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Mingfa Group (International) Company Limited

明發集團（國際）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 846)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

PERFORMANCE HIGHLIGHTS

The consolidated revenue of the Group for 2017 was approximately RMB10,071.4 million, representing an increase of 97.9% as compared to 2016.

The consolidated profit attributable to the equity holders of the Company was approximately RMB1,024.2 million, representing a decrease of 12.4% as compared to 2016.

The basic and diluted earnings per share were RMB16.8 cents for 2017, representing a decrease of 12.5% as compared to 2016.

The Board does not recommend payment of final dividend for the year ended 31 December 2017.

The board (the “**Board**”) of directors (the “**Directors**”) of Mingfa Group (International) Company Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2017 together with comparative figures for the year ended 31 December 2016. The consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

		Year ended 31 December	
		2017	2016
	Note	RMB'000	RMB'000
Revenues	3	10,071,416	5,089,696
Cost of sales		<u>(7,653,174)</u>	<u>(3,942,243)</u>
Gross profit		2,418,242	1,147,453
Fair value gains on investment properties		311,966	295,157
Other income and other gains and losses	8	192,705	(352,261)
Selling and marketing costs		(459,947)	(265,556)
General and administrative expenses		<u>(689,598)</u>	<u>(670,142)</u>
Operating profit		1,773,368	154,651
Finance income	10	100,529	125,083
Finance costs	10	<u>—</u>	<u>—</u>
Finance income — net	10	<u>100,529</u>	<u>125,083</u>
Share of results of			
— Associated companies		34,768	55,952
— Joint ventures		<u>(9,849)</u>	<u>488,961</u>
		<u>24,919</u>	<u>544,913</u>
Profit before income tax	9	1,898,816	824,647
Income tax (expense)/credit	11	<u>(713,365)</u>	<u>349,510</u>
Profit for the year		<u>1,185,451</u>	<u>1,174,157</u>
Attributable to:			
Equity holders of the Company		1,024,220	1,169,435
Non-controlling interests		<u>161,231</u>	<u>4,722</u>
		<u>1,185,451</u>	<u>1,174,157</u>
Earnings per share for profit attributable to equity holders of the Company (RMB cents)	13		
— Basic		16.8	19.2
— Diluted		<u>16.8</u>	<u>19.2</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Profit for the year	<u>1,185,451</u>	<u>1,174,157</u>
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	3,585	7,132
<i>Item that will not be reclassified subsequently to profit or loss</i>		
— Revaluation deficit upon transfer of an owner-occupied property to an investment property	<u>(1,093)</u>	<u>—</u>
Other comprehensive income for the year, net of tax	<u>2,492</u>	<u>7,132</u>
Total comprehensive income for the year	<u><u>1,187,943</u></u>	<u><u>1,181,289</u></u>
Attributable to:		
Equity holders of the Company	1,026,712	1,176,567
Non-controlling interests	<u>161,231</u>	<u>4,722</u>
	<u><u>1,187,943</u></u>	<u><u>1,181,289</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

		As at 31 December	
		2017	2016
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,638,606	1,784,249
Investment properties		8,567,027	8,168,835
Land use rights		164,699	189,722
Goodwill		7,169	7,169
Investments in associated companies		1,417,372	1,323,227
Investments in joint ventures		1,965,796	1,948,223
Deferred income tax assets		529,045	304,823
Available-for-sale financial assets		30,150	26,150
Amount due from a joint venture		274,455	264,254
Other receivables	4	185,086	15,086
Prepayments or deposits for land use rights		2,526,790	2,848,526
		17,306,195	16,880,264
Current assets			
Land use rights		16,592,338	13,176,631
Properties under development		14,285,914	11,471,804
Completed properties held for sale		9,622,216	9,601,913
Inventories		41,578	44,582
Trade and other receivables and prepayments	4	4,841,047	5,101,392
Prepaid income taxes		459,744	605,471
Amounts due from related parties, joint ventures and associated companies		571,350	152,874
Amounts due from non-controlling interests		256,860	196,572
Restricted cash		366,363	1,382,867
Cash and cash equivalents		2,849,226	2,290,138
		49,886,636	44,024,244
Total assets		67,192,831	60,904,508

		As at 31 December	
		2017	2016
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Current liabilities			
Trade and other payables	7	12,466,560	10,765,939
Advanced proceeds received from customers		15,720,183	14,802,354
Amounts due to related parties, joint ventures and associated companies		5,327,292	4,152,014
Amounts due to non-controlling interests		697,451	668,680
Income tax payable		1,619,197	1,120,994
Borrowings	6	10,254,139	9,148,654
Provision for other liabilities and charges		65,064	65,089
		46,149,886	40,723,724
Net current assets		3,736,750	3,300,520
Total assets less current liabilities		21,042,945	20,180,784
Non-current liabilities			
Deferred government grants		1,641,326	1,611,659
Borrowings	6	2,611,106	3,440,187
Deferred income tax liabilities		1,974,243	1,816,189
Other payables	7	400,000	50,000
		6,626,675	6,918,035
Total liabilities		52,776,561	47,641,759
Net assets		14,416,270	13,262,749
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	5	536,281	536,281
Reserves		12,932,948	11,906,236
		13,469,229	12,442,517
Non-controlling interests		947,041	820,232
Total equity		14,416,270	13,262,749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 November 2009. Its immediate and ultimate holding company is Galaxy Earnest Limited (incorporated in the British Virgin Islands).

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

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 both years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets which are carried at fair value.

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

(i) Adoption of new/revised HKFRSs — effective 1 January 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

(ii) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
HKFRS 16	Leases ²
HK(IFRIC)–Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations ²
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 11, Joint Arrangements ²
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes ²
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs ²
Amendments to HKAS 19	Employee Benefits ²
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKAS 1 and HKAS 8	Definition of Material ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2020

⁴ Effective for business combinations and asset acquisitions for which the acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

⁵ The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3 REVENUES AND SEGMENT INFORMATION

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

- (i) the property development segment engages in real estate development, and is further segregated into commercial and residential;
- (ii) the hotel segment engages in hotel operation;
- (iii) the property investment and management segment invests in properties for their rental income potential and/or for capital appreciation, and provides management and security services to residential, hotel and commercial properties;
- (iv) the property construction segment engaged in construction operation and was inactive.

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

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

Inter-segment revenues are eliminated on consolidation.

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

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

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities and income tax payable.

(a) Segment information

The segment results and other segment items for the year ended 31 December 2017 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	Property construction RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenues	548,616	9,030,119	230,024	257,089	—	9,397	—	10,075,245
Inter-segment revenues	—	—	(3,829)	—	—	—	—	(3,829)
Revenues	<u>548,616</u>	<u>9,030,119</u>	<u>226,195</u>	<u>257,089</u>	<u>—</u>	<u>9,397</u>	<u>—</u>	<u>10,071,416</u>
Operating (loss)/profit	<u>(142,179)</u>	<u>1,345,150</u>	<u>(215)</u>	<u>487,259</u>	<u>—</u>	<u>83,353</u>	<u>—</u>	<u>1,773,368</u>
Finance income — net								100,529
Share of results of associated companies	(16,133)	—	—	52,160	—	(1,259)	—	34,768
Share of results of joint ventures	(9,849)	—	—	—	—	—	—	(9,849)
Profit before income tax								1,898,816
Income tax expense								<u>(713,365)</u>
Profit for the year								<u>1,185,451</u>
Other segment information								
Capital and property development expenditure	132,959	4,531,316	3,021	313,568	—	157	—	4,981,021
Depreciation	11,244	36,191	36,988	2,140	—	108	—	86,671
Amortisation of land use rights as expenses	—	11,476	—	—	—	128	—	11,604
Fair value gains on investment properties	—	—	—	311,966	—	—	—	311,966

The segment assets and liabilities as at 31 December 2017 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	Property construction RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	11,088,372	56,297,486	2,396,113	12,545,576	—	11,329,954	(30,866,777)	62,790,724
Associated companies	196,752	73,121	—	1,041,113	—	106,386	—	1,417,372
Joint ventures	1,938,374	27,422	—	—	—	—	—	1,965,796
	<u>13,223,498</u>	<u>56,398,029</u>	<u>2,396,113</u>	<u>13,586,689</u>	<u>—</u>	<u>11,436,340</u>	<u>(30,866,777)</u>	<u>66,173,892</u>
Unallocated:								
Deferred income tax assets								529,045
Prepaid income taxes								459,744
Available-for-sale financial assets								30,150
Total assets								<u>67,192,831</u>
Segment liabilities	<u>9,035,960</u>	<u>34,109,112</u>	<u>206,896</u>	<u>7,807,315</u>	<u>—</u>	<u>16,025,370</u>	<u>(30,866,777)</u>	<u>36,317,876</u>
Unallocated:								
Deferred income tax liabilities								1,974,243
Borrowings								12,865,245
Income tax payable								1,619,197
Total liabilities								<u>52,776,561</u>

