xie Jian Qing is a senior managements of the Group during the year ended 31 December 2021 (2020: same).

附註：截至2021年12月31日止年度，謝劍青先生為本集團的高級管理人員(2020年：相同)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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33. Related Party Transactions (Continued) (c) Balances with associates and joint ventures

33. 關聯方交易(續) (c) 與聯營公司及合營企業的結餘

		As at 31 December 於12月31日		
		2021	2020	
		RMB'000	RMB'000	Nature
		人民幣千元	人民幣千元	性質
Amounts due from joint ventures (Note (i))	應收合營企業款項 (附註(i))	253,761	426,390	Non-trade 非貿易
Amounts due to joint ventures (Note (ii))	應付合營企業款項 (附註(ii))	(804,488)	(914,191)	Non-trade 非貿易
Amounts due from associates (Note (iii))	應收聯營公司款項 (附註(iii))	129,850	175,789	Non-trade 非貿易
Amounts due to associates (Note (iv))	應付聯營公司款項 (附註(iv))	(705,827)	(1,159,616)	Non-trade 非貿易

Notes:

- (i) Amounts due from joint ventures represents the cash advances for project development. The balances bear interest at rates ranging from 6.0% to 8.0% per annum, and are unsecured and repayable on demand.
- (ii) Amounts due to joint ventures represents the cash advances for project development. The balances were unsecured, interest free and repayable on demand.
- (iii) Amounts due from associates represents the cash advances for project development. The balances bear interest at rates ranging from 4.75% to 12.0% per annum, and are unsecured and repayable on demand.
- (iv) Amounts due to associates represents the cash advances for project development. The balances were unsecured, interest free and repayable on demand.

附註：

- (i) 應收合營企業款項為為項目開發的現金墊款。結餘年利率為6.0%至8.0%不等，無抵押並須按要求予以償還。
- (ii) 應付合營企業款項為項目開發的現金墊款。結餘為無抵押、免息並須按要求予以償還。
- (iii) 應收聯營公司款項為項目開發的現金墊款。結餘年利率為4.75%至12.0%不等，無抵押並須按要求予以償還。
- (iv) 應付聯營公司款項為項目開發的現金墊款。結餘為無抵押、免息並須按要求予以償還。

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33. Related Party Transactions (Continued)

(d) Guarantee provided by the Group for related parties

33. 關聯方交易(續)

(d) 本集團為關聯方提供的擔保

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying values of the borrowings of joint ventures guaranteed (Note 30(b))	擔保合營企業借款的賬面值 (附註30(b))	288,926	615,000

(e) Key management compensation

Key management compensation are set out below:

(e) 主要管理人員薪酬

主要管理人員薪酬載列如下：

		Year ended 31 December	
		截至12月31日止年度	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Key management compensation	主要管理人員薪酬		
- Salaries and other employee benefits	- 薪資及其他僱員福利	10,050	7,628
- Pension costs	- 退休金成本	645	556
		10,695	8,184

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34. Statement of Financial Position and Reserve Movement of the Company

(a) Statement of financial position of the Company

34. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

		As at 31 December	
		於12月31日	
		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investment in subsidiaries	附屬公司投資	1,753,548	1,753,548
		1,753,548	1,753,548
Current assets	流動資產		
Prepayments	預付款項	7,115	15,736
Amounts due from subsidiaries	應收附屬公司款項	1,054,766	1,220,213
Cash and cash equivalents	現金及現金等價物	9,177	118,860
		1,071,058	1,354,809
Total assets	資產總額	2,824,606	3,108,357
EQUITY	權益		
Capital and reserves	權益及儲備		
Share capital	股本	14,900	14,919
Reserves	儲備	1,556,558	2,067,037
Total equity	資產總額	1,571,458	2,081,956
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables	其他應付款項	18,733	14,108
Amounts due to subsidiaries	應付附屬公司款項	160,100	25,278
Borrowings	借款	1,074,315	987,015
Total liabilities	負債總額	1,253,148	1,026,401
Total equity and liabilities	權益及負債總額	2,824,606	3,108,357

Mr. Lui Ming

呂明先生

Director

董事

Mr. Lui Jin Ling

呂進亮先生

Director

董事

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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34. Statement of Financial Position and Reserve Movement of the Company (Continued)

(b) Reserve movement of the Company

34. 本公司財務狀況表及儲備變動(續)

(b) 本公司的儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Accumulated loss 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	-	656,864	(21,153)	635,711
Loss for the year	年內虧損	-	-	(43,490)	(43,490)
Transaction with owners:	與擁有人的交易：				
Shares issued pursuant to the capitalisation issue	根據資本化發行發行股份	(10,979)	-	-	(10,979)
Shares issued under the global offering	根據全球發售發行股份	1,544,394	-	-	1,544,394
Share issuance costs	股份發行成本	(58,599)	-	-	(58,599)
Total transactions with owners in their capacity as owners	與擁有人(以其作為與擁有人的身份)的交易總額	1,474,816	-	-	1,474,816
At 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	1,474,816	656,864	(64,643)	2,067,037
Loss for the year	年內虧損	-	-	(216,987)	(216,987)
Transaction with owners:	與擁有人的交易：				
Cancellation of shares	註銷股份	(6,997)	7,016	-	19
Buy back of shares	購回股份	-	-	-	-
Dividend for the year ended 31 December 2020	截至2020年12月31日止年度的股息	-	-	(293,511)	(293,511)
Total transactions with owners in their capacity as owners	與擁有人(以其作為與擁有人的身份)的交易總額	(6,997)	7,016	(293,511)	(293,492)
As at 31 December 2021	於2021年12月31日	1,467,819	663,880	(575,141)	1,556,558

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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35. Particulars of Subsidiaries

Particulars of the principal subsidiaries of the Group as at 31 December 2021 and 2020 are set out as below.

35. 附屬公司詳情

本集團於2021年及2020年12月31日的主要附屬公司的詳情載列如下。

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
Directly owned: 直接擁有：								
港龍華揚發展有限公司 Ganglong Huayang Development Limited	9 October 2018	Limited liability company	British Virgin Islands	Investment holdings	US\$50,000	US\$100	100%	100%
	2018年10月9日	有限公司	英屬處女群島	投資控股	50,000美元	100美元		
Indirectly owned: 間接擁有：								
港龍發展集團有限公司 Ganglong Development Group Limited	19 October 2018	Limited liability company	Hong Kong	Investment holdings	HK\$100	HK\$100	100%	100%
	2018年10月19日	有限公司	香港	投資控股	100港元	100港元		
江蘇港龍地產集團有限公司 Jiangsu Ganglong Realty Group Co., Ltd.	13 August 2007	Limited liability company	PRC	Property development	US\$42,857,000	RMB152,643,265	100%	100%
	2007年8月13日	有限公司	中國	物業開發	42,857,000美元	人民幣152,643,265元		
江蘇港龍名揚置業有限公司 Jiangsu Ganglong Mingyang Real Estate Co., Ltd.	9 February 2010	Limited liability company	PRC	Property development	US\$6,800,000	US\$5,000,000	100%	100%
	2010年2月9日	有限公司	中國	物業開發	6,800,000美元	5,000,000美元		
江蘇港龍華揚置業有限公司 Jiangsu Ganglong Huayang Real Estate Co., Ltd.	20 November 2012	Limited liability company	PRC	Property development	US\$53,061,000	US\$22,585,500	100%	100%
	2012年11月20日	有限公司	中國	物業開發	53,061,000美元	22,585,500美元		
鹽城港龍房地產開發有限公司 Yancheng Ganglong Real Estate Development Co., Ltd.	17 August 2010	Limited liability company	PRC	Property development	RMB200,000,000	RMB200,000,000	100%	100%
	2010年8月17日	有限公司	中國	物業開發	人民幣200,000,000元	人民幣200,000,000元		
江蘇港華置業有限公司 Jiangsu Ganghua Property Co., Ltd.	9 August 2013	Limited liability company	PRC	Property development	RMB100,000,000	RMB100,000,000	100%	100%
	2013年8月9日	有限公司	中國	物業開發	人民幣100,000,000元	人民幣100,000,000元		
常熟港華置業有限公司 Changshu Ganghua Property Co., Ltd.	4 January 2016	Limited liability company	PRC	Property development	RMB100,000,000	RMB100,000,000	100%	100%
	2016年1月4日	有限公司	中國	物業開發	人民幣100,000,000元	人民幣100,000,000元		
連雲港市港華置業有限公司 Lianyungang Ganghua Property Co., Ltd.	16 May 2016	Limited liability company	PRC	Property development	RMB75,000,000	RMB75,000,000	100%	100%
	2016年5月16日	有限公司	中國	物業開發	人民幣75,000,000元	人民幣75,000,000元		
紹興港興置業有限公司(附註(b)) Shaoxing Gangxing Property Co., Ltd. (Note (b))	24 June 2019	Limited liability company	PRC	Property development	RMB100,000,000	RMB100,000,000	70%	70%
	2019年6月24日	有限公司	中國	物業開發	人民幣100,000,000元	人民幣100,000,000元		

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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35. Particulars of Subsidiaries (Continued)

35. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
如東港瑞置業有限公司(附註(b)) Rudong Gangrui Property Co., Ltd. (Note (b))	28 June 2019	Limited liability company	PRC	Property development	RMB51,000,000	RMB50,000,000	51%	51%
南京港弘房地產開發有限公司(附註(a)) Nanjing Ganghong Real Estate Development Co., Ltd. (Note (a))	2019年6月28日 4 December 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣51,000,000元 RMB100,000,000	人民幣50,000,000元 RMB100,000,000	50%	50%
常州港嘉置業有限公司(附註(a)) Changzhou Gangjia Real Estate Co., Ltd. (Note (a))	2019年12月4日 6 August 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣100,000,000元 RMB350,000,000	人民幣100,000,000元 RMB350,000,000	40%	40%
蘇州瑞興房地產開發有限公司(附註(a)) Suzhou Ruixing Real Estate Development Co., Ltd. (Note (a))	2019年8月6日 4 September 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣350,000,000元 RMB100,000,000	人民幣350,000,000元 RMB100,000,000	35%	35%
紹興港同置業有限公司(附註(a))(附註(b)) Shaoxing Gangtong Real Estate Co., Ltd. (Note (a)) (Note (b))	2019年9月4日 19 September 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣100,000,000元 RMB20,000,000	人民幣100,000,000元 RMB20,000,000	50%	50%
南通欣和置業有限公司(附註(a)) Nantong Xinhe Real Estate Co., Ltd. (Note (a))	2019年9月19日 26 September 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB50,000,000	人民幣20,000,000元 RMB50,000,000	28%	28%
泰州港新正置業有限公司 Taizhou Gangxinzheng Real Estate Co., Ltd.	2019年9月26日 9 December 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣50,000,000元 RMB200,000,000	人民幣50,000,000元 RMB200,000,000	60%	60%
東台錦騰置業有限公司 Dongtai Jinteng Real Estate Co., Ltd.	2019年12月9日 5 November 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 USD15,000,000	人民幣200,000,000元 Nil	51%	51%
淮安市港華置業有限公司 Huai'an Ganghua Real Estate Co., Ltd.	2019年11月5日 7 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	15,000,000美元 USD66,730,000	零 RMB248,710,920	100%	100%
黃山港龍置業有限公司 Huangshan Ganglong Real Estate Co., Ltd.	2020年8月7日 4 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	66,730,000美元 RMB50,000,000	人民幣248,710,920元 RMB50,000,000	70%	50%
阜陽港龍置業有限公司(附註(b)) Fuyang Ganglong Real Estate Co., Ltd. (Note (b))	2020年8月4日 13 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣50,000,000元 RMB149,253,731	人民幣50,000,000元 RMB149,253,731	57%	57%
	2020年8月13日	有限公司	中國	物業開發	人民幣149,253,731元	人民幣149,253,731元		

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35. Particulars of Subsidiaries (Continued)

35. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
蕪湖縣港生企業管理諮詢有限公司 Wuhu County Gangsheng Enterprise Management Consulting Co., Ltd.	19 May 2020	Limited liability company	PRC	Property development	RMB20,000,000	Nil	100%	100%
蕪湖港春置業有限公司 Wuhu Gangchun Real Estate Co., Ltd.	2020年5月19日 19 June 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB60,000,000	零 RMB60,000,000	60%	60%
成都名揚美川房地產開發有限公司 Chengdu Mingyang Meichuan Real Estate Development Co., Ltd.	2020年6月19日 13 October 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣60,000,000元 RMB300,000,000	人民幣60,000,000元 RMB300,000,000	55%	55%
南京港利置業有限公司 Nanjing Gangli Real Estate Co., Ltd.	2020年10月13日 2 November 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣300,000,000元 RMB191,666,700	人民幣300,000,000元 RMB191,666,700	60%	60%
蕪湖縣港達置業有限公司 Wuhu County Gangda Real Estate Co., Ltd.	2020年11月2日 19 June 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣191,666,700元 RMB70,000,000	人民幣191,666,700元 RMB70,000,000	65%	65%
義烏市港輝置業有限公司 Yiwu Ganghui Real Estate Co., Ltd.	2020年6月19日 4 September 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣70,000,000元 RMB10,000,000	人民幣70,000,000元 RMB10,000,000	60%	60%
鹽城港達房地產開發有限公司 Yancheng Gangda Real Estate Development Co., Ltd.	2020年9月4日 8 September 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB200,000,000	人民幣10,000,000元 RMB200,000,000	51%	51%
惠州市璞玉房地產開發有限公司 Huizhou Puyu Real Estate Development Co., Ltd.	2020年9月8日 7 July 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB50,000,000	人民幣200,000,000元 RMB50,000,000	51%	51%
廣州港科置業有限公司(附註(b)) Guangzhou Gangke Real Estate Co., Ltd. (Note (b))	2020年7月7日 14 October 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣50,000,000元 RMB2,000,000,000	人民幣50,000,000元 RMB2,000,000,000	60%	60%
安徽港豐置業有限公司 Anhui Gangfeng Real Estate Co., Ltd.	2020年10月14日 23 November 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣2,000,000,000元 RMB200,000,000	人民幣2,000,000,000元 RMB200,000,000	60%	60%
南通久和置業有限公司(附註(a)) Nantong Jiuhe Real Estate Co., Ltd. (Note (a))	2020年11月23日 18 November 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB50,000,000	人民幣200,000,000元 RMB50,000,000	35%	35%
	2020年11月18日	有限公司	中國	物業開發	人民幣50,000,000元	人民幣50,000,000元		

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35. Particulars of Subsidiaries (Continued)

35. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
宜興港恒置業有限公司(附註(b)) Yixing Gangheng Real Estate Co., Ltd. (Note (b))	13 January 2020	Limited liability company	PRC	Property development	RMB200,000,000	RMB141,070,000	100%	100%
江蘇港龍中揚置業有限公司 Jiangsu Ganglong Zhongyang Property Co., Ltd.	2020年1月13日 10 April 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB112,562,200	人民幣141,070,000元 RMB112,562,165	100%	100%
貴州港華置業有限公司 Guizhou Ganghua Property Co., Ltd.	2018年4月10日 21 May 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣112,562,200元 RMB100,000,000	人民幣112,562,165元 RMB100,000,000	100%	100%
洛陽港龍置業有限公司 Luoyang Ganglong Property Co., Ltd.	2018年5月21日 26 November 2013	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣100,000,000元 RMB10,000,000	人民幣100,000,000元 RMB10,000,000	100%	90%
鹽城市響水港龍房地產開發有限公司 Yancheng Xiangshui Ganglong Real Estate Development Co., Ltd.	2013年11月26日 17 December 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB20,000,000	人民幣10,000,000元 RMB20,000,000	100%	100%
海門港華置業有限公司(附註(a)) Haimen Ganghua Real Estate Co., Ltd. (Note (a))	2018年12月17日 16 January 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB200,000,000	人民幣20,000,000元 RMB200,000,000	26%	26%
泰興市創和置業有限公司(附註(a)) Taixing Chuanghe Property Co., Ltd. (Note (a))	2020年1月16日 10 April 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB20,000,000	人民幣200,000,000元 RMB20,000,000	33%	33%
湖州海王康山土地產發展有限公司(附註(a)) Huzhou Hai Wang Kang Shan Real Estate Co., Ltd. (Note (a))	2018年4月10日 5 February 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB10,000,000	人民幣20,000,000元 RMB10,000,000	25%	25%
湖州海王康山置業發展有限公司(附註(a)) Huzhou Haiwang Kangshan Property Development Co., Ltd. (Note (a))	2018年2月5日 24 October 2017	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB200,000,000	人民幣10,000,000元 RMB200,000,000	25%	25%
杭州宸書置業有限公司(附註(a)) Hangzhou Chennui Property Co., Ltd. (Note (a))	2017年10月24日 10 August 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB40,000,000	人民幣200,000,000元 RMB40,000,000	25%	25%
上海崇明豫商房地產開發有限公司(附註(a)) Shanghai Chongming Yushang Real Estate Development Co., Ltd. (Note (a))	2018年8月10日 28 May 2014	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣40,000,000元 RMB150,000,000	人民幣40,000,000元 RMB159,000,000	50%	50%
	2014年5月28日	有限公司	中國	物業開發	人民幣150,000,000元	人民幣159,000,000元		

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35. Particulars of Subsidiaries (Continued)

35. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
淮安國創房地產開發有限公司(附註(a)) Huai'an Guochuang Real Estate Development Co., Ltd. (Note (a))	29 October 2018	Limited liability company	PRC	Property development	RMB20,000,000	RMB20,000,000	25%	25%
	2018年10月29日	有限公司	中國	物業開發	人民幣20,000,000元	人民幣20,000,000元		
江蘇通港弘置業有限公司(附註(a)) Jiangsu Tongganghong Property Co., Ltd. (Note (a))	25 February 2019	Limited liability company	PRC	Property development	RMB100,000,000	RMB100,000,000	34%	34%
	2019年2月25日	有限公司	中國	物業開發	人民幣100,000,000元	人民幣100,000,000元		
南通港華置業有限公司 Nantong Ganghua Enterprise Ltd	11 February 2019	Limited liability company	PRC	Property development	RMB71,428,500	RMB71,428,500	70%	70%
	2019年2月11日	有限公司	中國	物業開發	人民幣71,428,500元	人民幣71,428,500元		
常州市凱陽置業有限公司 Changzhou Kaiyang Property Co., Ltd.	30 April 2019	Limited liability company	PRC	Property development	RMB20,000,000	RMB20,000,000	51%	51%
	2019年4月30日	有限公司	中國	物業開發	人民幣20,000,000元	人民幣20,000,000元		
如東港達置業有限公司 Rudong Gangda Real Estate Co., Ltd.	25 July 2019	Limited liability company	PRC	Property development	RMB50,000,000	RMB50,000,000	51%	51%
	2019年7月25日	有限公司	中國	物業開發	人民幣50,000,000元	人民幣50,000,000元		
溧陽港正置業有限公司 Li Yang Gang Zheng Real Estate Co., Ltd.	24 July 2020	Limited liability company	PRC	Property development	RMB240,000,000	RMB240,000,000	35%	35%
	2020年7月24日	有限公司	中國	物業開發	人民幣240,000,000元	人民幣240,000,000元		
海安海泰置業有限公司 Hai An Hai Tai Real Estate Co., Ltd.	3 February 2021	Limited liability company	PRC	Property development	RMB100,000,000	RMB100,000,000	24%	Nil
	2021年2月3日	有限公司	中國	物業開發	人民幣100,000,000元	人民幣100,000,000元		零
南通梁才房地產開發有限公司 Nan Tong Liang Cai Real Estate Development Co., Ltd.	10 March 2021	Limited liability company	PRC	Property development	RMB150,000,000	RMB150,000,000	40%	Nil
	2021年3月10日	有限公司	中國	物業開發	人民幣150,000,000元	人民幣150,000,000元		零
靖江港華置業有限公司 Jing Jiang Gang Hua Real Estate Co., Ltd.	16 April 2021	Limited liability company	PRC	Property development	RMB540,000,000	RMB540,000,000	34%	Nil
	2021年4月16日	有限公司	中國	物業開發	人民幣540,000,000元	人民幣540,000,000元		零
泰州港華置業有限公司 Tai Zhou Gang Hua Real Estate Co., Ltd.	17 May 2021	Limited liability company	PRC	Property development	RMB700,000,000	RMB700,000,000	34%	Nil
	2021年5月17日	有限公司	中國	物業開發	人民幣700,000,000元	人民幣700,000,000元		零
常州恒旭房地產開發有限公司 Chang Zhou Heng Xu Real Estate Development Co., Ltd.	25 May 2021	Limited liability company	PRC	Property development	RMB241,000,000	RMB241,000,000	50%	Nil
	2021年5月25日	有限公司	中國	物業開發	人民幣241,000,000元	人民幣241,000,000元		零
揚州港華置業有限公司 Yang Zhou Gang Hua Real Estate Co., Ltd.	16 June 2021	Limited liability company	PRC	Property development	RMB400,000,000	RMB400,000,000	60%	Nil
	2021年6月16日	有限公司	中國	物業開發	人民幣400,000,000元	人民幣400,000,000元		零

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35. Particulars of Subsidiaries (Continued)

35. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2021	2020
鹽城市阜寧港通惠房地產開發有限公司 Yan Cheng Shi Fu Ning Gang Tong Hui Real Estate Development Co., Ltd.	17 June 2021	Limited liability company	PRC	Property development	RMB400,000,000	RMB400,000,000	40%	Nil
	2021年6月17日	有限公司	中國	物業開發	人民幣400,000,000元	人民幣400,000,000元		零
佛山港龍置業有限公司 Fo Shan Gang Long Real Estate Co., Ltd.	26 August 2021	Limited liability company	PRC	Property development	RMB800,000,000	Nil	100%	Nil
	2021年8月26日	有限公司	中國	物業開發	人民幣800,000,000元	零		零
廣德市港興置業有限公司 Guang De Shi Gang Xing Real Estate Co., Ltd.	1 September 2021	Limited liability company	PRC	Property development	RMB50,000,000	RMB50,000,000	100%	Nil
	2021年9月1日	有限公司	中國	物業開發	人民幣50,000,000元	人民幣50,000,000元		零

* The English names of PRC companies referred to above in this note represents management's best effort in translating the Chinese names of those companies as no English name have been registered or available.

* 本附註上文所述中國公司的英文名稱代表管理層儘力翻譯該等公司的中文名稱，因為並無英文名稱已註冊或可供索取。

Notes:

附註：

- (a) The Group has controlled these companies through agreements entered into with certain non-controlling shareholders pursuant to which the Group has the right to make decision on relevant activities including but not limited to budget, pricing and promotion strategies of these companies. As the Group has exposure or rights to variable returns from its involvement with those companies, and has the ability to affect those returns through its majority voting position and the existing rights to direct the relevant activities, these companies are thus accounted for as subsidiaries of the Group.
- (b) The percentage of attributable equity interests presented is the beneficiary interests held by the Group. The equity interests in entities legally held by the Group are lower than the beneficiary interests because of the existence of Type II trust financing arrangements.

- (a) 本集團通過與若干非控股股東訂立協議控制該等公司，根據協議，本集團有權就相關業務作出決定，包括但不限於該等公司預算、定價及促銷策略的相關活動。本集團因涉及該等公司而承受可變回報的風險或有權利獲得來自該等公司的變動回報，並有能力通過其多數表決權及指導相關活動的現有權利來影響該等回報，因此該等公司被視為本集團的附屬公司。
- (b) 所呈列應佔股權百分比為本集團持有的實益權益。由於存在第二類信託融資安排，本集團合法持有的實體股權低於實益權益。

36. Subsequent Events

After another wave of outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2022, a series of precautionary and control measures have been and continued to be implemented across the PRC. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date of which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

36. 期後事項

於2022年初爆發2019年新冠病毒病(「COVID-19疫情」)後，中國各地已經並將繼續實施一系列預防及控制措施。本集團將密切關注COVID-19疫情的發展，並評估其對本集團財務狀況及經營業績的影響。於本財務報表獲授權予以刊發日期，本集團並不知悉COVID-19疫情對財務報表有任何重大不利影響。

Financial Summary

財務摘要

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

Results

業績

		Year ended 31 December				
		截至12月31日止年度				
		2017	2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from contracts with customers	來自客戶合約的收益	433,931	1,659,593	1,978,034	4,171,331	10,368,685
Profit before income tax	除所得稅前溢利	72,683	480,951	763,888	1,023,623	1,503,803
Income tax expenses	所得稅開支	(39,852)	(148,993)	(293,824)	(381,684)	(401,622)
Profit and total comprehensive income for the year	年內溢利及全面收益總額	32,831	331,958	470,064	641,939	1,102,181
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	31,356	354,831	668,041	960,748	480,936
Non-controlling interests	非控股權益	1,475	(22,873)	(197,977)	(318,809)	621,245
		32,831	331,958	470,064	641,939	1,102,181

Assets and Liabilities

資產及負債

		As at 31 December				
		於12月31日				
		2017	2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總額	5,266,273	9,440,757	22,892,752	46,246,196	56,028,274
Total liabilities	負債總額	(4,944,890)	(8,739,584)	(21,239,398)	(41,759,503)	(45,750,522)
Net assets	資產淨額	321,383	701,173	1,653,354	4,486,693	10,277,752
Owners of the Company	本公司擁有人	318,271	575,490	1,243,531	3,694,014	3,841,872
Non-controlling interests	非控股權益	3,112	125,683	409,823	792,679	6,435,880
Total equity	權益總額	321,383	701,173	1,653,354	4,486,693	10,277,752

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of Ganglong China Property Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Ganglong China Property Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 119 to 259, which comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道

致港龍中國地產集團有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

港龍中國地產集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第119至259頁的綜合財務報表，包括：

- 於2020年12月31日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2020年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- 1 Classification of investments in subsidiaries, joint ventures and associates
- 2 Provision for land appreciation tax

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項是概述如下：

- 1 附屬公司、合營企業及聯營企業的投資分類
- 2 土地增值稅的撥備

Key Audit Matter 關鍵審計事項

Classification of investments in subsidiaries, joint ventures and associates
附屬公司、合營企業及聯營公司的分類

Refer to Note 4(b), Note 16 and Note 31 to the consolidated financial statements.
請參閱綜合財務報表的附註4(b)、附註16和附註31。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

In assessing the Group's classification of investments in subsidiaries, joint ventures and associates, we have performed the following procedures:
在評估該集團對附屬公司、合營企業及聯營公司的分類時，我們實施了以下審計程序：

(a) in relation to the composition of the board of directors of the investees:
關於被投資方董事會的組成：

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

The Group is a property developer in Mainland China focusing on the development of residential properties. The Group co-operated with other parties to invest in a number of property development projects, which were classified as subsidiaries, joint ventures or associates.

集團為一家中國內地的房地產開發商，專注於開發住宅物業。集團與其他房地產開發商合作投資多個房地產開發項目公司，這些公司被歸類為附屬公司，合營企業或聯營公司。

We focus on the classification of investments in subsidiaries, joint ventures and associates as the classification involves management's determination of whether the Group has control, joint control or significant influence over the investees, which involves significant judgements. It requires the analysis of various factors aside from shareholdings, including but not limited to composition of the board of directors of the investees and decision making authorities at the investees' shareholders' meeting and board of directors meetings.

我們關注於對附屬公司、合營企業及聯營公司的分類，因為該分類涉及管理層對集團是否具有投資方控制權，共同控制權或重大影響力的重大判斷。判斷需考慮持股比例及其他各種因素，包括但不限於被投資方董事會的組成以及在被投資方股東大會和董事會會議上的決策權。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- we obtained and examined the legal documents in relation to the investments in the property development projects where the Group co-operated with other parties, including the co-development agreements and articles of associations of the investees, to assess management's evaluation of the rights of investors, co-operation arrangements, termination provisions, management structures and profit-sharing arrangements;
我們獲得並審閱了投資對象的法律文件，包括與其他投資方簽訂的合作開發協議和投資對象的章程，並關注及了解主要條款，包括投資者的權利、合作開發的安排、終止條款、治理結構和利潤分配安排，並通過分析對比主要條款與會計準則的規定以評估管理層的判斷。
- where there are subsequent changes to the co-development agreements and/or articles of association, we assessed whether such changes affecting any previously determined classification have been considered by management;
對於合作開發協議及章程及治理結構等方面發生後續變化的情況，我們亦嚴格評估管理層作出的重估，以考慮該等變化是否會影響初始的投資分類。

- (b) in relation to the decision making authorities at the investees' shareholders' meetings and board of directors meetings:

有關與被投資方的股東大會和董事會會議上的決策權：

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

For subsidiaries, their assets, liabilities and transactions are consolidated in the Group's consolidated financial statements on a line-by-line basis, whereas the interests in joint ventures and associates are accounted for as investments on the consolidated statement of financial position, whilst their results are accounted for using the equity method. Hence, the classification of investments as subsidiaries, joint ventures or associates has material and pervasive impact on the preparation and presentation of the consolidated financial statements.