The segment results and other segment items for the year ended 31 December 2016 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	Property construction RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenues	286,008	4,385,631	189,244	231,767	—	1,121	—	5,093,771
Inter-segment revenues	—	—	(4,075)	—	—	—	—	(4,075)
Revenues	<u>286,008</u>	<u>4,385,631</u>	<u>185,169</u>	<u>231,767</u>	<u>—</u>	<u>1,121</u>	<u>—</u>	<u>5,089,696</u>
Operating profit/(loss)	<u>5,416</u>	<u>120,651</u>	<u>(21,886)</u>	<u>352,980</u>	<u>—</u>	<u>(302,510)</u>	<u>—</u>	<u>154,651</u>
Finance income — net								125,083
Share of results of associated companies	(132)	625	—	56,182	—	(723)	—	55,952
Share of results of joint ventures	488,961	—	—	—	—	—	—	488,961
Profit before income tax								824,647
Income tax credit								349,510
Profit for the year								<u>1,174,157</u>
Other segment information								
Capital and property development expenditure	565,793	5,379,164	418,784	100,319	—	15,769	—	6,479,829
Depreciation	7,319	36,557	36,301	2,071	—	127	—	82,375
Amortisation of land use rights as expenses	—	6,439	—	—	—	76	—	6,515
Fair value gains on investment properties	—	—	—	295,157	—	—	—	295,157

The segment assets and liabilities as at 31 December 2016 are as follows:

	Property development — commercial <i>RMB'000</i>	Property development — residential <i>RMB'000</i>	Hotel <i>RMB'000</i>	Property investment and management <i>RMB'000</i>	Property construction <i>RMB'000</i>	All other segments <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	12,484,156	45,801,700	2,687,937	12,777,647	—	11,542,828	(28,597,654)	56,696,614
Associated companies	148,241	46,038	—	973,353	—	155,595	—	1,323,227
Joint ventures	1,948,223	—	—	—	—	—	—	1,948,223
	<u>14,580,620</u>	<u>45,847,738</u>	<u>2,687,937</u>	<u>13,751,000</u>	<u>—</u>	<u>11,698,423</u>	<u>(28,597,654)</u>	<u>59,968,064</u>
Unallocated:								
Deferred income tax assets								304,823
Prepaid income taxes								605,471
Available-for-sale financial assets								26,150
Total assets								<u>60,904,508</u>
Segment liabilities	<u>11,765,616</u>	<u>25,213,483</u>	<u>926,543</u>	<u>7,915,158</u>	<u>—</u>	<u>14,892,589</u>	<u>(28,597,654)</u>	<u>32,115,735</u>
Unallocated:								
Deferred income tax liabilities								1,816,189
Borrowings								12,588,841
Income tax payable								1,120,994
Total liabilities								<u>47,641,759</u>

(b) Revenues

Turnover of the Group comprises revenues recognised as follows:

	Year ended 31 December	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of properties		
— commercial	548,616	286,008
— residential	9,030,119	4,385,631
	9,578,735	4,671,639
Hotel operating income	226,195	185,169
Rental income		
— from investment properties	169,584	156,274
— others	30,303	30,764
Property management fee income	57,202	44,729
Miscellaneous income	9,397	1,121
	10,071,416	5,089,696

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Trade receivables	447,377	424,359
Less: Provision for impairment of trade receivables (<i>Note (b)</i>)	(50,686)	(50,684)
Trade receivables — net (<i>Note (a)</i>)	396,691	373,675
Deposits for resettlement costs	2,879	2,889
Deposits for land purchases	308,763	635,990
Deposit for acquisition of a company	152,837	—
Advances to group companies of non-controlling interests (<i>Note (c)</i>)	1,323,606	1,238,976
Advances to other parties (<i>Note (d)</i>)	—	562,705
Government grant receivables	60,220	213,946
Other receivables (<i>Note (f)</i>)	781,780	446,114
Prepayments for commission fees	162,312	135,557
Prepayments for construction costs	1,371,966	1,067,686
Prepaid business tax and other levies on pre-sale proceeds	464,828	438,631
Miscellaneous	251	309
	5,026,133	5,116,478
Less: Non-current portion of other receivables (<i>Note (e)</i>)	(185,086)	(15,086)
Current portion	4,841,047	5,101,392

As at 31 December 2017 and 2016, the fair values of trade receivables, deposits for resettlement costs, acquisition of a company and land purchases, advances to group companies of non-controlling interests and other parties and other receivables approximate their carrying amounts.

Notes:

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

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Within 90 days	86,386	54,376
Over 90 days and within 1 year	105,087	110,832
Over 1 year and within 2 years	111,892	143,640
Over 2 years	93,326	64,827
	396,691	373,675

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on due dates, as of the end of the year is as follows:

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Neither past due nor impaired	—	—
Within 90 days	86,386	54,376
Over 90 days and within 1 year	105,087	110,832
Over 1 year and within 2 years	111,892	143,640
Over 2 years	93,326	64,827
	396,691	373,675

As at 31 December 2017, trade receivables of RMB50,686,000 (2016: RMB50,684,000) are considered impaired. The ageing of these receivables are over 2 years.

- (b) Movements in provision for impairment of trade receivables are as follows:

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Opening balance	50,684	50,684
Provision for impairment	2	—
Ending balance	50,686	50,684

- (c) The amount represents advances to group companies of non-controlling interests, which is engaged in property development business and has a long standing business relationship with the Group. The balance is unsecured, interest-free and repayable on demand.
- (d) As at 31 December 2016, the amounts are unsecured, interest-bearing at 4.35% per annum and repayable on demand.
- (e) The non-current portion of other receivables comprised the below items:
- Pursuant to the agreement entered into between the Group and other parties in October 2015, the Group agreed to purchase 9% equity interest of an insurance company at a cash consideration of RMB90,000,000, which was fully paid in February 2017. Up to the date of this results announcement, the transaction has not yet completed and is pending for approval by the government authority.
 - According to the co-operation agreement dated October 2017, the Group agreed to purchase 50% equity interest of a subsidiary at a cash consideration of RMB210,000,000. As at end of the reporting period, RMB80,000,000 has been paid by the Group. The transaction was completed in August 2018.

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

(f) The amount mainly comprises general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry.

5 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent <i>RMB</i>
Authorised:			
At 1 January 2016, 31 December 2016 and at 31 December 2017	<u>12,000,000,000</u>	<u>1,200,000,000</u>	
Issued and fully paid:			
At 1 January 2016, 31 December 2016 and at 31 December 2017	<u>6,093,451,026</u>	<u>609,345,103</u>	<u>536,280,877</u>

6 BORROWINGS

	As at 31 December	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities		
Bank borrowings — secured	7,054,638	8,255,270
Senior notes and bonds	1,753,969	1,124,834
Other borrowings — secured	<u>746,000</u>	<u>100,000</u>
	9,554,607	9,480,104
Less: Amounts due within one year	<u>(6,943,501)</u>	<u>(6,039,917)</u>
	<u>2,611,106</u>	<u>3,440,187</u>
Borrowings included in current liabilities		
Bank borrowings — secured	1,746,012	1,915,037
Other borrowings — guaranteed and secured	886,026	1,193,700
Current portion of long-term borrowings	6,943,501	6,039,917
Senior notes	<u>678,600</u>	<u>—</u>
	<u>10,254,139</u>	<u>9,148,654</u>

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Trade payables (<i>Note (a)</i>)	7,814,630	7,350,749
Other payables (<i>Note (b)</i>)	4,894,032	3,321,934
Other taxes payable	157,898	143,256
	<u>12,866,560</u>	<u>10,815,939</u>
Less: Non-current portion of other payables (<i>Note (b)(i)</i>)	<u>(400,000)</u>	<u>(50,000)</u>
Current portion	<u>12,466,560</u>	<u>10,765,939</u>

Notes:

- (a) The ageing analysis of trade payables, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Within 90 days	4,552,683	3,563,316
Over 90 days and within 1 year	1,041,891	1,441,566
Over 1 year	2,220,056	2,345,867
	<u>7,814,630</u>	<u>7,350,749</u>

- (b) Other payables comprise:

	As at 31 December	
	2017	2016
	RMB'000	RMB'000
Deposits and advances from contractors	455,613	545,732
Deposits received from tenants of investment properties	65,374	52,574
Deposits received from customers for purchase of properties	1,497,535	1,173,168
Advances from shareholders of associated companies and joint ventures (<i>Note (i)</i>)	1,351,674	214,969
Advances from group companies of non-controlling interests (<i>Note (ii)</i>)	196,026	—
Advances from other parties (<i>Note (iii)</i>)	110,313	582,668
Consideration payable on acquisition of lands	202,746	—
Consideration payable on acquisition of subsidiaries	267,504	161,133
Consideration received for disposal of a subsidiary	91,200	91,200
Commission payables	6,830	31,129
Payable to a joint operation partner	39,140	42,598
Accruals and other payables (<i>Note (iv)</i>)	445,406	143,107
Provision for loss arising from financial guarantee agreements (<i>Note 8(c)</i>)	89,136	89,136
Miscellaneous	75,535	194,520
	<u>4,894,032</u>	<u>3,321,934</u>

Notes:

- (i) As at 31 December 2017, except for advances from shareholders of associated companies and joint ventures amounted to RMB506,792,000 (2016: RMB167,052,000) for current portion which is unsecured, interest-bearing with interest rate ranging from 5.2% to 12% (2016: 10%) per annum and repayable from 6 months to 2 years (2016: 1.5 years) after drawdown date, the remaining balances are unsecured, interest-free and repayable on demand.

The non-current portion of advances from shareholders of associated companies and joint ventures are non-trade in nature, unsecured, interest-bearing at 5.2% (2016: 10%) per annum, and repayable in 2 years after drawdown date.

- (ii) As at 31 December 2017, the amount is unsecured, interest-bearing at 9.5% per annum and repayable on demand.
- (iii) As at 31 December 2017, advances from other parties amounted to RMB110,313,000 (2016: RMB104,073,000) are secured, interest-bearing at 12% (2016: 12%) per annum and repayable on demand. The remaining balance as at 31 December 2016 is unsecured, interest-bearing at 4.35% per annum and repayable on demand.
- (iv) The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.

8 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2017 RMB'000	2016 RMB'000
Government grants (<i>Note (a)</i>)	2,452	4,318
Net gain/(loss) from disposal of property, plant and equipment	420	(716)
Net exchange gains/(losses) (<i>Note (b)</i>)	211,048	(265,215)
Net loss arising from disposal of investment properties	(1,657)	—
Provision for loss on financial guarantee in respect of guarantee agreements (<i>Note (c)</i>)	—	(89,136)
Miscellaneous	(19,558)	(1,512)
	<u>192,705</u>	<u>(352,261)</u>

Notes:

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

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

- (b) Exchange difference mainly arises from the senior notes and bonds as stated in Note 6 which is denominated in USD.

- (c) In 2016, a provision for losses arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Group amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively.

9 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging the following:

	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Staff costs — including directors' emoluments (<i>Note (a)</i>)	361,257	306,256
Auditor's remuneration	4,800	4,800
Charitable donation	14,311	3,081
Bad debt written off	—	85,091
Depreciation	86,671	82,375
Amortisation of land use rights	11,604	6,515
Cost of properties sold	6,962,282	3,556,055
Business tax and other levies on sales and construction of properties (<i>Note (b)</i>)	444,875	160,164
Direct outgoings arising from investment properties that generate rental income	124,860	85,619
Operating lease expenses on land and buildings	43,076	37,481
Provision for impairment of receivables	2	1
Hotel operating expenses	116,861	108,266
Provision for delay in delivering properties	2,448	27,131

Notes:

(a) Staff costs (including directors' emoluments)

	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Wages and salaries	311,557	261,524
Pension costs — defined contribution plans	30,755	26,564
Other allowances and benefits	18,945	18,168
	<u>361,257</u>	<u>306,256</u>

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

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

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Finance income		
— interest income on bank deposits and loan to a related party	<u>100,529</u>	<u>125,083</u>
Interest expenses on bank borrowings	(706,786)	(803,671)
Interest expenses on other borrowings and advances from other parties	(61,821)	(132,344)
Interest expenses on senior notes and bonds	(222,962)	(94,583)
Less: Interest capitalised	<u>991,569</u>	<u>1,030,598</u>
Finance costs	<u>—</u>	<u>—</u>
Net finance income	<u><u>100,529</u></u>	<u><u>125,083</u></u>

11 INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Current income tax		
— PRC enterprise income tax	468,871	155,548
— PRC land appreciation tax		
— current year	310,662	258,922
— over provision in respect of prior years (<i>Note</i>)	<u>—</u>	<u>(964,451)</u>
	<u>779,533</u>	<u>(549,981)</u>
Deferred income tax		
— PRC enterprise income tax	(146,869)	130,693
— PRC withholding income tax	<u>80,701</u>	<u>69,778</u>
	<u>(66,168)</u>	<u>200,471</u>
	<u><u>713,365</u></u>	<u><u>(349,510)</u></u>

Note:

In 2016, a portion of provision for PRC land appreciation tax brought forward from prior years of certain subsidiaries was reversed during the year after the relevant tax authorities have confirmed the final amounts of the PRC land appreciation tax charged to the subsidiaries.

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profit in Hong Kong for the year ended 31 December 2017 (2016: Nil).

PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2016: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

PRC withholding income tax

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

12 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2017 (2016: Nil).

13 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share for the years ended 31 December 2017 and 2016 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential shares in issue during 2017 and 2016, and the Company's shares were suspended for trading on the Stock Exchange, diluted earnings per share is the same as basic earnings per share.

	Year ended 31 December	
	2017	2016
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	<u>1,024,220</u>	<u>1,169,435</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>6,093,451</u>	<u>6,093,451</u>
Basic and diluted earnings per share (<i>RMB cents</i>)	<u>16.8</u>	<u>19.2</u>

EMPHASIS OF MATTER

As disclosed in the Company's 2016 annual report, the auditors' report on the consolidated financial statements of the Group contained a qualified opinion due to audit scope limitations relating to whether consolidating an investee in the Group's 2015 consolidated financial statements and not recognising the gain on disposal of the Group's 51% equity interest in the investee was appropriate. Any adjustments, if necessary, to account for the sale of the Group's 51% equity interest in the investee during the year ended 31 December 2015 and to de-consolidate the investee in 2015 consolidated financial statements would have consequential impacts on the consolidated statement of profit or loss, consolidated statement of other comprehensive income and the elements making up the consolidated statement of cash flows for the year ended 31 December 2016 and the related disclosures thereof in 2016 consolidated financial statements.

Accordingly, we draw attention to the possible effect of the matter mentioned in the above on the comparability of the related 2017 figures and the 2016 figures in the consolidated financial statements of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and the related disclosures thereof in the consolidated financial statements.

RESULTS

The consolidated revenue of the Group was approximately RMB10,071.4 million for 2017 (2016: approximately RMB5,089.7 million), representing an increase of 97.9% as compared to 2016. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB1,185.5 million and RMB1,024.2 million respectively for 2017 (2016: approximately RMB1,174.2 million and RMB1,169.4 million respectively), representing an increase of 1.0% and a decrease of 12.4% respectively as compared to 2016. The basic and diluted earnings per share were RMB16.8 cents for 2017 (2016: RMB19.2 cents per share), representing a decrease of 12.5% as compared to 2016.

The Board does not recommend payment of final dividend for the year ended 31 December 2017.

INDUSTRY REVIEW

According to the data from the National Bureau of Statistics, GFA sold in commodity properties reached 1.69 billion square metres in 2017. It was also noted that both GFA sold and transaction volume hit record high for 2016 and 2017.

During 2017, regulatory measures were imposed on both demand-side and supply-side of the real estate market. Local governments imposed various short-term policies to curb the speculative demand in the property market. Owing to the effects of the launched policies, the properties market divergence was seen in 2017. The properties in first tier cities decreased in price and transaction value while the properties market became active in

third and fourth tier cities in terms of average selling price (“ASP”) and transaction volume. Meanwhile, the properties in the second tier cities have certain divergence, some cities had growth in ASP and transaction value.

BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB10,071.4 million for 2017 (2016: approximately RMB5,089.7 million), representing an increase of 97.9% as compared to 2016. The increased in revenue in 2017 was mainly due to the increase in the GFA delivered from 674,347 sq.m. in 2016 to 1,029,065 sq.m. in 2017.

The gross profit of the Group was approximately RMB2,418.2 million for 2017, representing an increase of 110.7% as compared to 2016 (2016: approximately RMB1,147.5 million). The gross profit for 2017 increased primary as a result of the revenue growth.

The profit for the year of the Group increased by 1.0% from approximately RMB1,174.2 million in 2016 to approximately RMB1,185.5 million in 2017. There was immaterial change in profit despite the increase in revenue of 97.9%. The major reason was due to the reversal of over-provided LAT arisen from Xiamen Mingfa Shopping Mall in 2016 but no such reversal in 2017.

The profit attributable to the equity holders of the Company was approximately RMB1,024.2 million for 2017, representing a decrease of approximately RMB145.2 million or approximately 12.4% from 2016 (2016: approximately RMB1,169.4 million). It was mainly due to the decrease in the reversal of over-provided LAT in Xiamen Mingfa Shopping Mall in 2017.

The cost of sales of the Group was approximately RMB7,653.2 million for 2017, representing an increase of 94.1% as compared to 2016 (2016: approximately RMB3,942.2 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB6,765.6 per sq.m. for 2017, representing an increase of 28.3% over 2016 (2016: average cost of properties included in cost of sales was RMB5,273.3 per sq.m.). The main reason was due to the higher land cost of Nanjing properties which were delivered in 2017.

The total GFA sold and delivered by the Group in 2017 was approximately 1,029,065 sq.m., representing an increase of 52.6% as compared to 2016 (2016: approximately 674,346 sq.m.). Such increase was due to more properties delivered in the newly completed projects in Nanjing in 2017 which accounted for GFA of 253,367 sq.m.

During the year under review, the ASP of the Group's delivered properties was RMB9,308.2 per sq.m., representing an increase of 34.4% as compared to 2016 (2016: RMB6,927.7 per sq.m). Such increase was mainly due to more high valued properties in Nanjing being delivered to buyers in 2017.

In the year under review, the Group recorded contracted sales of approximately RMB12,510.5 million with GFA of 1,606,730 sq.m. (2016: approximately RMB14,004.7 million with GFA of 1,751,699 sq.m.).

The GFA of the properties delivered by the Group in 2017 and the ASP per sq.m. were as follows:

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		ASP (RMB per sq.m.)	
	2017	2016	2017	2016	2017	2016
Nanjing Mingfa New City Finance Building	2,092,726.7	347,820.2	187,903.5	40,349.5	11,137.2	8,620.2
Nanjing Mingfa Xiang Hill Garden	1,984,257.2	n/a	122,871.8	n/a	16,149.0	n/a
Nanjing Rong Li	1,488,378.6	n/a	88,591.2	n/a	16,800.5	n/a
Nanjing Mingfa Cloud Mansion	839,292.5	n/a	49,181.7	n/a	17,065.1	n/a
Nanjing Mingfa Pearl River International	460,416.1	n/a	20,876.0	n/a	22,054.8	n/a
Jinzhai Mingfa Shopping Mall	449,664.5	194,420.9	108,249.3	51,340.2	4,154.0	3,786.9
Changsha Mingfa Shopping Mall	389,775.7	178,287.8	82,200.1	47,121.7	4,741.8	3,783.6
Wuxi Mingfa International New Town	354,086.1	380,147.8	59,340.1	63,414.9	5,967.1	5,994.6
Taizhou Mingfa City Complex	348,516.1	518,838.2	81,488.6	112,559.8	4,276.9	4,609.4
Yangzhou Mingfa Jiangwan City	241,296.1	369,297.5	42,194.3	65,005.0	5,718.7	5,681.1
Pingliang Mingfa European City	236,728.8	138,059.8	57,934.9	29,482.3	4,086.1	4,682.8
Zhenjiang Mingfa Jinxiu Yinshan	197,925.5	146,267.2	48,860.5	33,846.5	4,050.8	4,321.5
Nanjing Mingfa Pearl Spring Resort	93,596.7	217,843.7	4,987.6	11,587.8	18,765.8	18,799.4
Quanzhou Mingfa International Huachang City	91,920.9	156,220.5	19,307.5	39,279.7	4,760.9	3,977.1
Zhangzhou Longhai Mingfa Mall	14,532.5	218,410.1	2,347.3	36,068.3	6,191.2	6,055.5
Xiamen Mingfa Xiang Wan Peninsula	14,313.5	156,748.7	2,359.8	11,868.6	6,065.5	13,207.0
Nanjing Mingfa City Square	2,231.8	106,565.3	187.5	12,085.1	11,904.2	8,817.9
Beijing Mingfa Mall	n/a	1,172,221.2	n/a	67,296.8	n/a	17,418.7
Others	279,074.9	370,489.5	50,183.0	53,040.4	5,561.1	6,985.0
Total	<u>9,578,734.2</u>	<u>4,671,638.5</u>	<u>1,029,064.7</u>	<u>674,346.6</u>	<u>9,308.2</u>	<u>6,927.7</u>

PRE-SOLD PROPERTIES

As at 31 December 2017, the attributable GFA of pre-sold properties not yet delivered to the buyers was 2,400,122 sq.m. (2016: 1,794,283 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Changsha	Changsha Mingfa Shopping Mall	100%	28,378
Chizhou	Taoyuan Mingzhu	100%	9,347
Dangtu	Taoyuan Xi'an	100%	4,117
Guang'an	Guang'an Mingfa Mall	100%	96,903
Hanshan	Taoyuan Guandi	100%	6,167
Hefei	Hefei Mingfa Shopping Mall	100%	19,728
Honglai	Honglai Mingfa Commercial Centre	100%	571
Huai'an	Huai'an Mingfa Shopping Mall	100%	3,729
Huizhou	Huizhou Mingfa Gaobang New City	80%	21,942
Jinzhai	Jinzhai Mingfa City Square	100%	472,064
Laian	Mingfa North Station New Town	70%	42,902
Ma'anshan	Mingfa Mingbao Town	100%	82,025
Nanjing	Nanjing Mingfa Riverside New Town	100%	4,337
Nanjing	Nanjing Mingfa City Square	100%	5,681
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	10,912
Nanjing	Nanjing Mingfa Yuejingyuan	100%	46,544
Nanjing	Nanjing Mingfa Pearl River International	100%	1,075
Nanjing	Nanjing Mingfa Cloud Mansion	40%	570
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Nanjing	Nanjing Dream Garden	51%	57,066
Nanjing	Nanjing Rong Li	51%	36,248
Nanjing	Nanjing Mingfa Xianghill Garden	100%	3,566
Nanjing	Nanjing Mingfa New City Finance Building	100%	1,869
Nanjing	Nanjing Mingfa Wealth Centre	100%	71,868
Nanjing	Nanjing Mingfa Yueshanyuefu	100%	6,244
Nanjing	Nanjing Ming Hong Xin Yue City	40%	14,833
Pingliang	Pingliang Mingfa European City	60%	2,872
Quanjiao	Taoyuan New Town	100%	39,085
Quanjiao	Taoyuan Mansion	100%	6,433
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	29,837
Shanghai	Shanghai Mingfa Shopping Mall	100%	190
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	72,331
Shenyang	Shenyang Creative Industrial Estate	100%	1,318

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Shenzhen	Shenzhen Mingfa Guangming Xuan	100%	1,492
Sihong	Sihong 2017-A04	100%	8,089
Taizhou	Taizhou Mingfa City Complex	100%	79,729
Tianjin	Tianjin Binhai Mingfa Shopping Mall	100%	53,590
Wujiang	Wujiang Mingfa Jiangwan New City	100%	640,997
Wuxi	Wuxi Mingfa Shopping Mall	70%	2,446
Wuxi	Wuxi Mingfa International New Town	100%	8,809
Xiamen	Xiamen Mingfa International New Town	100%	313
Xiamen	Xiamen Mingfa Xiang Wan Peninsula	100%	2,079
Xiamen	Xiamen Mingfa Harbour Resort	100%	3,318
Xiamen	Xiamen Mingfa Shopping Mall	70%	15,674
Xiamen	Xiamen Mingfeng Town	100%	19,529
Yangzhou	Yangzhou Mingfa Shopping Mall	100%	7,047
Yangzhou	Yangzhou Mingfa Jiangwan City	100%	22,299
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	4,412
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	118,755
Zhenjiang	Zhenjiang Mingfa Xinjin Yuancheng	100%	14,210
Zhenjiang	Zhenjiang Jinxiu Yishan	100%	18,706
Zibo	Shandong Zibo World Trade Center	100%	147,330
Total			2,400,122