附屬公司的資產、負債及交易合併在集團的財務報表中，而合營企業及聯營公司的業績則使用權益法核算。因此，對子公司、合營企業及聯營公司的分類會對合併財務報表的編製和呈列產生重大而普遍的影響。

– we understood and evaluated whether the decision making mechanism as well as the scope of decisions where shareholders and the board of directors are empowered to make are consistent with the co-development agreements and articles of association of the investees;
我們瞭解並評估了決策機制以及授權股東和董事會做出決策的範圍是否與共同開發協定和被投資公司的章程相一致；

– we reviewed minutes of shareholders' meeting and board of directors' meetings of the investees, and other materials presented to shareholders and the board of directors during the meetings to corroborate with our understanding on the decision making mechanism and the scope of decisions empowered to make and made by shareholders and the board of directors.
我們審閱了股東大會和被投資方董事會會議的會議記錄，以及在會議期間向股東和董事會提交的其他材料，以佐證我們對決策機制和由股東和董事會做出的決策範圍的理解。

(c) we evaluated management's assessment on the classification of investments in subsidiaries, joint ventures and associates based on the factors and circumstances above.

我們根據上述因素和情況評估了管理層對附屬公司、合營企業及聯營公司投資類別的評估。

Based on the procedures performed, we found that management's judgements applied in determining the classification of the Group's investments in subsidiaries, joint ventures and associates were supported by available evidence.

根據所執行的程序，我們發現管理層在確定貴集團於附屬公司、合營企業或聯營企業的投資分類時運用的判斷均獲得證據支持。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

Provision for land appreciation tax
土地增值稅的撥備

Refer to Note 4(c) and Note 10 to the consolidated financial statements.

請參閱綜合財務報表附註4(c)和附註10。

As of and for the year ended 31 December 2020, the Group had land appreciation tax ("LAT") payable amounted to RMB152,714,000 and the provision for LAT amounted to RMB213,948,000, respectively.

截至2020年12月31日，貴集團的應付土地增值稅為人民幣152,714,000元，土地增值稅撥備為人民幣213,948,000元。

LAT in Mainland China is one of the main components of the Group's tax provision, and is levied on the sale of properties at progressive rates ranging from 30% to 60% based on the appreciation of land value. At the end of each financial reporting period, management of the Group estimates the provision for LAT in relation to the sales of properties based on the allocation of revenue and cost of sales among different property types and the total sales of properties less total deductible expenditures of the relevant property. This estimation incorporated judgement around classification of property types, and the application of deductibles, which includes lease payments for land use rights, property development costs, borrowing costs and other development expenditures, based on management's understanding and interpretation of the relevant tax rules and regulations.

中國內地的土地增值稅(「土地增值稅」)為貴集團稅項支出的主要組成部分之一。物業銷售的土地增值稅乃按照30%至60%的累進稅率對土地增值額徵收。於各報告期末，集團管理層根據不同房地產類型之間的收入和銷售成本和房地產的總銷售額減去可抵扣的費用總額來估計土地增值稅撥備。該估計基於管理層對相關稅法和規章的理解和解釋，涉及房地產類型的分類，開發成本包括土地使用權的租賃付款，房地產開發成本，借款成本和其他開發支出在內的免稅額的判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

In assessing the provision for LAT, we have performed the following procedures:

在評估土地增值稅撥備時，我們實施了以下審計程序：

(a) we understood, evaluated and tested the relevant controls over the calculation of the provision for LAT and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud;

我們瞭解，評估和測試了有關土地增值稅撥備計算的相關控制措施，並通過考慮估計不確定性和其他固有風險因素例如複雜性，主觀性，變更和易受管理層偏見或舞弊影響的程度來評估重大錯報的固有風險；

(b) we tested, on a sample basis, the accuracy of sales of properties and expenditures of the relevant properties by checking the relevant documents including property sales contracts and invoices;

我們通過檢查相關檔案(包括房地產銷售合同和發票)，以抽樣的方式測試了物業銷售和相關物業支出的準確性；

(c) we assessed the reasonableness of the basis for classification of property types and allocation of revenue and cost of sales among different property types by reviewing the relevant documents including construction land planning permit and certificates;

我們通過查閱建設用地規劃許可證和證書等有關文件，評估了房地產分類以及不同房地產分配的收入和銷售成本的合理性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

When the LAT is subsequently finalised by the tax authority upon LAT clearance, the final tax outcome could be different from the amounts that were initially recorded based on management's assessment.

稅務機構其後釐定土地增值稅時，最終稅務結果可能有別於估計值。

We focus on the provision for LAT as a key audit matter due to the significance of the LAT to the consolidated financial statements and the significance of the judgement and estimates involved.

由於土地增值稅對綜合財務報表有重大的影響以及所涉及的判斷和估計的重要性，我們將土地增值稅撥備確認為一項關鍵審計事項。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

(d) we engaged our internal tax specialists to review the LAT provision, on a sample basis, including the LAT provision calculation based on the relevant tax rates for different type of properties and assessed the deductibility of the significant expenditures such as lease payments for land use rights, property development costs, borrowing costs and other development expenditures against the relevant tax rules and regulations in the calculation and challenged management on the judgement and estimates involved in the calculation; and

我們聘請了內部稅務專家以抽樣方式審閱土地增值稅撥備，包括根據不同房地產種類的相關稅率計算土地增值稅撥備，根據有關稅法和規章評估土地使用權租賃付款，物業開發成本，借款成本和其他開發支出的可抵扣性，並對計算中涉及的判斷和估計提出質疑；和

(e) we obtained and examined LAT clearance and other relevant correspondences with local tax authorities, on a sample basis, to identify any significant differences in the consideration of the deductibility of relevant expenditures and evaluated the outcome of prior period assessment of LAT provision to assess the effectiveness of management's estimation process.

我們以抽樣形式獲得並審閱了土地增值稅清算及與當地稅務機關的其他相關往來文件，以識別在考慮相關支出的可抵扣性方面的任何重大差異，評估了上一年度對土地增值稅撥備的評估結果，以評估管理層評估過程的有效性。

Based on the procedures performed, we found that management's judgement and estimates applied in provision for LAT were supported by available evidence.

根據所執行的程序，我們發現管理層對土地增值稅撥備的判斷和估計獲得證據支持。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑑證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay Gabriel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 March 2021

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳顯基。

羅兵咸永道會計師事務所
執業會計師

香港，2021年3月19日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	5	
Cost of sales	銷售成本	6	
Gross profit	毛利	1,517,093	844,527
Other income, net	其他收入淨額	8	77,245
Selling and marketing expenses	銷售及營銷開支	6	(212,441)
General and administrative expenses	一般行政開支	6	(250,454)
Fair value gains on investment properties	投資物業公允價值收益	15	15,600
Operating profit	經營溢利	703,154	474,477
Finance income	融資收入	9	8,607
Finance costs	融資成本	9	(78,623)
Finance costs, net	融資成本淨額	9	(70,016)
Share of results of joint ventures and associates	應佔合營企業與聯營公司業績	16	359,427
Profit before income tax	所得稅前溢利	1,023,623	763,888
Income tax expenses	所得稅開支	10	(293,824)
Profit and total comprehensive income for the year	年內溢利及全面收益總額	641,939	470,064
Profit attributable to:	以下人士應佔溢利：		
Owners of the Company	本公司擁有人	960,748	668,041
Non-controlling interests	非控股權益	(318,809)	(197,977)
		641,939	470,064
Earnings per share attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔溢利之每股盈利 (每股以人民幣列示)		
– Basic and diluted	– 每股基本及攤薄	12	0.56

The notes on pages 126 to 259 are an integral part of these consolidated financial statements.

第126至259頁之附註構成本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At of 31 December 2020 | 於2020年12月31日

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	67,975	36,004
Investment properties	投資物業	180,900	170,800
Investments accounted for using the equity method	採用權益法列賬的投資	1,468,834	1,103,432
Deferred income tax assets	遞延所得稅資產	347,836	151,192
		2,065,545	1,461,428
Current assets	流動資產		
Properties under development	開發中物業	32,108,351	16,052,548
Completed properties held for sale	持作出售的已竣工物業	295,960	732,904
Trade and other receivables and prepayments	貿易及其他應收款項以及預付款項	1,128,141	1,252,942
Amounts due from associates	應收聯營公司款項	175,789	124,709
Amounts due from joint ventures	應收合營企業款項	426,390	350,268
Amounts due from non-controlling interests	應收非控股權益款項	2,578,961	198,443
Tax recoverable	可收回稅項	670,214	206,629
Restricted cash	受限制現金	2,211,490	1,414,744
Pledged time deposits	已抵押定期存款	37,727	45,920
Cash and cash equivalents	現金及現金等價物	4,547,628	1,052,217
		44,180,651	21,431,324
Total assets	資產總額	46,246,196	22,892,752
EQUITY	權益		
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔權益及儲備		
Share capital	股本	14,919	-
Reserves	儲備	3,679,095	1,243,531
Non-controlling interests	非控股權益	792,679	409,823
Total equity	權益總額	4,486,693	1,653,354

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At of 31 December 2020 | 於2020年12月31日
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	23	2,590,967
Lease liabilities	租賃負債	14	18,049
Deferred income tax liabilities	遞延所得稅負債	17	110,402
			94,699
		2,719,418	1,807,580
Current liabilities	流動負債		
Trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項	24	5,836,270
Lease liabilities	租賃負債	14	12,151
Contract liabilities	合約負債	5	20,979,809
Amounts due to associates	應付聯營公司款項	29	1,159,616
Amounts due to joint ventures	應付合營企業款項	29	914,191
Amounts due to Controlling Shareholders	應付控股股東款項	29	–
Amounts due to non-controlling interests	應付非控股權益款項	26	3,761,926
Tax payable	應付稅項		325,482
Borrowings	借款	23	6,050,640
			1,144,200
		39,040,085	19,431,818
Total liabilities	負債總額		41,759,503
			21,239,398
Total equity and liabilities	權益及負債總額		46,246,196
			22,892,752

The consolidated financial statements on pages 119 to 259 were approved by the Board of Directors on 19 March 2021 and were signed on its behalf.

第119至259頁上的綜合財務報表已於2021年3月19日獲董事會批准，並代表董事會簽署。

Mr. Lui Ming
呂明先生
Director
董事

Mr. Lui Jin Ling
呂進亮先生
Director
董事

The notes on pages 126 to 259 are an integral part of these consolidated financial statements.

第126至259頁之附註構成本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Attributable to the owners of the Company					Non-controlling interests		Total
		本公司擁有人應佔							
		Share capital	Share premium	Statutory reserves	Other reserves	Retained earnings	Subtotal		
		股本	股份溢價	法定儲備	其他儲備	保留盈利	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 21)	(Note 22)	(Note 22)	(Note 22)				
		(附註21)	(附註22)	(附註22)	(附註22)				
Balance at 1 January 2020	於2020年1月1日結餘	-	-	136,121	315,515	791,895	1,243,531	409,823	1,653,354
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	960,748	960,748	(318,809)	641,939
Transactions with owners:	與擁有人的交易：								
Shares issued pursuant to the capitalisation issue	就資本化發行發行股份	10,979	(10,979)	-	-	-	-	-	-
Shares issued under the global offering	全球發售項下已發行股份	3,940	1,544,394	-	-	-	1,548,334	-	1,548,334
Share issuance costs	股份發行成本	-	(58,599)	-	-	-	(58,599)	-	(58,599)
Capital injections from non-controlling interests	非控股權益注資	-	-	-	-	-	-	701,665	701,665
Appropriation to statutory reserve	轉撥至法定儲備	-	-	91,712	-	(91,712)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以其作為擁有人的身份)的交易總額	14,919	1,474,816	91,712	-	(91,712)	1,489,735	701,665	2,191,400
Balance at 31 December 2020	於2020年12月31日結餘	14,919	1,474,816	227,833	315,515	1,660,931	3,694,014	792,679	4,486,695

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Attributable to the owners of the Company 本公司擁有人應佔					Non-		
		Share capital	Share premium	Statutory reserves	Other reserves	Retained earnings	Subtotal	controlling interests	Total
		股本	股份溢價	法定儲備	其他儲備	保留盈利	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 21)	(Note 22)	(Note 22)	(Note 22)				
		(附註21)	(附註22)	(附註22)	(附註22)				
Balance at 1 January 2019	於2019年1月1日結餘	-	-	66,147	315,515	193,828	575,490	125,683	701,173
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	668,041	668,041	(197,977)	470,064
Transactions with owners:	與擁有人的交易：								
Capital injections from non-controlling interests	非控股權益注資	-	-	-	-	-	-	482,117	482,117
Appropriation to statutory reserve	轉撥至法定儲備	-	-	69,974	-	(69,974)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人身份的擁有人進行之交易總額	-	-	69,974	-	(69,974)	-	482,117	482,117
Balance at 31 December 2019	於2019年12月31日結餘	-	-	136,121	315,515	791,895	1,243,531	409,823	1,653,354

The notes on pages 126 to 259 are an integral part of these consolidated financial statements.

第126至259頁之附註構成本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from/(used in) operations	營運所得/(所用)現金	25	755,605
Income tax paid	已付所得稅		(1,027,084)
			(6,547,423)
			(208,608)
Net cash used in operating activities	經營活動所用現金淨額		(271,479)
			(6,756,031)
Cash flows from investing activities	投資活動所得現金流量		
Payments for purchase of property, plant and equipment	購買物業、廠房及設備付款		(22,499)
			(17,980)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項		224
			882
Investments in joint ventures	投資合營企業		(47,000)
			–
Investments in associates	投資聯營公司		–
			(30,000)
Advances to Controlling shareholders	向控股股東墊款		–
			(112,000)
Repayment of advances to Controlling Shareholders	償還向控股股東墊款		–
			112,500
Advances to associates	向聯營公司墊款		(45,000)
			(328,074)
Repayment of advances to associates	償還向聯營公司墊款		–
			534,975
Advances of joint venture	向合營企業墊款		(795,816)
			(796,800)
Repayment of advances to joint ventures	償還向合營企業墊款		720,996
			1,016,196
Advances to non-controlling interests	向非控股權益墊款		(2,455,392)
			(409,966)
Repayment of advances from non-controlling interests	償還向非控股權益墊款		–
			254,330
Advances to third parties	向第三方墊款		–
			(15,975)
Repayment of advances from third parties	償還向第三方墊款		–
			214,545
Interest received	已收利息		38,735
			8,607
Net cash generated (used in)/from investing activities	投資活動(所用)/所得現金淨額		(2,351,422)
			491,445

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	融資活動所得現金流量		
Advances from associates	聯營公司墊款	104,855	837,442
Repayment of advances from associates	償還聯營公司墊款	(379,940)	(161,920)
Advances from joint ventures	合營企業墊款	1,257,156	830,947
Repayment of advances from joint ventures	償還合營企業墊款	(1,214,190)	(470,180)
Advances from Controlling Shareholders	控股股東墊款	–	353,442
Repayment of advances from Controlling Shareholders	償還控股股東墊款	(23,539)	(339,884)
Advances from related parties	關聯方墊款	–	79,079
Repayment of advances from related parties	償還關聯方墊款	–	(90,198)
Advances from non-controlling interests	非控股權益墊款	6,967,702	7,771,199
Repayment of advances from non-controlling interests	償還非控股權益墊款	(8,085,120)	(4,318,482)
Advances from third parties	第三方墊款	–	14,500
Repayment of advances from third parties	償還第三方墊款	–	(94,978)
Proceeds from borrowings	借款所得款項	8,524,835	2,831,549
Repayment of borrowings	償還借款	(3,723,542)	(834,350)
Payment of principal portion of lease liabilities	償還租賃負債本金部分	(11,315)	(6,495)
Payment of interest portion of lease liabilities	償還租賃負債利息部分	(1,249)	(813)
Capital injection from non-controlling interests	非控股權益注資	701,665	482,117
Interest paid	已付利息	(432,749)	(185,790)
Proceeds from the listing	上市所得款項	1,548,334	–
Payments for listing expenses	上市開支付款	(92,819)	(3,135)
Proceeds from issuance of senior notes	發行優先票據所得款項	987,015	–
Payment for issuance of senior note	發行優先票據款項	(8,787)	–
Net cash generated from financing activities	融資活動所得現金淨額	6,118,312	6,694,050
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	3,495,411	429,464
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	1,052,217	622,753
Cash and cash equivalents at end of the year	年末現金及現金等價物	4,547,628	1,052,217

The notes on pages 126 to 259 are an integral part of these consolidated financial statements.

第126至259頁之附註構成本綜合財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 October 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P. O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business of the Company and its subsidiaries (collectively referred to as the “Group”) is located at 6/F, Alibaba Shanghai Center, No. 1-4, Lane 1398, Shenchang Road, Minhang District, Shanghai, PRC. The principal place of business of the Company in Hong Kong is located at Suites 3620-22, 36/F, Two Pacific Place, 88 Queensway, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the development of real estate projects in the People’s Republic of China (the “PRC”).

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 July 2020.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

These consolidated financial statements have been approved for issued by the Board of Directors (The “Board”) of the Company on 19 March 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretation issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements have been prepared under the historical cost convention, except as modified by investment properties which are measured at fair value.

1. 一般資料

本公司於2018年10月8日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands。本公司及其附屬公司(統稱「本集團」)的主要營業地點位於中國上海市閔行區深昌路1398弄1-4號阿里巴巴上海中心6樓。本公司於香港的主要營業地點位於香港金鐘道88號太古廣場二座36樓3620-22室。

本公司為一間投資控股公司。本集團主要在中華人民共和國(「中國」)從事房地產項目開發。

本公司股份於2020年7月15日在香港聯合交易所有限公司(「聯交所」)上市。

除非另有說明，否則該等綜合財務報表以人民幣(「人民幣」)呈列。

該等綜合財務報表已於2021年3月19日獲本公司董事會(「董事會」)批准發佈。

2. 重大會計政策概要

編製該等綜合財務報表時所採納之重大會計政策清單呈列如下。除另有說明外，該等政策於所有呈報年度貫徹一致應用。

2.1 編製基準

本集團的綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)(為包括所有適用的獨立香港財務報告準則的統稱)、香港會計準則(「香港會計準則」)及香港會計師公會(「香港會計師公會」)，以及香港公司條例第622章的披露規定編製。綜合財務報表乃根據歷史成本慣例編製，根據按公允價值計量的投資物業作出的修訂除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.1 Basis of preparation (Continued)

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amendments to standards adopted by the Group

The following new and amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2020:

Amendments to HKFRS 9, HKAS 39 and HKFRS 7
香港財務報告準則第9號、香港會計準則第39號及
香港財務報告準則第7號之修訂
Amendments to HKAS 1 and HKAS 8
香港會計準則第1號及香港會計準則第8號之修訂
Conceptual Framework for Financial Reporting 2018

2018年財務報告的概念框架

The adoption of the above new and amendments to standards did not have significant financial impact on the consolidated financial statements.

2.1 編製基準(續)

編製符合香港財務報告準則的綜合財務報表需要使用若干重大會計估計。本集團管理層亦須於應用本集團會計政策時作出判斷。涉及較高度判斷或複雜性的範疇，或當中假設及估計對綜合財務報表而言屬重大的範疇，披露於下文附註4。

(a) 本集團採納的新訂及經修訂準則

本集團已就2020年1月1日或之後開始的財政年度首次採納以下之新訂及經修訂準則：

Interest Rate Benchmark Reform – Phase 1
利率基準改革 – 第一階段

Definition of Material
重大的定義

Revised Conceptual Framework for Financial Reporting
財務報告的經修訂概念框架

採納上述新訂及經修訂準則對綜合財務報表並無重大財務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.1 Basis of preparation (Continued)

- (b) New standard and amendments to existing standards issued but not yet effective for the financial year beginning on or after 1 January 2020 and have not been early adopted by the Group:

2.1 編製基準(續)

- (b) 新訂準則及現有準則之修訂本已頒佈但尚未於2020年1月1日起或之後的財年生效，且並無獲本集團提前採納：

		Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生
Amendments to HKFRS 16 香港財務報告準則第16號之修訂本	COVID-19 Related Rent Concessions 有關新型冠狀病毒相關的租金寬減	1 June 2020 2021年6月1日
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 香港會計準則第39號，香港財務報告準則第 4號，香港財務報告準則第7號，香港財務 報告準則第9號及香港財務報告準則第16 號之修訂本	Interest Rate Benchmark Reform – Phase 2 利率基準改革－第二階段	1 January 2021 2021年1月1日
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 香港財務報告準則第1號、香港財務報告準 則第9號、香港財務報告準則第16號、香 港會計準則第41號之修訂本	Annual improvements to HKFRS Standards 2018 to 2020 香港財務報告準則2018年至2020年週期之 年度改進	1 January 2022 2022年1月1日
Amendments to HKFRS 3 香港財務報告準則第3號之修訂本	Reference to the Conceptual Framework 參考概念框架	1 January 2022 2022年1月1日
Amendments to HKAS 16 香港會計準則第16號之修訂本	Property, Plant and Equipment: Proceeds before intended use 物業、廠房及設備：擬定使用前的所得款項	1 January 2022 2022年1月1日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.1 Basis of preparation (Continued)

(b) (Continued)

2.1 編製基準(續)

(b) (續)

		Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
香港會計準則第37號之修訂本	有償合同－履行合約之成本	2022年1月1日
HKFRS 17	Insurance Contracts	1 January 2023
香港財務報告準則第17號	保險合約	2023年1月1日
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
香港會計準則第1號之修訂本	負債分類為流動及非流動	2022年1月1日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間資產出售或注資	待定

The Group is in the process of assessing the potential impact of these standards and amendments to existing standards which were in issue but not yet effective.

本集團正評估該等已頒佈但尚未生效之準則及現有準則之修訂的潛在影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights, except for joint arrangements as detailed in (c) below. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost.

2.2 綜合原則及權益會計處理

(a) 附屬公司

附屬公司指本集團擁有控制權的所有實體。當本集團自參與實體業務而面臨可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉讓予本集團時全部綜合入賬。附公司於終止控制權當日起終止綜合入賬。

本集團採用收購會計法將業務合併入賬。

集團內公司間交易、結餘及交易之未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已於需要時作出調整，以確保與本集團所採納有關政策一致。

於附屬公司的業績及權益之非控股權益分別單獨呈列於綜合全面收益表、綜合權益變動表及綜合財務狀況表。

(b) 聯營公司

聯營公司指本集團對其有重大影響力但無控股權或共同控制權的所有實體。一般而言，本集團持有該聯營公司20%至50%的投票權，惟下文(c)詳述的合營安排除外。於聯營公司的投資初步則按成本確認後以權益會計法入賬(見下文(d))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.2 Principles of consolidation and equity accounting (Continued)

(c) Joint arrangements

Under HKFRS 11 “Joint Arrangements” investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in consolidated statement of comprehensive income, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associated companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group’s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2.2 綜合原則及權益會計處理(續)

(c) 合營安排

根據香港財務報告準則第11號「合營安排」，於合營安排的投資分類為合營業務或合營企業。分類取決於各投資者的合約權利及義務，而非合營安排的法定架構。

於初步按成本在綜合財務狀況表中確認後，於合營企業的權益使用權益法入賬(見下文(d))。

(d) 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於綜合全面收益表確認本集團應佔被投資方收購後溢利或虧損，並於其他全面收益確認本集團應佔被投資方的其他全面收益之變動。已收或應收聯營公司及合營企業的股息確認為投資賬面值扣減。

倘本集團應佔權益入賬投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易顯示已轉讓資產減值的證據。權益入賬被投資方的會計政策已於需要時作出調整，以確保與本集團所採納有關政策一致。

權益入賬投資的賬面金額根據附註2.9所述政策進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.2 Principles of consolidation and equity accounting (Continued)

(e) Structured entities

For structured entities, the Group assesses whether they should be consolidated based on the contractual terms as to whether the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Third-party beneficiaries' interests in the consolidated structured entities with a limited life and are classified as liabilities in the Group's consolidated statement of financial position, and net profits or losses attributable to third-party beneficiaries are recorded in consolidated profit or loss as "finance costs".

(f) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.2 綜合原則及權益會計處理(續)

(e) 結構性實體

就結構性實體而言，本集團根據合約條款就本集團對實體的參與面臨可變回報的風險或取得可變回報的權利；及利用對實體的權力影響該等回報金額的能力評估是否合併。有限壽命的合併結構性實體中第三方受益人權益且分類為本集團綜合資產負債表中的債務，而歸屬於第三方受益人的淨損益於綜合損益表入賬列作「融資成本」。

(f) 所有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。所有權權益變動導致控股與非控股權益賬面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

當本集團因喪失控制權或重大影響力而不再綜合入賬或按權益入賬一項投資時，於實體的任何保留權益重新按公允價值計量，而賬面值變動於綜合全面收益表確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，該公允價值為初始賬面值。此外，先前於其他全面收益就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收益確認的金額重新分類至損益或轉撥至適用香港財務報告準則所指明／許可的另一權益類別內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.2 Principles of consolidation and equity accounting (Continued)

(f) Changes in ownership interests (Continued)

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the;

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2.2 綜合原則及權益會計處理(續)

(f) 所有權權益變動(續)

倘於一間聯營公司的所有權權益減少但保留重大影響力，則先前於其他全面收益確認的金額僅有一定比例份額重新分類至損益(如適用)。

2.3 業務合併

除重組外，本集團採用收購會計法將所有業務合併入賬，不論是否已購入權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公允價值
- 被收購業務的前擁有人所產生負債
- 本集團已發行股本權益
- 或然代價安排所產生任何資產或負債的公允價值；及
- 附屬公司任何先前存在的股本權益的公允價值。

在業務合併中所收購的可識別資產以及所承擔的負債及或有負債，初步以其於收購日期的公允價值計量(少數例外情況除外)。本集團以逐項收購基準，按公允價值或按非控股權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.3 Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in consolidated statement of comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in consolidated statement of comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in consolidated statement of comprehensive income.

2.3 業務合併(續)

收購相關成本於產生時支銷。

以下的超額部分：

- 所轉讓代價；
- 被收購實體的任何非控股權益金額；及
- 於被收購實體先前的任何股本權益於收購日期的公允價值

超出所收購可識別資產淨值的公允價值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公允價值，則差額將直接於綜合全面收益表確認為議價購買。

倘現金代價的任何部分遞延結算，則未來應付款項將貼現為交換日期的現值。所使用的貼現率為本集團的增量借貸利率，即根據可比條款及條件可從獨立融資人獲得類似借貸的利率。

或然代價分類為權益或財務負債。分類為財務負債的金額其後將重新按公允價值計量，而公允價值變動於綜合全面收益表確認。

倘業務合併分階段進行，則收購方先前持有的被收購方股本權益於收購日期的賬面值重新按於收購日期的公允價值計量。該項重新計量產生的任何收益或虧損於綜合全面收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decision.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income.