SUMMARY OF LAND BANK

As at 31 December 2017, land bank attributable to the Group increased by 17.6% to approximately 21.4 million sq.m. (2016: approximately 18.2 million sq.m.), consisting of 99 projects (2016: 77 projects) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed Projects	24	2.1
Projects under Development	48	13.7
Projects for Future Development	27	5.6
Total	99	21.4

The following tables summarize the details of the Group's land bank as at 31 December 2017:

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Completed Property (held for sale/leasing) (Note 1)								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/Office	Completed	18,247	450	100%	450
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Ivling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/ Commercial	Completed	18,697	13,850	100%	13,850
Xiamen Jianqun Elegant Garden	Located at Qianpu Lianqian East Road North, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/ Commercial/Office	Completed	26,016	5,761	100%	5,761
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/ Hotel	Completed	166,775	27,016	70%	18,911
Xiamen Mingfa Town	Located at Ivling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/ Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	10,252	100%	10,252
Nanjing Mingfa Riverside New Town	Located in Taishan village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/ Commercial	Completed	1,072,182	67,084	100%	67,084
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/ Hotel	Completed	182,588	112,186	100%	112,186
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/ Commercial/Hotel	Completed	216,643	437,297	70%	306,108
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/ Commercial/Office/ Hotel	Completed	176,698	188,631	100%	188,631
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/ Commercial/Hotel	Completed	145,267	226,436	100%	226,436
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/ Commercial/Office	Completed	128,683	70,551	100%	70,551
Honglai Mingfa Commercial Center	Located at Honglai District, Nanan, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	11,982	100%	11,982
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/ Commercial	Completed	104,380	14,143	100%	14,143
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xinpu Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/ Commercial/Office/ Hotel	Completed	223,589	239,618	100%	239,618
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	138,083	100%	138,083

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Huaian Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	14,218	100%	14,218
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhuang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	9,735	100%	9,735
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/ Commercial	Completed	59,042	173,044	100%	173,044
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	78,139	40%	31,256
Jinzhai Mingfa City Square (Plot G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/ Commercial	Completed	105,504	292,186	100%	292,186
Jinzhai Mingfa City Square (Plot D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/ Commercial	Completed	62,885	82,706	100%	82,706
Sub-total					3,027,566	2,231,004		2,044,827
Properties under development (Note 2)								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2019	Residential/ Commercial/Hotel	Completion certificate had been granted for GFA of 246,245 sq.m. in December 2017. The remaining GFA of 158,433 sq.m. will be completed in December 2019	296,702	210,081	100%	210,081
Huaian Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huaian, Jiangsu Province	Dec/2020	Commercial	Approximately 80% of construction has been completed	133,110	266,335	100%	266,335
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2019	Residential/ Commercial	Completion certificate had been granted for GFA of 280,040 sq.m. in December 2014. The remaining GFA of 26,070 sq.m. will be completed in December 2018	61,222	191,639	100%	191,639
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2019	Residential/ Commercial	Completion certificate had been granted for GFA of 519,938 sq.m. in December 2017. The remaining GFA of 29,623 sq.m. will be completed in December 2019	258,297	127,148	100%	127,148
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa east Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2019	Residential	Completion certificate had been granted for GFA of 196,412 sq.m. in December 2017. The remaining GFA of 25,120 sq.m. will be completed in December 2019	158,238	37,732	100%	37,732
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2020	Residential/ Commercial	Completion certificate had been granted for GFA of 417,064 sq.m. in December 2015. The remaining GFA of 361,737 sq.m. will be completed in December 2020	292,487	418,789	100%	418,789

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Oct/2020	Residential/Industrial	Completion certificate had been granted for GFA of 37,063 sq.m. in December 2016. The remaining GFA of 270,791 sq.m. will be completed in October 2020	237,075	313,974	100%	313,974
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2020	Residential/ Commercial	Completion certificate had been granted for GFA of 39,734 sq.m. in December 2016. The remaining GFA of 244,449 sq.m. will be completed in December 2019	78,622	239,347	100%	239,347
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/ Commercial	Completion certificate had been granted for GFA of 81,371 sq.m. in December 2016. The remaining GFA of 112,502 sq.m. will be completed in December 2018	45,414	112,640	100%	112,640
Shanghai Mingfa Shopping Mall	Located in Hu Yi Highway East, Baiyin Road of South, Boundary of West, Gaotai Road North, Shanghai	Dec/2019	Commercial	Completion certificate had been granted for GFA of 39,459 sq.m. in December 2016. The remaining GFA of 121,079 sq.m. will be completed in December 2019	53,779	152,733	100%	152,733
Pingliang Mingfa European City	Located in Water bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Dec/2021	Residential	Approximately 75% of construction has been completed	117,594	122,163	60%	73,298
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2021	Residential/ Commercial	Completion certificate had been granted for GFA of 74,461 sq.m. in December 2016. The remaining GFA of 843,189 sq.m. will be completed in December 2020	285,594	799,515	100%	799,515
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2020	Residential	Approximately 65% of construction has been completed	332,335	708,157	80%	566,526
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caipei Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completion certificate had been granted for GFA of 244,877 sq.m. in December 2017. The remaining GFA of 10,484 sq.m. will be completed in December 2019	115,876	132,489	100%	132,489
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2021	Commercial	Approximately 60% of construction has been completed	209,048	418,096	100%	418,096
Nanjing Mingfa Wealth Center	Located in NewCity Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Commercial/Office	Approximately 50% of construction has been completed	56,694	283,470	100%	283,470
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completion certificate had been granted for GFA of 108,384 sq.m. in December 2017. The remaining GFA of 734,805 sq.m. will be completed in December 2020	132,937	255,552	51%	85,150

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Approximately 75% of construction has been completed	58,914	154,394	51%	78,741
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2019	Residential/ Commercial	Approximately 75% of construction has been completed	298,289	709,903	100%	709,903
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2021	Residential/ Commercial	Approximately 35% of construction has been completed	489,567	1,395,484	100%	1,395,484
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Dec/2021	Residential/ Commercial	Approximately 40% of construction has been completed	276,120	767,912	100%	767,912
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Approximately 70% of construction has been completed	19,190	122,373	100%	122,373
Guang'an Mingfa Mall (GC2013-45 Block)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2020	Residential/ Commercial	Approximately 50% of construction has been completed	76,153	382,692	100%	382,692
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City	Jan/2018	Residential/ Commercial	Completion certificate had been granted for GFA of 27,347 sq.m. in December 2017	14,287	27,347	100%	27,347
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen	Dec/2018	Commercial	Approximately 55% of construction has been completed	4,109	12,320	100%	12,320
Nanjing Mingfa Yuejingyuan (G07)	Located at Pukou south along the mountain road, east side Nanjing University of Technology	Oct/2018	Commercial	Completion certificate had been granted for GFA of 89,947 sq.m. in October 2017	31,455	89,947	100%	89,947
Jinzhai Mingfa City Square (Plot E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/ Commercial	Approximately 70% of construction has been completed	203,406	464,274	100%	464,274
Shandong Zibo World Trade Center	Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2021	Residential/ Commercial	Approximately 45% of construction has been completed	147,371	618,958	100%	618,958
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2021	Residential/ Commercial	Approximately 60% of construction has been completed	154,024	462,072	100%	462,072
Zhangzhou Longhai Mingfa Mall (2011G15 · 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jun/2021	Residential	Approximately 40% of construction has been completed	63,127	189,381	100%	189,381
Zhongao Town Buliding	Located at south of Xiang'an District, Xiamen, Fujian Province	Dec/2019	Commercial	Approximately 40% of construction has been completed	11,870	98,104	51%	50,033
Jinzhai Mingfa City Square (Plot AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/ Commercial	Approximately 40% of construction has been completed	111,142	162,164	100%	162,164
Mingfa Mingbo Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2019	Residential/ Commercial	Approximately 40% of construction has been completed	101,504	171,950	100%	171,950