2.4 獨立財務報表

於附屬公司的投資乃按成本扣除減值列賬。成本包括投資直接應佔費用。附屬公司業績由本公司按已收及應收股息基準入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該投資於獨立財務報表內的賬面值超過被投資方淨資產(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息後須對該等投資進行減值測試。

2.5 分部報告

經營分部的報告方式與提供予主要經營決策者(「主要經營決策者」)的內部報告方式一致。主要經營決策者負責分配資源及評估經營分部的表現，其身份為本公司作出策略性決策的執行董事。

2.6 外幣換算

(a) 功能及呈報貨幣

本集團各實體的綜合財務報表內載列的項目，乃按該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈列，而人民幣為本公司的功能貨幣及本集團的呈報貨幣。

(b) 交易及結餘

外幣交易按交易當日的通行匯率換算為功能貨幣。外幣交易結算及按年末匯率換算以外幣計值的貨幣資產及負債所產生的匯兌損益於綜合全面收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within “finance costs”. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within “Other income, net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.6 外幣換算(續)

(b) 交易及結餘(續)

與借款相關的匯兌損益在合併綜合收益表內的「融資成本」中列報。所有其他的匯兌損益按淨額在合併綜合收益表內的「其他收入淨額」中列報。

以外幣公允價值計量的非貨幣性項目，按照公允價值決定日的匯率折算。以公允價值計量的資產與負債的折算差異作為公允價值損益的一部分進行報告。例如，非貨幣性資產與負債(如以公允價值計量且其變動計入損益的證券)的折算差異被認為公允價值損益的一部分，非貨幣性資產(如以公允價值計量且其變動計入其他綜合收益的證券)的折算差異被確認為其他綜合收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.6 Foreign currency translation (Continued)

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to consolidated statement of comprehensive income, as part of the gain or loss on sale.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2.6 外幣換算(續)

(c) 集團公司

對於功能貨幣有別於呈報貨幣的本集團旗下所有實體(均無惡性通脹經濟體的貨幣)，業績及財務狀況按如下方式換算成呈報貨幣：

- 各財務狀況表所呈列資產及負債按財務狀況表日期的收市匯率換算；
- 各全面收益表的收益及開支按平均匯率換算(除非此平均匯率不足以合理地概括反映於交易日期通行匯率的累計影響，則在此情況下，收益及開支按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額於其他全面收益中確認。

於綜合入賬時，換算境外實體任何淨投資及借貸以及指定為有關投資對沖的其他金融工具而產生的匯兌差額於其他全面收益中確認。出售境外業務或償還構成淨投資一部分的任何借款時，相關匯兌差額於綜合全面收益表中重新歸類為出售收益或虧損。

2.7 物業、廠房及設備

物業、廠房及設備乃按歷史成本減折舊及任何減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.7 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives as follows:

Leasehold improvements 租賃物業裝修	Shorter of 5 years or the lease term 5年或租期(以較短者為準)
Computer and office equipment 電腦及辦公設備	3-5 years 3至5年
Motor vehicles 汽車	5 years 5年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

Right-of-use assets included the rights to use certain properties under leases which are measured at cost. The initial costs of right-of-use assets include the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs

2.7 物業、廠房及設備(續)

後續成本僅在與該項目相關的未來經濟利益將可能流入本集團且項目成本能可靠計量時，方會計入資產的賬面值或確認為一項獨立資產(如適用)。作為單獨資產入賬的任何組成部分之賬面值於置換時終止確認。所有其他維修及維護費用均在其產生的報告期間內於損益中計入。

折舊均以直線法計算，以於下列估計可使用年期內將其成本分配至其剩餘價值淨額：

資產的剩餘價值及可使用年期於各財務狀況日期檢討並調整(如適合)。

倘資產的賬面值超過其估計可收回金額，則資產的賬面值會即時撇減至其可收回金額。

出售產生的損益按所得款項與賬面值之間的差額釐定，並於綜合全面收益表確認。

使用權資產包括按成本計量的租賃使用若干物業的權利。使用權資產的初始成本包括：

- 租賃負債初始計量的款項
- 於生效日期或之前作出的任何租賃付款
- 任何初始直接成本；及
- 修復成本

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.7 Property, plant and equipment (Continued)

If the lease transfers ownership of the underlying assets to the Group by the end of the lease term or if the cost of the right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date of the lease to the end of the useful life of the underlying assets. Otherwise, right-of-use assets are depreciated over the shorter of the assets' useful lives and their lease terms on a straight-line basis.

2.8 Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, included related transaction costs and where applicable borrowing costs. Subsequently they are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is and uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are presented in consolidated statement of comprehensive income as part of a valuation gain or loss.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 物業、廠房及設備(續)

倘租賃於租期結束時將相應資產的所有權轉移至本集團，或倘使用權資產成本反映本集團將行使購買權，則本集團自租期開始當日至相關資產可使用年期結束為止對使用權資產進行折舊。否則，使用權資產按資產可使用年期及租期(以較短者為準)以直線法折舊。

2.8 投資物業

投資物業為並非由本集團所佔用並持作賺取長期租金收益或資本增值或兩者皆是。投資物業亦包括在建或開發以供未來用作投資物業的物業。投資物業初步按成本計量，包括相關交易成本及借款成本(如適用)。隨後彼等按公允價值列賬，相當於外部估值師在各報告日期釐定的公開市場價值。公允價值乃根據活躍市價釐定，並在有需要情況下按特定資產的性質、地點或狀況的任何差異作出調整。倘未能取得有關資料，本集團會使用其他估值法，例如較不活躍市場的近期價格或貼現現金流量預測。公允價值變動作為估值收益或虧損的一部分於綜合全面收益表內呈列。

2.9 非金融資產減值

商譽及無確定可使用年期的無形資產毋須攤銷，惟須每年進行減值測試，或在多數情況下當有事件出現或情況改變顯示有可能減值，則進行減值測試。其他資產須在當有事件出現或情況改變顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額為資產的公允價值減出售成本與使用價值兩者當中的較高者。於評估減值時，資產按可獨立識別現金流入(在很大程度上獨立於其他資產或資產組別(現金產生單位)之現金流入)的最低層次分組。除商譽外，已作出減值的非金融資產在各報告日期末就減值有否可能撥回進行檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.10 Financial instruments 2.10 金融工具

(a) Classification (a) 分類

The Group classifies its financial assets as those to be measured at amortised cost.

本集團按將按攤銷成本計量的金融資產對其金融資產進行分類。

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

分類取決於實體管理金融資產及現金流量合約條款的業務模式。

(b) Recognition and measurement (b) 確認及計量

Regular way purchases and sale of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

金融資產的常規買賣乃於交易日(即本集團承諾購買或出售資產之日)確認。於從金融資產收取現金流量的權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部分風險及回報轉移時，終止確認金融資產。

(c) Measurement (c) 計量

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

於初步確認時，本集團按金融資產的公允價值加(倘並非按公允價值計量且其變動計入損益的金融資產)收購金融資產的直接應佔交易成本計量。按公允價值計量且其變動計入損益的金融資產之交易成本於綜合全面收益表支銷。

2.11 Offsetting financial instruments 2.11 抵銷金融工具

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

當有可依法強制執行的權利用作抵銷已確認金額，且有意圖按其淨額作結算或同時變現資產和結算負債時，有關金融資產與負債可互相抵銷，並在綜合財務狀況表呈報其淨值。可依法強制執行的權利不得依賴未來事件而定，且於正常業務過程中，以及於本集團或交易對手方違約、無力償債或破產時須可強制執行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.12 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) set out the details how the Group determines whether there has been a significant increase in credit risk.

For all trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.13 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion based on prevailing marketing conditions.

Development cost of property primarily comprises land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle. The normal operating cycle is usually between 2 to 3 years.

2.12 金融資產減值

本集團按前瞻性基準評估與其按攤銷成本列賬的資產有關的預期信貸虧損。所運用的減值方法取決於信貸風險是否大幅升高。附註3.1(b)詳述本集團如何確定信貸風險是否大幅升高。

就所有貿易應收款項而言，本集團採用香港財務報告準則第9號准許的簡化方式，該方式要求預期存續期虧損於初始確認應收款項時確認。撥備矩陣根據有類似信貸風險特徵的貿易應收款項於預期年期內的過往可觀察違約率釐定，並按前瞻性估計調整。於各報告日期更新過往可觀察違約率及分析前瞻性估計的變動。

其他應收款項減值按12個月預期信貸虧損或存續期預期信貸虧損計量，視乎信貸風險初始確認後有否大幅升高而定。倘應收款項信貸風險於初始確認後大幅升高，則其減值按存續期預期信貸虧損計量。

2.13 開發中物業

開發中物業按成本與可變現淨值兩者的較低者列賬。可變現淨值參考於日常業務過程中已售物業的銷售所得款項，減去適用的可變銷售開支及預期竣工成本，根據當時市場狀況估計釐定。

物業的開發成本主要包括土地使用權、建築成本、借款成本及在開發期間產生的專業費用。物業於竣工時轉撥至持作出售的已竣工物業。

除非預期有關物業開發項目的建築期長於一般營運週期，否則開發中物業分類為流動資產。一般營運週期通常為2至3年。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.14 Completed properties held for sale

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.16 Contract assets and liabilities and costs for obtaining contracts

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs of obtaining a contract with a customer within prepayments if the Group expects to recover these costs.

2.14 持作出售的已竣工物業

於報告期末已竣工但仍未出售的物業按成本與可變現淨值中的較低者列賬。成本包括未售物業應佔的開發成本。可變現淨值參考於日常業務過程中已售物業的銷售所得款項，減去適用的可變銷售開支釐定，或由管理層根據當時市場狀況估計釐定。

2.15 貿易及其他應收款項

貿易應收款項為就日常業務過程中出售的物業或提供的服務而應向客戶收取的款項。倘貿易及其他應收款項預期於一年或以內收回(或於正常業務營運週期內(如超過一年))，則被分類為流動資產，否則呈列為非流動資產。

貿易及其他應收款項初步按公允價值確認，其後使用實際利率法按攤銷成本扣除減值撥備計量。

2.16 合約資產及負債以及取得合約的成本

在與客戶訂立合約時，本集團有權獲得客戶支付的代價，並承擔向客戶轉讓貨物或服務的履約責任。該等權利及履約責任共同導致淨資產或淨負債，視乎剩餘權利與履約責任之間的關係而定。倘收取代價的剩餘有條件權利超過已履行的履約責任，則該合約為一項資產，並確認為合約資產。反之，倘剩餘履約責任超過剩餘權利，則該合約為一項負債，並確認為合約負債。

倘本集團預期將可收回為取得客戶合約而產生的增量成本，則會將有關成本確認為預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.17 Cash and cash equivalents, restricted cash and pledged time deposits

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated statement of financial position. Time deposits pledged for notes payables of the Group are included in "pledged time deposit" of the consolidated statement of financial position. Restricted cash and pledged time deposit are excluded from cash and cash equivalents.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 現金及現金等價物、受限制現金及已抵押定期存款

於綜合現金流量表內，現金及現金等價物包括手頭現金、活期銀行存款及原到期日為三個月或以內的其他短期、高流通性投資。受限制使用的銀行存款計入綜合財務狀況表內的「受限制現金」，就本集團應付票據已抵押的定期存款計入綜合財務狀況表內的「已抵押定期存款」。受限制現金及已抵押定期存款不包括在現金及現金等價物內。

2.18 股本

普通股分類為權益。

與發行新股直接有關的增量成本於權益內列示為所得款項扣減(扣除稅項)。

2.19 貿易及其他應付款項

貿易及其他應付款項指財政年末前向本集團提供商品及服務而未獲支付的負債。該金額是無抵押的。貿易及其他應付款項呈列為流動負債，除非付款並非於報告期間後12個月內到期。貿易及其他應付款項初步按公平值確認，其後使用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 借款及借款成本

借款初步按公允價值扣除所產生的交易成本予以確認。借款其後按攤銷成本入賬。所得款項(扣除交易成本)與贖回價值間的任何差額使用實際利率法於借款期間在綜合收益表內確認。

在融資將很有可能部分或全部提取的情況下，獲得貸款融資所支付的費用應確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款時。在並無跡象顯示該融資將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期結束起計至少12個月，否則借款被分類為流動負債。

直接歸屬於收購、建設或生產合資格資產的一般及特定借貸成本乃於完成及準備有關資產以作其擬定用途或作銷售所須的期間內撥充資本。合資格資產指必須經過一段長時間籌備以作其擬定用途或出售的資產。

有待用以支付合資格資產有關款項的特定借貸用作臨時投資賺取的投資收入，應在合資格資本化時自借貸成本中扣除。

其他借貸成本於產生期間支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined on the basis that the property will be recovered entirely through use.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2.21 即期及遞延所得稅

期內所得稅開支或抵免指就期內應課稅收入按各司法權區之適用所得稅率支付之稅項(根據暫時性差額及未動用稅項虧損應佔之遞延稅項資產及負債變動作出調整)。

(a) 即期所得稅

即期所得稅開支乃根據本公司及其附屬公司、聯營公司及合營企業營運及產生應課稅收入所在國家於報告期末已頒佈或實質頒佈的稅法計算。管理層定期就適用稅務法規須作詮釋的情況評估報稅表的狀況。本集團根據最可能的金額或預期價值計量其稅收餘額，具體取決於哪種方法可以更好地預測不確定性的解決方法。

(b) 遞延所得稅

遞延所得稅以負債法按資產及負債的稅基與其綜合財務報表的賬面值之間的暫時差額悉數撥備。然而，倘遞延稅項負債來自初步確認商譽，則不予確認；倘遞延所得稅來自在交易(業務合併除外)中對資產或負債的初步確認，而在交易時不影響會計處理或應課稅損益，則不予列賬。遞延所得稅採用在報告期末前已頒佈或實質頒佈，並預期在有關遞延所得稅資產變現或遞延所得稅負債結算時的適用稅率(及稅法)釐定。

與投資物業有關並按公允價值計量的遞延稅項負債乃基於物業將透過使用全部收回而釐定。

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差額及虧損時予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.22 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

倘本公司能控制撥回暫時差額的時間及該等差額很可能不會於可預見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

倘存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益內確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

2.22 僱員福利

(a) 短期責任

工資及薪金負債，包括預期於僱員提供相關服務的期末後12個月內結清的非貨幣福利及累計病假，將就截至報告期末的僱員服務予以確認，並按清償負債時預期將予支付的金額計量。該負債於綜合財務狀況表呈列為即期僱員福利責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.22 Employee benefits (Continued)

(b) Pension obligations

The group companies incorporated in PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these defined contributions plans are expensed as incurred.

(c) Housing benefits, medical insurances and other social insurances

PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other social insurance plan. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.22 僱員福利(續)

(b) 退休金責任

在中國註冊成立的集團公司每月按僱員薪金的一定比例向中國相關政府機構組織的定額供款退休福利計劃進行供款。政府機構承諾承擔根據該等計劃應付予所有現有及未來退休僱員的退休福利責任，而除所作供款外，本集團並無就退休後福利承擔其他責任。對該等定額供款計劃的供款在發生時支銷。

(c) 住房福利、醫療保險及其他社會保險

本集團的中國僱員有權加入政府監督的各種住房公積金、醫療保險和其他社會保險計劃。本集團根據僱員工資的一定比例按月向該等基金繳存供款。本集團對該等基金的負債以其各期間應付的供款為限。向住房公積金、醫療保險及其他社會保險作出的供款在發生時支銷。

(d) 僱員假期權利

僱員的年假權利在僱員享有該等權利時確認。本集團為直至報告期末僱員已提供服務產生年假的估計負債作出撥備。僱員的病假及產假直至正式休假時方予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.22 Employee benefits (Continued)

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 僱員福利(續)

(e) 離職福利

離職福利於本集團在正常退休日期前終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團於以下日期之較早者確認離職福利：(a)本集團無法撤回該等福利時；及(b)實體就介乎香港會計準則第37號範圍且涉及支付離職福利之重組確認成本時。在提出一項要約鼓勵自願遣散的情況下，離職福利乃根據預期接納該要約之僱員數目計量。於報告期末後超過12個月到期支付的福利乃貼現至現值。

2.23 撥備

當本集團因過往事件而承擔現時法定或推定責任，以致可能引致資源流出以清償責任，且有關金額已能可靠估算時，則確認撥備。概不就日後經營虧損確認撥備。

如有多項類似責任，履行責任時須流出資源的可能性乃經考慮整體責任類別後釐定。即使就同一責任類別所包含的任何一個項目而言，資源流出的可能性較微，仍須確認撥備。

撥備乃採用稅前利率按預期清償責任所需開支的現值計量，該稅前利率反映市場當時對貨幣時間價值的評估及該責任的特定風險。因時間流逝而增加的撥備確認為利息開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables for the sales of properties in the PRC in the ordinary course of the Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Sales of properties

Revenue is recognised when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- Provides all of the benefits received and consumed simultaneously by the purchaser; or
- Creates and enhances an asset that the purchaser controls as the Group performs; or
- Does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

2. 重大會計政策概要(續)

2.24 收益確認

收益按就於中國在本集團日常業務過程中銷售物業而已收或應收代價的公允價值計量。當收益金額能可靠計量，未來經濟利益可能流入實體，且本集團的各項活動符合特定標準時，本集團會確認收益，具體如下。

銷售物業

收益在資產的控制權轉移給買家時確認。根據合約條款及適用於合約的法律，資產的控制權可能會在某一時段或某一時點轉移。倘本集團的履約情況符合以下情況，資產的控制權於某一時段內轉移：

- 買家同時收到且消耗由本集團履約所帶來的利益；或
- 本集團履約時創建並強化買家所控制的資產；或
- 並無產生對本集團有替代用途的資產，且本集團可強制執行其權利以支付至今已完成履約部分的款項。

就物業控制權於某一時點轉移的物業開發及銷售合約而言，收益在買家實際擁有或取得已竣工物業的合法業權且本集團當前有權接受付款並可能能夠收回代價時確認。

在釐定交易價格時，本集團會就融資組成部分的影響(如屬重大)而調整承諾代價金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.25 Earnings per share

(i) Basic earnings per shares

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per shares

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.25 每股盈利

(i) 每股基本盈利

每股基本盈利按：

- 本公司擁有人應佔利潤(不包括支付普通股以外權益的任何成本)
- 除以財政年度內發行在外普通股加權平均數，並就年內已發行普通股(不包括庫存股)的股利予以調整。

(ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時使用的數字，以計及：

- 與潛在攤薄普通股相關的利息及其他融資成本的除所得稅後影響；及
- 假設轉換所有潛在攤薄普通股時，將已發行的額外普通股加權平均數目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.27 Management and consultancy service income

Management and consultancy service income is recognised in the accounting period in which the services are rendered.

2.28 Leases

The Group leases various properties to operate as its office premises. Property leases are typically made for fixed periods of one to three years. Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets (included in property, plant and equipment) and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. 重大會計政策概要(續)

2.26 利息收入

利息收入使用實際利率法按時間比例基準確認。

2.27 管理及諮詢服務收入

管理及諮詢服務收入於提供服務之會計期間確認。

2.28 租賃

本集團租賃若干物業作為其辦公物業。物業租賃通常為定期一至三年。租賃條款按單獨基準協商且包含多種不同條款及條件。租賃協議並無施加任何契約，惟租賃資產不可作為借款用途的抵押品。

租賃於各租賃資產可供本集團所用之日期確認為使用權資產(包括於物業、廠房及設備當中者)及相應負債。各租賃款項均分攤為負債及融資成本。融資成本將在有關租賃期間於損益中支銷，以藉此制定各個期間對負債餘額的穩定期間利息率。

產生自租賃的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的現值淨額：

- 固定付款(包括實物固定付款)，減任何應收租賃優惠；
- 根據一項指數或利率計算的可變租賃付款；
- 預期將由承租人根據剩餘價值保證支付的金額；
- 購買選擇權的行使價(倘可合理地確定承租人會行使該選擇權)；及
- 終止租賃的罰款(倘租賃條款反映承租人行使終止租賃的選擇權)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.28 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statements of financial position based on their nature.

2.28 租賃(續)

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率(本集團的租賃一般屬此類情況)，則使用承租人增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金必須支付的利率。

為釐定增量借款利率，本集團使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動。租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

與短期租賃相關的付款及低價值資產的租賃以直線法於損益中確認為開支。短期租賃指租賃期少於12個月的租賃。

營運租賃所得租金收入(倘本集團為出租人)於租期內按直線法在收入中確認。各租賃資產根據其性質計入綜合財務狀況表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 重大會計政策概要(續)

2.29 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2.30 Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Group's consolidated financial statements and the Company's financial statements in the period in which the dividend is approved by the Company's shareholders or directors, where appropriate.

2.29 財務擔保合約

財務擔保合約於提供擔保時確認為財務負債。該負債以公允價值初步計量，後續按以下較高者計量：

- 根據香港財務報告準則第9號「金融工具」項下的預計信貸虧損模型釐定的金額及
- 初步確認的金額減去(如適用)根據香港財務報告準則第15號「來自客戶合約的收益」確認的累計收入之差額。

財務擔保的公允價值乃根據債務工具要求的合約付款金額與無擔保所需支付的金額或為履行義務應付第三方的估計金額之間的現金流量差額的現值而釐定。

2.30 股息分派

分派予本公司的股東或董事(如適用)批准的期間，在本集團的綜合財務報表及本公司的財務報表中確認為負債。

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3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group principally operates in the PRC with most of the transactions denominated in RMB. With minor operation in Hong Kong, the Group is exposed to foreign exchange risk with respect to the Hong Kong dollar ("HK\$") and United States dollar ("USD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The exposure to foreign exchange risk related to HKD is not material to the Group.

At 31 December 2020, if USD had strengthened/weakened by 5% against the RMB with all other variables held constant, profit before income tax for the year then ended would have been approximately RMB41,418,000 lower/higher, mainly as a result of the foreign exchange difference on translation of USD denominated cash and cash equivalents and borrowings.

3. 財務風險管理

3.1 財務風險因素

本集團的業務活動面臨多種財務風險：市場風險(包括匯率風險及利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的難測性，並力求將其對本集團財務表現的潛在不利影響減至最低。

(a) 市場風險

(i) 外匯風險

本集團主要在中國營運，大部分交易均以人民幣結算。由於在香港的業務不多，本集團面臨港元(「港元」)及美元(「美元」)的外匯風險。外匯風險產生自未來商業交易及已確認的資產及負債，而該等款項均非以相關集團實體之功能貨幣計值。與港元有關的外匯風險對本集團並不重大。

於2020年12月31日，倘在所有其他變量不變的情況下美元兌人民幣升值／貶值5%，本年度的除所得稅前溢利會分別減少／增加約人民幣41,418,000元，主要由於兌換以美元計值之現金及現金等價物的外匯差額所致。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As of 31 December 2020, bank and other borrowings of the Group which were bearing at floating rates amounted to approximately RMB3,993,680,000 (2019: RMB2,133,199,000). If interest rates on borrowings at floating rates had been 50 basis points higher or lower with all other variables held constant and without taking into account interest capitalisation, interest charges for the year ended 31 December 2020 would have been RMB19,968,000 higher/lower (2019: RMB10,666,000 higher/lower).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

本集團的利率風險來自長期借款。按浮息利率取得的借款使本集團面臨現金流利率風險，部分被按浮息利率持有的現金抵銷。而按固定利率取得的借款使本集團面臨公允價值利率風險。本集團密切關注利率走勢及其對利率風險敞口的影響。本集團目前尚未使用利率掉期安排，但倘有需要，將考慮利率風險對沖。

於2020年12月31日，本集團按浮息利率計息的銀行及其他借款約為人民幣3,993,680,000元(2019年：人民幣2,133,199,000元)。假設所有其他變量保持不變，且不計及利息資本化，若按浮息利率計息的借款利率高於或低於50個基點，截至2020年12月31日止年度的利息支出將增加／減少人民幣19,968,000元(2019年：增加／減少人民幣10,666,000元)。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash, pledged time deposits, trade and other receivables, amounts due from associates, joint ventures and non-controlling interests included in the consolidated statement of financial position, which represent the Group's maximum exposure to credit risk in relation to its financial assets. Management has credit policies in place to monitor the exposures to these credit risks on an ongoing basis.

As at 31 December 2020 and 2019, in order to manage this risk, the Group's bank deposits are mainly deposited with reputable banks which are all high-credit-quality financial institutions incorporated in the PRC.

For the trade receivables arising from sales of properties, the Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk with exposure spread over a number of counterparties and customers.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團的信貸風險主要來自綜合財務狀況表所載的現金及現金等價物、受限制現金、已抵押定期存款、貿易及其他應收款項、應收聯營公司、合營企業及非控股股東款項，上述為本集團所面臨與其金融資產有關的最大信貸風險。管理層已制定信貸政策持續監控該等信貸風險。

於2020年及2019年12月31日，為管理該風險，本集團的銀行存款主要存放於信譽良好的銀行，該等銀行皆為於中國境內註冊成立的高信貸質量金融機構。

就銷售物業產生的貿易應收款項而言，本集團根據客戶認可的付款計劃密切監察收取客戶付款的進展情況。本集團亦已制定適當政策，確保向擁有適當財政實力的買家以適當首付比例進行銷售。

同時，倘客戶逾期付款，本集團有權取消合約。本集團亦已制定監控程序，確保採取跟進行動收回逾期結餘。此外，本集團定期檢討各項貿易應收款項的可收回金額以確保就不可收回金額作出充足減值撥備。本集團的信貸風險分散於眾多對手方及客戶中，因此並無高度集中的信貸風險。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of such guarantees is made in Note 27. If a purchase defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is mitigated.

For other receivables and amounts due from associates, joint ventures and non-controlling interests, the Group assessed the credit quality of the counterparties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the risk of default by counterparties is low. The directors of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of these receivables.

The Group categories trade or other receivables as default when a debtor fails to make contractual payments. Where a debtor fails to make contractual payments, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Trade and other receivables are written off where there is no reasonable expectation of recovery.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團已為本集團物業單位的若干買家安排銀行融資，並已提供擔保以作為該等買家履行還款責任的抵押。該等擔保的詳細披露載於附註27。倘買家於擔保期內拖欠按揭貸款付款，持有擔保的銀行可要求本集團償還結欠的貸款本金及其任何應計利息。在該等情況下，本集團能夠沒收客戶的按金，並將物業轉售以彌補本集團向銀行支付的任何款額。就此，本公司董事認為，本集團的信貸風險得到大幅降低。

就其他應收款項及應收聯營公司、合營企業及非控股權益的款項而言，本集團考慮交易對手的財務狀況、信貸歷史及其他因素評估其信貸質量。管理層亦會定期評估該等應收款項的可收回性，並跟進任何糾紛或逾期款項(如有)。董事認為對手方違約的風險較低。本集團董事認為，本集團尚未收回的其他應收款項結餘並無重大信貸風險。

倘債務人未能支付合約款項，本集團將貿易或其他應收款項入賬列作撇銷。倘債務人未能支付合約款項，本集團將繼續採取強制執行活動以嘗試收回到期應收款項。貿易及其他應收款項於無法合理預期收回時核銷。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties.

The Group overall considers the shared credit risk characteristic and the days past due of the trade receivables to measure the expected credit loss. Based on management assessment, the expected credit losses of the financial assets mentioned above are close to zero. The loss allowance provision for these balances was not material as at 31 December 2020 (2019: same).