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Nanjing Mingfa Yueshanyuefu (G86)	Pukou Jiangpu street angle at University Avenue and Flower Industry	Dec/2019	Residential	Approximately 40% of construction has been completed	72,280	79,508	100%	79,508
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Mar/2020	Residential	Approximately 35% of construction has been completed	109,452	240,794	100%	240,794
Nanjing Ming Hong Xin Yue City (G42)	Located in along the street High and New Technology Industrial Development Zone, Nanjing, Jiangsu Province	Nov/2022	Commercial	Approximately 30% of construction has been completed	27,428	82,283	40%	32,913
Taoyuan Mansion	Located at Xianghe Town , Quanjiao, Anhui Province	Mar/2020	Residential	Approximately 30% of construction has been completed	18,099	30,768	100%	30,768
Taoyuan Mingzhu	Located in Shengzhou Road, Chizhou, Anhui Province	Jun/2021	Residential	Approximately 25% of construction has been completed	99,943	159,909	100%	159,909
New project in Sihong 2017-A04	Located in Radish Li Road East, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Mar/2020	Residential/ Commercial	Approximately 20% of construction has been completed	84,200	193,660	100%	193,660
Jinse Shui'an	Located in north side of Huaihe Road, Jinhu County, Huanan, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 20% of construction has been completed	289,236	336,769	100%	336,769
Taoyuan Xi'an	Located in Gushi Town, Dangtu County, Anhui Province	Dec/2020	Residential/ Commercial	Approximately 25% of construction has been completed	24,439	39,103	100%	39,103
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Approximately 25% of construction has been completed	43,868	74,576	100%	74,576
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2021	Residential/ Commercial	Vacant	613,287	1,665,440	100%	1,665,440
New project in Nanjing Pukou G20	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2021	Commercial	Vacant	62,015	446,246	80%	356,997
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Jun/2020	Residential/ Commercial	Vacant	36,590	62,202	100%	62,202
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Apr/2020	Residential	Vacant	66,262	132,524	100%	132,524
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Apr/2020	Residential	Vacant	55,481	83,222	100%	83,222
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Laian County, Anhui Province	Dec/2020	Residential/ Commercial	Vacant	65,335	163,337	70%	114,336
Sub-total					6,593,466	14,409,473		13,737,230

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Properties with land use rights certificate for future development (Note 3)								
Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Jun/2021	Industrial	Vacant	41,434	103,585	100%	103,585
Lanzhou Mingfa Zhongke Ecological Park	Located in Weijia Village of Southwest, Gansu Province	Dec/2021	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan 54 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2021	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan 169 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2021	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Young Street, Heping District, Shenyang, Liaoning Province	Dec/2021	Commercial	Vacant	5,468	54,677	100%	54,677
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Jun/2021	Residential/ Commercial	Vacant	119,154	238,308	100%	238,308
New project in Nanjing Pukou G22	Located in Puzhu Road, Jiangpu street, Pukou District, Nanjing, Jiangsu Province	Dec/2020	Commercial	Vacant	26,530	66,325	100%	66,325
Guang'an Mingfa City complex Project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guanan, Sichuan Province	Dec/2021	Residential/ Commercial	Vacant	76,363	305,452	100%	305,452
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2021	Residential	Vacant	235,526	423,948	100%	423,948
New project in Nanjing Pukou G30	Located at Pukou north of Nanjing University of Technology, south along the mountain road	Jun/2020	Commercial	Vacant	32,843	59,117	100%	59,117
New project in Nanjing Pukou 2014GY04 · 2016GY020	Located in the channel of Science and Technology Industrial Park, Pukou district, Nanjing, Jiangsu Province	Feb/2021	Industrial	Vacant	119,564	95,652	100%	95,652
New project in Zhangpu 2017SG15	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	May/2022	Residential/ Commercial	Vacant	46,885	204,457	100%	204,457
New project in Wuhu FT1714	Located in New City east of Chengdong, Fanchang County, Wuhu City, Anhui Province	May/2022	Residential	Vacant	64,607	129,214	100%	129,214
Mingfa Huguangshanse Yihao	Located at Xiangquan Town Maanshan, Anhui Province	May/2020	Residential/ Commercial	Vacant	68,688	82,426	100%	82,426
	Located at Xiangquan Town Maanshan, Anhui Province	May/2020	Residential/ Commercial	Vacant	63,674	76,409	100%	76,409
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Maanshan, Anhui Province	May/2021	Residential	Vacant	108,972	108,972	100%	108,972
Sub-total					2,411,315	3,391,895		2,719,720

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (Sq.m.) (Notes)	Approximate Leasable and Saleable GFA (Sq.m.)	Group's Interest (Sq.m.)	Attributable GFA (Sq.m.)
Properties with signed land use rights contract for future development (Note 4)								
Hong Six highway rebuilding Project	Located at Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2022	Residential/ Commercial	Vacant	22,784	92,298	100%	92,298
Zhangzhou Longhai Mingfa Mall (2011G16,2012G13,2012G14 Phase 3)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2022	Residential	Vacant	105,188	315,564	100%	315,564
New project in Lianyungang 2017G04	Located in east side of Silver Beach Road, Qingkou Town, Lianyungang, Jiangsu Province	Apr/2021	Residential	Vacant	50,458	75,687	49%	37,087
New project in Maanshan Mingkun	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential	Vacant	222,285	603,154	100%	603,154
New project in Maanshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Industrial	Vacant	31,258	46,888	100%	46,888
New project in Maanshan Mingshu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential	Vacant	179,980	539,941	100%	539,941
New project in Maanshan Mingnan	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential/ Commercial	Vacant	114,945	336,206	100%	336,206
New project in Maanshan Mingzhao	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential	Vacant	71,080	213,241	100%	213,241
New project in Maanshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential/ Commercial/ Industrial	Vacant	169,934	328,534	100%	328,534
New project in Maanshan Mingzhang	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential	Vacant	22,491	78,719	100%	78,719
New project in Jinzhai (Plot 40 · 41)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Jun/2020	Residential/ Commercial	Vacant	133,332	252,883	100%	252,883
南京明發龍威建築科技有限公司	Located in High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2020	Industrial	vacant	88,780	32,965	55%	18,131
Sub-total					1,212,517	2,916,080		2,862,645
Total Land Bank					13,244,863	22,948,452		21,364,422

Notes:

- Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2017.
- Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2017.
- The site area is in respect of the whole property (regardless of GFA that have been sold).
- The approximate leasable and saleable GFA have excluded the GFA that have been sold/leased.

SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2017:

Property Name	Location	Existing Usage	Attributable GFA (Sq.m.)	Term of Leases with Tenants	Percentage of Interest in the Properties Attributable to the Group
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming district, Xiamen, Fujian Province.	Commercial	112,058	8–20 years	70%–100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province.	Commercial	1,123	5–6 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai district, Nanjing, Jiangsu Province.	Commercial	135,436	10–15 years	100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an district, Xiamen, Fujian Province.	Industrial	62,131	18 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan village, Pukou district, Nanjing, Jiangsu Province.	Commercial	37,449	3–9 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No. 2 Honglian Road West, Siming District, Xiamen, Fujian Province.	Industrial	11,588	8–15 years	100%

Property Name	Location	Existing Usage	Attributable GFA (Sq.m.)	Term of Leases with Tenants	Percentage of Interest in the Properties Attributable to the Group
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming district, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xindu Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao town, Huishan district, Wuxi, Jiangsu Province	Commercial	4,687	15–20years	70%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang district, Hefei, Anhui Province	Commercial	147,484	15–20 years	100%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	2,355	5 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	57,821	15 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%

Property Name	Location	Existing Usage	Attributable GFA (Sq.m.)	Term of Leases with Tenants	Percentage of Interest in the Properties Attributable to the Group
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province.	Commercial	70,742	Under construction	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	46,782	3 years	100%
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	1,860	3 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,859	15.5 years	100%
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing.	Residential/ Commercial	14,640	3–10 years	100%
Jinzhai Mingfa City Square (G地块)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	7,200	8 years	100%
Total			928,307		

Properties to be Completed in 2018

Set out below are the properties expected to be completed by the Group in 2018. The total GFA for such properties available for sale/leasing by the Group upon completion will be approximately 1,706,770 sq.m. including those already pre-sold as at 31 December 2017.