For other receivables and amounts due from associates, joint ventures and related parties, the measurement of the expected credit losses has been grouped based on shared credit risk characteristics and the days past due. All of these financial assets are considered to have low credit risk and thus the impairment provision recognised was based on 12 months expected losses. Management considered other receivables from third parties, amounts due from associates, joint ventures and related parties to be low credit risk as they have a low risk of default and the issuer has a strong capacity to its considered contractual cash flow obligation in the near term and the loss allowance provision for these balances was not material as at 31 December 2020 (2019: same).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團採用簡化方式就香港財務報告準則第9號規定的預期信貸虧損作出撥備，該方式允許就第三方應付的所有貿易應收款項使用全期預期虧損撥備。

為計量預期信貸虧損，本集團全面考慮信貸風險的共同特徵及貿易應收款項的逾期日數。據管理層評估，上述財務資產的預期信貸虧損接近零。該等結餘的虧損撥備截至2020年12月31日(2019年：相同)並非重大。

就其他應收款項及應收聯營公司、合營企業及關聯方款項而言，預期信貸虧損的計量已根據共同信貸風險特徵及逾期天數進行分組。所有該等金融資產被視為具有低信貸風險，因此已確認減值撥備乃基於12個月預期虧損。管理層認為來自第三方的其他應收款項、應收聯營公司、合營企業及關聯方款項的信貸風險較低，原因為該等款項的違約風險較低，且發行人有強大能力於短期內履行其認為的合約現金流量責任，而截至2020年12月31日(2019年：相同)，該等結餘的虧損撥備並不重大。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and through having available sources of financing.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include reducing land acquisition, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing and seeking joint venture partners to develop projects. The Group will pursue such options basing on its assessment of relevant future costs and benefits. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below sets out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團管理層旨在維持充足現金及現金等價物或透過預售物業所得款項及充足的可用融資(包括短期及長期借款以及來自股東的額外資金)獲得可用資金。由於相關業務的動態特性，本集團透過保持充足的現金及現金等價物及維持可用的融資來源以確保融資的靈活性。

本集團有多項替代計劃以減輕經濟環境出現重大不利變動對預測現金流量的潛在影響。該等計劃包括減少土地收購、調整項目開發時間表以適應當地物業市場環境的改變、實施成本控制措施、促銷已竣工物業、制定更靈活的定價加快銷售及物色合營企業合作夥伴共同開發項目。本集團會在評估相關未來成本及收益的基礎上作出適當的選擇。董事認為，本集團有能力維持充足的財務資源以滿足經營需要。

下表載列於各資產負債表日按相關到期日期劃分的本集團的金融負債。表內所披露之金額均為合約未貼現現金流量。

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(c) Liquidity risk (Continued)

(c) 流動資金風險(續)

		On demand 按需求 RMB'000 人民幣千元	Less than 1 year 1年內 RMB'000 人民幣千元	1-2 years 1至2年 RMB'000 人民幣千元	2-5 years 2至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於2020年12月31日					
Borrowings (including interest payables)	借款(包括應付利息)	-	6,707,251	1,842,187	1,079,688	9,629,126
Trade payables, bills payables and other payables, excluding payroll payable and other taxes payable	貿易應付款項、應付票據及其他應付款項，不包括應付工資及其他應付稅項	-	5,454,531	-	-	5,454,531
Amounts due to associates	應付聯營公司款項	1,159,616	-	-	-	1,159,616
Amounts due to joint ventures	應付合營企業款項	914,191	-	-	-	914,191
Amounts due to non-controlling interests	應付非控股權益款項	3,761,926	-	-	-	3,761,926
Lease Liabilities (including interest payables)	租賃負債(包括應付利息)	-	13,948	11,207	8,169	33,324
		5,835,733	12,175,730	1,853,394	1,087,857	20,952,714
At 31 December 2019	於2019年12月31日					
Borrowings (including interest payables)	借款(包括應付利息)	-	1,314,410	1,847,044	210,662	3,372,116
Trade payables, bills payables and other payables, excluding payroll payable and other taxes payable	貿易應付款項、應付票據及其他應付款項，不包括應付工資及其他應付稅項	-	2,322,102	-	-	2,322,102
Amounts due to associates	應付聯營公司款項	1,497,735	-	-	-	1,497,735
Amounts due to joint ventures	應付合營企業款項	869,944	-	-	-	869,944
Amounts due to Controlling Shareholders	應付控股股東款項	23,539	-	-	-	23,539
Amounts due to non-controlling interests	應付非控股權益款項	4,682,599	-	-	-	4,682,599
Lease Liabilities (including interest payables)	租賃負債(包括應付利息)	-	8,916	3,903	-	12,819
		7,073,817	3,645,428	1,850,947	210,662	12,780,854

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group also provides guarantees to secure repayment obligations of certain purchasers of the Group's property units and the principal of borrowings of the joint ventures, associates and third parties, which will have contractual cash flows only if the guaranteed purchasers, joint ventures, associates or third parties default the repayment (Note 27).

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Except for the compliance of certain financial covenants (Note 23) for maintaining the Group's banking facilities and borrowings, the Group is not subject to any externally imposed capital requirements. The management monitors capital on the basis of the gearing ratio of the Group. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, amounts due to third parties, amounts due to associates and joint ventures, amounts due to non-controlling interests and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

本集團亦提供擔保以確保本集團物業單元的若干買家的還款責任及合營企業、聯營公司及第三方的借款本金，其惟有在受擔保的買家、合營企業、聯營公司或第三方拖欠還款的情況下，才會產生合約現金流量(附註27)。

3.2 資本風險管理

本集團的資本管理目標為保障本集團持續經營的能力，從而為擁有人及其他利益相關方提供回報及利益，同時維持最優資本結構以降低資本成本。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東退還資本、發行新股或出售資產以減少債務。除須遵守若干金融契約(附註23)以維持本集團的銀行融資及借款外，本集團不受任何外部強加的資本要求的約束。管理層根據本集團的資產負債比率監控資本。該比率乃按債務淨額除資本總額計算。債務淨額乃按借款總額、應付第三方款項、應付聯營公司及合營企業款項、應付非控股權益款項與租賃負債減現金及現金等價物計算。資本總額乃按綜合財務狀況表所示的「權益」加債務淨額計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. 財務風險管理(續)

3.2 Capital risk management (Continued)

3.2 資本風險管理(續)

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Borrowings (Note 23)	借款(附註23)	8,641,607	2,853,299
Amounts due to third parties (Note 24)	應付第三方款項(附註24)	139,812	139,812
Amounts due to associates (Note 29)	應付聯營公司款項(附註29)	1,159,616	1,497,735
Amounts due to joint ventures (Note 29)	應付合營企業款項(附註29)	914,191	869,944
Amounts due to non-controlling interests (Note 26)	應付非控股權益款項(附註26)	3,761,926	4,682,599
Lease liabilities (Note 14)	租賃負債(附註14)	30,200	11,970
Total borrowings	借款總額	14,647,352	10,055,359
Less: Cash and cash equivalents (Note 20)	減：現金及現金等價物(附註20)	(4,547,628)	(1,052,217)
Net borrowings	借款淨值	10,099,724	9,003,142
Total equity	權益總額	4,486,693	1,653,354
Total capital	資本總額	14,586,417	10,656,496
Gearing ratio	資產負債比率	69.2%	84.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

Investment properties of the Group were measured at fair value.

(a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of investment properties that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers among levels 1, 2 and 3 for recurring fair value measurements during the year ended 31 December 2020 (2019: same).

3. 財務風險管理(續)

3.3 公允價值估計

本集團的投資物業按公允價值計量。

(a) 公允價值層級

本附註對確定綜合財務報表中按公允價值確認及計量的投資物業的公允價值時進行的判斷及估計予以解釋。為表明確定公允價值時使用的輸入數據可靠，本集團按照會計標準下所述三個等級對其非金融資產進行分類。

第1級： 相同資產或負債在活躍市場的報價(未經調整)。

第2級： 除第1級所包括的報價外，就該資產或負債而言為直接(即價格)或間接(即源自價格)的可觀察輸入數據。

第3級： 就該資產或負債而言並非依據可觀察市場數據的輸入數據(即不可觀察輸入數據)。

本集團的政策為確認於報告期末的公允價值層級等級的轉入及轉出。

截至2020年12月31日止年度期間，第1級、第2級及第3級經常性公允價值計量之間並無轉移(2019年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公允價值估計(續)

(b) Valuation techniques used to determine level 3 fair values

(b) 確定第3級公允價值所用的估值方法

The directors determine a property's value within a range of reasonable fair value estimates. Fair values of the Group's completed investment properties are derived using the income capitalisation approach. This valuation method takes into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate.

董事在合理的公允價值估計範圍內確定物業的價值。本集團的已竣工投資物業公允價值使用收益資本化法計量。採用該等估值方法時，考慮該物業源於其現有租賃及／或在當前市場中可實現的淨租金收入，並充分考慮租賃的可復歸潛在收入，且該等收入已按照合適的資本化率進行資本化，用於確定公允價值。

All resulting fair value estimates for investment properties are included in level 3.

由此得出的投資物業的所有公允價值估計包含在第3級內。

(c) Fair value measurements using significant unobservable inputs (level 3)

(c) 使用重大不可觀察輸入數據的公允價值計量(第3級)

Detailed disclosures of the changes in level 3 items for the years ended 31 December 2020 and 2019 for recurring fair value measurements are disclosed below.

下文詳細披露截至2020年及2019年12月31日止年度的經常性公允價值計量中第3級項目的變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公允價值估計(續)

(d) Valuation inputs and relationships to fair value

(d) 估值輸入數據及與公允價值的關係

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (b) above for the valuation techniques adopted.

下表概述經常性第3級公允價值計量中使用的重大不可觀察輸入數據的量化資料。有關所採用的估值方法，請參閱上文(b)段。

	Fair value at 31 December 於12月31日的公允價值	
	2020	2019
	RMB'000 人民幣千元	RMB'000 人民幣千元
Investment properties 投資物業	180,900	170,800

Properties status 物業	Unobservable inputs 不可觀察輸入數據	Range of unobservable inputs As of 31 December 於12月31日不可觀察 輸入數據的範圍	
		2020	2019
		2020年	2019年
Investment properties 投資物業	Capitalisation rate 資本化率	4.8%–5.3%	4.8%–5.3%
	Monthly rental (RMB/sq.m./ month) 月租金(人民幣/平方米/月)	77.2–106.1	71.1–101.3

Relationship of unobservable inputs to fair value:

不可觀察輸入數據與公允價值的關係：

- The higher capitalisation rate, the lower the fair value;
- The higher monthly rental, the higher the fair value.

- 資本化率越高，公允價值越低；
- 月租金越高，公允價值越高。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(e) Valuation processes of the Group

The Group's investment properties were valued by an independent professionally qualified valuer, Cushman & Wakefield, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department has a team to review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and the valuer at least once every six months for the Group's interim and annual reporting process.

At each reporting period end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior period valuation report; and
- Holds discussions with the independent valuer.

3. 財務風險管理(續)

3.3 公允價值估計(續)

(e) 本集團的估值過程

本集團的投資物業由戴德梁行獨立專業合資格估值師估值，該估值師持有獲認可的相關專業資格，且最近具有所估值投資物業所在地區及種類的經驗。就所有投資物業而言，其現時的用途即為其最高及最佳用途。

本集團的財務部門設有一個團隊，專門審閱由獨立估值師對財務報告目的而進行之估值。該團隊直接向執行董事匯報。執行董事、估值團隊及估值師至少每六個月就本集團的中期及年度報告程序討論一次估值程序及結果。

於各報告期末，財務部門：

- 核實獨立估值報告的所有主要輸入數據；
- 評估物業估值相較往期估值報告的變動；及
- 與獨立估值師開展討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(f) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in Note 28.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 5 years.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition on properties sold

Judgement on recognition method

The Group recognises revenue from sales of properties at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. Whether there is an enforceable right to payment depends on the terms of sales contract (by written or verbal) and the interpretation of the applicable laws that apply to the contract. Such determination requires the use of judgements interpretation.

3. 財務風險管理(續)

3.3 公允價值估計(續)

(f) 租賃安排

若干投資物業按長期經營租賃以按月收取租金方式出租予承租人。投資物業租賃的最低應收租賃付款披露於附註28。

藉此，本集團根據經營租賃出租其投資物業的租賃期介乎1年至5年。

4. 重要會計估計及判斷

編製綜合財務報表時所採用的估計及判斷乃基於過往經驗及其他因素(包括於有關情況下被視為合理的預期日後事件)進行評估。本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際結果。下文論述可能會導致於下個財政年度內對資產及負債的賬面值產生重大影響的估計及假設。

(a) 已售物業的收益確認

判斷確認方法

本集團於買方取得已竣工物業控制權的時間點確認銷售物業的收益。由於與客戶之間的合約限制，本集團不得更改或替換物業單位，或出於其他目的對物業進行重新定向，因此物業單位對本集團來說並無替代用途。然而，是否具有獲得付款的可強制執行權利取決於銷售合約(書面或口頭)的條款及適用於該合約的適用法律的解釋。該等確定需作出判斷的解釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Revenue recognition on properties sold (Continued)

Judgement on recognition point

Management has also made judgement on when control of properties are transferred to customers. Control of properties are transferred to customer upon which the construction of relevant properties has been completed and upon which the properties has been handed over to the customers, the Group has present right to payment and the collection of the consideration is probable, usually all considerations received before handover of the properties to customers.

The judgement on the right to payment associated with the property sales transaction and the transfer of control of properties would affect the Group's profit for the years ended 31 December 2020 and 2019 and the carrying value of completed properties held for sale.

(b) Classification of subsidiaries, joint ventures and associates

The classification of an investment as a subsidiary, a joint venture or an associate is based on whether the Group is determined to have control, joint control or significant influence over the investee, which involves judgments through the analysis of various factors, including the Group's representation on the chief decision making authorities of an investee, such as board of directors' meetings and shareholders' meetings, as well as other facts and circumstances.

Subsidiaries are consolidated, which means each of their assets, liabilities and transactions are included line-by-line in the Group's consolidated financial statements, whereas the interests in joint ventures and associates are equity accounted for as investments on the consolidated statement of financial position.

Accordingly, any changes in classification as a result of recognition or derecognition of material investments could have a material and pervasive impact on the consolidated financial statements.

4. 重要會計估計及判斷(續)

(a) 已售物業的收益確認(續)

判斷確認時點

管理層亦已就物業控制權何時轉讓予客戶作出判斷。相關物業已竣工且物業已轉移至客戶後，物業控制權即為轉讓予客戶。本集團提供付款權利，且收取代價成為可能，通常所有代價會在轉讓物業至客戶之前收取。

就與物業銷售交易相關的付款權利之判斷及物業控制權轉讓會影響本集團於截至2020年及2019年12月31日止年度的溢利及持作出售的已竣工物業的賬面值。

(b) 附屬公司、合營企業及聯營公司的分類

根據本集團是否被確定對被投資方擁有控制權、共同控制權或重大影響，將投資劃分為附屬公司、合營企業或聯營公司，當中涉及透過分析各種因素(包括本集團對被投資方主要決策機關的代表權，例如董事會會議及股東會議)以及其他事實及情況作出判斷。

附屬公司進行綜合入賬，即意味著其各項資產、負債及交易均逐行列入本集團的綜合財務報表，而在合營企業及聯營公司的權益於綜合財務狀況表入賬列作投資權益。

因此，確認或終止確認重大投資導致任何類別變動可能對綜合財務報表造成重大及深遠影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group's land appreciation taxes calculation and payments are subject to finalisation with local tax authorities in the PRC. Accordingly, significant judgements is required in determining the amount of the land appreciation and its related taxes. The Group recognises these land appreciation taxes based on management's best estimates according to the understanding of the tax rules, by using a single best estimate of the most likely outcome approach. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and deferred income tax provisions in the periods in which such taxes have been finalised with local tax authorities.

(d) Income tax and deferred income tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Group recognises tax liabilities for anticipated tax audit issues based on a single best estimate of the most likely outcome approach. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4. 重要會計估計及判斷(續)

(c) 土地增值稅

本集團須支付中國土地增值稅。然而，有關稅項的執行及結算在中國各城市不同稅務司法權區有異，而本集團尚未與中國任何地方稅務機關落實其土地增值稅的計算及付款方法。因此，須作出重大判斷以釐定土地增值及其相關稅項的金額。本集團採用最有可能發生之結果單一最佳估計法，根據管理層按其對稅務規則的理解作出的最佳估計，確認此等土地增值稅。最終稅務結果可能與最初記錄的金額有別，而有關差異將影響地方稅務機關落實有關稅項年度的所得稅開支及遞延所得稅撥備。

(d) 所得稅及遞延所得稅

確定所得稅撥備時需要作出重大判斷。於日常業務過程中，許多交易及計算的最終確定尚不明確。本集團根據最有可能發生之結果單一最佳估計法，就預期稅務審計事項確認稅項負債。若此等事務的最終稅務結果與最初記錄的金額有異，該差額將影響作出此等確定期間的所得稅開支及遞延所得稅撥備。

與若干暫時差額及稅項虧損有關的遞延所得稅資產於管理層認為可能有未來應課稅溢利抵銷該暫時差額或稅項虧損時確認。其實際抵銷結果可能不同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Provision for impairment of properties under development and completed properties held for sale

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable value based on the realisability of these properties, taking into account estimated costs to completion based on past experience (properties under development only) and estimated net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

(f) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the balance sheet dates. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on the available data from binding sales transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 重要會計估計及判斷(續)

(e) 開發中物業及持作出售的已竣工物業的減值撥備

本集團按照以開發中物業及持作出售的已竣工物業的可變現能力為依據的物業可變現淨值評估該等物業的賬面值，同時考慮按過往經驗估算的竣工成本(僅開發中物業)及基於現行市況估算的銷售淨值。當有事件出現或情況變動顯示賬面值可能無法變現時進行撥備。評估時需要進行判斷及估算。

(f) 非金融資產減值

本集團於各資產負債表日末評估全部非金融資產是否存在任何減值跡象。當有跡象表明賬面值可能無法收回時，對其他非金融資產進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額(即其公允價值減出售成本與其使用價值兩者中的較高者)時即存在減值。公允價值減出售成本乃根據來自同類資產的受約束銷售交易的可用數據或可觀察市價減出售資產的增量成本計算。計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選取合適的貼現率，以計算該等現金流量的現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Impairment assessment of financial assets

The loss allowance for financial assets are based on assumption about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

(h) Fair value of investment properties

Investment properties including those investment properties, are carried at their fair value. The fair value of the investment properties was determined by reference to valuations conducted on these properties by an independent professional property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

The Executive Directors of the Company have been identified as the CODM. Management determines the operating segments based on the Group's internal reports, which are then submitted to the CODM for performance assessment and resources allocation.

The CODM assess the performance of the operating segment based on a measure of profit before income tax and regard these to be only one operating segment – property development. Accordingly, segment disclosures are not presented. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in China, which is considered as one geographical location in an economic environment with similar risk and returns.

4. 重要會計估計及判斷(續)

(g) 金融資產減值評估

金融資產的虧損撥備基於違約風險及預期虧損率相關假設釐定。本集團於作出該等假設及選取輸入數據進行減值計算時，根據本集團的過往歷史、現行市況及各報告期末的前瞻性估計作出判斷。有關關鍵假設及所用輸入數據的詳情披露於附註3.1(b)。

(h) 投資物業的公允價值

包括投資物業在內的投資物業按其公允價值計量。投資物業的公允價值參考獨立專業物業估值師使用物業估值方法(涉及對現行市況的若干假設)對該等物業進行的估值予以確定。

5. 來自客戶合約的收益及分部資料

本公司執行董事已被確認為主要經營決策者。管理層根據本集團的內部報告釐定經營分部，之後提交予主要經營決策者用以評估業績及分配資源。

主要經營決策者根據除所得稅前溢利計量評估經營分部的表現，並視之為唯一的經營分部，即物業開發部。因此，未列報分部披露資料。由於本集團的大部分資產及經營位於中國(被視為位於具有相似風險及回報的經濟環境下的地理區域)，故未列報地理分部分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (CONTINUED)

For the years ended 31 December 2020 and 2019, there was no transaction with a single external customer that amounted to 10% or more of the Group's revenue.

The revenue from contracts with customers recognised during the years ended 31 December 2020 and 2019 are sales of properties in the PRC, all of which were recognised at a point in time.

The revenue from external parties is derived from numerous external customers and the revenue reported to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

(a) Details of contract liabilities

	As of 31 December	
	於12月31日	
	2020	2019
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contract liabilities related to sales of properties (Note)	20,979,809	8,416,172

Note: As of 31 December 2020, contract liabilities represent advanced payments received from customers for properties that have not yet been transferred to the customers. Increased in contract liabilities during the year ended 31 December 2020 represents increase in advanced payments received from customers.

(b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised during the year ended 31 December 2020 related to carried-forward contract liabilities.

Revenue recognised that was included in the contract liabilities balance at the beginning of the year:

	Year ended 31 December	
	截至12月31日止年度	
	2020	2019
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Sales of properties	3,799,385	1,801,658

5. 來自客戶合約的收益及分部資料(續)

截至2020年及2019年12月31日止年度，與單一外部客戶的交易佔比概無超過本集團收益的10%或以上。

截至2020年及2019年12月31日止年度確認的來自客戶合約的收益為位於中國的物業銷售額(均已於某一時點予以確認)。

來自外部各方的收益乃源於大量外部客戶，且上報予執行董事的收益採用與綜合財務報表一致的方式計量。

(a) 合約負債詳情

附註：於2020年12月31日，合約負債指就尚未轉讓予客戶的物業向客戶收取的預先付款。截至2020年12月31日止年度的合約負債增加指預收客戶款項增加。

(b) 與合約負債有關的已確認收益

下表載列於2020年12月31日止年度期間所確認與結轉合約負債相關的收益。

年初計入合約負債結餘的已確認收益：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
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5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (CONTINUED) 5. 來自客戶合約的收益及分部資料(續)

(c) Unsatisfied contracts related to sales of properties

(c) 與物業銷售有關的未履行合約

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Sales of properties	物業銷售		
Expected to be recognised	預期將予確認		
– Within one year	– 一年內	11,214,411	4,162,306
– After one year	– 一年後	13,542,130	7,456,336
		24,756,541	11,618,642

(d) Assets recognised from costs to fulfill a contract

(d) 自履約成本中確認的資產

In addition to the contract balances disclosed above, the Group has also recognised sales commission as an asset in relation to costs to fulfill the contracts with customers. This is presented within trade and other receivables and prepayments in the consolidated statement of financial position.

除上文所披露合約結餘外，本集團亦已確認銷售佣金為有關履行與客戶合約之成本的資產。此於綜合財務狀況表內的貿易及其他應收款項以及預付款項列示。

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Sales commission recognised from costs incurred to fulfill a contract (Note 19)	自履約產生的成本中確認的銷售佣金(附註19)	40,759	16,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

6. EXPENSES BY NATURE

6. 按性質劃分的費用

		Year ended 31 December	
		截至12月31日止年度	
		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of properties sold – including construction cost, land cost, capitalised interest expenses	已售物業成本—包括建築成本、土地成本及資本化利息開支	2,623,888	1,114,726
Other taxes and surcharges	其他稅項及附加費	30,350	18,781
Employee benefit expenses (Note 7)	僱員福利開支(附註7)	406,604	208,145
Management and consulting services fee (Note (a))	管理及諮詢服務費(附註(a))	47,553	35,098
Donation	捐款	2,334	2,674
Advertising and promotion expenses	廣告及推廣開支	140,722	90,215
Office expenses	辦公室費用	79,931	38,511
Depreciation on property, plant and equipment and right-of-use assets (Note 13)	物業、廠房、設備及使用權資產折舊(附註13)	19,669	12,400
Entertainment expenses	業務招待開支	39,196	21,320
Recruitment fee	招聘費用	3,123	2,308
Motor vehicle expenses	汽車費用	2,678	1,410
Auditors' remuneration	核數師薪酬		
– Audit services	– 審計服務	4,894	–
– Non-audit services	– 非審計服務	796	–
Guarantee fee	擔保費	2,143	10,826
Legal and professional service fees	法律及專業服務費用	27,242	8,252
Listing expenses	上市開支	16,541	10,103
Travelling and transportation expenses	差旅及交通費用	12,683	8,797
Sales commission	銷售佣金	34,414	3,435
Others	其他	9,688	9,401
Total cost of sales, selling and marketing expenses and general and administrative expenses	銷售總成本、銷售及營銷開支及一般行政開支	3,504,449	1,596,402

Note (a): The amounts represent the fees paid to certain non-controlling interests shareholders and third parties in relation to the management and consulting services provided by them for the property development projects.

附註(a): 該金額指向若干非控股權益股東及第三方支付有關物業開發項目的管理及諮詢服務費的費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

7. 僱員福利開支(包括董事袍金)

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Wages, salaries and other benefits	工資、薪金及其他福利	382,226	186,358
Pension costs – statutory pension	退休金成本 – 法定退休金	24,378	21,787
		406,604	208,145

Pensions scheme – statutory pension

退休金計劃 – 法定退休金

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.

本集團的中國附屬公司僱員須參加地方市政府管理及運作的定額供款退休計劃。本集團的中國附屬公司乃若干僱員薪金百分比計算的數額向計劃供款，以向僱員退休福利提供資金。

The Group recognises employee benefit expenses in the following categories in the consolidated statement of comprehensive income:

本集團於綜合全面收益表確認以下類別的僱員福利開支：

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Selling and marketing expenses	銷售及營銷開支	141,724	81,625
General and administrative expenses	一般行政開支	264,880	126,520
		406,604	208,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

7. 僱員福利開支(包括董事袍金)(續)

(a) Directors' emoluments

The remuneration of the directors of the Company are presented as below:

(i) For the year ended 31 December 2020

(a) 董事袍金

本公司董事的薪酬如下：

(i) 截至2020年12月31日止年度

Name of Directors 董事姓名	Fees 費用	Salaries 薪金	Discretionary bonuses 酌情花紅	Allowance and benefit in kind 津貼及 實物利益	Employer's contribution to a retirement benefit scheme 僱主對退休 福利計劃的供款	other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Group 有關董事就 管理本集團 事務的其他服務 已付或應收的 其他酬金	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2020	截至2020年12月31日止年度						
Executive Directors	執行董事						
Mr. Lui Ming (Note (i))	-	916	-	-	62	-	978
Mr. Lui Chi Chung Jimmy	-	756	-	-	62	-	818
Mr. Lui Jin Ling	-	756	-	-	62	-	818
Non-executive Directors	非執行董事						
Mr. Lui Wing Nam	-	800	-	-	-	-	800
Mr. Lui Wing Mau	-	800	-	-	-	-	800
Independent Non-executive Directors	獨立非執行董事						
Mr. Wan Ho Yin (Note (iii))	92	-	-	-	-	-	92
Mr. Guo Shaomu (Note (iii))	139	-	-	-	-	-	139
Ms. Tang Lo Nar (Note (iii))	92	-	-	-	-	-	92
Total	323	4,028	-	-	186	-	4,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

7. 僱員福利開支(包括董事袍金)(續)

(a) Directors' emoluments (continued)

(a) 董事袍金(續)

(ii) For the year ended 31 December 2019

(ii) 截至2019年12月31日止年度

Name of Directors 董事姓名	Fees 費用	Salaries 薪金	Discretionary bonuses 酌情花紅	Allowance and benefit in kind 津貼及實物利益	Employer's contribution to a retirement benefit scheme 僱主對退休 福利計劃的供款	other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Group 有關董事就 管理本集團事務 的其他服務已付 或應收的 其他酬金	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2019 截至2019年12月31日止年度							
Executive Directors 執行董事							
Mr. Lui Ming (Note (i)) 呂明先生(附註(i))	-	712	-	-	34	-	746
Mr. Lui Chi Chung Jimmy 呂志聰先生	-	594	-	-	34	-	628
Mr. Lui Jin Ling 呂進亮先生	-	594	-	-	34	-	628
Mr. Lui Man Wai (Note (ii)) 呂文偉先生(附註(ii))	-	594	-	-	34	-	628
Non-executive Directors 非執行董事							
Mr. Lui Wing Nam 呂永南先生	-	711	-	-	-	-	711
Mr. Lui Wing Mau 呂永茂先生	-	711	-	-	-	-	711
Independent Non-executive Directors 獨立非執行董事							
Mr. Wan Ho Yin (Note (iii)) 溫浩然先生(附註(iii))	-	-	-	-	-	-	-
Mr. Guo Shaomu (Note (iii)) 郭少敏先生(附註(iii))	-	-	-	-	-	-	-
Ms. Tang Lo Nar (Note (iii)) 鄧露娜女士(附註(iii))	-	-	-	-	-	-	-
Total 總計	-	3,916	-	-	136	-	4,052

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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7. STAFF COSTS – INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (Continued)

Notes:

- (i) Mr. Lui Wing Wai has changed his name to Mr. Lui Ming on 29 January 2021.
- (ii) Mr. Lui Man Wai passed away on 24 January 2020.
- (iii) Mr. Wan Ho Yin, Mr. Guo Shaomu and Ms. Tang Lo Nar were appointed as the Company's independent non-executive directors on 20 June 2020.

(b) Directors' retirement benefits and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking for the year ended 31 December 2020 (2019: same).

(c) Consideration provided to third parties for making available directors' services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the year 31 December 2020 (2019: same).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no other loans, quasi-loans and other dealings in favor of the directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2020 (2019: same).

7. 僱員福利開支(包括董事袍金)(續)

(a) 董事袍金(續)

附註：

- (i) 呂永懷先生於2021年1月29日更名為呂明先生。
- (ii) 呂文偉先生於2020年1月24日去世。
- (iii) 溫浩然先生、郭少牧先生及鄧露娜女士於2020年6月20日獲委任為公司獨立非執行董事。

(b) 董事退休福利及離職福利

截至2020年12月31日止年度(2019年：相同)，任何董事概無就管理本公司或其附屬公司事務的其他服務而獲支付或應收任何退休福利。

(c) 就獲提供董事服務而向第三方提供代價

截至2020年12月31日止年度，概無就董事出任本公司董事而向董事的任何前僱主支付任何款項(2019年：相同)。

(d) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

截至2020年12月31日止年度，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何其他貸款、類似貸款及其他交易(2019年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
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7. STAFF COSTS – INCLUDING DIRECTORS’ EMOLUMENTS (CONTINUED) 7. 僱員福利開支(包括董事袍金)(續)

(e) Directors’ material interests in transactions, arrangements or contracts

Save as disclosed in Note 29, no significant transactions, arrangements, and contracts in relations to the Group’s business to which the Company was a party and in which a director of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2020 (2019: same).

(f) Five highest paid individuals

None of directors’ emoluments included in the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2020 (2019: same). The emoluments payable to the remaining 5 (2019: 5) individuals during the year ended 31 December 2020 are as follows:

(e) 董事於交易、安排或合約中的重大權益

除附註29所披露者外，於截至2020年12月31日止年度年末或任何時間並無存續本公司訂立之就本集團業務而言屬重大而本公司董事直接或間接擁有重大權益之交易、安排及合約(2019年：相同)。

(f) 五大最高薪酬人士

截至2020年12月31日止年度，本集團五大最高薪酬人士概不包括董事薪酬(2019年：相同)。截至2020年12月31日止年度，應付餘下5名人士的薪酬如下(2019年：5名)：

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Wages, salaries and other benefits	工資、薪金及其他福利	6,744	5,533
Pension costs – statutory pension	退休金成本—法定退休金	168	316
		6,912	5,849

The emoluments of these remaining individuals of the Group fell within the following bands:

本集團該等餘下人士之薪酬範圍如下：

		Year ended 31 December 截至12月31日止年度	
		2020 number of individual 人數	2019 number of individual 人數
Annual emolument bands:	年酬範圍：		
– HKD1,000,000 to HKD1,500,000	– 港元1,000,000至港元1,500,000	3	4
– HKD1,500,001 to HKD2,000,000	– 港元1,500,001至港元2,000,000	2	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

8. OTHER INCOME, NET

8. 其他收入，淨額

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Management and consulting service income (Note a)	管理及諮詢服務收入(附註a)	12,281	46,974
Rental income	租金收入	4,181	5,078
Interest income from associates, joint ventures and other third parties	來自聯營公司、合營企業及其 他第三方的利息收入	8,547	23,382
(Losses)/Gains on disposal of property, plant and equipment	出售物業、廠房及設備的 (損失)/收益	(193)	323
Others	其他	1,356	1,488
		26,172	77,245

Note(a): The amount mainly represents the management and consulting services provided to the Group's joint ventures and associates in relation to the property development projects.

附註(a): 該款項主要指就物業開發項目而提供予本集團合營企業及聯營公司的管理及諮詢服務。

9. FINANCE COSTS, NET

9. 融資成本，淨額

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Finance income	融資收入		
Interest income from bank deposits	利息收入自銀行存款	(38,735)	(8,607)
		(38,735)	(8,607)
Finance costs	融資成本		
– Bank and other borrowings	– 銀行及其他借款	405,922	152,589
– Amount due to associates and a joint venture	– 應付聯營公司及一間合營 企業款項	17,229	20,121
– Amounts due to non-controlling interests	– 應付非控股權益款項	197,787	230,016
– Lease liabilities	– 租賃負債	1,249	813
– Less: capitalised interest	– 減：資本化利息	(500,485)	(324,916)
		121,702	78,623
Finance costs, net	融資成本淨額	82,967	70,016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

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10. INCOME TAX EXPENSES

10. 所得稅開支

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current income tax:	即期所得稅：		
– PRC corporate income tax	– 中國企業所得稅	348,677	207,356
– PRC land appreciation tax	– 中國土地增值稅	213,948	184,394
Deferred income tax (Note 17)	遞延所得稅(附註17)	562,625 (180,941)	391,750 (97,926)
		381,684	293,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

10. INCOME TAX EXPENSES (CONTINUED)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/loss of the consolidated entities as follows:

10. 所得稅開支(續)

本集團稅前利潤的稅項有別於使用綜合實體利潤／虧損所適用的加權平均稅率而得出的理論金額，情況如下：

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Profit before income tax	所得稅前溢利	1,023,623	763,888
Adjust for share of results of joint ventures and associates reported net of tax	就所呈報分佔合營企業及聯營公司業績作調整(扣除稅項)	(403,436)	(359,427)
		620,187	404,461
Tax calculated at applicable corporate income tax rate	按適用企業所得稅稅率計算的稅項	159,518	102,253
Effect of income not subject to tax	毋須課稅所得稅收入的影響	(172)	(55)
Effect of expenses not deductible	不可扣所得稅開支的影響	10,066	4,512
Effect of tax losses not recognised as deferred income tax assets	未確認為遞延所得稅資產的稅項虧損的影響	42,291	6,842
PRC land appreciation tax deductible for income tax purpose	可扣所得稅的中國土地增值稅	(53,487)	(46,098)
Effect of withholding tax on undistributed profits	未分派溢利的預扣稅影響	9,520	41,976
Corporate income tax	企業所得稅	167,736	109,430
PRC land appreciation tax	中國土地增值稅	213,948	184,394
		381,684	293,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
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10. INCOME TAX EXPENSES (CONTINUED)

PRC corporate income tax

The income tax provision of the Group in respect of operations in PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

PRC land appreciation tax ("LAT")

Pursuant to the requirements in relation to LAT in the PRC, all income from the sale or transfer of state-owned land use rights, building and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the BVI Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax. The Group's subsidiaries in Hong Kong are subject to profits tax at the rate of 16.5%.

10. 所得稅開支(續)

中國企業所得稅

本集團就中國業務經營計提的所得稅撥備乃根據現有相關立法、詮釋及慣例對截至當年的估計應課稅利潤按適用稅率而計算。

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)，位於中國內地的集團實體所適用的企業所得稅稅率為25%。

中國土地增值稅(「土地增值稅」)

根據土地增值稅的規定，銷售或轉讓中國國有土地使用權、樓宇及附屬設施的所有收入須按介乎增值30%至60%的累進稅率繳納土地增值稅，惟倘一般住宅物業的銷售增值不超過總可扣稅項目金額的20%，則可予豁免。

本集團已按上述累進稅率就物業銷售計提土地增值稅撥備。

海外所得稅

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，並獲豁免繳納開曼群島所得稅。本公司於英屬維爾京群島的直接附屬公司乃根據英屬維爾京群島之英屬維爾京群島商業公司法註冊成立，並獲豁免繳納英屬維爾京群島所得稅。本集團於香港的附屬公司須按16.5%的稅率繳納利得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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10. INCOME TAX EXPENSES (CONTINUED)

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2017, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

On 21 December 2020, the immediate holding companies of the PRC subsidiaries have obtained the Certificate of Resident Status from the Inland Revenue Department and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Therefore, a lower 5% withholding tax rate shall be applied to dividend distribution thereafter.

As of 31 December 2020 deferred income tax liabilities of approximately RMB80,350,000 (2019: RMB70,829,000) have been provided for at applicable tax rate 5% (2019:10%) in respect of temporary differences attributable to undistributed profits of the Company's PRC subsidiaries.

11. DIVIDENDS

10. 所得稅開支(續)

中國股息預扣所得稅

根據於2017年12月6日頒佈的企業所得稅法實施條例，於2008年1月1日後，以中國公司產生的利潤向其海外投資者分派的股息應按10%的稅率繳納預扣所得稅，倘中國附屬公司的直接控股公司在香港註冊成立及符合由中國與香港所訂立的稅務條約安排規定，則適用5%的較低預扣稅率。

於2020年12月21日，中國附屬公司的直接控股公司已獲得稅務局簽發的居民身份證明書，並符合中國與香港訂立的稅務條約安排的規定。因此，其後的股息分派應採用較低的5%預扣稅率。

於2020年12月31日，約人民幣80,350,000元(2019年：人民幣70,829,000元)的遞延所得稅負債已按本公司中國附屬公司未分派溢利應佔暫時差額按適用稅率5%(2019年：10%)計提撥備。

11. 股息

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Final proposed dividend of RMB0.18 (2019: Nil) per ordinary share	末期建議股息每股普通股 人民幣0.18元(2019年：無)	293,511	-

On 19 March 2021, the directors of the Company proposed a final dividend for the year ended 31 December 2020 of RMB0.18 per ordinary share totalling approximately RMB293,511,000. The proposed dividend has not been reflected as dividend payable in the consolidated financial statements for the year ended 31 December 2020, but will be reflected as dividend distribution for the year ending 31 December 2021.

於2021年3月19日，本公司董事建議宣派截至2020年12月31日止年度末期股息每股普通股人民幣0.18元，合共約為人民幣293,511,000元。該建議股息並未反映截至2020年12月31日止年度綜合財務報表中的應付股息，但將反映截至2021年12月31日止年度的股息分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

12. EARNINGS PER SHARE

(a) Basic

In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2020 and 2019, the ordinary shares issued upon incorporation of the Company, the ordinary shares issued in exchange for the Listing Business in the reorganisation as detailed in Note 1.2 to the Accountant's Report set out in Appendix I to the Prospectus and the capitalisation issue (Note 21), were deemed to be issued on 1 January 2019 as if the Company has been incorporated by then.

		Year ended 31 December 截至12月31日止年度	
		2020	2019
Profit attributable to owners of the Company (RMB'000)	公司所有者溢利(人民幣千元)	960,748	668,041
Weighted average number of ordinary shares in issue (in thousand)	發行普通股加權平均數(千股)	1,415,823	1,200,000
Basic earnings per share (RMB)	基本每股收益(人民幣)	0.68	0.56

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2020 and 2019. Accordingly, diluted earnings per share is the same as the basic earnings per share.

12. 每股收益

(a) 基本

於釐定截至2020年及2019年12月31日止年度已發行普通股的加權平均數時，於本公司於註冊成立後發行的普通股及以換取重組時上市業務而發行的普通股(詳情載於招股章程附錄一的會計師報告附註1.2及資本化發行(附註21))均被視為於2019年1月1日發行，猶如本公司當時已成立。

(b) 攤薄

截至2020年及2019年12月31日止年度內本公司沒有任何潛在攤薄股份在外。因此，攤薄每股收益與基本每股收益相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Right-of use assets (Note 14) 使用權資產 (附註14) RMB'000 人民幣千元	Leasehold improvement 租賃物業 裝修 RMB'000 人民幣千元	Computer and office equipment 電腦及 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於2019年12月31日					
Cost	成本	29,471	7,742	15,898	13,107	66,218
Accumulated depreciation	累計折舊	(12,389)	(1,892)	(7,391)	(8,542)	(30,214)
Net book amount	賬面淨值	17,082	5,850	8,507	4,565	36,004
Year ended 31 December 2020	截至2020年12月31日止年度					
Opening net book amount	年初賬面淨值	17,082	5,850	8,507	4,565	36,004
Additions	添置	31,948	4,422	12,586	5,491	54,447
Disposals	出售	(2,390)	–	(127)	(290)	(2,807)
Depreciation	折舊	(10,791)	(3,716)	(2,901)	(2,261)	(19,669)
Closing net book amount	年末賬面淨值	35,849	6,556	18,065	7,505	67,975
At 31 December 2020	於2020年12月31日					
Cost	成本	58,172	11,364	25,987	13,804	109,327
Accumulated depreciation	累計折舊	(22,323)	(4,808)	(7,922)	(6,299)	(41,352)
Net book amount	賬面淨值	35,849	6,556	18,065	7,505	67,975

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

13. 物業、廠房及設備(續)

		Right-of use assets (Note 14) 使用權資產 (附註14) RMB'000 人民幣千元	Leasehold improvement 租賃 物業裝修 RMB'000 人民幣千元	Computer and office equipment 電腦及 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2018	於2018年12月31日					
Cost	成本	20,364	289	8,666	10,371	39,690
Accumulated depreciation	累計折舊	(7,073)	–	(4,910)	(6,352)	(18,335)
Net book amount	賬面淨值	13,291	289	3,756	4,019	21,355
Year ended 31 December 2019	截至2019年12月31日止年度					
Opening net book amount	年初賬面淨值	13,291	289	3,756	4,019	21,355
Additions	添置	10,505	7,453	7,442	3,085	28,485
Disposals	出售	(877)	–	(210)	(349)	(1,436)
Depreciation	折舊	(5,837)	(1,892)	(2,481)	(2,190)	(12,400)
Closing net book amount	年末賬面淨值	17,082	5,850	8,507	4,565	36,004
At 31 December 2019	於2019年12月31日					
Cost	成本	29,471	7,742	15,898	13,107	66,218
Accumulated depreciation	累計折舊	(12,389)	(1,892)	(7,391)	(8,542)	(30,214)
Net book amount	賬面淨值	17,082	5,850	8,507	4,565	36,004

Depreciation expenses has been charged in the following categories in the consolidated statement of comprehensive income:

折舊費用已於綜合全面收益表按以下類別扣除：

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Cost of sales	銷售成本	1,264	797
Selling and marketing expenses	銷售及營銷開支	655	413
Administrative expenses	行政開支	17,750	11,190
		19,669	12,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
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14. LEASES

(i) Amount recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Properties	物業	35,849	17,082
Lease liabilities	租賃負債		
– Non-current	– 非流動	18,049	3,782
– Current	– 流動	12,151	8,188
Total lease liabilities	租賃負債總額	30,200	11,970

Additions to right-of-use assets amounted to RMB31,948,000 during the year ended 31 December 2020 (2019: RMB10,505,000).

(i) 於綜合財務狀況表內確認的金額

合併財務狀況表顯示下列與租賃有關之金額：

截至2020年12月31日止年度，添置使用權資產人民幣31,948,000元(2019年：人民幣10,505,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

14. LEASES (CONTINUED)

(ii) Amount recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Depreciation charges of right-of-use assets (Note 13)	使用權資產折舊費用 (附註13)	10,791	5,837
Interest expense on lease liabilities (Note 9)	租賃負債利息費用 (附註9)	1,249	813

14. 租賃(續)

(ii) 於綜合全面收益表內確認的金額

合併財務狀況表顯示下列與租賃有關之金額:

(iii) Amount recognised in the consolidated statement of cash flows

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Cash flows from financing activities	融資活動所得現金流量		
Payment of interest element of lease liabilities	租賃負債之利息部分付款	1,249	813
Payment of principal element of lease liabilities	租賃負債之本金部份付款	11,315	6,495

(iii) 於綜合現金流量表確認的金額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

15. INVESTMENT PROPERTIES

15. 投資物業

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net book amount	年初賬面淨額	170,800	155,200
Fair value changes	公允價值變動	10,100	15,600
Closing net book amount	年末賬面淨額	180,900	170,800

As of 31 December 2020, the Group had no contractual obligations for repairs, maintenance or enhancements (2019: same).

於2020年12月31日，本集團並無合約責任進行維修、保養或加強工程(2019年：相同)。

As of 31 December 2019, investment properties of RMB170,800,000 was pledged as collateral for the Group's borrowings (Note 23).

於2019年12月31日，投資物業人民幣170,800,000元已抵押作為本集團借貸的抵押品(附註23)。

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

16. 採用權益法列賬的投資

(a) Investments accounted for using the equity method

(a) 以權益法列賬的投資

(i) *The amounts recognised in the consolidated statement of financial position as "Investments accounted for using the equity method" are as follows:*

(i) 於綜合財務狀況表確認為「採用權益法入賬的投資」的數額如下：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Joint ventures	合營企業	834,380	520,299
Associates	聯營公司	634,454	583,133
		1,468,834	1,103,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(a) Investments accounted for using the equity method (Continued)

- (i) *The amounts recognised in the consolidated statement of financial position sheets as “Investments accounted for using the equity method” are as follows: (Continued)*

Movement of investments in joint ventures:

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At 1 January	於1月1日	520,299	372,170
Additions	添置	47,000	–
Acquisition of a subsidiary (Note)	收購一間附屬公司 (附註)	(12,000)	–
Share of results	應佔業績	289,081	148,129
Dividend declared	已宣派股息	(10,000)	–
At 31 December	於12月31日	834,380	520,299

Note: On 12 November 2020, the Group acquired 30% of the issued share capital of Shanghai Gangwei Property Co., Ltd, a joint venture of the Group. After the transaction, the Group holds 60% equity interest of Shanghai Gangwei Property Co., Ltd which became a subsidiary of the Group.

附註：於2020年11月12日，本集團收購上海港維置業有限公司（本集團的合營企業）已發行股本的30%。於交易完成後，本集團持有上海港維置業有限公司60%股權，該公司成為本集團的附屬公司。

Movement of investments in associates:

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At 1 January	於1月1日	583,133	341,835
Additions	添置	–	30,000
Share of results	應佔業績	114,355	211,298
Dividend declared	已宣派股息	(63,034)	–
At 31 December	於12月31日	634,454	583,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(a) Investments accounted for using the equity method (Continued)

(i) The amounts recognised in the consolidated statement of financial position sheets as “Investments accounted for using the equity method” are as follows: (Continued)

The Group's joint ventures and associates are principally engaged in property development business. During the years ended 31 December 2020 and 2019, certain projects of the joint ventures and associates were under development, net losses were incurred and the Group recognised share of losses of the joint ventures and associates. As of 31 December 2020 and 2019, the Group has performed assessment on impairment of the investments in joint ventures and associates taking into account the pre-sales of the properties of the joint venture and associates, the current and future market condition for sales of properties and the budgeted development cost and expenses, no impairment on the investments in joint ventures and associates is considered necessary.

(ii) The amounts recognised in the consolidated statement of comprehensive income statements as “Share of results of joint ventures and associates” are as follows:

(a) 以權益法列賬的投資(續)

(i) 於綜合財務狀況表確認為「採用權益法列賬的投資」的數額如下：(續)

本集團的合營企業及聯營公司主要從事房地產開發業務。截至2020年及2019年12月31日止年度，合營企業及聯營公司的若干項目仍在開發中，已產生虧損淨額，而本集團確認應佔合營企業及聯營公司的虧損。於2020年及2019年12月31日，本集團已對合營企業及聯營公司的投資進行減值評估，當中考慮到預售合營企業及聯營公司的物業、出售物業的現時及未來市況及預算發展成本及開支，認為合營公司及聯營公司的投資毋須減值。

(ii) 於綜合全面收益表確認為「應佔合營企業及聯營公司業績」的金額如下：

		Year ended 31 December	
		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Joint ventures	合營企業	289,081	148,129
Associates	聯營公司	114,355	211,298
		403,436	359,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(b) Set out below are the principal joint ventures and associates of the Group as of 31 December 2020 and 2019. The place of incorporation or registration is also their principal place of business.

(b) 下文載列集團於2020年及2019年12月31日的主要合營公司及聯營公司。註冊成立或註冊地點亦為其主要營業地點。

(i) **Joint ventures:**

(i) **合營公司:**

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2020	2019
海門錦嘉置業有限公司 Haimen Jinjia Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
嘉興碧繡房地產開發有限公司 Jiaxing Bixiu Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	33.3%	33.3%
海鹽金碧(「海鹽金碧」)房地產開發有限公司 Haiyan Jinbi Real Estate Development Co., Ltd. ("Haiyan Jinbi")	PRC 中國	Property development 物業發展	Equity method 權益法	33.3%	33.3%
張家港保稅區耀輝房地產開發有限公司 Zhangjiagang Free Duty Zone Yaohui Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	13.5%	13.5%
南通卓蘇(「南通卓蘇」)房地產開發有限公司 Nantong Zhuosu Real Estate Development Co., Ltd. ("Nantong Zhuosu")	PRC 中國	Property development 物業發展	Equity method 權益法	12.5%	12.5%
宜興市嘉譽房地產開發有限公司 Yixing Jiayu Real Estate Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
常熟卓陽置業有限公司 Changshu Zhuoyang Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%
南通富利騰(「南通富利騰」)房地產開發有限公司 Nantong Fuliteng Real Estate Co., Ltd. ("Nantong Fuliteng")	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
南通崇通置業有限公司 Nantong Chongtong Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
常州申邁實業投資有限公司 Changzhou Shenmai Investment Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	41.25%	41.25%
常州嘉宏采菱置業發展有限公司 Changzhou Jiahong Cailing Real Estate Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20.21%	20.21%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(b) (Continued)

(b) (續)

(i) Joint ventures: (Continued)

(i) 合營公司：(續)

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2020	2019
泰興市融和置業有限公司 Taixing Ronghe Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
浙江港達(「浙江港達」)置業有限公司 Zhejiang Gangda Property Co., Ltd. ("Zhejiang Gangda")	PRC 中國	Property development 物業發展	Equity method 權益法	49%	49%
湖州港宏(「湖州港宏」)置業有限公司 Huzhou Ganghong Property Co., Ltd. ("Huzhou Ganghong")	PRC 中國	Property development 物業發展	Equity method 權益法	60%	60%
常熟茂龍(「常熟茂龍」)房地產開發有限公司 Changshu Maolong Real State Co., Ltd. ("Changshu Maolong")	PRC 中國	Property development 物業發展	Equity method 權益法	50%	50%
蘇州正璽(「蘇州正璽」)房地產開發有限公司 Suzhou Zhengxi Real Estate Development Co., Ltd. ("Suzhou Zhengxi")	PRC 中國	Property development 物業發展	Equity method 權益法	33%	33%
上海港軒置業有限公司 Shanghai Gangxuan Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	35%	100%
溧陽港正(「溧陽港正」)置業有限公司 Liyang Gangzheng Property Co., Ltd. ("Liyang Gangzheng")	PRC 中國	Property development 物業發展	Equity method 權益法	35%	N/A
如皋港華置業有限公司 Rugao Ganghua Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	24.99%	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(b) (Continued)

(b) (續)

(ii) Associates:

(ii) 聯營公司:

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2020	2019
常熟市虞山碧桂園房地產開發有限公司 Changshu Yushan Country Garden Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	40%	40%
南通市碧桂園新區置業有限公司 Nantong Country Garden New District Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
張家港金碧房地產開發有限公司 Zhangjiagang Jinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
海門中南錦冠置業有限公司 Haimen Zhongnan Jinguang Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
張家港城南碧桂園房地產開發有限公司 Zhangjiagang South City Country Garden Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
鹽城新碧房地產開發有限公司 Yancheng Xinbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
鹽城市順碧房地產開發有限公司 Yancheng Shunbi Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
江陰市合誠(江陰市合誠)房地產開發有限公司 Jiangyin Hecheng Real Estate Development Co., Ltd. ("Jiangyin Hecheng")	PRC 中國	Property development 物業發展	Equity method 權益法	15%	15%
常熟市必達房地產開發有限公司 Changshu Bida Real Estate Development Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%
如皋市新碧(如皋市新碧)房地產開發有限公司 Rugao Xinbi Real Estate Development Co., Ltd. ("Rugao Xinbi")	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
常熟市金安瑞宸(常熟市金安瑞宸)房地產開發有限公司 Changshu Jin'an Ruichen Real Estate Development Co., Ltd. ("Changshu Jin'an Ruichen")	PRC 中國	Property development 物業發展	Equity method 權益法	25%	25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(b) (Continued)

(ii) Associates: (Continued)

Name of company* 公司名稱*	Place of incorporation 註冊成立地點	Principal activities 主要業務活動	Measurement method 計量方法	Percentage of ownership interest attributable to the Group 本集團應佔所有權權益百分比	
				2020	2019
常州牡丹君港(常州牡丹君港)置業有限公司 Changzhou Mudan Jungang Real Estate Co., Ltd. ("Changzhou Mudan Jungang")	PRC 中國	Property development 物業發展	Equity method 權益法	24.5%	24.5%
連雲港市港龍置業有限公司 Lianyungang Ganglong Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	20%	20%
上海垠望置業有限公司 Shanghai Yinwang Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%
常州市凱澤置業有限公司 Changzhou Kaize Property Co., Ltd.	PRC 中國	Property development 物業發展	Equity method 權益法	30%	30%

* The English names of PRC companies referred to above in this note represents management's best effort in translating the Chinese names of those companies as no English name have been registered or available.

* 本附註上文所述中國公司的英文名稱代表管理層盡力翻譯該等公司的中文名稱，因為並無英文名稱已註冊或可供索取。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures

(c) 聯營公司及合營企業的財務資料概要

(i) *Set out below is the summarised financial information for Zhejiang Gangda, which is a material joint venture to the Group.*

(i) 浙江港達(為本集團的重大合營企業)的財務資料概要載列如下。

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	2,292	10,813
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	126,777	305,211
Other current assets	其他流動資產	609,348	1,826,432
		736,125	2,131,643
Total assets	資產總額	738,417	2,142,456
Non-current liabilities	非流動負債		
Borrowings	借款	–	209,500
Other non-current liabilities	其他非流動負債	1,704	–
		1,704	209,500
Current liabilities	流動負債		
Other current liabilities	其他流動負債	337,317	1,828,680
Total liabilities	負債總額	339,021	2,038,180
Net assets	資產淨額	399,396	104,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(i) Set out below is the summarised financial information for Zhejiang Gangda, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Zhejiang Gangda.

(c) 聯營公司及合營企業的財務資料概要(續)

(i) 浙江港達(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於浙江港達的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	104,276	98,853
Profit for the years	年內溢利	295,120	5,423
Closing net assets	年末淨資產	399,396	104,276
Proportion of the Group's ownership	本集團所有權比例	49%	49%
Carrying amount of the investment	投資賬面值	195,704	51,095

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	2,108,586	14,425
Expenses	開支	(1,659,364)	(7,194)
Income tax expenses	所得稅開支	(154,102)	(1,808)
Net profit and total comprehensive profit for the year	年內淨溢利及全面溢利總額	295,120	5,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(ii) Set out below is the summarised financial information for Haiyan Jinbi, which is a material joint venture to the Group.

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(ii) 海鹽金碧(為本集團的重大合營企業)的財務資料概要載列如下。

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	199	221
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	105,733	191,379
Other current assets	其他流動資產	731,250	157,799
		836,983	349,178
Total assets	資產總額	837,182	349,399
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	668,012	213,825
Total liabilities	負債總額	668,012	213,825
Net assets	資產淨額	169,170	135,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(c) Summarised financial information for associates and joint ventures (Continued)

(ii) Set out below is the summarised financial information for Haiyan Jinbi, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Haiyan Jinbi.

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產／(負債)	135,574	(5,874)
Profit for the years	年內溢利	33,596	141,448
Closing net assets	年末淨資產	169,170	135,574
Proportion of the Group's ownership	本集團所有權比例	33.3%	33.3%
Carrying amount of the investment	投資賬面值	56,334	45,146

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	194,928	1,562,718
Expenses	開支	(79,223)	(1,381,629)
Income tax expenses	所得稅開支	(82,109)	(39,641)
Net profit and total comprehensive profit for the year	年內淨溢利及全面溢利總額	33,596	141,448

(c) 聯營公司及合營企業的財務資料概要(續)

(ii) 海鹽金碧(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於海鹽金碧的權益賬面值呈列的財務資料概要的對賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(c) 聯營公司及合營企業的財務資料概要(續)

(iii) *Set out below is the summarised financial information for Nantong Zhuosu, which is a material joint venture to the Group.*

(iii) *南通卓蘇(為本集團的重大合營企業)的財務資料概要載列如下。*

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	-	-
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	326,879	483,314
Other current assets	其他流動資產	36,317	710,047
		363,196	1,193,361
Total assets	資產總額	363,196	1,193,361
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	189,551	1,070,798
Total liabilities	負債總額	189,551	1,070,798
Net assets	資產淨額	173,645	122,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(iii) Set out below is the summarised financial information for Nantong Zhuosu, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Nantong Zhuosu.

(c) 聯營公司及合營企業的財務資料概要(續)

(iii) 南通卓蘇(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於南通卓蘇的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	122,563	13,150
Profit for the years	年內溢利	131,082	109,413
Dividend declared	已宣派股息	(80,000)	-
Closing net assets	年末淨資產	173,645	122,563
Proportion of the Group's ownership	本集團所有權比例	12.5%	12.5%
Carrying amount of the investment	投資賬面值	21,706	15,321

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	1,406,833	598,317
Expenses	開支	(1,109,219)	(449,325)
Income tax expenses	所得稅開支	(166,532)	(39,579)
Net profit and total comprehensive profit for the year	年內淨溢利及全面溢利總額	131,082	109,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(c) 聯營公司及合營企業的財務資料概要(續)

(iv) Set out below is the summarised financial information for Nantong Fuliteng, which is a material joint venture to the Group.