Property	Expected Completion Date	Usage	GFA Available for Sales/ Leasing (sq.m.)	Percentage of interest in the property attributable to the Group
Zhenjiang Mingfa Xinjinyuancheng	Jan/2018	Residential/ Commercial	27,347	100%
Wujiang Mingfa Jiangwan New City	Feb/2018	Residential/ Commercial	269,628	100%
Nanjing Rong Li	Jun/2018	Residential/ Commercial	92,179	51%
Xiamen Mingfeng Town	Jul/2018	Residential/ Commercial	122,737	100%
Tianjin Binhai Mingfa Shopping Mall	Jul/2018	Residential/ Commercial	68,620	100%
Nanjing Dream Garden	Jul/2018	Residential/ Commercial	135,954	100%
Jinzhai Mingfa City Square	Aug/2018	Residential/ Commercial	507,180	100%
Beijing Mingfa Mall	Oct/2018	Residential/ Commercial	112,502	100%
Nanjing Mingfa Yuejingyuan	Oct/2018	Residential/ Commercial	89,947	100%
Shangdong Zibo World Trade Centre	Nov/2018	Residential/ Commercial	173,744	100%
Taizhou Mingfa International Mall	Dec/2018	Residential/ Commercial	106,932	100%
Total			<u>1,706,770</u>	

ACQUISITION FRAMEWORK AGREEMENTS

As at 31 December 2017, the Group entered into 10 uncompleted memoranda of understanding (the “MOU(s)”) with various local governmental bodies of the PRC after being approached by them in relation to various urban renewal and redevelopment programs in different cities and locations. All MOUs were signed in or before 2014. These MOUs are not legally-binding and there is no assurance that the Group will be granted the land use rights after signing of the MOUs. On the contrary, the MOUs only set out the parties’ intention of cooperation in the future development of land and the Group still has to go through the public tender, auction or listing-for-sale procedures pursuant to the relevant PRC rules and regulations in order to obtain the land use rights from the PRC governmental authorities for such lands. Notwithstanding that, the Company considers these as opportunities for the Group to establish a closer strategic and working relationship with the relevant PRC governmental authorities which are in the interest and to the benefit of the Group in the long run. Summary of these MOUs and the related projects are listed as follows:

Project Name	Location	Date of MOU	Site Area (sq.m.)	GFA (sq.m.)	Note
Huai’an Mingfa International Industrial Material Park and Mingfa International Town	Huai’an City, Jiangsu Province	28-Nov-07	666,670	1,180,219	(1)
Shenyang Creative Park	Shenyang City, Liaoning Province	28-Jan-10	912,005	2,000,000	(2)
Shenyang Residential and Commercial Complex Project	Shenyang City, Liaoning Province	28-Jan-10	142,800	714,000	(3)
Panjin Mingfa City Square	Panjin City, Liaoning Province	20-Oct-10	427,332	1,281,996	
Jiangsu Taizhou Mingfa City Complex Project	Taizhou City, Jiangsu Province	22-Dec-10	1,466,674	3,666,685	(4)
Shenyang Mingfa Integrated Science and Technology Park	Shenyang City, Liaoning Province	23-Sep-11	1,344,007	1,830,000	(5)
Nanjing Software Park Starting Area Project	Nanjing City, Jiangsu Province	14-Jan-12	220,001	800,000	
Nanjing Zijin (Pukou) Technology Entrepreneurship Special Community 2# Block Project	Nanjing City, Jiangsu Province	9-Oct-12	200,001	800,000	

Project Name	Location	Date of MOU	Site Area (sq.m.)	GFA (sq.m.)	Note
Nanjing Software Valley Technology City Project	Nanjing City, Jiangsu Province	6-Dec-12	106,667	373,335	(6)
Anhui Hexian Wujiang New Town	Maanshan City, Anhui Province	28-Apr-13	2,000,010	7,000,035	(7)
Total			<u>7,486,167</u>	<u>19,646,270</u>	

Notes:

- (1) The Group had acquired 3 plots of land in 2010 and 2011 under the MOU signed on 28 November 2007. The land is located at Weihai East Road, Shenzhen South Road, and east of Guangzhou Road respectively in Huai'an. Total land area and GFA is approximately 184,455 sq.m. and approximately 420,370 sq.m. respectively.
- (2) The Group had acquired 1 plot of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 154,024 sq.m. and approximately 462,072 sq.m. respectively.
- (3) The Group had acquired 2 plots of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 61,222 sq.m. and approximately 306,110 sq.m. respectively.
- (4) The Group had acquired 5 plots of land under the MOU signed on 22 December 2010. One plot of the land is located at west of Machang Zhonggou and south of Huangang Avenue in Taizhou and the other is located at east of Diaodong Zhonggou and south of Huangang Avenue in Taizhou. Total land area and GFA is approximately 529,526 sq.m. and approximately 832,637 sq.m. respectively.
- (5) The Group had acquired 2 plots of land under the MOU signed on 23 September 2011. The land is located at Zaohua Street, Guan Jia Village, Yuhong District, Liaoning Province. Total land area and GFA is approximately 235,526.47 sq.m. and approximately 423,947.63 sq.m. respectively.
- (6) The Group had acquired 1 plot of land under the MOU signed on 6 December 2012. The land is located at west of Software Park, Gaoxin District, Nanjing, Jiangsu Province. Total land area and GFA is approximately 11,244 sq.m. and approximately 67,465 sq.m. respectively.
- (7) The Group had acquired 47 plots of land under the MOU signed on 28 April 2013. The land is located at New City, Mei Shan Town, Jinzhai Country, Hefei, Anhui Province. Total land area and GFA is approximately 1,401,143 sq.m. and approximately 3,770,826 sq.m. respectively.

PROSPECTS

Looking forward to 2018, the regulatory policies will continue to be imposed on the real estate market, and the funding environment is expected to remain tight. Following the national strategic plans such as Yangtze Economic Belt, it is expected that certain cities in the Belt Area become more important in promoting regional economic interaction and resources integration.

Being an active participant and long established entity in Jiangsu and Anhui Province, the Group is expected to be benefited from the Belt Strategies. As at 31 December 2017, the Group had 21% and 41% of land bank in Jiangsu and Anhui Province respectively which is expected to have promising returns in the future.

The Group will continue to apply a coherent and prudent land acquisition strategy for further replenishment of selected quality land parcel in 2018. The land reserves of the Group increased by 17.6% to 21.4 million sq.m in 2017, which is expected to be sufficient for projected growth for seven to eight years. Looking ahead, the Group remains focused on capturing the opportunities presented by the market trends and government policies to optimize the regional layout of property projects.

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2017, revenue generated by the Group was approximately RMB10,071.4 million (2016: approximately RMB5,089.7 million), representing an increase of 97.9% as compared to 2016. The increase in revenue in 2017 was mainly due to the increase in the GFA delivered from 674,347 sq.m. in 2016 to 1,029,065 sq.m. in 2017. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Properties					Total	Percentage of Increase/ (Decrease)
	Commercial Properties (RMB' million)	Residential Properties (RMB' million)	Investment and Management (RMB' million)	Hotel (RMB' million)	Others (RMB' million)		
2017	548.6	9,030.1	257.1	226.2	9.4	10,071.4	97.9%
2016	286.0	4,385.6	231.8	185.2	1.1	5,089.7	67.4%

Revenue from the properties sector contributed 95.1% in total to the Group's revenue. Revenue from the commercial properties sector increased by 91.8% which was primarily due to more commercial properties in Nanjing Mingfa New City Finance Building delivered in 2017. Revenue generated from the residential properties sector increased for 105.9% in 2017 as compared to 2016. The main reason was more newly completed properties in Nanjing delivered to the buyers in 2017.

Revenue from the properties investment and management sector increased by 10.9%, which was mainly due to the regular rental adjustment.

Income generated from hotel sector increased by 22.1% from approximately RMB185.2 million to approximately RMB226.2 million. It was mainly due to the opening of a new hotel in Zhangzhou.

The gross profit of the Group was approximately RMB2,418.2 million for 2017, representing an increase of 110.7% as compared to 2016 (2016: approximately RMB1,147.5 million). The gross profit for 2017 increased primary as a result of the revenue growth.

The profit for the year of the Group increased by 1.0% from approximately RMB1,174.2 million in 2016 to approximately RMB1,185.5 million in 2017. There was immaterial change in profit despite the increase in revenue of 97.9%. The major reason was due to the reversal of over-provided LAT arisen from Xiamen Mingfa Shopping Mall in 2016 but no such reversal in 2017.