(iv) 南通富利騰(為本集團的重大合營企業)的財務資料概要載列如下。

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	4,494	4,496
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	162,084	282,692
Other current assets	其他流動資產	219,854	880,087
		381,938	1,162,779
Total assets	資產總額	386,432	1,167,275
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	293,026	1,150,756
Total liabilities	負債總額	293,026	1,150,756
Net assets	資產淨額	93,406	16,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(iv) Set out below is the summarised financial information for Nantong Fuliteng, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Nan Tong Fu Li Teng.

(c) 聯營公司及合營企業的財務資料概要(續)

(iv) 南通富利騰(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於南通富利騰的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	16,519	24,446
Profit/(loss) for the years	年內溢利/(虧損)	76,887	(7,927)
Closing net assets	年末淨資產	93,406	16,519
Proportion of the Group's ownership	本集團所有權比例	20.0%	20.0%
Carrying amount of the investment	投資賬面值	18,681	3,304

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	1,096,582	-
Expenses	開支	(938,393)	(10,569)
Income tax (expenses)/credit	所得稅(開支)/抵免	(81,302)	2,642
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	76,887	(7,927)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(v) Set out below is the summarised financial information for Huzhou Ganghong, which is a material joint venture to the Group.

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(v) 湖州港宏(為本集團的重大合營企業)的財務資料概要載列如下。

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	3,094	3,388
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	45,251	102,442
Other current assets	其他流動資產	446,327	706,515
		491,578	808,957
Total assets	資產總額	494,672	812,345
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	364,599	798,167
Total liabilities	負債總額	364,599	798,167
Net assets	資產淨額	130,073	14,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(v) Set out below is the summarised financial information for Huzhou Ganghong, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Huzhou Ganghong.

(c) 聯營公司及合營企業的財務資料概要(續)

(v) 湖州港宏(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於湖州港宏的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	14,178	17,333
Profit/(loss) for the years	年內溢利/(虧損)	115,895	(3,155)
Closing net assets	年末淨資產	130,073	14,178
Proportion of the Group's ownership	本集團所有權比例	49.0%	49.0%
Carrying amount of the investment	投資賬面值	63,736	6,947

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	840,625	-
Expenses	開支	(661,308)	(4,014)
Income tax (expenses)/credit	所得稅(開支)/抵免	(63,422)	859
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	115,895	(3,155)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(c) 聯營公司及合營企業的財務資料概要(續)

(vi) Set out below is the summarised financial information for Changshu Maolong, which is a material joint venture to the Group.

(vi) 常熟茂龍(為本集團的重大合營企業)的財務資料概要載列如下。

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	3,701	2,142
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	174,761	227,721
Other current assets	其他流動資產	1,631,451	1,397,706
		1,806,212	1,625,427
Total assets	資產總額	1,809,913	1,627,569
Non-current liabilities	非流動負債		
Borrowings	借款	490,000	–
Current liabilities	流動負債		
Other current liabilities	其他流動負債	1,130,934	1,433,665
Total liabilities	負債總額	1,620,934	1,433,665
Net assets	資產淨額	188,979	193,904

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(vi) Set out below is the summarised financial information for Changshu Maolong, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Chang Shu Mao Long.

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	193,904	199,614
Loss for the years	年內虧損	(4,925)	(5,710)
Closing net assets	年末淨資產	188,979	193,904
Proportion of the Group's ownership	本集團所有權比例	50.0%	50.0%
Carrying amount of the investment	投資賬面值	94,490	96,952

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	-	-
Expenses	開支	(6,829)	(7,285)
Income tax credit	所得稅抵免	1,904	1,575
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(4,925)	(5,710)

(c) 聯營公司及合營企業的財務資料概要(續)

(vi) 常熟茂龍(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於常熟茂龍的權益賬面值呈列的財務資料概要的對賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(vii) *Set out below is the summarised financial information for Suzhou Zhengxi, which is a material joint venture to the Group.*

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(vii) *蘇州正璽(為本集團的重大合營企業)的財務資料概要載列如下。*

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	51,489	41,257
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	298,945	294,401
Other current assets	其他流動資產	2,557,792	2,146,549
		2,856,737	2,440,950
Total assets	資產總額	2,908,226	2,482,207
Non-current liabilities	非流動負債		
Borrowings	借款	259,000	581,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	2,286,915	1,521,487
Total liabilities	負債總額	2,545,915	2,102,487
Net assets	資產淨額	362,311	379,720

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(vii) Set out below is the summarised financial information for Suzhou Zhengxi, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Suzhou Zhengxi.

(c) 聯營公司及合營企業的財務資料概要(續)

(vii) 蘇州正璽(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於蘇州正璽的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	379,718	399,576
Loss for the years	年內虧損	(17,407)	(19,858)
Closing net assets	年末淨資產	362,311	379,718
Proportion of the Group's ownership	本集團所有權比例	33.0%	33.0%
Carrying amount of the investment	投資賬面值	119,563	125,307

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	-	-
Expenses	開支	(24,527)	(26,477)
Income tax credit	所得稅抵免	7,120	6,619
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(17,407)	(19,858)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(viii) Set out below is the summarised financial information for Liyang Gangzheng, which is a material joint venture to the Group.

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(viii) 深陽港正(為本集團的重大合營企業)的財務資料概要載列如下。

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	-	-
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	408,070	-
Other current assets	其他流動資產	860,575	-
		1,268,645	-
Total assets	資產總額	1,268,645	-
Non-current liabilities	非流動負債		
Borrowings	借款	370,000	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	665,156	-
Total liabilities	負債總額	1,035,156	-
Net assets	資產淨額	233,489	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(viii) Set out below is the summarised financial information for Liyang Gangzheng, which is a material joint venture to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Liyang Gangzheng.

(c) 聯營公司及合營企業的財務資料概要(續)

(viii) 溧陽港正(為本集團的重大合營企業)的財務資料概要載列如下。(續)

下文載列本集團於溧陽港正的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	-	-
Capital injection	注資	240,000	-
Loss for the years	年內虧損	(6,511)	-
Closing net assets	年末淨資產	233,489	-
Proportion of the Group's ownership	本集團所有權比例	35.0%	-
Carrying amount of the investment	投資賬面值	81,721	-

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	-	-
Expenses	開支	(6,511)	-
Income tax credit	所得稅抵免	-	-
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(6,511)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(ix) Set out below is the summarised financial information for Jiangyin Hecheng, which is a material associate to the Group.

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(ix) 江陰市合誠(為本集團的重大聯營企業)的財務資料概要載列如下。

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	37,286	30,110
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	298,250	203,970
Other current assets	其他流動資產	2,280,479	996,197
		2,578,729	1,200,167
Total assets	資產總額	2,616,015	1,230,277
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	2,603,375	1,196,350
Total liabilities	負債總額	2,603,375	1,196,350
Net assets	資產淨額	12,640	33,927

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(ix) Set out below is the summarised financial information for Jiangyin Hecheng, which is a material associate to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Jiangyin Hecheng.

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	33,927	54,634
Loss for the years	年內虧損	(21,287)	(20,707)
Closing net assets	年末淨資產	12,640	33,927
Proportion of the Group's ownership	本集團所有權比例	15.0%	15.0%
Carrying amount of the investment	投資賬面值	1,896	5,089

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	-	-
Expenses	開支	(28,512)	(27,609)
Income tax credit	所得稅抵免	7,225	6,902
Net loss and total comprehensive loss for the year	年內淨虧損及全面虧損總額	(21,287)	(20,707)

(c) 聯營公司及合營企業的財務資料概要(續)

(ix) 江陰市合誠(為本集團的重大聯營企業)的財務資料概要載列如下。(續)

下文載列本集團於江陰市合誠的權益賬面值呈列的財務資料概要的對賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(x) Set out below is the summarised financial information for Rugao Xinbi, which is a material associate to the Group.

Summarised statement of financial position

(c) 聯營公司及合營企業的財務資料概要(續)

(x) 如皋市新碧(為本集團的重大聯營企業)的財務資料概要載列如下。

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	3,879	3,913
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	180,580	199,165
Other current assets	其他流動資產	335,190	878,727
		515,770	1,077,892
Total assets	資產總額	519,649	1,081,805
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債		
Other current liabilities	其他流動負債	316,736	1,072,881
Total liabilities	負債總額	316,736	1,072,881
Net assets	資產淨額	202,913	8,924

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(x) Set out below is the summarised financial information for Rugao Xinbi, which is a material associate to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Rugao Xinbi.

(c) 聯營公司及合營企業的財務資料概要(續)

(x) 如皋市新碧(為本集團的重大聯營企業)的財務資料概要載列如下。(續)

下文載列本集團於如皋市新碧的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	8,924	20,238
Profit/(loss) for the years	年內溢利/(虧損)	193,989	(11,314)
Closing net assets	年末淨資產	202,913	8,924
Proportion of the Group's ownership	本集團所有權比例	30.0%	30.0%
Carrying amount of the investment	投資賬面值	60,874	2,677

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	1,071,163	-
Expenses	開支	(851,019)	(15,085)
Income tax (expenses)/credit	所得稅(開支)/抵免	(26,155)	3,771
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	193,989	(11,314)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(c) 聯營公司及合營企業的財務資料概要(續)

(xi) Set out below is the summarised financial information for Changshu Jin'an Ruichen, which is a material associate to the Group.

(xi) 常熟市金安瑞宸(為本集團的重大聯營企業)的財務資料概要載列如下。

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	1,040	1,116
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	200,702	226,822
Other current assets	其他流動資產	605,561	1,136,687
		806,263	1,363,509
Total assets	資產總額	807,303	1,364,625
Non-current liabilities	非流動負債		
Borrowings	借款	225,000	430,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	112,065	857,433
Total liabilities	負債總額	337,065	1,287,433
Net assets	資產淨額	470,238	77,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(xi) Set out below is the summarised financial information for Changshu Jin'an Ruichen, which is a material associate to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Changshu Jin'an Ruichen.

(c) 聯營公司及合營企業的財務資料概要(續)

(xi) 常熟市金安瑞宸(為本集團的重大聯營企業)的財務資料概要載列如下。(續)

下文載列本集團於常熟市金安瑞宸的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	77,192	78,256
Profit/(loss) for the years	年內溢利/(虧損)	393,046	(1,064)
Closing net assets	年末淨資產	470,238	77,192
Proportion of the Group's ownership	本集團所有權比例	25.0%	25.0%
Carrying amount of the investment	投資賬面值	117,559	19,298

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	896,173	-
Expenses	開支	(452,491)	(1,417)
Income tax (expenses)/credit	所得稅(開支)/抵免	(50,636)	353
Net profit/(loss) and total comprehensive profit/(loss) for the year	年內淨溢利/(虧損)及全面溢利/(虧損)總額	393,046	(1,064)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(c) 聯營公司及合營企業的財務資料概要(續)

(xii) Set out below is the summarised financial information for Changzhou Mudan Jungang, which is a material associate to the Group.

(xii) 常州牡丹君港(為本集團的重大聯營企業)的財務資料概要載列如下。

Summarised statement of financial position

財務狀況表概要

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current assets	非流動資產	21,812	19,964
Current assets	流動資產		
Restricted cash, pledged time deposits, cash and cash equivalents	受限制現金，已抵押定期存款，現金及現金等價物	146,528	154,921
Other current assets	其他流動資產	2,172,715	3,171,560
		2,319,243	3,326,481
Total assets	資產總額	2,341,055	3,346,445
Non-current liabilities	非流動負債		
Borrowings	借款	—	425,000
Current liabilities	流動負債		
Other current liabilities	其他流動負債	1,573,498	2,377,767
Total liabilities	負債總額	1,573,498	2,802,767
Net assets	資產淨額	767,557	543,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED) 16. 採用權益法列賬的投資(續)

(c) Summarised financial information for associates and joint ventures (Continued)

(xii) Set out below is the summarised financial information for Changzhou Mudan Jungang, which is a material associate to the Group. (Continued)

Set out below is the reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Changzhou Mudan Jungang.

(c) 聯營公司及合營企業的財務資料概要(續)

(xii) 常州牡丹君港(為本集團的重大聯營企業)的財務資料概要載列如下。(續)

下文載列本集團於常州牡丹君港的權益賬面值呈列的財務資料概要的對賬。

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Opening net assets	年初淨資產	543,678	573,441
Profit/(loss) for the years	年內溢利/(虧損)	223,879	(29,763)
Closing net assets	年末淨資產	767,557	543,678
Proportion of the Group's ownership	本集團所有權比例	24.5%	24.5%
Carrying amount of the investment	投資賬面值	188,051	133,201

Summarised statement of comprehensive income

綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue	收益	1,829,488	-
Expenses	開支	(1,481,608)	(29,763)
Income tax expenses	所得稅開支	(124,001)	-
Net profit and total comprehensive profit/(loss) for the year	年內淨溢利及全面溢利/(虧損)總額	223,879	(29,763)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

17. DEFERRED INCOME TAX

17. 遞延所得稅

(a) Deferred income tax assets

(a) 遞延所得稅資產

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項的暫時性差額：		
– Tax losses	– 稅項虧損	269,581	119,540
– Deferred land appreciation tax	– 遞延土地增值稅	79,897	36,955
Total deferred income tax assets	遞延所得稅資產總額	349,478	156,495
Set-off of deferred tax liabilities pursuant to set-off provisions	按照抵銷準則抵銷遞延所得稅項負債	(1,642)	(5,303)
Net deferred income tax assets	遞延所得稅資產淨額	347,836	151,192

Movements of deferred income tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

遞延所得稅資產變動(並無計及同一稅務機關內結餘的抵銷)如下：

Movements 變動		Deferred land appreciation tax		Total 總計 RMB'000 人民幣千元
		Tax losses 稅項虧損 RMB'000 人民幣千元	Deferred land appreciation tax 遞延土地增值稅 RMB'000 人民幣千元	
At 1 January 2019	於2019年1月1日	17,881	5,200	23,081
Credit to the consolidated statement of comprehensive income (Note 10)	計入綜合全面收益表(附註10)	101,659	31,755	133,414
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	119,540	36,955	156,495
Credit to the consolidated statement of comprehensive income (Note 10)	計入綜合全面收益表(附註10)	150,041	42,942	192,983
At 31 December 2020	於2020年12月31日	269,581	79,897	349,478

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

17. DEFERRED INCOME TAX (CONTINUED)

(a) Deferred income tax assets (Continued)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2020, the Group did not recognise deferred income tax assets of RMB38,613,000 (2019: RMB7,446,000) in respect of tax losses amounting to RMB154,453,000 (2019: RMB29,785,000), that can be carried forward against future taxable income. These tax losses will expire up to and including 2025.

(b) Deferred income tax liabilities

17. 遞延所得稅(續)

(a) 遞延所得稅資產(續)

遞延所得稅資產乃就結轉的稅務損失確認，惟以有可能透過日後的應課稅溢利變現有關稅務利益為限。於2020年12月31日，本集團並無就可予結轉以抵銷未來應課稅收入的稅項虧損人民幣154,453,000元(2019年：人民幣29,785,000元)確認遞延所得稅資產人民幣38,613,000元(2019年：人民幣7,446,000元)。該等稅項虧損將於2025年(包括相關年度)前屆滿。

(b) 遞延所得稅負債

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項的暫時性差額：		
– Withholding tax on dividends for undistributed profits	– 未分派溢利的股息預扣稅	(80,350)	(70,829)
– Fair value gains on investment properties	– 投資物業公允價值收益	(26,206)	(23,681)
– Deferred land appreciation tax	– 遞延土地增值稅	(5,488)	(5,492)
Total deferred income tax liabilities	遞延所得稅負債總額	(112,044)	(100,002)
Set-off of deferred income tax assets pursuant to set-off provisions	按照抵銷準則抵銷遞延所得稅資產	1,642	5,303
Net deferred income tax liabilities	遞延所得稅負債淨額	(110,402)	(94,699)

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17. DEFERRED INCOME TAX (CONTINUED)

(b) Deferred income tax liabilities (Continued)

Movements of deferred income tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

		Withholding tax on dividends for undistributed profits 未分派溢利 的股息預扣稅 RMB'000 人民幣千元	Fair value gains on investment properties 投資物業 公允價值收益 RMB'000 人民幣千元	Deferred land properties tax 遞延土地增值稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	(28,853)	(19,781)	(15,880)	(64,514)
Charged to the consolidated statement of comprehensive income (Note 10)	於綜合全面收益表扣除 (附註 10)	(41,976)	(3,900)	10,388	(35,488)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	(70,829)	(23,681)	(5,492)	(100,002)
Charged to the consolidated statement of comprehensive income (Note 10)	於綜合全面收益表扣除 (附註 10)	(9,521)	(2,525)	4	(12,042)
At 31 December 2020	於2020年12月31日	(80,350)	(26,206)	(5,488)	(112,044)

The analysis of deferred income tax accounts are as follows:

遞延所得稅賬目分析如下：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產:		
Recoverable after 12 months	可於12個月後收回	347,836	151,192
Deferred income tax liabilities:	遞延所得稅負債		
Recoverable after 12 months	可於12個月後收回	(110,402)	(94,699)

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18. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

18. 開發中物業及持作出售的已竣工物業

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Properties under development	開發中物業	32,108,351	16,052,548
Completed properties held for sale	持作出售的已竣工物業	295,960	732,904
		32,404,311	16,785,452

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within normal operating cycle.

本集團開發中物業及持作出售的已竣工物業均位於中國，預期於正常運營週期內完成及可供銷售。

The capitalisation rate of borrowings is 7.7% for the year ended 31 December 2020 (2019: 8.2%).

截至2020年12月31日止年度的借款的資本化比率為7.7%(2019年：8.2%)。

The Group's pledged properties held for sales and properties under development are set out as follows.

本集團持作出售的已抵押物業及開發中物業載列如下：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Carrying amounts of completed properties held for sale and properties under development:	持作出售的已竣工物業及開發中物業的賬面值：		
- Pledged as collateral for Group's borrowings	- 抵押作為本集團借款的抵押品	14,392,717	6,121,919

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS 19. 貿易及其他應收款項及預付款項

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Trade receivables from third parties <i>(Note (a))</i>	來自第三方的貿易應收款項 <i>(附註(a))</i>	8,071	25,970
Other receivables	其他應收款項		
– Deposits for property development projects	– 物業開發項目按金	562,287	303,990
– Receivables from banks and bank card service providers	– 應收銀行及銀行卡服務供應商款項	68,901	41,341
– Cash advances with third parties <i>(Note (b))</i>	– 第三方預付現金 <i>(附註(b))</i>	–	9,500
– Others	– 其他	26,511	21,583
		657,699	376,414
Prepayments	預付款項		
– Prepayments for property development projects	– 物業開發項目預付款項	99,264	60,139
– Prepayments for acquisition of land use rights <i>(Note (c))</i>	– 收購土地使用權預付款項 <i>(附註(c))</i>	–	571,824
– Prepaid value added tax and other taxes	– 預付增值稅、營業稅及其他稅項	308,645	186,992
– Contract acquisition costs <i>(Note (d))</i>	– 合約獲取成本 <i>(附註(d))</i>	40,759	16,606
– Prepaid listing expenses	– 預付上市開支	–	6,695
– Others	– 其他	13,703	8,302
		462,371	850,558
Total trade and other receivables and prepayments	貿易及其他應收款項以及預付款項	1,128,141	1,252,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade receivables from third parties

Trade receivables mainly arise from sales of properties. Proceeds in respect of sales of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements. This is generally no credit period granted to the property purchasers.

The ageing analysis of the trade receivables at the consolidated statement of financial position date based on invoice dates is as follows:

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
0 – 30 days	0 – 30日	8,071	22,793
31 – 60 days	31日 – 60日	–	3
61 – 90 days	61日 – 90日	–	866
Over 91 days	91日以上	–	2,308
		8,071	25,970

As of 31 December 2020, trade receivables of RMB8,071,000 (2019: RMB25,970,000) were overdue but not impaired and fully relate to certain customers that have good settlement record with the Group.

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical loss experiences, existing market conditions and forward-looking information. Based on the assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these receivables balances was not material.

19. 貿易及其他應收款項及預付款項 (續)

(a) 來自第三方的貿易應收款項

貿易應收款項主要來自銷售物業。銷售物業所得款項一般根據買賣協議訂明的條款收取。通常不授予物業買家信貸期。

貿易應收款項於綜合財務狀況表日期按發票日期劃分的賬齡分析如下：

於2020年12月31日，貿易應收款項人民幣8,071,000元(2019年:人民幣25,970,000元)已逾期但尚未減值，完全與跟本集團有良好結算記錄的若干客戶相關。

就有關逾期貿易應收款項，本集團透過考慮過往虧損經驗、現有市況及前瞻性資料評估預期信貸虧損。根據評估，預期貿易應收款項的信貸虧損率接近零。因此，該等貿易應收款項結餘的虧損撥備並不重大。

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

- (b) Cash advances to third parties represents the loan advance to property developments in the PRC for the funding of the property development projects. As of 31 December 2019, the cash advances with third parties were unsecured, interest-free and repayable on demand.
- (c) As of 31 December 2019, included in prepayments amounted to RMB571,824,000 were initial development prepayment made to the co-operative parties to the government agency in respect of several land use rights located in the PRC. Based on the agreements signed between the project companies and the government agency, the above prepayment will be offset with the land acquisition cost if the project companies obtain the right to acquire the land use rights.
- (d) Management considers the contract acquisition costs, which repressed sales commission paid for obtaining property sale contracts, to be recoverable. The Group has deferred the amounts paid and will charge them to the consolidated statement of comprehensive income when the related revenue is recognised. For the year ended 31 December 2020, the amount charged to consolidated statement of comprehensive income was RMB34,414,000 (2019: RMB3,435,000) and there were no impairment loss in relation to the remaining balances.

The carrying amounts of the trade and other receivables and prepayments approximate their fair values and are denominated in RMB.

The maximum exposure to credit risk as of 31 December 2020 and 2019 was the carrying value of receivables. The Group did not hold any collateral as security.

19. 貿易及其他應收款項及預付款項 (續)

- (b) 向第三方作出的現金墊款指向中國物業開發商貸出的用於物業開發項目的貸款。於2019年12月31日，第三方預付現金均為無抵押，免息且須於要求時償還。
- (c) 於2019年12月31日，共同營運方就位於中國的若干項土地使用權向政府機構支付的初始開發預付款項(計入預付款項)為人民幣571,824,000元。根據項目公司與政府機構簽訂的協議，倘項目公司獲得收購土地使用權的權利，上述預付款項將可抵銷土地收購成本。
- (d) 管理層認為合約獲取成本，即為取得物業銷售合約而支付的銷售佣金，將可予收回。本集團已遞延所支付款項並將於確認相關收益時將其計入綜合全面收益表。截至2020年12月31日止年度，計入綜合全面收益表的款項為人民幣34,414,000元(2019年：人民幣3,435,000)，且並無餘款相關的減值虧損。

貿易及其他應收款項及預付款項的賬面值與其公允價值相若，並以人民幣計值。

於2020年及2019年12月31日最高信貸風險為上述應收款項之賬面值。本集團並無持有任何抵押品作為擔保。

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20. RESTRICTED CASH, PLEDGED TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

20. 受限制現金、已抵押定期存款及現金及現金等價物

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Restricted cash	受限制現金	2,211,490	1,414,744
Pledged time deposits	已抵押定期存款	37,727	45,920
Cash and cash equivalents	現金及現金等價物	4,547,628	1,052,217
		6,796,845	2,512,881

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

將人民幣計值的結餘轉換為外幣以及將外幣匯至中國境外，須遵守中國政府頒佈的有關外匯管制的相關規則及法規。

The above balances as at 31 December 2020 and 2019 approximate their fair values and are denominated in the following currencies:

上述於2020年及2019年12月31日的結餘與其公平值相若，並按下列幣種計值：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Denominated in:	按下列幣種計值：		
– RMB	– 人民幣	6,638,199	2,512,678
– USD	– 美元	66	29
– HKD	– 港幣	158,580	174
		6,796,845	2,512,881

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21. SHARE CAPITAL

21. 股本

		Number of shares 股份數目	Share capital 股本 HK\$ 港幣
Authorised:	法定：		
At 1 January 2019, 31 December 2019 and 1 January 2020	於2019年1月1日、2019年12月31日 及2020年1月1日	38,000,000	380,000
Changes	變動	9,962,000,000	99,620,000
At 31 December 2020	於2020年12月31日	10,000,000,000	100,000,000
		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Issued:	已發行：		
At 1 January 2019, 31 December 2019 and 1 January 2020	於2019年1月1日、2019年12月31日 及2020年1月1日	1,000	-
Shares issued pursuant to the capitalisation issue (Note (i))	就資本化發行發行股份(附註(i))	1,199,999,000	10,979
Shares issued under the global offering (Note (ii))	全球發售項下已發行股份(附註(ii))	430,618,000	3,940
At 31 December 2020	於2020年12月31日	1,630,618,000	14,919

The Company was incorporated on 8 October 2018 with an authorised share capital of HK\$380,000, divided into 38,000,000 shares of HK\$0.01 each.

本公司於2018年10月8日註冊成立，法定股本為380,000港元，分為38,000,000股每股面值0.01港元的股份。

Pursuant to the written resolutions of the Shareholders dated 20 June 2020, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of par value of HK\$0.01 each by the creation of an additional 9,962,000,000 shares of par value of HK\$0.01 each.

根據本公司股東於2020年6月20日作出的書面決議，本公司的法定股本由380,000港元以每股面值0.01港元增至38,000,000股，由100,000,000港元以每股面值0.01港元增至10,000,000,000股，另增加9,962,000,000股，每股面值0.01港元。

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21. SHARE CAPITAL (CONTINUED)

(i) Capitalisation issue

On 15 July 2020, the capitalisation issue pursuant to the Shareholders' resolution dated 20 June 2020 was effected. The Company issued 1,199,999,000 shares at par value of HK\$0.01 each to holders of shares on the register of members of the Company on 15 July 2020, by way of capitalisation of an amount of HK\$11,999,990 (equivalent to RMB10,979,000) to the credit of the share premium account of the Company.

(ii) Global offering

On 15 July 2020, the Company issued a total of 400,000,000 ordinary shares at a price of HK\$3.93 per share as a result of the completion of the global offering.

30,618,000 shares were issued upon the partially exercise of the over-allotment option on 5 August 2020 at a price of HK\$3.93 per share.

Number of total issued shares of the Company was increased to 1,630,618,000 shares upon completion of the capitalisation issue, the global offering and the exercise of over-allotment option.

21. 股本(續)

(i) 資本化發行

於2020年7月15日，資本化發行根據2020年6月20日的股東決議案生效。本公司以資本化發行的方式向本公司於2020年7月15日股東名冊上的股份持有人發行1,199,999,000股股份，每股面值為0.01港元，金額為11,999,990港元(相當於人民幣10,979,000元)，記入本公司股份溢價賬之進賬額。

(ii) 全球發售

於2020年7月15日，本公司因完成全球發售，按每股3.93港元價格發行合共400,000,000股普通股。

超額配股權於部分行使後，於2020年8月5日按每股3.93港元價格發行30,618,000股股份。

於完成資本化發行、全球發售及行使超額配股權後，本公司已發行股份總數增加至1,630,618,000股。

22. SHARE PREMIUM AND RESERVES

22. 股份溢價及儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserves 法定儲備 RMB'000 人民幣千元 (Note (i)) (附註(i))	Other reserves 其他儲備 RMB'000 人民幣千元 (Note (ii)) (附註(ii))	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	–	66,147	315,515	381,662
Appropriation to statutory reserves	轉撥至法定儲備	–	69,974	–	69,974
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	–	136,121	315,515	451,636
Shares issued pursuant to the capitalisation issue	就資本化發行發行股份	(10,979)	–	–	(10,979)
Shares issued under the global offering	全球發售項下已發行股份	1,544,394	–	–	1,544,394
Share issuance costs (Note (iii))	股份發行成本(附註(iii))	(58,599)	–	–	(58,599)
Appropriation to statutory reserves	轉撥至法定儲備	–	91,712	–	91,712
At 31 December 2020	於2020年12月31日	1,474,816	227,833	315,515	2,018,164

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22. SHARE PREMIUM AND RESERVES (CONTINUED)

(i) Statutory reserve

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiary is required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on the PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiary, the subsidiary will not be required to make any further appropriation. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

(ii) Other reserves

Other reserves mainly represented the reserves derived from acquisition of non-controlling interests, the share premium and the accumulated capital contribution from the then equity holders of the group companies in excess of the consideration given in relation to the reorganisation.

(iii) Share issuance costs

Share issuance costs mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs that are directly attributable to the global offering.