The profit attributable to the equity holders of the Company was approximately RMB1,024.2 million for 2017, representing a decrease of approximately RMB145.2 million or approximately 12.4% from 2016 (2016: approximately RMB1,169.4 million). It was mainly due to the decrease in the reversal of over-provided LAT in Xiamen Mingfa Shopping Mall in 2017.

The cost of sales of the Group was approximately RMB7,653.2 million for 2017, representing an increase of 94.1% as compared to 2016 (2016: approximately RMB3,942.2 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB6,765.6 per sq.m. for 2017, representing an increase of 28.3% over 2016 (2016: average cost of properties included in cost of sales was RMB5,273.3 per sq.m.). The main reason was due to the higher land cost of Nanjing properties which were delivered in 2017.

Fair value gains on investment properties increased by 5.7% to approximately RMB312.0 million (2016: approximately RMB295.2 million). The gain was mainly to due to the additional investment properties in 2017.

Other gains was approximately RMB192.7 million in 2017 compared to an other loss of approximately RMB352.3 million in 2016. Such change was mainly due to the exchange gain arisen from the offshore loans nominated in USD in 2017.

Selling, general and administrative expenses and other operating expenses of the Group were approximately RMB1,149.5 million in 2017, representing an increase of approximately 22.8% over 2016 (2016: approximately RMB935.7 million). The increase was mainly due to the additional business tax incurred for the sales increase in 2017.

Net finance income of the Group decreased by 19.7% to approximately RMB100.5 million in 2017 (2016: approximately RMB125.1 million). The decrease was due to drop in cash balance in 2017 so that the interest income decreased accordingly. On the other hand, all interest expenses had been capitalised in 2017 and 2016.

CAPITAL STRUCTURE

As at 31 December 2017, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB2,849.2 million (31 December 2016: approximately RMB2,290.1 million). Restricted cash of the Group was approximately RMB366.4 million (31 December 2016: approximately RMB1,382.9 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB10,254.1 million and RMB2,611.1 million respectively (31 December 2016: approximately RMB9,148.7 million and RMB3,440.2 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2017.

Total interest expenses including the capitalised interest costs amounted to approximately RMB991.6 million (31 December 2016: approximately RMB1,030.6 million) in total.

Set out below are the major ratios of the Group:

	As at and for the year ended	
	31 December	
	2017	2016
Gross profit margin	24.0%	22.5%
Operating profit margin	17.6%	3.0%
Net profit margin	11.8%	23.1%
Current ratio	1.08	1.08
Total liabilities to total assets	78.6%	78.3%
Bank loans and other borrowings to shareholders' funds	95.5%	101.2%
Non-current bank loans and other borrowings to total assets	3.9%	5.6%
Gearing ratio*	40.1%	43.7%

* Defined as net debt (total borrowings less cash and cash equivalents and cash restricted for borrowings) divided by the sum of shareholders' funds and net debt

PLEDGES OF ASSETS

As at 31 December 2017, investment properties of the Group with net book value of approximately RMB2,630.5 million (31 December 2016: approximately RMB2,610.5 million), buildings of approximately RMB405.4 million (31 December 2016: approximately RMB430.9 million), land use rights of approximately RMB4,586.1 million (31 December 2016: approximately RMB4,282.5 million), completed properties held for sale of approximately RMB2,178.2 million (31 December 2016: approximately RMB1,369.2 million) and properties under development of approximately RMB1,794.9 million (31 December 2016: approximately RMB2,824.9 million). Cash deposits of approximately RMB366.3 million (31 December 2016: approximately RMB1,382.9 million) were restricted and deposited in certain banks as security for project construction.

CAPITAL COMMITMENTS

As at 31 December 2017, the contracted capital commitments of the Group were approximately RMB7,397.5 million (31 December 2016: approximately RMB8,929.5 million), which were mainly the capital commitments for property development. It is expected that the Group will finance such commitments from internally generated funds and resources.

GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2017, the contingent liabilities of the Group was approximately RMB5,530.1 million (31 December 2016: approximately RMB5,093.1 million), which were mainly the guarantees given by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties. Such guarantees will be released following completion of transfer of property title by the Group to the buyers.

FOREIGN EXCHANGE RISK

As at 31 December 2017, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, Hong Kong dollars and US dollars in the respective proportions of 93.4%, 0.1% and 6.5% (31 December 2016: Renminbi, Hong Kong dollars and US dollars accounted for 91.3%, 0.4% and 8.3% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars in respective proportions of 73.0%, 5.8%, 20.4% and 0.8% (31 December 2016: Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars accounted for 61.6%, 9.4%, 28.5% and 0.5% respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2017 were made mainly in Renminbi, Hong Kong dollars and US Dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US Dollars, the Group will convert the Hong Kong dollars and US dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2017, and the Group believes that the foreign exchange risk exposed by the Group was relatively minimal.

INTEREST RATE RISK

As at 31 December 2017, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, Hong Kong dollars and US dollars, whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

FUNDING AND TREASURY POLICY

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

CREDIT POLICIES

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitors these deposits and advances to ensure actions are taken to recover these balances in the case of any risk of default.

HUMAN RESOURCES

As at 31 December 2017, the Group employed 3,097 staff (31 December 2016: 2,459 staff). There was an increase of 25.9% in number of staff due to more staff was recruited in the new project companies. For 2017, the staff costs of the Group including Directors' emoluments were approximately RMB361.3 million (2016: approximately RMB319.8 million). The increase in staff costs was mainly due to increase in number of staff from 2,459 in 2016 to 3,097 in 2017. The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

The Company values human capital and is keen to improve the professionalism and competitiveness of employees through training and regular performance reviews. The Group provides various training opportunities to employees, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once every year for its employees, the results of which will be applied in annual salary review for considering the grant of

annual bonus or not and in promotion assessment. The Group also studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. During the year ended 31 December 2017, all code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) were fulfilled by the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors’ securities transactions on terms no less than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and the Company’s code of conduct regarding the Directors’ securities transactions throughout the year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

(a) Senior notes and bonds

(i) Senior notes with principal amount of US\$100,000,000, interest rate at 13.25 per cent and due date in 2018 (“2018 Notes”)

On 1 February 2018, the 2018 Notes which were issued on 1 February 2013 were redeemed.

(ii) Bonds with principal amount of US\$200,000,000, interest rate at 15 per cent and due date in 2020 (“2020 Bonds”)

On 16 January 2019, the 2020 Bonds were issued.

(iii) Bonds with principal amount of US\$200,000,000, interest rate at 11 per cent and due date in 2019 (“2019 Bonds”)

The 2019 Bonds were issued on 17 January 2018 and redeemed on 16 January 2019.

(b) Acquisition of a subsidiary

On 7 August 2018, the Group completed an acquisition of 50% equity interest in a PRC entity Nanjing Zhaofu International Golf Club Co., Ltd at a cash consideration of approximate RMB210,000,000.

(c) Disposal of a subsidiary

On 4 April 2019, the Group and an independent third party buyer entered into an Equity Transfer and Cooperation Agreement pursuant to which, the Group agreed to sell and the buyer agreed to buy the Group’s 51% equity interests in subsidiaries, which have obtained the land use rights in relation to the project sites located in Silianpian District, Wujiang Town, He Country, Maanshan City, Anhui Province of a total gross floor area of 1,888,000 square metres, for the consideration of RMB2,792,000,000 (equivalent to HKD3,262,000,000). Upon completion of the Equity Transfer, the Group will hold 49% equity interests in these subsidiaries and the Group and the buyer shall cooperate to develop the project. Details are disclosed in the Company’s announcement date 4 April 2019.

AUDIT COMMITTEE

The Audit Committee comprises of all independent non-executive directors of the Company, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Dr. Lam, Lee G. The duties of the Audit Committee include making recommendations to the Board in relation to the independency and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed the annual results and consolidated financial statements of the Group for the year ended 31 December 2017. The figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2017 as set out in this announcement have been agreed by the Company’s auditor, BDO Limited, to the amounts set out in the Group’s consolidated financial statements for the year.

PUBLICATION OF ANNUAL REPORT

The 2017 annual report of the Company will be despatched to the shareholders of the Company and published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ming-fa.com>) in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1 April 2016 and will remain suspended until further notice.

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

Hong Kong, 28 June 2019

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	<i>Mr. Wong Wun Ming, Mr. Huang Qingzhu, Mr. Huang Lianchun and Mr. Huang Li Shui</i>
<i>Independent Non-Executive Directors:</i>	<i>Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Dr. Lam, Lee G.</i>