22. 股份溢價及儲備(續)

(i) 法定儲備

根據中國適用於外商獨資企業之有關法規，中國附屬公司須將一筆不少於除所得稅後利潤10%(按中國會計準則計算)之款項撥入儲備基金。倘此儲備基金之累計總額達中國附屬公司之註冊資本之50%，則該等附屬公司將毋須再作撥款。經過股東大會或相似機構的批准，此儲備基金僅可用於抵銷累計虧損或增加資本。

(ii) 其他儲備

其他儲備主要指來自收購非控股權益的儲備及集團公司當時股東就重組超出所付代價部分的股份溢價及累計註資。

(iii) 股份發行成本

股份發行成本主要包括股份包銷佣金、律師費、申報會計師費用及與全球發售直接有關開支。

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23. BORROWINGS

23. 借貸

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Non-current	非即期：		
Bank borrowings	銀行借款		
– Secured and guaranteed	– 有抵押及擔保	2,064,527	1,076,099
Other borrowings	其他借款		
– Secured	– 有抵押	516,440	633,000
– Unsecured	– 無抵押	10,000	–
		2,590,967	1,709,099
Current	即期：		
Bank borrowings	銀行借款		
– Secured and guaranteed	– 有抵押及擔保	2,860,765	764,200
Other borrowings	其他借款		
– Secured	– 有抵押	1,731,800	380,000
– Unsecured	– 無抵押	471,060	–
Senior notes	優先票據	987,015	–
		6,050,640	1,144,200
Total borrowings	借款總額	8,641,607	2,853,299

In 25 November 2020, the Group issued senior notes with principal amount of USD150,000,000 (equivalent to RMB987,015,000), which bears interest rate of 13.5% per annum and mature in 2021.

於2020年11月25日，本集團發行本金額為150,000,000美元(相當於人民幣987,015,000元)的優先票據，年利率為13.5%，到期日為2021年。

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23. BORROWINGS (CONTINUED)

As of 31 December 2020, bank and other borrowings of RMB7,173,532,000 (2019: RMB2,853,299,000) were secured by certain pledged time deposit, receivables, equity interests of group companies, properties under development, completed properties held for sales and investment properties with total carrying values of RMB14,879,716,000 (2019: RMB6,554,801,000).

In addition to pledge of assets, certain bank and other borrowings amounted to RMB2,095,149,000 as of 31 December 2019 required guaranteed by subsidiaries of the Group, Mr. Lui Jin Ling, Mr. Lui Ming and their spouses (Note 29). All of bank and other borrowings guaranteed by Mr. Lui Jin Ling, Mr. Lui Ming and their spouses were repaid and the guarantees by them were released in June 2020. As of 31 December 2020, certain bank and other borrowings amounted to RMB7,161,957,000 required guaranteed by subsidiaries of the Group.

Certain group companies in the PRC have entered into fund arrangements with trust companies and assets management companies, respectively, pursuant to which these financial institutions raised funds and injected them to the group companies. Certain equity interests of the group companies were held by the financial institutions as collateral of which the Group is obligated to redeem at predetermined prices. The funds bear fixed interest rates and have fixed repayment terms. Thus, the Group did not derecognise its equity interests in the subject group companies but treated the fund arrangements as other borrowings in the consolidated financial statements.

- (a) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates or maturity date whichever is earlier are as follows:

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Variable rate borrowings	浮息借款	3,993,680	2,133,199
Other borrowings – repricing date:	其他借貸－重新定價日期：		
6 months or less	6個月或以下	320,000	280,000
6–12 months	6–12個月	3,317,374	90,700
1–2 years	1–2年	496,940	333,000
2–5 years	2–5年	513,613	16,400
Total	總計	8,641,607	2,853,299

23. 借貸(續)

於2020年12月31日，本集團的銀行及其他借款人民幣7,173,532,000元(2019年：人民幣2,853,299,000元)由賬面總值為人民幣14,879,716,000元(2019年：人民幣6,554,801,000元)的若干質押定期存款、應收款項、集團公司的股本權益、開發中物業、持作出售的已竣工物業及投資物業提供擔保。

除資產抵押外，於2019年12月31日，人民幣2,095,149,000元的若干銀行及其他借款由本集團的附屬公司、呂進亮先生、呂明先生及彼等的配偶提供擔保(附註29)。呂進亮先生、呂明先生及彼等的配偶提供擔保的銀行借款及其他借款均已償還，並於2020年6月解除擔保。於2020年12月31日，集團附屬公司要求擔保的若干銀行借款及其他借款為人民幣7,161,957,000元。

若干中國集團公司已分別與信託公司及資產管理公司訂立資金安排，據此，該等金融機構籌集資金並向集團公司注資。集團公司的若干股權由金融機構持有，本集團有責任按預定價格贖回的抵押品。該等資金根據固定利率支付利息，按照固定期限還款。因此，本集團並未終止確認其於標的集團公司的股權，而是於綜合財務報表內將資金安排視為其他借款。

- (a) 本集團借款對利率變動的風險及合約重新定價日或到期日(以較早者為準)如下：

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23. BORROWINGS (CONTINUED)

- (b) The weighted average effective interest rates as of 31 December 2020 and 2019 are as follows:

		As of 31 December 於12月31日	
		2020	2019
Bank borrowings	銀行借貸	6.70%	7.67%
Other borrowings	其他借貸	11.93%	10.83%
Weighted average effective interest rates	加權平均實際利率	7.67%	8.82%

- (c) The repayment terms of the borrowings are as follows:

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within 1 year	1年內	6,050,640	1,144,200
1 – 2 years	1-2年	1,691,791	1,525,799
2 – 5 years	2-5年	899,176	183,300
Total	總計	8,641,607	2,853,299

- (d) The carrying amounts of the borrowings are denominated in the following currencies.

		As of 31 December 於12月31日	
		2020	2019
RMB	人民幣	7,654,592	2,853,299
USD	美元	987,015	–
Total	總計	8,641,607	2,853,299

- (e) The carrying amounts of the borrowings approximated their fair values as of 31 December 2020 and 2019 as either the impact of discounting of borrowings with fixed interest rates was not significant, or the borrowings bear interest at floating rates.

23. 借貸(續)

- (b) 於2020年及2019年12月31日的加權平均實際利率如下：

		As of 31 December 於12月31日	
		2020	2019
Bank borrowings	銀行借貸	6.70%	7.67%
Other borrowings	其他借貸	11.93%	10.83%
Weighted average effective interest rates	加權平均實際利率	7.67%	8.82%

- (c) 借款的還款期如下：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within 1 year	1年內	6,050,640	1,144,200
1 – 2 years	1-2年	1,691,791	1,525,799
2 – 5 years	2-5年	899,176	183,300
Total	總計	8,641,607	2,853,299

- (d) 借款的賬面值按下列幣種計值。

		As of 31 December 於12月31日	
		2020	2019
RMB	人民幣	7,654,592	2,853,299
USD	美元	987,015	–
Total	總計	8,641,607	2,853,299

- (e) 於2020年及2019年12月31日，借款賬面價值接近其公允價值，乃由於固定利率對借款貼現影響不大，或借款以浮動利率計息。

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24. TRADE PAYABLES, BILLS PAYABLES AND OTHER PAYABLES 24. 貿易應付款項、應付票據及其他應付款項

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Trade payables (Note (a))	貿易應付款項(附註(a))	4,665,565	1,978,499
Bills payables (Note (b))	應付票據(附註(b))	65,659	77,527
Other payables:	其他應付款項：		
Other taxes payable	其他應付稅項	279,221	77,610
Payroll payable	應付薪資	102,518	63,373
Amount due to third parties	應付第三方款項	139,812	139,812
Deposits received from potential property purchasers	自潛在購房者收取的按金	472,970	55,237
Deposits from contractors and suppliers	承建商及供應商按金	81,116	52,428
Listing expenses	上市開支	–	4,869
Interests payable	應付利息	11,848	5,114
Others	其他	17,561	8,616
Total trade payables, bills payables and other payables	貿易應付款項、應付票據及其他應付款項	5,836,270	2,463,085

(a) The ageing analysis of the trade payables based on invoice dates or contractual terms is as follows:

(a) 下表載列本集團按發票日期或合約條款劃分的貿易應付款項的賬齡分析：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
0 – 30 days	0–30日	4,279,766	1,780,785
31 – 60 days	31–60日	120,017	61,506
61 – 90 days	61–90日	22,810	11,690
Over 91 days	91日以上	242,972	124,518
		4,665,565	1,978,499

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24. TRADE PAYABLES, BILLS PAYABLES AND OTHER PAYABLES (CONTINUED)

(b) The ageing analysis of the bills payables based on invoice dates or contractual terms is as follows:

24. 貿易應付款項、應付票據及其他應付款項(續)

(b) 下表載列本集團按發票日期或合約條款劃分的應付票據的賬齡分析：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
0 – 30 days	0–30日	18,124	21,400
31 – 60 days	31–60日	16,176	19,100
61 – 90 days	61–90日	9,849	4,400
Over 91 days	91日以上	21,510	32,627
		65,659	77,527

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25. CASH GENERATED FROM/(USED IN) OPERATIONS

25. 業務產生/(所用)現金

(a) Reconciliation of profit for the year to net cash generated from/(used in) operations.

(a) 年內溢利與經營所得/(所用)現金淨額之間的對賬

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	1,023,623	763,888
Adjustments for:	就以下各項作出調整：		
– Depreciation of property, plant and equipment (Note 13)	– 物業、廠房及設備折舊 (附註13)	19,669	12,400
– Finance costs (Note 9)	– 融資成本(附註9)	121,702	78,623
– Finance income (Note 9)	– 融資收入(附註9)	(38,735)	(8,607)
– Share of results of joint ventures and associates (Note 16)	– 應佔合營企業與聯營公司業績 (附註16)	(403,436)	(359,427)
– Fair value gains on investment properties (Note 15)	– 投資物業公允價值收益 (附註15)	(10,100)	(15,600)
– Losses/(gains) on disposals of property, plant and equipment (Note 8)	– 出售物業、廠房及設備的損失/(收益)(附註8)	193	(323)
– Interest income from associates, joint ventures and other third parties (Note 8)	– 來自聯營公司、合營企業及其他第三方的利息收入 (附註8)	(8,547)	(23,382)
Operating profit before changes in working capital	營運資金變動前的經營溢利	704,369	447,572
Changes in working capital:	營運資金變動：		
– Properties under development and completed properties held for sale	– 開發中物業及持作出售的已竣工物業	(15,106,374)	(11,203,106)
– Contract liabilities	– 合約負債	12,563,637	4,762,389
– Trade and other receivables and prepayments	– 貿易及其他應收款項及預付款項	172,675	(341,322)
– Trade bill payables and other payables	– 貿易及其他應付款項	3,193,433	1,028,475
– Pledged time deposits	– 已抵押定期存款	8,193	(45,920)
– Changes in restricted cash	– 受限制現金變動	(796,746)	(1,195,511)
– Amounts due from associates, joint ventures and non-controlling interests	– 聯營公司、合資企業和非控股權益的應付金額	16,418	–
Cash generated from/(used in) operations	營運所得/(所用)現金	755,605	(6,547,423)

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25. CASH GENERATED FROM/(USED IN) OPERATIONS (CONTINUED)

25. 業務產生/(所用)現金(續)

(b) Reconciliation of proceeds from disposals of property, plant and equipment

(b) 出售物業、廠房及設備所得款項的對賬

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Net book amount	賬面淨值	417	559
(Losses)/gains on disposals of property, plant and equipment	出售物業、廠房及設備的(損失)/收益	(193)	323
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	224	882

(c) Reconciliation of assets and liabilities arising from financing activities

(c) 融資活動產生的資產及負債的對賬

		Amounts				Amounts			Amounts	
		Amounts due to Lease liabilities	Amounts due to associates	Amounts due to related parties	Amounts due to Controlling Shareholders	Amounts due to joint ventures	Amounts due to non-controlling interest	Amounts due to third parties	Borrowings	Total
		應付聯營	應付公司款項	應付關聯方款項	應付控股股東款項	應付合營企業款項	應付非控股權益款項	應付第三方款項	借款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As of 1 January 2019	於2019年1月1日	8,815	822,213	11,119	9,981	509,177	1,221,665	228,507	856,100	3,667,577
Non-cash movement	非現金變動	10,463	-	-	-	-	-	-	-	10,463
Cash inflows	現金流入	-	837,442	79,079	353,442	830,947	7,771,199	14,500	2,831,549	12,718,158
Cash outflows	現金流出	(7,308)	(161,920)	(90,198)	(339,884)	(470,180)	(4,318,482)	(94,978)	(834,350)	(6,317,300)
Other changes (Note (d))	其他變動(附註(d))	-	-	-	-	-	8,217	(8,217)	-	-
As of 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	11,970	1,497,735	-	23,539	869,944	4,682,599	139,812	2,853,299	10,078,898
Non-cash movement	非現金變動	30,794	(63,034)	-	-	1,281	196,745	-	-	165,786
Cash inflows	現金流入	-	104,855	-	-	1,257,156	6,967,702	-	9,511,850	17,841,563
Cash outflows	現金流出	(12,564)	(379,940)	-	(23,539)	(1,214,190)	(8,085,120)	-	(3,723,542)	(13,438,895)
As of 31 December 2020	於2020年12月31日	30,200	1,159,616	-	-	914,191	3,761,926	139,812	8,641,607	14,647,352

(d) Other changes

Other changes include items which are presented as operating cash flows and investing cash flows in the consolidated statement of cash flows.

(d) 其他變動

其他變動包括於綜合現金流量表呈列為經營現金流量及投資現金流量的項目。

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26. AMOUNTS DUE FROM/(TO) NON-CONTROLLING INTERESTS

26. 應收／(付)非控股權益款項

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Amount due from non-controlling interests (Note (a))	應收非控股權益款項(附註(a))	2,578,961	198,443
Amount due to non-controlling interests (Note (b))	應收非控股權益款項(附註(b))	(3,761,926)	(4,682,599)

Notes:

- (a) Amounts due from non-controlling interests mainly represented cash advances to the non-controlling interest of certain subsidiaries. They are unsecured, interest free and repayable on demand.
- (b) Amounts due to non-controlling interests mainly represented cash advances provided by the non-controlling interests of certain subsidiaries. All of the amounts due to non-controlling interests are unsecured and repayable on demand.

As of 31 December 2020, amounts due to non-controlling interests were interest-free, except for amounts of RMB2,047,248,000 which bears interest ranging from 8.0%-12.0% per annum, of which the relevant interest expenses of an aggregate balance of RMB1,371,832,000 were waived during the year ended 31 December 2020.

As of 31 December 2019, amounts due to non-controlling interests were interest-free, except for amounts of RMB4,520,326,000 which bears interest ranging from 8.0%-15.0% per annum, and an amount of RMB6,099,000 which bears interest at 20.0% per annum.

附註：

- (a) 應收非控股權益款項主要指向若干附屬公司的非控股權益墊支的現金。該等款項為無抵押，免息及按要求償還。
- (b) 應付非控股權益款項主要指若干附屬公司的非控股權益所提供的現金墊款。所有應付非控股權益款項均為無抵押及按要求償還。

於2020年12月31日，應付非控股權益款項為免息，惟金額為人民幣2,047,248,000元的金額除外，年利率介乎8.0%至12.0%。截至2020年12月31日止年度，上述金額中其中總計人民幣1,371,832,000獲免收有關利息開支。

於2019年12月31日，應付非控股權益款項為免息，惟金額為人民幣4,520,326,000元的金額除外，年利率介乎8.0%至15.0%，而另外金額為人民幣6,099,000元，按年利率20.0%計息。

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27. FINANCIAL GUARANTEE

27. 財務擔保

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	為若干購房者的按揭融資作出的擔保(附註(a))	7,913,296	3,294,002
Guarantee provided for the borrowings of joint ventures and associates (note (b))	為合營企業和聯營公司借款提供的擔保(附註(b))	615,000	905,447
		8,528,296	4,199,449

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligation of such purchasers for repayments. Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by purchasers of properties. The directors consider that the likelihood of default in payments by purchasers is minimal as the Group is entitled to retain the ownership of the properties, the valuation of which is significantly higher than the guaranteed amounts. Therefore, the financial guarantees measured at fair value is immaterial and no liabilities was recognised.

(b) Amounts represented the maximum exposure of the guarantees provided for the borrowings of the joint ventures and associates at the year-end date. The directors consider that the likelihood of default in payments by the joint ventures and associates is minimal and therefore the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

(a) 本集團已為物業單元的若干購房者安排了銀行融資，並為該等購房者履行償還義務提供擔保。此類擔保於以下較早者終止：(i)獲頒發房地產權證，該證書通常可於擔保註冊完成後的平均兩至三年內獲得；或(ii)購房者償還按揭貸款。董事認為，由於本集團有權保留物業的所有權，而物業的估值大大高於擔保金額，買家拖欠還款的可能性極小。因此以公允價值計量的金融擔保並不重大且無確認負債。

(b) 金額指在年終日期為合營企業及聯營公司借款提供擔保的最大風險。董事認為，合營企業及聯營公司拖欠付款的可能性很小，因此，以公允價值計量的財務擔保並不重大且無確認負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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28. COMMITMENTS

28. 承諾

(a) Commitments for capital and property development expenditures

(a) 資本及物業開發支出承諾

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Contracted but not provided for	已訂約但未撥備	15,725,006	13,457,571

The amount represented capital commitment for construction contracts and agreed proposed development contracts determined based on current estimated budgets.

該金額指根據當前估計預算釐定的建設合約及協定的擬開發合約的資本承諾。

(b) Operating leases rental receivables – a group company as lessor

(b) 經營租賃應收租金 - 集團公司為出租人

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

根據不可撤銷經營租賃應收的未來最低租賃付款如下：

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within one year	一年內	5,027	4,340
Later than one year but no later than five years	超過一年但不超過五年	12,749	7,591
		17,776	11,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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29. RELATED PARTY TRANSACTIONS

(a) The ultimate holding company of the Company are Huaxing Development Co., Ltd, Hualian Development Co., Ltd and Hualong Development Co., Ltd and the ultimate controlling shareholder of the Company are Mr. Lui Ming, Mr. Lui Wing Nam, Mr. Lui Chi Chung Jimmy, Mr. Lui Jin Ling and Mr. Lui Wing Mau.

(b) Transaction with related parties

29. 關聯方交易

(a) 本公司的最終控股公司為華興發展有限公司、華聯發展有限公司及華隆發展有限公司。本公司的最終控股股東為呂明先生、呂永南先生、呂志聰先生、呂進亮先生及呂永茂先生。

(b) 與關聯方的交易

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Lease payments to Mr. Xie Jian Qing in respect of the leased office premises	就租用辦公室物業向謝劍青先生支付租金	(1,034)	(791)
Costs of receiving of construction and decoration services to Hai Men Hong Peng Trading Company Limited	向海門市鴻鵬貿易有限公司收取建設及裝修服務的成本	–	(12,508)
Interest expense to a joint venture	合營企業的利息開支	(12,539)	(9,456)
Interest expense to associates	應付聯營公司利息開支	(4,690)	(10,665)
Interest income from associates	來自聯營公司的利息收入	3,680	11,974
Sales of properties to Mr. Lui Chi Chung Jimmy and his spouse	向呂志聰先生及其配偶出售物業	–	2,681
Income for rendering of management and consulting services to joint ventures	向合營企業提供管理及諮詢服務的收入	2,075	31,024
Income for rendering of management and consulting services to associates	向聯營公司提供管理及諮詢服務的收入	889	16,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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29. RELATED PARTY TRANSACTIONS (CONTINUED) 29. 關聯方交易(續)

(c) Balances with shareholders, associates and joint ventures

(c) 與股東、聯營公司及合營企業的結餘

		As of 31 December 於12月31日		
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元	Nature 性質
Amount due to Controlling Shareholders (Note (i))	應付控股股東款項(附註(i))	–	(23,539)	Non-trade 非貿易
Amounts due from joint ventures (Note (ii))	應收合營企業款項(附註(ii))	426,390	359,268	Non-trade 非貿易
Amounts due to joint ventures (Note (iii))	應付合營企業款項(附註(iii))	(914,191)	(869,944)	Non-trade 非貿易
Amounts due from associates (Note (iv))	應收聯營公司款項(附註(iv))	175,789	124,709	Non-trade 非貿易
Amounts due to associates (Note (v))	應付聯營公司款項(附註(v))	(1,159,616)	(1,497,735)	Non-trade 非貿易

Note:

附註：

- (i) Amounts due to Controlling Shareholders mainly represent the cash advances which are interest free, unsecured and repayable on demand.
- (ii) Amounts due from joint ventures represents the cash advances for project development. The balances bear interest rates ranging from 6.0% to 8.0% per annum, unsecured and repayable on demand.
- (iii) Amounts due to joint ventures represents the cash advances for project development. The balances were interest-free, except for the amount of RMBNil (2019: RMB145,000,000) which bears interest at 8.0% per annum. All balances are unsecured and repayable on demand.
- (iv) Amounts due from associates represents the cash advances for project development. The balances bear interest rates ranging from 4.75% to 12.0% per annum, unsecured and repayable on demand.
- (v) Amounts due to associates represents the cash advances for project development. The balances were interest-free, except for the amount of RMBNil (2019: RMB546,196,000) which bears interest at 6.32% to 10% per annum, all balances are unsecured and repayable on demand.

- (i) 應付控股股東款項主要指無息、無抵押且須於要求時償還的現金墊款。
- (ii) 應收合營企業款項為為項目開發的現金墊款。結餘年利率為6.0%至8.0%不等，無抵押，可按需償還。
- (iii) 應付合營企業款項為項目開發的現金墊款。除人民幣零元(2019年人民幣145,000,000元)(年利率為8.0%)外，其餘結餘無息。所有結餘均無抵押，可按需償還。
- (iv) 應收聯營公司款項為項目開發的現金墊款。結餘年利率為4.75%至12.0%不等，無抵押，可按需償還。
- (v) 應付聯營公司款項為項目開發的現金墊款。除人民幣零元(2019年：人民幣546,196,000元)(年利率為6.32%至10%)外，結餘無息。所有結餘均無抵押，可按需償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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29. RELATED PARTY TRANSACTIONS (CONTINUED) 29. 關聯方交易(續)

(d) Guarantee with related parties

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Carrying values of the borrowings of joint ventures and associates guaranteed	擔保合營企業及聯營公司借款的賬面值		
– Joint ventures	– 合營企業	615,000	801,322
– Associates	– 聯營企業	–	104,125
		615,000	905,447
Carrying values of the borrowings guaranteed by subsidiaries of the Group, the Controlling Shareholders and their spouses in connection with the Group's borrowings (Note 23)	本集團附屬公司、控股股東及其配偶就本集團借款提供擔保的借款賬面值(附註23)	7,161,957	2,095,149

(d) 與關聯方的擔保

(e) Key management compensation

Key management compensation are set out below:

		Year ended 31 December 截至12月31日止年度	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Key management compensation	主要管理人員薪酬		
– Salaries and other employee benefits	– 薪資及其他僱員福利	7,628	7,099
– Pension costs	– 退休金成本	556	509
		8,184	7,608

(e) 主要管理人員薪酬

主要管理人員薪酬載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

30. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

		As of 31 December 於12月31日	
		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investment in subsidiaries	附屬公司投資	1,753,548	656,864
		1,753,548	656,864
Current assets	流動資產		
Prepayments	預付款項	15,736	6,696
Amounts due from subsidiaries	應收附屬公司款項	1,220,213	–
Cash and cash equivalents	現金及現金等價物	118,860	–
		1,354,809	6,696
Total assets	資產總額	3,108,357	663,560
EQUITY	權益		
Capital and reserves	本公司擁有人應佔權益		
Share capital	股本	14,919	–
Reserves	儲備	2,067,037	635,711
Total equity	資產總額	2,081,956	635,711
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables	其他應付款項	14,108	4,883
Amounts due to subsidiaries	應付附屬公司款項	25,278	3,496
Amounts due to Controlling Shareholders	應付控股股東款項	–	19,470
Borrowings	借款	987,015	–
Total liabilities	負債總額	1,026,401	27,849
Total equity and liabilities	權益及負債總額	3,108,357	663,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度

(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED) 30. 本公司財務狀況表及儲備變動(續)

(b) Reserve movement of the Company

(b) 本公司的儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Accumulated loss 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	–	656,864	(10,718)	646,146
Loss for the year	年內虧損	–	–	(10,435)	(10,435)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	–	656,864	(21,153)	635,711
Loss for the year	年內虧損	–	–	(43,490)	(43,490)
Transaction with owners:	與擁有人的交易：				
Shares issued pursuant to the capitalisation issue	就資本化發行發行股份	(10,979)	–	–	(10,979)
Shares issued under the global offering	全球發售項下已發行股份	1,544,394	–	–	1,544,394
Share issuance costs	股份發行成本	(58,599)	–	–	(58,599)
Total transactions with owners in their capacity as owners	與擁有人(以其作為與擁有人的 身份)的交易總額	1,474,816	–	–	1,474,816
At 31 December 2020	於2020年12月31日	1,474,816	656,864	(64,643)	2,067,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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31. PARTICULARS OF SUBSIDIARIES

31. 附屬公司詳情

Particulars of the principal subsidiaries of the Group as of 31 December 2020 and 2019 are set out as below.

本集團於2020年及2019年12月31日的主要附屬公司的詳情載列如下。

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
Directly owned: 直接擁有：								
港龍華揚發展有限公司 Ganglong Huayang Development Limited	9 October 2018 2018年10月9日	Limited liability company 有限公司	British Virgin Islands 英屬處女群島	Investment holdings 投資控股	US\$50,000 50,000美元	US\$100 100美元	100%	100%
Indirectly owned: 間接擁有：								
盈裕投資有限公司 Profit Great Investment Limited	14 August 2019 2019年8月14日	Limited liability company 有限公司	British Virgin Islands 英屬處女群島	Investment holdings 投資控股	US\$1 1美元	US\$1 1美元	100%	Nil 零
港龍發展集團有限公司 Ganglong Development Group Limited	19 October 2018 2018年10月19日	Limited liability company 有限公司	Hong Kong 香港	Investment holdings 投資控股	HK\$100 100港元	HK\$100 100港元	100%	100%
江蘇港龍地產集團有限公司 Jiangsu Ganglong Realty Group Co., Ltd.	13 August 2007 2007年8月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	US\$42,857,000 42,857,000美元	RMB152,643,265 人民幣152,643,265元	100%	100%
江蘇港龍名揚置業有限公司 Jiangsu Ganglong Mingyang Real Estate Co., Ltd.	9 February 2010 2010年2月9日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	US\$6,800,000 6,800,000美元	US\$5,000,000 5,000,000美元	100%	100%
江蘇港龍華揚置業有限公司 Jiangsu Ganglong Huayang Real Estate Co., Ltd.	20 November 2012 2012年12月20日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	US\$53,061,000 53,061,000美元	US\$22,585,500 22,585,500美元	100%	100%
鹽城港龍房地產開發有限公司 Yancheng Ganglong Real Estate Development Co., Ltd.	17 August 2010 2010年8月17日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB200,000,000 人民幣200,000,000元	RMB200,000,000 人民幣200,000,000元	100%	100%
江蘇港華置業有限公司 Jiangsu Ganghua Property Co., Ltd.	9 August 2013 2013年8月9日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	100%	100%
江蘇崇通企業管理有限公司 Jiangsu Chongtong Enterprise Management Co., Ltd.	12 March 2015 2015年3月12日	Limited liability company 有限公司	PRC 中國	Investment holdings 投資控股	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	100%	100%
常熟港華置業有限公司 Changshu Ganghua Property Co., Ltd.	4 January 2016 2016年1月4日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	100%	100%
連雲港市港華置業有限公司 Lianyungang Ganghua Property Co., Ltd.	16 May 2016 2016年5月16日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB75,000,000 人民幣75,000,000元	RMB75,000,000 人民幣75,000,000元	100%	100%

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/ 成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
江蘇港達置業有限公司 Jiangsu Gangda Property Co., Ltd.	13 April 2017 2017年4月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
上海港興置業有限公司 Shanghai Gangxing Property Co., Ltd.	3 May 2017 2017年5月3日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	Nil 零	70%	70%
常州港聯置業有限公司 Changzhou Ganglian Property Co., Ltd.	5 June 2017 2017年6月5日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
江蘇港龍中揚置業有限公司 Jiangsu Ganglong Zhongyang Property Co., Ltd.	10 April 2018 2018年4月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	RMB50,000,000 人民幣50,000,000元	100%	100%
貴州港華置業有限公司 Guizhou Ganghua Property Co., Ltd.	21 May 2018 2018年5月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	100%	100%
洛陽港龍置業有限公司 Luoyang Ganglong Property Co., Ltd.	26 November 2013 2013年11月26日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	90%	90%
江蘇港豪置業有限公司 Jiangsu Ganghao Property Co., Ltd.	13 November 2017 2017年11月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
常州嘉昌置業有限公司 Changzhou Jiachang Property Co., Ltd.	5 June 2017 2017年6月5日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
江蘇港瑞置業有限公司 Jiangsu Gangrui Property Co., Ltd.	13 November 2017 2017年11月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	100%	100%
鹽城市響水港龍房地產開發有限公司 Yancheng Xiangshui Ganglong Real Estate Development Co., Ltd.	17 December 2018 2018年12月17日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	100%
港龍中國地產集團有限公司 Ganglong (China) Property Limited	23 January 2019 2019年1月23日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
泰興市創和置業有限公司(附註(a)) Taixing Chuanghe Property Co., Ltd. (Note (a))	10 April 2018 2018年4月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	33%	33%
上海隴晟企業管理有限公司(附註(a)) Shanghai Xiangsheng Enterprise Management Co., Ltd. (Note (a))	27 February 2018 2018年2月27日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000 人民幣100,000元	Nil 零	50%	50%

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
湖州海王康山地產發展有限公司(附註(a)) Huzhou Hai Wang Kang Shan Real Estate Co., Ltd. (Note (a))	5 February 2018	Limited liability company	PRC	Property development	RMB10,000,000	Nil	25%	25%
上海頤興企業管理有限公司(附註(a)) Shanghai Qixing Enterprise Management Co., Ltd. (Note (a))	2018年2月5日 12 April 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB1,000,000	零 Nil	50%	50%
湖州海王康山置業發展有限公司(附註(a)) Huzhou Haiwang Kangshan Property Development Co., Ltd. (Note (a))	2018年4月12日 24 October 2017	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣1,000,000元 RMB200,000,000	零 RMB200,000,000	25%	25%
杭州宸睿置業有限公司(附註(a)) Hangzhou Chenrui Property Co., Ltd. (Note (a))	2017年10月24日 10 August 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣200,000,000元 RMB40,000,000	人民幣200,000,000元 RMB40,000,000	25%	25%
上海驥田企業管理有限公司(附註(a)) Shanghai Xiangtian Enterprise Management Co., Ltd. (Note (a))	2018年8月10日 12 April 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣40,000,000元 RMB1,000,000	人民幣40,000,000元 RMB1,000,000	50%	50%
上海崇明豫商房地產開發有限公司(附註(a)) Shanghai Chongming Yushang Real Estate Development Co., Ltd. (Note (a))	2018年4月12日 28 May 2014	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣1,000,000元 RMB150,000,000	人民幣1,000,000元 RMB20,000,000	50%	50%
蘇州拓仁企業管理有限公司(附註(a)) Suzhou Tuoren Enterprise Management Co., Ltd. (Note (a))	2014年5月28日 13 March 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣150,000,000元 RMB20,000,000	人民幣20,000,000元 RMB2,000,000	50%	50%
淮安國創房地產開發有限公司(附註(a)) Huai'an Guochuang Real Estate Development Co., Ltd. (Note (a))	2018年3月13日 29 October 2018	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB20,000,000	人民幣2,000,000元 Nil	25%	25%
江蘇通港弘置業有限公司(附註(a)) Jiangsu Tongganghong Property Co., Ltd. (Note (a))	2018年10月29日 25 February 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣20,000,000元 RMB100,000,000	零 RMB100,000,000	34%	34%
南通港華置業有限公司 Nantong Ganghua Enterprise Ltd.	2019年2月25日 11 February 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣100,000,000元 RMB71,428,500	人民幣100,000,000元 RMB71,428,500	70%	70%
蘇州琨壹置業有限公司 Suzhou Yinyi Property Co., Ltd.	2019年2月11日 26 February 2019	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣71,428,500元 RMB20,408,000	人民幣71,428,500元 Nil	51%	51%
	2019年2月26日	有限公司	中國	物業開發	人民幣20,408,000元	零		

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
常州市凱瑞置業有限公司 Changzhou Kaiyang Property Co., Ltd.	30 April 2019 2019年4月30日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB20,000,000 人民幣20,000,000元	Nil 零	51%	51%
常州全嘉置業有限公司 Changzhou Quanjia Property Co., Ltd.	15 April 2019 2019年4月15日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
上海天弘置業有限公司(附註(a)) Shanghai Tianhong Property Co., Ltd. (Note (a))	26 April 2019 2019年4月26日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	50%	50%
上海玖奕置業有限公司 Shanghai Jiuyi Property Co., Ltd.	25 June 2019 2019年6月25日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
紹興港興置業有限公司(附註(b)) Shaoxing Gangxing Property Co., Ltd. (Note (b))	24 June 2019 2019年6月24日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	Nil 零	70%	70%
如東港瑞置業有限公司(附註(b)) Rudong Gangrui Property Co., Ltd. (Note (b))	28 June 2019 2019年6月28日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	Nil 零	51%	51%
南京港龍置業有限公司 Nanjing Ganglong Real Estate Co., Ltd.	28 November 2019 2019年11月28日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	RMB500,000 人民幣500,000元	100%	100%
上海港泳置業有限公司(附註(b)) Shanghai Ganglai Real Estate Co., Ltd. (Note (b))	10 December 2019 2019年12月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
上海港茗置業有限公司 Shanghai Gangming Real Estate Co., Ltd.	10 December 2019 2019年12月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
南京港弘房地產開發有限公司(附註(a)) Nanjing Ganghong Real Estate Development Co., Ltd. (Note (a))	4 December 2019 2019年12月4日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB43,750,000 人民幣43,750,000元	50%	100%
上海港懷置業有限公司 Shanghai Ganghuai Real Estate Co., Ltd.	24 December 2019 2019年12月24日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%
上海港朋置業有限公司 Shanghai Gangpeng Real Estate Co., Ltd.	24 December 2019 2019年12月24日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	Nil 零	100%	100%

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/ 成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/ 已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
常州港嘉置業有限公司(附註(a)) Changzhou Gangjia Real Estate Co., Ltd. (Note (a))	6 August 2019 2019年8月6日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB350,000,000 人民幣350,000,000元	RMB350,000,000 人民幣350,000,000元	40%	51%
如東港達置業有限公司 Rudong Gangda Real Estate Co., Ltd.	25 July 2019 2019年7月25日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	RMB50,000,000 人民幣50,000,000元	51%	51%
蘇州瑞興房地產開發有限公司(附註(a)) Suzhou Ruixing Real Estate Development Co., Ltd. (Note (a))	4 September 2019 2019年9月4日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	RMB100,000,000 人民幣100,000,000元	35%	35%
紹興港同置業有限公司(附註(a))(附註(b)) Shaoxing Gangtong Real Estate Co., Ltd. (Note (a)) (Note (b))	19 September 2019 2019年9月19日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB20,000,000 人民幣20,000,000元	RMB20,000,000 人民幣20,000,000元	50%	50%
上海萊弘企業管理合夥企業(附註(b)) Shanghai Zhenhong Enterprise Management Partnership (Note (b))	18 September 2019 2019年9月18日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	N/A 不適用	N/A 不適用	100%	100%
上海美弘置業有限公司(附註(a))(附註(b)) Shanghai Meihong Real Estate Co., Ltd. (Note (a)) (Note (b))	24 April 2019 2019年4月24日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	39%
南通欣和置業有限公司(附註(a)) Nantong Xinhe Real Estate Co., Ltd. (Note (a))	26 September 2019 2019年9月26日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	N/A 零	28%	28%
港或(上海)置業有限公司 Gang Yu (Shanghai) Real Estate Co., Ltd.	17 July 2019 2019年7月17日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	N/A 零	60%	60%
泰州港新正置業有限公司 Taizhou Gangxinzheng Real Estate Co., Ltd.	9 December 2019 2019年12月9日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB200,000,000 人民幣200,000,000元	N/A 零	60%	60%
東台錦騰置業有限公司 Dongtai Jinteng Real Estate Co., Ltd.	5 November 2019 2019年11月5日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	USD5,000,000 5,000,000美元	N/A 零	51%	51%
上海斐寰企業管理合夥企業(附註(a)) Shanghai Fei Huan Enterprise Management Partnership (Note (a))	27 November 2019 2019年11月27日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	N/A 不適用	N/A 不適用	50%	100%

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港睿企業管理諮詢有限公司 Shanghai Gangrui Enterprise Management Consulting Co., Ltd.	1 July 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	51%	Nil
成都港龍西部置業有限公司 Chengdu Ganglong Western Real Estate Co., Ltd.	2020年7月1日 21 July 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣1,000,000元 RMB10,000,000	人民幣1,000,000元 RMB10,000,000	100%	零 Nil
安徽港山企業管理諮詢有限公司 Anhui Gangshan Enterprise Management Consulting Co., Ltd.	2020年7月21日 30 July 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB1,000,000	人民幣10,000,000元 RMB1,000,000	100%	零 Nil
淮南市港華置業有限公司 Huai'an Ganghua Real Estate Co., Ltd.	2020年7月30日 7 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣1,000,000元 USD3,000,000	人民幣1,000,000元 USD3,000,000	100%	零 Nil
上海耀揚置業有限公司 Shanghai Yaoyang Real Estate Co., Ltd.	2020年8月7日 3 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	3,000,000美元 RMB10,000,000	3,000,000美元 RMB10,000,000	100%	零 Nil
上海港輝置業有限公司 Shanghai Ganghui Real Estate Co., Ltd.	2020年8月3日 3 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	100%	零 Nil
上海玖輝置業有限公司 Shanghai Jiuhui Real Estate Co., Ltd.	2020年8月3日 3 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	100%	零 Nil
上海港捷置業有限公司 Shanghai Gangjie Real Estate Co., Ltd.	2020年8月3日 7 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	100%	零 Nil
黃山港龍置業有限公司 Huangshan Ganglong Real Estate Co., Ltd.	2020年8月7日 4 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB5,000,000	人民幣10,000,000元 RMB5,000,000	100%	零 Nil
南京港泰置業有限公司 Nanjing Gangtai Real Estate Co., Ltd.	2020年8月4日 13 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
成都港龍名揚置業有限公司 Chengdu Ganglong Mingyang Real Estate Co., Ltd.	2020年8月13日 7 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
阜陽港龍置業有限公司 Fuyang Ganglong Real Estate Co., Ltd.	2020年8月7日 13 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB1,492,537	人民幣5,000,000元 RMB1,492,537	100%	零 Nil
南通港益置業有限公司 Nantong Gangyi Real Estate Co., Ltd.	2020年8月13日 12 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣1,492,537元 RMB5,000,000	人民幣1,492,537元 RMB5,000,000	100%	零 Nil
	2020年8月12日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
南京港城置業有限公司 Nanjing Gangcheng Real Estate Co., Ltd.	13 August 2020 2020年8月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
深圳市港龍鑫誠置業有限公司 Shenzhen Ganglong Xincheng Real Estate Co., Ltd.	6 August 2020 2020年8月6日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
安徽港合企業管理諮詢有限公司 Anhui Ganghe Enterprise Management Consulting Co., Ltd.	7 August 2020 2020年8月7日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
南京港浩置業有限公司 Nanjing Ganghao Real Estate Co., Ltd.	10 August 2020 2020年8月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
杭州港宏置業有限公司 Hangzhou Ganghong Real Estate Co., Ltd.	10 August 2020 2020年8月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
浙江港騰置業有限公司 Zhejiang Gangteng Real Estate Co., Ltd.	14 August 2020 2020年8月14日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
成都港龍華蓉置業有限公司 Chengdu Ganglong Huarong Real Estate Co., Ltd.	14 August 2020 2020年8月14日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
上海港虹置業有限公司 Shanghai Gangzheng Real Estate Co., Ltd.	14 August 2020 2020年8月14日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,960,000 人民幣1,960,000元	RMB1,960,000 人民幣1,960,000元	100%	Nil 零
上海港羽置業有限公司 Shanghai Gangyue Real Estate Co., Ltd.	14 August 2020 2020年8月14日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
成都港龍蓉興置業有限公司 Chengdu Ganglong Rongxing Real Estate Co., Ltd.	18 August 2020 2020年8月18日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
河南港福置業有限公司 Henan Gangfu Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
洛陽港遠置業有限公司 Luoyang Gangda Real Estate Co., Ltd.	19 August 2020 2020年8月19日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
惠州港龍置業有限公司 Huizhou Ganglong Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
惠州市港成置業有限公司 Huizhou Gangcheng Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/ 成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港進置業有限公司 Shanghai Gangjin Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
上海港懿置業有限公司 Shanghai Gangyi Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
上海港勝置業有限公司 Shanghai Gangsheng Real Estate Co., Ltd.	21 August 2020 2020年8月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB30,000,000 人民幣30,000,000元	RMB30,000,000 人民幣30,000,000元	100%	Nil 零
海門港華置業有限公司(附註(a)) Haimen Ganghua Real Estate Co., Ltd. (Note (a))	16 January 2020 2020年1月16日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB20,000,000 人民幣20,000,000元	RMB20,000,000 人民幣20,000,000元	26%	Nil 零
上海港發置業有限公司 Shanghai Gangfa Real Estate Co., Ltd.	19 January 2020 2020年1月19日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	Nil 零
杭州杭港置業有限公司 Hangzhou Hanggang Real Estate Co., Ltd.	21 January 2020 2020年1月21日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
南通港龍置業有限公司 Nantong Ganglong Real Estate Co., Ltd.	4 March 2020 2020年3月4日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
浙江港晟置業有限公司 Zhejiang Gangsheng Real Estate Co., Ltd.	17 March 2020 2020年3月17日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
上海港岫置業有限公司 Shanghai Gangxiu Real Estate Co., Ltd.	9 April 2020 2020年4月9日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	Nil 零
上海港德置業有限公司 Shanghai Gangde Real Estate Co., Ltd.	9 April 2020 2020年4月9日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	Nil 零
浙江港榮置業有限公司 Zhejiang Gangrong Real Estate Co., Ltd.	17 April 2020 2020年4月17日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
上海港維置業有限公司 Shanghai Gangwei Real Estate Co., Ltd.	27 April 2020 2020年4月27日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	60%	Nil 零
安徽港龍置業有限公司 Anhui Ganglong Real Estate Co., Ltd.	28 April 2020 2020年4月28日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/ 成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/ 已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
蕪湖縣港生企業管理諮詢有限公司 Wuhu County Gangsheng Enterprise Management Consulting Co., Ltd.	19 May 2020	Limited liability company	PRC	Property development	RMB2,000,000	RMB2,000,000	100%	Nil
南通港軒置業有限公司 Nantong Gangxuan Real Estate Co., Ltd.	2020年5月19日 28 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣2,000,000元 RMB5,000,000	人民幣2,000,000元 RMB5,000,000	100%	零 Nil
蕪湖港春置業有限公司 Wuhu Gangchun Real Estate Co., Ltd.	2020年8月28日 19 June 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB6,000,000	人民幣5,000,000元 RMB6,000,000	60%	零 Nil
南通港榮置業有限公司 Nantong Gangrong Real Estate Co., Ltd.	2020年6月19日 18 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣6,000,000元 RMB5,000,000	人民幣6,000,000元 RMB5,000,000	100%	零 Nil
江蘇瑞升投資發展有限公司 Jiangsu Ruisheng Investment Development Co., Ltd.	2020年8月18日 15 July 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB100,000,000	人民幣5,000,000元 RMB100,000,000	100%	零 Nil
常熟港鑫房地產開發有限公司 Changshu Gangxin Real Estate Development Co., Ltd.	2020年8月15日 20 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣100,000,000元 RMB5,000,000	人民幣100,000,000元 RMB5,000,000	100%	零 Nil
常熟港睿置業有限公司 Changshu Gangrui Real Estate Co., Ltd.	2020年8月20日 13 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
鹽城市港華置業有限公司 Yancheng Ganghua Real Estate Co., Ltd.	2020年8月13日 25 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
連雲港市港連置業有限公司 Lianyungang Gangda Real Estate Co., Ltd.	2020年8月25日 21 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
成都港龍振華置業有限公司 Chengdu Ganglong Zhenhua Real Estate Co., Ltd.	2020年8月21日 20 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
安徽港瑞置業有限公司 Anhui Gangrui Real Estate Co., Ltd.	2020年8月20日 18 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB10,000,000	人民幣5,000,000元 RMB10,000,000	100%	零 Nil
上海港騰置業有限公司 Shanghai Gangteng Real Estate Co., Ltd.	2020年8月18日 25 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣10,000,000元 RMB5,000,000	人民幣10,000,000元 RMB5,000,000	100%	零 Nil
上海港越置業有限公司 Shanghai Gangyue Real Estate Co., Ltd.	2020年8月25日 25 August 2020	有限公司 Limited liability company	中國 PRC	物業開發 Property development	人民幣5,000,000元 RMB5,000,000	人民幣5,000,000元 RMB5,000,000	100%	零 Nil
	2020年8月25日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港茂置業有限公司 Shanghai Gangmao Real Estate Co., Ltd.	25 August 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年8月25日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
浙江港源置業有限公司 Zhejiang Gangyuan Real Estate Co., Ltd.	10 August 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年8月10日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
浙江港悅置業有限公司 Zhejiang Gangyue Real Estate Co., Ltd.	10 August 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年8月10日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
常州港優置業有限公司 Changzhou Gangyou Real Estate Co., Ltd.	12 August 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年8月12日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
常州港誠置業有限公司 Changzhou Gangcheng Real Estate Co., Ltd.	12 August 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年8月12日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
常州港旭置業有限公司 Changzhou Gangxu Real Estate Co., Ltd.	12 August 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年8月12日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
惠州市港傑置業有限公司(附註(b)) Huizhou Gangjie Real Estate Co., Ltd. (Note (b))	21 September 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年9月21日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
上海港立置業有限公司 Shanghai Gangli Real Estate Co., Ltd.	11 September 2020	Limited liability company	PRC	Property development	RMB10,000,000	RMB10,000,000	100%	Nil
	2020年9月11日	有限公司	中國	物業開發	人民幣10,000,000元	人民幣10,000,000元		零
上海港盈貿易有限公司 Shanghai Gangying Trading Co., Ltd.	11 September 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年9月11日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
成都名揚美川房地產開發有限公司 Chengdu Mingyang Meichuan Real Estate Development Co., Ltd.	13 October 2020	Limited liability company	PRC	Property development	RMB9,091,000	RMB9,091,000	55%	Nil
	2020年10月13日	有限公司	中國	物業開發	人民幣9,091,000元	人民幣9,091,000元		零
成都港弘置業有限公司 Chengdu Ganghong Real Estate Co., Ltd.	27 October 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年10月27日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
成都港龍振蓉置業有限公司 Chengdu Ganglong Zhenrong Real Estate Co., Ltd.	28 October 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年10月28日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
成都港龍蓉發置業有限公司 Chengdu Ganglong Rongfa Real Estate Co., Ltd.	28 October 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年10月28日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港龍祥誠置業有限公司 Shanghai Ganglong Xiangcheng Real Estate Co., Ltd.	15 October 2020	Limited liability company	PRC	Property development	RMB10,000,000	RMB10,000,000	70%	Nil
	2020年10月15日	有限公司	中國	物業開發	人民幣10,000,000元	人民幣10,000,000元		零
杭州港鑫置業有限公司 Hangzhou Gangxin Real Estate Co., Ltd.	15 October 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年10月15日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
南京港利置業有限公司 Nanjing Gangli Real Estate Co., Ltd.	2 November 2020	Limited liability company	PRC	Property development	RMB1,916,667	RMB1,916,667	60%	Nil
	2020年11月2日	有限公司	中國	物業開發	人民幣1,916,667元	人民幣1,916,667元		零
上海彙重企業管理合夥企業(有限合夥) (附註(b)) Shanghai Zhenzhong Enterprise Management Partnership (Limited Partnership) (Note (b))	2 April 2020	Limited liability company	PRC	Property development	Nil	Nil	100%	Nil
	2020年4月2日	有限公司	中國	物業開發	零	零		零
南京金俊房地產開發有限公司(附註(a)) Nanjing Jinjun Real Estate Development Co., Ltd. (Note (a))	28 May 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	25%	Nil
	2020年5月28日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
蕪湖縣港達置業有限公司 Wuhu County Gangda Real Estate Co., Ltd.	19 June 2020	Limited liability company	PRC	Property development	RMB7,000,000	RMB7,000,000	65%	Nil
	2020年6月19日	有限公司	中國	物業開發	人民幣7,000,000元	人民幣7,000,000元		零
義烏市港輝置業有限公司 Yiwu Ganghui Real Estate Co., Ltd.	4 September 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	100%	Nil
	2020年9月4日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
鹽城港達房地產開發有限公司 Yancheng Gangda Real Estate Development Co., Ltd.	8 September 2020	Limited liability company	PRC	Property development	RMB20,000,000	RMB20,000,000	51%	Nil
	2020年9月8日	有限公司	中國	物業開發	人民幣20,000,000元	人民幣20,000,000元		零
惠州市璞玉房地產開發有限公司 Huizhou Puyu Real Estate Development Co., Ltd.	7 July 2017	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	51%	Nil
	2017年7月7日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零
廣州港科置業有限公司(附註(b)) Guangzhou Gangke Real Estate Co., Ltd. (Note (b))	14 October 2020	Limited liability company	PRC	Property development	RMB1,000,000	RMB1,000,000	60%	Nil
	2020年10月14日	有限公司	中國	物業開發	人民幣1,000,000元	人民幣1,000,000元		零
安徽港豐置業有限公司 Anhui Gangfeng Real Estate Co., Ltd.	23 November 2020	Limited liability company	PRC	Property development	RMB20,000,000	RMB20,000,000	100%	Nil
	2020年11月23日	有限公司	中國	物業開發	人民幣20,000,000元	人民幣20,000,000元		零
廣州港龍企業管理諮詢有限公司 Guangzhou Ganglong Enterprise Management Consulting Co., Ltd.	23 November 2020	Limited liability company	PRC	Property development	RMB5,000,000	RMB5,000,000	100%	Nil
	2020年11月23日	有限公司	中國	物業開發	人民幣5,000,000元	人民幣5,000,000元		零

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31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/ 成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港記置業有限公司 Shanghai Gangji Real Estate Co., Ltd.	1 August 2019 2019年8月1日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	Nil 零
惠州港峰置業有限公司 Huizhou Gangfeng Real Estate Co., Ltd.	3 December 2020 2020年12月3日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
惠州港卓置業有限公司 Huizhou Gangzhuo Real Estate Co., Ltd.	3 December 2020 2020年12月3日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	100%	Nil 零
安徽港韜置業有限公司 Anhui Gangtao Real Estate Co., Ltd.	27 November 2020 2020年11月27日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
港龍科技發展(上海)有限公司 Ganglong Technology Development (Shanghai) Co., Ltd.	25 December 2020 2020年12月25日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB5,000,000 人民幣5,000,000元	RMB5,000,000 人民幣5,000,000元	70%	Nil 零
上海港環房地產有限公司 Shanghai Gangjing Real Estate Co., Ltd.	23 December 2020 2020年12月23日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	51%	Nil 零
上海眾誠企業管理合夥企業(有限合夥) (附註(b)) Shanghai Zhongyue Enterprise Management Partnership (Limited Partnership) (Note (b))	7 December 2020 2020年12月7日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB30,160,000 人民幣30,160,000元	RMB30,160,000 人民幣30,160,000元	100%	Nil 零
安徽港帆置業有限公司 Anhui Gangfan Real Estate Co., Ltd.	18 November 2020 2020年11月18日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	RMB10,000,000 人民幣10,000,000元	100%	Nil 零
廣州豐宏房地產開發有限公司 Guangzhou Fenghong Real Estate Development Co., Ltd.	10 December 2019 2019年12月10日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB2,000,000 人民幣2,000,000元	RMB2,000,000 人民幣2,000,000元	100%	Nil 零
南通久和置業有限公司(附註(a)) Nantong Jiuhe Real Estate Co., Ltd. (Note (a))	18 November 2020 2020年11月18日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB50,000,000 人民幣50,000,000元	RMB50,000,000 人民幣50,000,000元	35%	Nil 零

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2020 | 截至2020年12月31日止年度
(Amounts expressed in RMB unless otherwise stated) | (除特別註明外，金額單位為人民幣)

31. PARTICULARS OF SUBSIDIARIES (CONTINUED) 31. 附屬公司詳情(續)

Name of company* 公司名稱*	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal status 法律地位類型	Place of operation/ establishment 營運/成立地點	Principal activities 主要業務	Registered/ Issued capital 註冊/已發行股本	Paid up capital 已繳資本	Proportion of ownership interest 所有權權益比例	
							2020	2019
上海港睿置業有限公司 Shanghai Gangrui Real Estate Co., Ltd.	8 January 2020 2020年1月8日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB1,000,000 人民幣1,000,000元	RMB1,000,000 人民幣1,000,000元	100%	Nil 零
宜興港恒置業有限公司(附註(b)) Yixing Gangheng Real Estate Co., Ltd. (Note (b))	13 January 2020 2020年1月13日	Limited liability company 有限公司	PRC 中國	Property development 物業開發	RMB20,000,000 人民幣20,000,000元	RMB20,000,000 人民幣20,000,000元	100%	Nil 零

* The English names of PRC companies referred to above in this note represents management's best effort in translating the Chinese names of those companies as no English name have been registered or available.

Note:

- (a) The Group has controlled these companies through agreements entered into with certain non-controlling shareholders pursuant to which the Group has the right to make decision on relevant activities including but not limited to budget, pricing and promotion strategies of these companies. As the Group has exposure or rights to variable returns from its involvement with those companies, and has the ability to affect those returns through its majority voting position and the existing rights to direct the relevant activities, these companies are thus accounted for as subsidiaries of the Group.
- (b) The percentage of attributable equity interests presented is the beneficiary interests held by the Group. The equity interests in entities legally held by the Group are lower than the beneficiary interests because of the existence of Type II trust financing arrangements.

* 本附註上文所述中國公司的英文名稱代表管理層盡力翻譯該等公司的中文名稱，因為並無英文名稱已註冊或可供索取。

附註：

- (a) 本集團通過與若干非控股股東訂立協議控制該等公司，根據協議，本集團有權就相關業務作出決定，包括但不限於該等公司預算、定價及促銷策略的相關活動。本集團因涉及該等公司而承受可變回報的風險或有權利獲得來自該等公司的變動回報，並有能力通過其多數表決權及指導相關活動的現有權利來影響該等回報，因此該等公司被視為本集團的附屬公司。
- (b) 所呈列應佔股權百分比為本集團持有的實益權益。由於存在第二類信託融資安排，本集團合法持有的實體股權低於實益權益。

Questions about the terms of the Exchange Offer should be directed to the Dealer Advisors or the Information and Exchange Agent at their respective addresses and telephone numbers set forth below.

If you have questions regarding tender or exchange procedures, please contact the Information and Exchange Agent at the address and telephone number set forth below.

All documents of materials related to the Exchange Offer will be made available, subject to eligibility, on the Exchange Website. For additional copies of this exchange offer memorandum, please contact the Information and Exchange Agent at the address and telephone number set forth below.

Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee for assistance concerning the Exchange Offer.

The Information and Exchange Agent for the Exchange Offer is:

Morrow Sodali Limited

In London:
103 Wigmore Street
W1U 1QS
London
Telephone: +44 20 4513 6933

In Hong Kong:
The Hive
33-35 Hillier Street, Sheung Wan
Hong Kong
Telephone: +852 2319 4130

Email: glchina@investor.morrowsodali.com
Exchange Website: <https://projects.morrowsodali.com/glchina>

The Dealer Advisors for the Exchange Offer are:

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181 Queen's Road Central
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CMB International Capital Limited
45F, Champion Tower
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TRUSTEE

**China Construction Bank (Asia)
Corporation Limited**
(中國建設銀行(亞洲)股份有限公司)
28/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

PAYING AND TRANSFER AGENT AND REGISTRAR

**China Construction Bank (Asia)
Corporation Limited**
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